

City of Hartford, Connecticut

Federal and State Financial
and Compliance Reports
Year Ended June 30, 2014

Contents

Report Required by the Federal Single Audit Act and

OMB Circular A-133

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133.....	1-2
Schedule of Expenditures of Federal Awards.....	3-5
Notes to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs.....	7-8
Summary of Prior Year's Audit Findings	9

Report Required by Government Auditing Standards

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10-11
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Report Required by the Connecticut State Single Audit Act

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	12-13
Schedule of Expenditures of State Financial Assistance.....	14-16
Notes to Schedule of Expenditures of State Financial Assistance	17
Schedule of State Single Audit Compliance Findings and Questioned Costs	18-19
Summary of Prior Year Audit Findings.....	20



**Report on Compliance for Each Major Federal Program; Report on Internal Control
Over Compliance; and Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133**

Independent Auditor's Report

To the Honorable Mayor and Members
of the Court of Common Council
City of Hartford, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the City of Hartford, Connecticut's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We issued our report thereon dated January 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut
January 23, 2015

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 2,345,910
National School Lunch Program	10.555	12060-SDE64370-20560	8,430,845
Child Nutrition Summer Lunch Program	10.559	12060-SDE64370-20540	236,421
Total Child Nutrition Cluster			11,013,176
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	120,685
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	206,433
Direct Programs:			
Home Care CACFP	10.558	N/A	395,768
Passed through the State of Connecticut			
Department of Public Health:			
Women, Infant and Children (WIC) 10/10-9/11	10.557	ID20892 & DPH LOG2013-0051/WIC	1,330,020
WIC Food Benefits 2014-Non cash	10.557	Non-contract	5,511,597
Total WIC Cluster			6,841,617
Total U.S. Department of Agriculture			18,577,679
U.S. Department of Education			
Passed through the State of Connecticut			
Department of Education:			
Title I Cluster:			
Title I Programs - Local Educational Agencies - 12-14	84.010A	12060-SDE64370-20679	663,079
Title I Programs - Local Educational Agencies - 12-14	84.010A	12060-SDE64370-20679	3,908,387
Title I Programs - Local Educational Agencies - 13-15	84.010A	12060-SDE64370-20679	10,935,469
Total Title I Cluster			15,506,935
Carl Perkins Vocational and Technical Education - Basic Grants to State	84.048A	12060-SDE64370-20742	437,215
Special Education Cluster:			
IDEA, Part B Section 619 - 12-14	84.173A	12060-SDE64370-20983	12,752
IDEA, Part B Section 619 - 13-15	84.173A	12060-SDE64370-20983	156,591
IDEA, Part B Section 611 - 12-14	84.027A	12060-SDE64370-20977	808,992
IDEA, Part B Section 611 - 13-15	84.027A	12060-SDE64370-20977	5,318,701
Total Special Education Cluster			6,297,036
ARRA School Improvement Grant	84.377	12060-SDE64370-29064	217,628
Support for Pregnant and Parenting Teens	N/A	12060-SDE64370-22439	48,020
Title III, Part A - English Language - 12-14	84.365A	12060-SDE64370-20868	18,692
Title III, Part A - English Language - 13-15	84.365A	12060-SDE64370-20868	510,493
Education of Homeless Children and Youth - 12-14	84.196	12060-SDE64370-20770	19,723
Education of Homeless Children and Youth - 13-14	84.196	12060-SDE64370-20770	17,727
Title II, Improving Teacher Quality - 12-14	84.367A	12060-SDE64370-20858	872,118
Title II, Improving Teacher Quality - 13-15	84.367A	12060-SDE64370-20858	2,207,495
Choosing to Succeed	N/A	S360A1000068	2,803,186
Total U.S. Department of Education			28,956,268
U.S. Department of Transportation			
Direct Programs:			
FTA-Federal Transit Administration	20.514	N/A	148,586
Hartford Birds Habitat	15.563	N/A	30,222
Passed through the State of Connecticut			
Department of Transportation:			
Highway Planning and Construction	20.205	12062-DOT57141-22108	7,923
Total U.S. Department of Transportation			186,731

