

# **City of Hartford, Connecticut**

Federal and State Financial and Compliance Reports  
Year Ended June 30, 2015

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**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, 2015. 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.

The City's basic financial statements include the operations of the Hartford Parking Authority, which did not receive any federal awards to be included in the schedule during the year ended June 30, 2015. Our audit, described below, did not include the operations of the Hartford Parking Authority because they engaged other auditors to perform an audit in accordance with *OMB Circular A-133*.

**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, 2015.

### **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, 2015, 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 28, 2016, 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.

*RSM US LLP*

New Haven, Connecticut  
January 28, 2016

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<b>Passed through the State of Connecticut</b>			
<b>Department of Administrative Services:</b>			
WIC Farmers' Market Nutrition Program	10.572	12060-DAG42710-20736	\$ 544
<b>Department of Education:</b>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	2,665,538
National School Lunch Program	10.555	12060-SDE64370-20560	9,228,617
Child Nutrition Summer Lunch Program	10.559	12060-SDE64370-20540	137,537
<b>Total Child Nutrition Cluster</b>			<b>12,031,692</b>
Child and Adult Care Food Program	10.558	12060-SDE64370-20518	61,138
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	181,800
<b>Direct Programs:</b>			
Home Care CACFP	10.558	N/A	446,410
<b>Passed through the State of Connecticut</b>			
<b>Department of Public Health:</b>			
Women, Infant and Children (WIC) 10/10-9/11	10.557	ID20892 & DPH LOG2013-0051/WIC	1,367,429
WIC Food Benefits 2014-Non cash	10.557	Non-contract	5,252,315
<b>Total WIC Cluster</b>			<b>6,619,744</b>
<b>Total U.S. Department of Agriculture</b>			<b>19,341,328</b>
<b>U.S. Department of Education</b>			
<b>Passed through the State of Connecticut</b>			
<b>Department of Education:</b>			
Title I Cluster:			
Title I Programs - Local Educational Agencies - 12-14	84.010A	12060-SDE64370-20679	275,733
Title I Programs - Local Educational Agencies - 13-15	84.010A	12060-SDE64370-20679	2,172,065
Title I Programs - Local Educational Agencies - 14-16	84.010A	12060-SDE64370-20679	11,079,191
Title I Programs - Local Educational Agencies - 14-15	84.010A	12060-SDE64370-20679	431,288
<b>Total Title I Cluster</b>			<b>13,958,277</b>
Carl Perkins Vocational and Technical Education - Basic Grants to State	84.048A	12060-SDE64370-20742	498,907
Special Education Cluster:			
IDEA, Part B Section 619 - 13-15	84.173A	12060-SDE64370-20983	41,916
IDEA, Part B Section 619 - 14-16	84.173A	12060-SDE64370-20983	191,559
IDEA, Part B Section 611 - 13-15	84.027A	12060-SDE64370-20977	530,053
IDEA, Part B Section 611 - 14-16	84.027A	12060-SDE64370-20977	5,709,401
<b>Total Special Education Cluster</b>			<b>6,472,929</b>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
<b>U.S. Department of Education (Continued)</b>			
<b>Passed through the State of Connecticut</b>			
<b>Department of Education (Continued):</b>			
Title III, Part A - English Language - 12-14	84.365A	12060-SDE64370-20868	38,768
Title III, Part A - English Language - 13-15	84.365A	12060-SDE64370-20868	528,680
Education of Homeless Children and Youth - 14-15	84.196	12060-SDE64370-20770	39,996
Title II, Improving Teacher Quality - 12-14	84.367A	12060-SDE64370-20858	645,510
Title II, Improving Teacher Quality - 13-15	84.367A	12060-SDE64370-20858	2,305,713
Choosing to Succeed	84.xxx	S360A1000068	2,668,903
<b>Total U.S. Department of Education</b>			<b>27,157,683</b>
<b>U.S. Department of Transportation</b>			
<b>Direct Programs:</b>			
FTA-Federal Transit Administration	20.514	N/A	78,436
Hartford Birds Habitat	15.563	N/A	6,510
