

City of Hartford, Connecticut

Federal and State Compliance Reports
Year Ended June 30, 2017

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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 the Uniform Guidance**

RSM US LLP

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 City of Hartford, Connecticut's (the City) compliance with the types of compliance requirements described in the *OMB 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, 2017. 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. Our audit, described below, did not include the operations of Hartford Parking Authority because the component unit engaged other auditors to perform an audit of compliance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 10, 2018, 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 the Uniform Guidance 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 10, 2018

City of Hartford, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

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 Agriculture:			
Passed through the State of Connecticut			
Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	12060-SDE64370-20508	\$ 3,020,519
National School Lunch Program	10.555	12060-SDE64370-20560	9,562,716
Child Nutrition Summer Lunch Program	10.559	12060-SDE64370-20540	70,914
			<u>12,654,149</u>
Fresh Fruit and Vegetable Program	10.582	12060-SDE64370-22051	<u>284,859</u>
Direct Programs:			
Child and Adult Care Food Program	10.558	N/A	31,268
Child and Adult Care Food Program	10.558	N/A	104,393
Home Care CACFP	10.558	N/A	16,634
Home Care CACFP	10.558	N/A	31,566
Home Care CACFP	10.558	N/A	125,245
Home Care CACFP	10.558	N/A	168,056
			<u>477,162</u>
Passed through the State of Connecticut			
Department of Public Health:			
Women, Infant and Children (WIC) 10/10-9/11	10.557	SID20892 & DPH LOG2013-0051/WIC	1,274,566
WIC Food Benefits 2017-Non cash	10.557	Non-contract	4,707,510
Total WIC Cluster			<u>5,982,076</u>
Total U.S. Department of Agriculture			<u>19,398,246</u>
U.S. Department of Education			
Passed through the State of Connecticut			
Department of Education:			
Title I Programs - Local Educational Agencies	84.010A	12060-SDE64370-20679	11,914,587
Title I SIP	84.338	12060-SDE64000-22223	374,369
Carl Perkins Vocational and Technical Education - Basic Grants to State	84.048A	12060-SDE64370-20742	<u>551,872</u>
Special Education Cluster:			
IDEA, Part B Section 619	84.173A	12060-SDE64370-20983	84,188
IDEA, Part B Section 611	84.027A	12060-SDE64370-20977	5,736,260
Total Special Education Cluster			<u>5,820,448</u>

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Pass Through to Subrecipients	Federal Expenditures
U.S. Department of Education (Continued)				
Passed through the State of Connecticut				
Department of Education (Continued):				
Owl Enrichment Center	84.287C	SID #20863	-	\$ 48,148
PIP Grant	84.002A	SID #20784	-	36,319
Title III, Part A - English Language	84.365A	12060-SDE64370-20868	-	470,388
Education of Homeless Children and Youth	84.196	12060-SDE64370-20770	-	32,266
Title II, Improving Teacher Quality	84.367A	12060-SDE64370-20858	-	2,065,366
Choosing to Succeed	84.xxx	S360A1000068	-	152,976
Total U.S. Department of Education				21,466,739
U.S. Department of Health and Human Services				
Direct Programs:				
Ryan White Part A 3/14-2/16	93.914	N/A	2,030,447	2,318,496
Ryan White Part A 3/01/17-02/28/18	93.914	N/A	853,537	968,776
HIV/HCV Coinfection 10/12/16-09/29/19	93.928	N/A	-	44,915
Total				3,332,187
Teen Pregnancy & STD/HIV Prevention 9/13-9/15	93.297	N/A	437,888	858,478