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Commerce			
Direct Programs:			
Strong Cities, Strong Communities	11.309	N/A	\$ 36,852
Total U.S. Department of Commerce			<u>36,852</u>
U.S. Department of Health and Human Services			
Direct Programs:			
Ryan White Part A 3/13-2/14	93.914	N/A	2,257,359
Ryan White Part A 3/14-2/15	93.914	N/A	1,018,415
Total			<u>3,275,774</u>
Healthy Hartford Campaign Account	93.365	HHSP233200900522P	1,776
Teen Pregnancy & STD/HIV Prevention 9/12-9/13	93.297	N/A	425,166
Teen Pregnancy & STD/HIV Prevention 9/11-9/12	93.297	N/A	520,173
Total			<u>945,339</u>
			<u>4,222,889</u>
Passed through the State of Connecticut			
Department of Public Health:			
Public Health Preparedness	93.069	SID22333 DPH LOG2012-1077/PHP	59,673
Vaccines - Non Cash	93.268	NON-CONTRACT	16,775
Immunization Action Plan 1/14 - 12/14	93.268	SID20911 LOG2012-0124	114,120
Total			<u>130,895</u>
Federal Healthy Start	93.926	SID22348&DPH LOG2010-0188-1	156,000
HIV Prevention	93.940	SID22511&12236	176,586
Sexually Transmitted Diseases	93.991	SID20980 LOG2010-0012-3/STD&TB	75,471
Ryan White - MHIS Careware	93.914	Pass thru	7,000
Ryan White - MHIS Careware	93.914	Pass thru CHCAC	7,114
Total			<u>14,114</u>
School-Based Health Clinics	93.994	DPH LOG 2011-0112	2,055,626
Hepatitis/HPV Vaccines	93.539	SID22483 & DPH LOG2010-0012-4/STD&TB	60,153
			<u>2,115,779</u>
Passed through the Massachusetts			
Department of Public Health:			
Center for Disease Control Grant	93.991	VC6000202053	10,786
Total U.S. Department of Health and Human Services			<u>6,962,193</u>
U.S. Department of Homeland Security			
Direct Programs:			
Citizenship Instruction	97.010	DUNS # 114932424	41,851
FEMA Passed through the United Way:			
Emergency Shelter McKinney-Utility	97.024	N/A	28,804
Total U.S. Department of Homeland Security			<u>70,655</u>
U.S. Institute of Museum & Library Services			
Direct Programs:			
IMLS 2012 Sparks Ignition Grant	45.312	N/A	22,491
IMLS Summer Learning	45.312	LG-07-10-0239-10	23,846
National Leadership Program 10/11-9/12	45.312	LG-07-10-0239-10	164,776
Total U.S. Institute of Museum & Library Services			<u>211,113</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2014