<b>Total U.S. Department of Transportation</b>			<b>84,946</b>
<b>U.S. Department of Commerce</b>			
<b>Direct Programs:</b>			
Strong Cities, Strong Communities	11.309	N/A	960,663
<b>Total U.S. Department of Commerce</b>			<b>960,663</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Direct Programs:</b>			
Ryan White Part A 3/13-2/14	93.914	N/A	2,427,856
Ryan White Part A 3/14-2/15	93.914	N/A	1,060,464
<b>Total</b>			<b>3,488,320</b>
Ebola Active Monitoring	93.365	HHSP233200900522P	1,500
Teen Pregnancy & STD/HIV Prevention 9/12-9/13	93.297	N/A	388,966
Teen Pregnancy & STD/HIV Prevention 9/11-9/12	93.297	N/A	561,315
<b>Total</b>			<b>950,281</b>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>			
<b>Passed through the State of Connecticut</b>			
<b>Department of Public Health (Continued):</b>			
Public Health Preparedness	93.069	SID22333 DPH LOG2012-1077/PHP	\$ 59,673
Vaccines - Non Cash	93.712	NON-CONTRACT	2,328
Vaccines - Non Cash	93.268	NON-CONTRACT	3,763
Immunization Action Plan 1/14 - 12/14	93.268	SID20911 LOG2012-0124	119,420
<b>Total</b>			<b>185,184</b>
Federal Healthy Start	93.926	SID22348&DPH LOG2010-0188-1	61,383
HIV Prevention	93.940	SID22511&12236	153,951
Sexually Transmitted Diseases	93.991	SID20980 LOG2010-0012-3/STD&TB	53,815
Comprehensive Cancer Block Grant	93.758	22664 &CFDA #93.758 & CONTRACT #2015-002	37,619
Disease Intervention Project	93.944	SID20980 & LOG 2013-0003-8 STD & TB	4,610
Ryan White - MHIS Careware	93.914	Pass thru	7,000
Ryan White - MHIS Careware	93.914	Pass thru CHCAC	3,564
Ryan White - MHIS Careware		Pass thru UCONN	1,750
<b>Total</b>			<b>323,692</b>
School-Based Health Clinics	93.994	DPH LOG 2011-0112	1,113,042
			<b>1,113,042</b>
<b>Passed through the Massachusetts</b>			
<b>Department of Public Health:</b>			
Center for Disease Control Grant	93.991	VC6000202053	34,384
CDC-STATE OF MASS GRANT-(STD/HIV)		VC6000202053	14,583
			<b>48,967</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>6,110,986</b>
<b>U.S. Department of Homeland Security</b>			
<b>FEMA Passed through the United Way:</b>			
Emergency Shelter McKinney-Utility	97.024	N/A	6,887
<b>Total U.S. Department of Homeland Security</b>			<b>6,887</b>
<b>U.S. Institute of Museum &amp; Library Services</b>			
<b>Direct Programs:</b>			
USCIS Grant	45.312	N/A	80,577
IMLS Find Your Voice Grant	45.312	N/A	16,460
IMLS Summer Learning	45.312	LG-07-10-0239-10	10,134
National Leadership Program 10/11-9/12	45.312	LG-07-10-0239-10	26,105
<b>Total U.S. Institute of Museum &amp; Library Services</b>			<b>133,276</b>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
<b>Direct Programs:</b>			
Lead Hazard Reduction Demonstration	14.905	N/A	\$ 1,042,590
Emergency Shelter Grants Program (ESG)	14.231	N/A	327,902
Home Investment Partnership Program	14.239	N/A	3,174,395
Section 8 Moderate Rehab	14.856	N/A	2,145,441
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	1,019,446
Section 8 Housing Choice Vouchers - Cluster	14.871	N/A	43,794,277
			<u>51,504,051</u>
 CDBG - Entitlement Cluster:			
Community Development Block Grant/Entitlement	14.218	N/A	3,492,882
Neighborhood Stabilization 1 - Redevelopment	14.218	N/A	70,008
<b>Total CDBG - Entitlement Cluster</b>			<u>3,562,890</u>
 <b>Passed through the State of Connecticut Department of Housing:</b>			
Neighborhood Stabilization-Redevelopment	14.228	12060-DOH46930-22466	132,992
Neighborhood Stabilization-Admin	14.228	12060-DOH46930-22466	16,530
			<u>149,522</u>
 <b>Total U.S. Department of Housing and Urban Development</b>			<u>55,216,463</u>
 <b>U.S. Department of Environmental Protection</b>			
<b>Direct Programs:</b>			
Brownsfields - 40 Chapel St	66.818		<u>889</u>
 <b>Federal Emergency Management Agency</b>			
<b>Direct Programs:</b>			
Assist to Firefighter Fire Prevention	97.044	N/A	944,081
Safer Firefighter Staffing	97.044	N/A	516,156
Fire Prevention Safety- Safety Stove	97.042	N/A	116,131
<b>Total Federal Emergency Management Agency</b>			<u>1,576,368</u>