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017

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 Health and Human Services (Continued)			
Passed through the State of Connecticut			
Department of Public Health (Continued):			
Public Health Preparedness	93.069	SID22333 DPH LOG2012-1077/PHP	\$ 89,505
Vaccines - Non Cash	93.268	NON-CONTRACT	1,416
Vaccines - Non Cash	93.712	NON-CONTRACT	1,093
Immunization Action Plan 1/14 - 12/14	93.268	SID20911 LOG2012-0124	117,782
HIV Prevention	93.940	SID22511&12236	37,500
HIV Prevention	93.940	SID22511&12236	7,602
Sexually Transmitted Diseases	93.991	SID20908 & LOG2010-0012-3/STD & TB	21,000
Comprehensive Cancer Block Grant	93.758	SID22664 Contract#2015-0025	46,534
Disease Intervention Project	93.944	SID20980/ LOG 2013-0003-8 STD & TB	94,806
Federal Healthy Start	93.926	SID22348 & DPH LOG2015-0078	67,311
HIV Care Data Integration	93.145	DUNS 19-834-9602	132,540
Ryan White - MHIS Careware	93.914	Pass Thru New Haven	8,000
Ryan White - MHIS Careware	93.153	Pass thru CHCAC	3,564
Ryan White - MHIS Careware	93.153	Pass Thru UCONN	1,750
School-Based Health Clinics	93.994	DPH LOG 2011-0112	1,079,305
Total			1,709,708
Passed through the Massachusetts			
Department of Public Health:			
CDC-STATE OF MASS GRANT-(STD/HIV)	93.977	VC6000202053	12,500
Total U.S. Department of Health and Human Services			5,912,873
U.S. Institute of Museum & Library Services			
Direct Programs:			
Creative Aging in America	45.312	N/A	21
IMLS Find Your Voice Grant	45.312	N/A	5,343
IMLS Sparks Grant	45.312	N/A	5,077
IMLS Linking, Learning, Belonging & Community	45.312	N/A	74,321
USCIS Grant	45.312	N/A	54,147
USCIS Grant	45.312	N/A	108,640
NEH -Find Your Voice Grant	45.164	N/A	3,375
The Big Read (Grapes of Wrath)	45.024	N/A	49
Total U.S. Institute of Museum & Library Services			250,973

(Continued)

City of Hartford, Connecticut

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017

Federal Grantor Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor Entity- Identifying Number	Pass Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct Programs:				
Lead Hazard Reduction Demonstration	14.905	N/A	100,479	\$ 1,261,408
Lower Income Housing Assistance Program-				
Section 8 Moderate Rehab	14.856	N/A	-	2,108,157
Emergency Shelter Grants Program (ESG)	14.231	N/A	296,365	296,365
Home Investment Partnership Program	14.239	N/A	-	1,143,825
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	N/A	1,118,354	1,151,114
Section 8 Housing Choice Vouchers	14.871	N/A	-	44,936,306
Total Direct Programs				50,897,175
CDBG - Entitlement Cluster:				
Community Development Block Grant/Entitlement	14.218	N/A	2,011,903	3,116,752
Total CDBG - Entitlement Cluster				3,116,752
Passed through State of Connecticut Department of Housing:				
Neighborhood Stabilization-Admin	14.228	12060-DOH46930-22466	-	6,501
				6,501
Total U.S. Department of Housing and Urban Development				54,020,428
U.S. Department of Environmental Protection				
Direct Programs:				
Brownsfields - 70 Edwards St	66.818	N/A	-	14,458
Brownsfields - 40 Chapel St	66.818	N/A	-	12,850
Brownsfields - 393 Homestead	66.818	N/A	-	4,452
				31,760
Federal Emergency Management Agency				
Direct Programs:				
Emergency Management Performance	97.042	N/A	-	62,508
Total Federal Emergency Management Agency				62,508

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017**

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 Justice			
Direct Programs:			
Intellectual Property Grant	16.752	N/A	\$ 293,844
Cops Hiring Grant	16.710	N/A	70,368
Cops Hiring Grant	16.710	N/A	235,208
Cops Hiring Grant V	16.710	N/A	144,985
FY09 Cops Technology Grant	16.710	N/A	174,095
FY10 Cops Technology Grant	16.710	N/A	25,000
			<u>943,500</u>
ATF Task Force OCDETF Reimb	16.111	N/A	7,975
OCDETF (GORDO)	16.111	N/A	26,818
FBI Safe Streets Indefinite	16.111	N/A	36,574
Hartford Resident Office DEA Indefinite	16.111	N/A	18,054
			<u>89,421</u>
Tips Technology Innovation	16.738	NA	126,831
FY'14-15 JAG Grant	16.738	NA	498
FY'2015 JAG Grant	16.738	NA	187,417
FY'2016 JAG Grant	16.738	NA	5,642
			<u>320,388</u>
CTVFTF Grant	16.xxx	N/A	29,803
CTFTF CT Fin'l Crime TF	16.xxx	N/A	423
JTTF-FBI OT Reimbursement	16.xxx	N/A	21,913
Fed Seized & Forfeited Property Fund	16.922	N/A	408,434
			<u>460,573</u>
Total U.S. Department of Justice			<u>1,813,882</u>
Total Federal Awards Expended			<u>\$ 102,957,409</u>

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, 2017. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 balances/net position or changes in cash flows of the City.