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
Lead Hazard Reduction Demonstration	14.905	N/A	\$ 1,103,412
Emergency Shelter Grants Program (ESG)	14.231	N/A	337,684
Home Investment Partnership Program	14.239	N/A	599,330
Section 8 Moderate Rehab	14.856	N/A	2,136,376
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	1,017,599
Section 8 Housing Choice Vouchers	14.871	N/A	45,446,475
			<u>50,640,876</u>
CDBG - Entitlement Cluster:			
Community Development Block Grant/Entitlement	14.218	N/A	3,271,794
ARRA CDBG Recovery Program (CDBG-R) B-09-MY-09-001	14.253	N/A	5,269
Total CDBG - Entitlement Cluster			<u>3,277,063</u>
Passed through the State of Connecticut Department of Housing:			
Neighborhood Stabilization-Acquisition	14.228	12060-DOH46930-22466	326,133
Neighborhood Stabilization-Redevelopment	14.228	12060-DOH46930-22466	230,000
Neighborhood Stabilization-Admin	14.228	12060-DOH46930-22466	34,385
			<u>590,518</u>
Total U.S. Department of Housing and Urban Development			<u>54,508,457</u>
U.S. Department of Environmental Protection			
Direct Programs:			
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	PRG-BF, DOC ID96135301	\$ 2,240
Federal Emergency Management Agency			
Direct Programs:			
Assist to Firefighter Fire Prevention	97.044	N/A	2
Safer Firefighter Staffing	97.044	N/A	1,920,871
Emergency Management Performance	97.042	N/A	122,372
Fire Prevention Safety- Safety Stove	97042	N/A	93,471
Total Federal Emergency Management Agency			<u>2,136,716</u>
U.S. Department of Justice			
Direct Programs:			
Cops Hiring Grant	16.710	N/A	725,090
Cops Hiring Grant	16.710	N/A	611,667
FY'10 JAG Grant	16.710	NA	47,877
			<u>1,384,634</u>
OJJDP Mentoring	16.541	N/A	14,948
FBI Safe Street	16.111	N/A	51,062
Hartford Resident Office DEA	16.111	N/A	32,066
FED US ATT	16.111	N/A	44,061
ATF Task Force OCDETF Reimb	16.111	N/A	17,216
			<u>144,405</u>
FY'11 JAG Grant	16.738	NA	235,234
FY'13 JAG Grant	16.738	NA	35,991
			<u>271,225</u>
CTFTF CT Fin'l Crime TF	N/A	N/A	1,681
CTVFTF Grant	N/A	N/A	24,034
Fed Seized & Forfeited Property Fund	16.922	N/A	86,331
Total U.S. Department of Justice			<u>1,927,258</u>
Total Federal Awards Expended			<u>\$ 113,576,162</u>

N/A – Not Available
See Notes to Schedule.

City of Hartford, Connecticut

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Hartford, Connecticut (the "City") under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in net position, changes in fund balances or changes in cash flows of the City.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule of are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Contributions

Donated commodities in the amounts of \$5,511,597 and \$16,775 are included in the Department of Agriculture's WIC program, CFDA # 10.557 and the Department of Public Health and Human Services' Vaccine program, CFDA # 93.268, respectively. These amounts represent the market value of commodities received.

Note 4. Subrecipients

Of the expenditures presented in the Schedule of Expenditures of Federal Awards, the City provided the following federal awards to subrecipients:

<u>Name of Program</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Section 8 Housing Choice Vouchers	14.871	\$45,446,475
Section 8 Moderate Rehab	14.856	2,136,376

City of Hartford, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported
- Noncompliance material to financial statements? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
84.010A	Title I Cluster
10.553 / 10.555 / 10.559	Child Nutrition Cluster
10.557	Women, Infant and Children (WIC)
14.871	Section 8: Housing Choice Vouchers
97.044	Safer Firefighter Staffing
93.994	School Based Health Clinics
14.905	Lead Hazard Reduction Demonstration
14.231	Emergency Shelter Grants Program (ESG)

Dollar threshold used to distinguish between
type A and type B programs

\$ 3,000,000

Auditee qualified as low-risk auditee?

 X Yes No

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

II. Financial Statement Findings

No matters reported.

III. Federal Award Findings and Questioned Costs

No matters reported.

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014**

Summary Schedule of Prior Audit Findings

Finding No. 2013-1

Condition:

The City issued checks the day after they were approved to be paid. The City included these checks on its outstanding check list and as a reconciling item on the bank reconciliation.

Current Status:

The finding has been corrected.

Finding No. 2013-2

Condition:

The City Treasury department wired funds to an unapproved vendor.

Current Status:

The finding has been corrected.

Finding No. 2013-3

Condition:

The City failed to submit certain payroll filings to the IRS on the required dates.

Current Status:

The finding has been corrected.



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government
Auditing Standards***

Independent Auditor's Report

To the Honorable Mayor and Members
of the Court of Common Council
City of Hartford, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hartford, Connecticut (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "McGladrey LLP". The signature is written in a cursive, flowing style.