(Continued)



City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2015

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
<b>Direct Programs:</b>			
Cops Hiring Grant	16.710	N/A	\$ 713,609
Cops Hiring Grant	16.710	N/A	578,667
FY'08 Cops Technology Grant	16.710	N/A	205,870
			<u>1,498,146</u>
Hartford Resident Office DEA	16.111	N/A	45,589
FED US ATT	16.111	N/A	5,276
OCDETF (Park & Wreck)	16.111	N/A	47,533
ATF Task Force OCDETF Reimb	16.111	N/A	2,340
			<u>100,738</u>
FY'13 JAG Grant	16.738	NA	164,229
FY'14-15 JAG Grant	16.738	NA	35,538
			<u>199,767</u>
CTFTF CT Fin'l Crime TF	16.xxx	N/A	4,110
CTVFTF Grant	16.xxx	N/A	21,282
JTTF-FBI OT Reimbursement	16.xxx	N/A	16,238
Fed Seized & Forfeited Property Fund	16.922	N/A	495,306
<b>Total U.S. Department of Justice</b>			<u>2,335,587</u>
<b>Total Federal Awards Expended</b>			<u>\$ 112,925,076</u>

N/A – Not Available

See Notes to Schedule of Expenditures of Federal Awards.

## City of Hartford, Connecticut

### Notes to Schedule of Expenditures of Federal Awards

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#### **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, 2015. 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 in the Schedule are recognized based on the modified accrual basis of accounting in governmental funds and accrual basis of accounting in the proprietary funds. Such expenditures are reported 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 \$5,252,315 and \$6,091 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 #s 93.268 and 93.712, respectively. These amounts represent the market value of commodities received.

#### **Note 4. Component Units**

The Schedule does not include any expenditures of federal financial assistance of the City's discretely presented component units.

**City of Hartford, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015**

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1. Summary of Independent Auditor's Results

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?               | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified?         | <u>      </u> Yes | <u>  X  </u> None reported |
| • Noncompliance material to financial statements? | <u>      </u> Yes | <u>  X  </u> No            |

*Federal Awards*

Internal control over major programs:

- |   |                   |                            |
|---|-------------------|----------------------------|
| • Material weakness(es) identified?       | <u>      </u> Yes | <u>  X  </u> No            |
| • Significant deficiency(ies) identified? | <u>      </u> Yes | <u>  X  </u> 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? | <u>      </u> Yes | <u>  X  </u> No |
|--|-------------------|-----------------|

**Identification of Major Programs**

CFDA Numbers	Name of Federal Program or Cluster
84.367A	Title II: Improving Teacher Quality
14.239	Home Investment Partnership Program
14.871/14.879/14.880	Housing Voucher Cluster

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

\$ 3,000,000

Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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**City of Hartford, Connecticut**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2015**

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II. Financial Statement Findings

No matters reported.

III. Federal Award Findings and Questioned Costs

No matters reported.

**City of Hartford, Connecticut**

**Summary of Prior Year Audit Findings  
For the Year Ended June 30, 2015**

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There were no findings in the prior year.

**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, 2015, 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 28, 2016. Our report includes a reference to other auditors who audited the financial statements of the Hartford Parking Authority, a component unit of the City, as described in our report on the City of Hartford, Connecticut's financial statements. Our report includes an emphasis-of-matter paragraph due to the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions and its amendment*, GASB Statement No. 71.

**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.

RSM US LLP

New Haven, Connecticut  
January 28, 2016

**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, 2015. 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.

The City's basic financial statements include the operations of the Hartford Parking Authority, which did not receive any state awards to be included in the schedule during the year ended June 30, 2015. Our audit, described below, did not include the operations of the Hartford Parking Authority because they engaged other auditors to perform an audit in accordance with the Office of Policy and Management's *Compliance Supplement*.