New Haven, Connecticut
January 23, 2015



**Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of State Financial Assistance
Required by the State Single Audit Act**

Independent Auditor's Report

To the Honorable Mayor and Members
of the Court of Common Council
City of Hartford, Connecticut

Report on Compliance for Each Major State Program

We have audited the City of Hartford, Connecticut's (the "City") compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2014. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hartford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements. We issued our report thereon dated January 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



New Haven, Connecticut
January 23, 2015

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
OFFICE OF POLICY AND MANAGEMENT:		
Property Tax Disability Exemption	11000-OPM20600-17011	\$ 9,810
Property Tax Relief on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	705,721
Property Tax Relief for Manufacturing, Machinery, Equipment	11000-OPM20600-17031	281,563
Property Tax Relief for Elderly and Totally Disabled Homeowners/Circuit Breaker/Life Use Grant	11000-OPM20600-17018	337,119
Property Tax Relief for Veterans	11000-OPM20600-17024	55,050
Municipal Grants-in-Aid	12052-OPM20600-43587	1,334,719
Project Longevity	11000-OPM20350-17098	42,335
Municipal Aid Adjustment Grant	12052-OPM20660-43587	2,682,981
Municipal Video Competition	12060-OPM20600-35362	2,926,293
Local Capital Improvement Program	12050-OPM20600-40254	5,246,407
PILOT on State Owned Property	11000-OPM20600-17004	13,792,383
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	24,234,225
Total Office of Policy and Management		51,648,606
DEPARTMENT OF EDUCATION:		
Family Resource Center	11000-SDE64370-16110	627,000
Adult Education	11000-SDE64000-17030	1,874,956
Health Services	11000-SDE64370-17034	92,863
Bilingual Education	11000-SDE64370-17042	293,435
Priority School Districts - 13-14	11000-SDE64370-17043-82052	3,078,125
Priority School Districts - 13-15	11000-SDE64370-17043-82052	1,907,045
Extended School Hours	11000-SDE64000-17043-82054	404,347
Interdistrict Cooperative Grant	11000-SDE64370-17045	141,297
Youth Services Bureau	11000-SDE64000-17052	163,271
Youth Services Bureau-Enhancement	11000-SDE64370-16201	9,874
Open Choice	11000-SDE64370-17053	755,606
Magnet Schools	11000-SDE64370-17057	53,443,076
Magnet Great Path Academy	11000-SDE64370-12457	2,600,307
Magnet School Academic Support	11000-SDE64370-12457	91,441
Low Performing Schools - Capital Improvements	12052 43539	7,046
Wrap Around Grant	11000-SDE64370-17043	75,000
Alliance - Governors Turnaround - 12-14	11000-SDE64700-17041	321,288
Alliance - Governors Turnaround - 13-14	11000-SDE64700-17041	1,500,000
Alliance - Governors Turnaround - 13-15	11000-SDE64700-17041	7,524,842
Sheff Settlement	11000-SDE64370-12457	1,601,732
Sheff Settlement - Incubation Funds	11000-SDE64370-12052	2,113,926
Science Program for Edu Reform	11000-12543-82164	62,345
High Quality Schools & Common Core	12052-43538-82166	621,515
Immigrant & Youth Education	12060-20868-82076	113,448
Investing & Personal Finance Ed	12060-35351-84013	15,000
SERC Parent Leadership	N/A	20,985
Charter School Jumokey Academy	N/A	7,392,000
Charter School Achievement First	N/A	9,135,000
Program Improvement Project 7/10-6/11	N/A	3,913
Program Improvement Project 7/13-6/14	SID#20784	28,373
Summer School Accountability Grant	11000-SDE64000-17043	474,556
Owl Enrichment Center 7/13-6/15	SID #20863	121,155
RSCO Grant	SID #20784	22,281
School Readiness/Accreditation SUP	11000-SDE64000-170081-82056	1,125
Total Department of Education		96,638,173
DEPARTMENT OF LABOR		
CT Department of Labor Fines		419

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grants	12001-DOT57131-17036	\$ 1,205,202
Bus Operations	12001-DOT57931-12175	66,789
Colt Gateway Streetscape - Phase 1	N/A	274,234
Coltsville Streetscape	N/A	182,403
Comprehensive DUI Enforcement	N/A	31,546
Comprehensive DUI Enforcement	N/A	134,053
Farmington/Broad/Asylum Intersection	N/A	7,350
Traffic Calming	N/A	37,796
Total Department of Transportation	N/A	<u>271,230</u>
		<u>2,210,603</u>
EDUCATION AND SERVICES FOR THE BLIND:		
Services for the Blind	11000-ESB65020-12060	<u>3,748</u>
JUDICIAL DEPARTMENT:		
Juvenile Review Board	11000-JUD91178-16043	308,375
Local Prevention Council Grant	N/A	7,130
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	<u>51,792</u>
Total Judicial Department		<u>367,297</u>
CONNECTICUT STATE LIBRARY:		
Central Library Renovations	N/A	225,194
Historic Documents Preservation Grant	12060-CSL66094-35150	<u>9,500</u>
Total Connecticut State Library		<u>234,694</u>
DEPARTMENT OF SOCIAL SERVICES:		
Nurturing Families Network 1/1/12-12/31/14	SID12042 & CONTRACT12DSS8301EG	217,191
Emergency Shelter Grant McKinney CITY	N/A	143,535
Healthy Start 7/1/12-6/30/13	SID16105 & CONTRACT064-HUO-06/05DSS1001EG-A6	<u>305,855</u>
Total Department of Social Services		<u>666,581</u>
DEPARTMENT OF REVENUE SERVICES		
Non-Budgeted Operating Appropriation	34004-DCP18306-40001	<u>248,294</u>
DEPARTMENT OF PUBLIC HEALTH:		
Childhood Lead Poisoning Prevention	11000-DPH48664-10020	109,761
Comprehensive Cancer Planning	SID#21530 & CONTRACT 2012-0021-1 CFDA #93.991	38,530
Tuberculosis Control and Prevention	11000-DPH48666-16112	44,656
Per capita 7/1/2013-6/30/2014	11000-DPH48500-17009	166,137
Sexually Transmitted Disease Control	11000-DPH48665-17013	39,732
Ryan White MHIS Careware	11000-DPH 48854-12236	<u>7,000</u>
Total Department of Public Health		<u>405,816</u>
EMERGENCY SERVICES AND PUBLIC PROTECTION:		
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	104,890
Public Safety Telecommunication Services Reimbursement	N/A	112,916
Reimbursement for ICAC	N/A	143,212
Reimbursement for CTIC Participation	N/A	70,000
State Wide Narcotics TF	N/A	14,734
Emergency Operations Center Grant	N/A	213,708
2013 School Security Grant	N/A	5,500
911 Subsidy Grant	N/A	664,186
911 Enhancement Grant	N/A	13,330
Enhanced 911 Subsidy	N/A	67,056
Training Fund Grant	N/A	<u>11,998</u>
Total Emergency Services and Public Protection		<u>1,421,530</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Property Tax - 25 Sigourney	DASM1	<u>10,505</u>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
OFFICE OF EARLY CHILDHOOD		
ELC Child Care Asylum	N/A	\$ 418,035
ELC Child Care	11000-OEC64845-17101-82056	1,004,078
ELC School Readiness	11000-OEC64845-17101-82056	1,165,415
Quality Enhancement Grant	11000-OEC64845-17097	150,123
School Readiness	11000-OEC64845-17101-82056	10,831,322
Total Office of Early Childhood		13,568,973
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION:		
Cronin Park Improvement	N/A	23,315
Goodwin Park Fencing CSAP 2011-10	N/A	749
Batterson Park Improvements UGCG-15	N/A	47
Microgrid Pilot Program- Parkville	N/A	60,000
Microgrid Pilot Program Proposal	N/A	57,970
Total Department of Energy and Environmental Protection		142,081
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Tax Abatement Program	11000-ECD46400-17008	418,770
Payment in Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	488,583
Swift Factory Brownfield's Project	SID# 12052-46000-43236	33,006
Arts Catalyze Placemaking Program	N/A	44,778
Arts Grant: Burns Latino Studies Academy	2013 ACPI-20619	10,000
Downtown Housing Study	41233	133,236
Brownsfield - 120 Wyllys	21058	3,879
Brownsfield - Albany/Woodland	21058	448,620
Brownsfield - 111 Sigourney Street	21058	174,318
John Rogers	Proj#3400022017	2,355
Park Street Streetscape Phase III	12052-46000-43470	293,524
CCEDA II Home Ownership Appraisal GAP	12059-ECD46400-40577	162,176
Total Department of Economic and Community Development		2,213,245
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		169,780,565
EXEMPT PROGRAMS		
DEPARTMENT OF EDUCATION:		
Department of Education Public School Transportation	11000-SDE64000-17027	1,949,411
Education Cost Sharing	11000-SDE64000-17041	187,196,519
Excess Cost - Student Based	11000-SDE64000-17047	9,747,767
		198,893,697
DEPARTMENT OF ADMINISTRATIVE SERVICES:		
School Construction - Interest	13009-DAS64000-40896	127,901
School Construction - Progress Payment	13009-DAS64000-40901	32,309,780
School Construction - Principal	11000-DAS64000-17049	1,797,433
		34,235,114
OFFICE OF POLICY AND MANAGEMENT		
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	6,664,829
		6,664,829
Total Exempt Programs		239,793,640
TOTAL STATE FINANCIAL ASSISTANCE		\$ 409,574,205