**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, 2015.



### **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, 2015, 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 28, 2016, 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.

*RSM US LLP*

New Haven, Connecticut  
January 28, 2016

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2015

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
<b>Department of Education</b>		
Family Resource Center	11000-SDE64370-16110	\$ 657,000
Adult Education	11000-SDE64000-17030	2,171,810
Health Services	11000-SDE64370-17034	77,239
Bilingual Education	11000-SDE64370-17042	275,761
Priority School Districts - 13-14	11000-SDE64370-17043-82052	1,180,182
Priority School Districts - 13-15	11000-SDE64370-17043-82052	6,158,332
Extended School Hours	11000-SDE64000-17043-82054	411,601
Interdistrict Cooperative Grant	11000-SDE64370-17045	130,606
Hyland ELC Bond Fund Improvement	N/A	4,185
Youth Services Bureau	11000-SDE64000-17052	163,271
Youth Services Bureau-Enhancement	11000-SDE64370-16201	9,874
Open Choice	11000-SDE64370-17053	358,341
Open Choice Capital Grant (Sheff)	12052-SDE64370-43583	73,281
Sheff Settlement	11000-SDE64000-12457-170060	604,004
Sheff Settlement	11000-SDE64000-12457-170008	244,998
Sheff Settlement	11000-SDE64000-12457-170101	79,054
Sheff Magnet Capitol Start Up	12052-SDE64000-43425-82610	1,068,882
Sheff Settlement	11000-SDE64000-43583-170060	73,282
After School Program Tobacco Settlement	11000-SDE64370-17084	172,000
CCS Prof. Learning MiniGrant	11000-SDE64370-12566	18,443
Planning Grant	11000-SDE64370-12552	20,000
RESC-Assesnebt Reduction	11000-SDE64370-12171	2,797
Magnet Schools	11000-SDE64370-17057	60,621,810
Magnet Great Path Academy	11000-SDE64370-12457	2,673,408
Low Performing Schools - 13-15	12052-SDE64370-43539	399
Low Performing Schools - 14-16	12052-SDE64370-43539	28,486
Low Performing Schools - 14-16	12052-SDE64370-43594	37,151
Wrap Around Grant	11000-SDE64370-12544	81,428
Parent Academy	11000-SDE64370-12545	77,660
Commissioner's Network	11000-SDE64000-12547	1,089,872
Alliance - Governors Turnaround - 13-14	11000-SDE64700-17041	1,429,446
Alliance - Governors Turnaround - 13-15	11000-SDE64700-17041	11,425,089
Sheff Settlement - Incubation Funds	11000-SDE64370-12052	186,838
Science Program for Edu Reform	11000-SDE64000-12543-82164	60,842
High Quality Schools & Common Core	12052-SDE64000-43538-82166	1,435
Immigrant & Youth Education	12060-SDE64700-20868-82076	135,702
Investing & Personal Finance Ed	12060-SDE64700-35351-84013	15,000
Charter School Jumo Academy	N/A	7,876,000
Charter School Achievement First	N/A	10,494,000
Program Improvement Project 7/14-6/15	11000-SDE64000-20784	6,627
Summer School Accountability Grant	11000-SDE64000-17043	477,349
Pip Grant	N/A	35,000
Owl Enrichment Center 7/13-6/15	11000-SDE64000-20863	140,137
RSCO Grant	SID #20784	36,579
School Readiness/Accreditation SUP	11000-SDE64000-170081-82056	11,006,690
<b>Total Department of Education</b>		<b>121,891,891</b>

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2015**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
<b>Office of Policy and Management</b>		
Property Tax Disability Exemption	11000-OPM20600-17011	\$ 8,232
Property Tax Relief on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	812,050
Property Tax Relief for Elderly and Totally Disabled Homeowners/Circuit Breaker/Life Use Grant	11000-OPM20600-17018	355,812
Property Tax Relief for Veterans	11000-OPM20600-17024	55,360
Municipal Grants-in-Aid	12052-OPM20600-43587	1,334,719
Hartford Right Response	2010-JB-FX_0081	29,995
Project Longevity	11000-OPM20350-17098	16,935
Jag Violent Crime Prevention	N/A	29,642
Municipal Aid Adjustment Grant	12052-OPM20660-43587	2,341,491
Local Capital Improvement Program	12050-OPM20600-40254	3,406,628
PILOT on State Owned Property	11000-OPM20600-17004	14,816,241
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	25,279,198
<b>Total Office of Policy and Management</b>		<b>48,486,303</b>
<b>Department of Labor</b>		
CT Department of Labor Fines		13,724
<b>Department of Transportation</b>		
Town Aid Road Grants	12001-DOT57131-17036	1,202,455
Bus Operations	12001-DOT57931-12175	33,395
Colt Gateway Streetscape - Phase 1	N/A	3,091,145
Coltsville Streetscape	N/A	33,495
Comprehensive DUI Enforcement	N/A	174,144
Comprehensive DUI Enforcement	N/A	132,847
Farmington/Broad/Asylum Intersection	N/A	103,050
Traffic Calming	N/A	115,367
Click it or Ticket	N/A	12,681
FY'15 Highway Safety Breathalyzer	N/A	6,000
Distracted Driving	N/A	31,201
FY'14 Major City Speed Enforcement	N/A	17,893
TOD Transit Oriented Design Pilot	N/A	212,477
<b>Total Department of Transportation</b>	N/A	<b>5,166,150</b>
<b>Judicial Department</b>		
Juvenile Review Board	11000-JUD91178-16043	227,250
Local Prevention Council Grant	N/A	7,380
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	76,247
<b>Total Judicial Department</b>		<b>310,877</b>
<b>Connecticut State Library</b>		
Historic Documents Preservation Grant	12060-CSL66094-35150	10,500
<b>Total Connecticut State Library</b>		<b>10,500</b>
<b>Department of Social Services</b>		
Nurturing Families Network 1/1/12-12/31/14	SID12042 & CONTRACT12DSS8301EG	110,229
Emergency Shelter Grant McKinney CITY	N/A	494,178
Healthy Start 7/1/12-6/30/13	SID16105 & CONTRACT064-HUO-06/05DSS1001EG-A6	272,581
Nurturing Families Network 01/01/15-6	SID #12042 & CONTRACT 150EC8301EG	84,271
<b>Total Department of Social Services</b>		<b>961,259</b>

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)  
For the Year Ended June 30, 2015

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
<b>Department of Revenue Services</b>		
Non-Budgeted Operating Appropriation	34004-DCP18306-40001	\$ 253,944
<b>Department of Public Health</b>		
Tobacco Prevention Pilot (DMHAS)	N/A	76,560
Childhood Lead Poisoning Prevention	11000-DPH48664-10020	59,011
Tuberculosis Control and Prevention	11000-DPH48666-16112	45,028
Per capita 7/1/2013-6/30/2014	11000-DPH48500-17009	164,924
Sexually Transmitted Disease Control	11000-DPH48665-17013	74,826
Ryan White MHIS Careware	11000-DPH 48854-12236	7,000
<b>Total Department of Public Health</b>		<b>427,349</b>
<b>Emergency Services and Public Protection</b>		
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	139,168
Firearms Taskforce	N/A	198,691
EMD Training Reimbursement	N/A	400
Reimbursement for RILO	N/A	45,000
Public Safety Telecommunication Services Reimbursement	N/A	600
Reimbursement for CTIC Participation	N/A	12,500
State Wide Narcotics TF	N/A	10,903
2013 School Security Grant	N/A	506,782
911 Subsidy Grant	N/A	766,746
911 Enhancement Grant	N/A	303,168
Enhanced 911 Subsidy	N/A	33,504
<b>Total Emergency Services and Public Protection</b>		<b>2,017,462</b>
<b>Department of Administrative Services</b>		
Morgan St Tax Payment	DASM1	800,000
<b>Total Department of Administrative Services</b>		<b>800,000</b>
<b>Office of Early Childhood</b>		
ELC Child Care Asylum	N/A	412,712
ELC Child Care	11000-OEC64845-17101-82056	1,460,804
ELC School Readiness	11000-OEC64845-17101-82056	1,087,884
Quality Enhancement Grant	11000-OEC64845-17097	150,125
<b>Total Office of Early Childhood</b>		<b>3,111,525</b>
<b>Department of Energy and Environmental Protection</b>		
Cronin Park Improvement	N/A	30,005
Batterson Park Improvements UGCG-15	N/A	2,017
Microgrid Pilot Program- Parkville	N/A	97,481
Elizabeth Park East Lawn Improvement	N/A	17,135
<b>Total Department of Energy and Environmental Protection</b>		<b>146,638</b>