See Notes to Schedule.

N/A=Not Available

City of Hartford, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of the City of Hartford, Connecticut ("the City"), under programs of the State of Connecticut for the year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, public safety, social services, public health, road construction, school construction, community development and general government. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position, changes in fund balance, and changes in net position or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2014:

Department of Environmental Protection

Clean Water Funds 21014-OTT4230-4001

Balance				Balance	
July 1, 2013		Issued		Retired	June 30, 2014
\$ 1,410,347	\$	-	\$	(88,182)	\$ 1,322,165

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

**I. Summary of Independent Auditor's Results
Financial Statements**

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: unmodified.

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? ☐ Yes ☒ No

The following schedule reflects the major programs included in the state single audit:

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education:		
Magnet Schools	11000-SDE64370-17057	\$ 53,443,076
High Quality Schools & Common Core	12052-43538-82166	\$ 621,515
Office of Early Childhood:		
School Readiness	11000-OEC64845-17101-82056	\$ 13,000,815
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on Private		
Colleges and General/Chronic Disease		
Hospitals	11000-OPM20600-17006	\$ 24,234,225
Municipal Grants-in-Aid	12052-OPM20600-43587	\$ 1,334,719
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	\$ 337,119
Property Tax Relief for Veterans	11000-OPM20600-17024	\$ 55,050
JUDICIAL DEPARTMENT:		
Juvenile Review Board	11000-JUD91178-16043	\$ 308,375
DEPARTMENT OF SOCIAL SERVICES:		
Emergency Shelter Grant McKinney CITY	N/A	\$ 143,535
DEPARTMENT OF TRANSPORTATION:		
Bus Operations	12001-DOT57931-12175	\$ 66,789

- Dollar threshold used to distinguish between Type A and Type B programs \$ 3,391,611

City of Hartford, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

II. Financial Statement Findings

No matters reported.

III. State Financial Assistance Findings and Questioned Costs

No matters reported.

City of Hartford, Connecticut

**Summary of Prior Year Audit Findings - State
For the Year Ended June 30, 2014**

Finding No. 2013-1

Condition:

The City issued checks the day after they were approved to be paid. The City included these checks on its outstanding check list and as a reconciling item on the bank reconciliation.

Current Status:

The finding has been corrected.

Finding No. 2013-2

Condition:

The City Treasury department wired funds to an unapproved vendor.

Current Status:

The finding has been corrected.

Finding No. 2013-3

Condition:

The City failed to submit certain payroll filings to the IRS on the required dates.

Current Status:

The finding has been corrected.