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)**  
**For the Year Ended June 30, 2015**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
<b>Department of Economic and Community Development</b>		
Tax Abatement Program	11000-ECD46400-17008	\$ 298,544
Payment in Lieu of Taxes (PILOT)	11000-ECD46400-17012-039	482,774
Elizabeth Park Farmstead-Hartford	StateID# 16197	7,474
Swift Factory Brownfield's Project	SID# 12052-46000-43236	215,174
Arts Catalyze Placemaking Program	N/A	31,113
Downtown Housing Study	41233	49,500
Upper Albany Façade Improvement	21058	12,541
Brownsfield - Parkville	21058	3,613
Brownsfield - 40 Popieluszok	21058	3,936
Brownsfield - Albany/Woodland	21058	37,869
Brownsfield - 111 Sigourney Street	21058	128,532
John Rogers	Proj#3400022017	677,428
Park Street Streetscape Phase III	12052-46000-43470	754,974
CCEDA II Home Ownership Appraisal GAP	12059-ECD46400-40577	701,596
<b>Total Department of Economic and Community Development</b>		<u>3,405,068</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>187,002,690</u>
<b>Exempt Programs</b>		
<b>Department of Education</b>		
Department of Education Public School Transportation	11000-SDE64000-17027	1,616,878
Education Cost Sharing	11000-SDE64000-17041-82010	187,705,523
Excess Cost - Student Based	11000-SDE64000-17047	9,411,762
		<u>198,734,163</u>
<b>Department of Construction Services</b>		
School Construction - Interest	13009-DCS28000-40896	121,992
School Construction - Progress Payment	13009-DCS28000-40901	39,015,277
School Construction - Principal	11000-DCS28000-17049	1,776,188
		<u>40,913,457</u>
<b>Office of Policy and Management</b>		
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	6,652,860
		<u>6,652,860</u>
<b>Total Exempt Programs</b>		<u>246,300,480</u>
<b>Total State Financial Assistance</b>		<u>\$ 433,303,170</u>

See Notes to Schedule of Expenditures of State Financial Assistance.  
N/A=Not Available

## City of Hartford, Connecticut

### Notes to Schedule of Expenditures of State Financial Assistance For the Year Ended June 30, 2015

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of the City of Hartford, Connecticut, under programs of the State of Connecticut for the fiscal year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance to the City of Hartford 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, road construction, school construction and general government.

#### **Note 1. Summary of Significant Accounting Policies**

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

**Basis of accounting:** Expenditures reported in the Schedule are recognized based on the modified accrual basis of accounting in governmental funds and accrual basis of accounting in the proprietary funds. 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 of Expenditures of State Financial Assistance.

#### **Note 2. 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, 2015:

Department of Environmental Protection

##### Clean Water Funds 21014-OTT4230-4001

Balance July 1, 2014	Issued	Retired	Balance June 30, 2015
\$ 1,322,165	\$ -	\$ (89,961)	\$ 1,232,204

#### **Note 3. Component Units**

The schedule of expenditures of state financial assistance does not include any expenditures of state financial assistance of the City's discretely presented component units.

**City of Hartford, Connecticut**

**Schedule of State Single Audit Compliance Findings and Questioned Costs  
For the Year Ended June 30, 2015**

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 noted? \_\_\_\_\_ Yes      X   No

*State Financial Assistance*

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 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ Yes      X   No

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

State Grantor and Program	State CORE-CT Number	Expenditures
<b>Department of Education</b>		
Magnet Schools	11000-SDE64370-17057	\$ 60,621,810
Priority Schools	11000-SDE64370-17043-82052	\$ 7,338,514
<b>Office of Policy and Management</b>		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 25,279,198
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004	\$ 14,816,241
Local Capital Improvement Program	12050-OPM20600-40254	\$ 3,406,628

- Dollar threshold used to distinguish between Type A and Type B programs **\$3,740,060**

**City of Hartford, Connecticut**

**Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2015**

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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, 2015**

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There were no findings in the prior year.