Note 2. Summary of Significant Accounting Principles

Expenditures recognized in the Schedule are reported 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Non-Cash Awards

Donated commodities in the amounts of \$4,707,510 and \$2,509 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 and vaccines received.

Note 4. Indirect Cost Recovery

The City did not recover its indirect cost using the 10% de minimus indirect cost rate provided under Section 200.414 of the Uniform Guidance.

Note 5. Component Units

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

Note 6. Subrecipients

The City provided federal funds to subrecipients for the year ended June 30, 2017 as reported in the Schedule.

City of Hartford, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

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 2 CFR 200.516(a)? | <u> </u> Yes | <u> X </u> No |
|--|-------------------|-----------------|

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
84.010	Title I
10.553/.555/.559	Child Nutrition Cluster
10.557	Women, Infant, & Children (WIC)

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, 2017

II. Financial Statement Findings

No matters to report.

III. Federal Award Findings and Questioned Costs

No matters to report.

City of Hartford, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2017**

Finding IC2016-01

The City of Hartford corrected the prior year finding.

**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, the discretely presented component unit, 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, 2017, 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 10, 2018. 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.

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 significant deficiencies or material weaknesses. However, significant deficiencies and/or 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 VS LLP

New Haven, Connecticut
January 10, 2018

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

RSM US LLP

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, 2017. The City's major state programs are identified in the summary of auditors' 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. Our audit, described below, did not include the operations of Hartford Parking Authority because the component unit engaged other auditors to perform an audit of compliance.

Management's Responsibility

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

Auditors' 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, 2017.

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 our 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 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated January 10, 2018, 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 City's 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 10, 2018

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Education		
Family Resource Center	11000-SDE64370-16110	\$ 618,000
Adult Education	11000-SDE64000-17030	1,871,436
Health Services	11000-SDE64370-17034	61,366
Bilingual Education	11000-SDE64370-17042	567,350
Priority School Districts - 15-16	11000-SDE64370-17043-82052	5,316,838
Priority School Districts CF Funding	11000-SDE64370-17043-82052	155,675
Extended School Hours	11000-SDE64000-17043-82054	402,725
Youth Services Bureau	11000-SDE64000-17052	125,446
Youth Services Bureau-Enhancement	11000-SDE64370-16201	10,000
Open Choice	11000-SDE64370-17053	396,544
Lighthouse School Grant	11000 12457	745,579
Magnet Schools	11000-SDE64370-17057	57,720,439
Magnet Great Path Academy	11000-SDE64370-12457	2,737,675
Magnet School Incubation bond	12052 43678	888,099
Low Performing Schools 15-16	12052 43594	178,729
Alliance - Governors Turnaround 15-16	11000-SDE64370-12457	1,977,382
Alliance District Funding	11000-SDE64000-17041-82164	710,199
Alliance District Funding	11000-SDE64000-17041-82164	12,543,354
Commissioners Network	11000-SDE64000-12547	179,987
Sheff Settlement	11000-SDE64000-43583-170060	2,270,567
Sheff Settlement - Incubation Funds	11000-SDE64370-12052	75,868
Immigrant & Youth Education	12060-SDE64700-20868-82076	68,992
Math & Science Partnership	12060 21592 84157	204,879
Summer School Accountability Grant	11000-SDE64000-17043	465,935
RSCO Grant	SID #20784	63,180
Total Department of Education		<u>90,356,244</u>
Department of Children and Families:		
Juvenile Review Board	11000-DCF91100-16043	227,250
Total Department of Children and Families		<u>227,250</u>
Department of Consumer Protections:		
Bingo Payment	17A064	51
Tax-Pari Mutuel	16M064OTB/17M064OTB	261,321
Total Department of Consumer Protections		<u>261,372</u>

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2017**

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	\$ 6,672
Property Tax Relief on Exempt Property of Manufacturing Facilities in Distressed Municipalities	11000-OPM20600-17016	485,370
Property Tax Relief for Elderly and Totally Disabled Homeowners/Circuit Breaker/Life Use Grant	11000-OPM20600-17018	343,016
Property Tax Relief for Veterans	11000-OPM20600-17024	47,300
Local Capital Improvement Program	12050-OPM20600-40254	21,171
Local Capital Improvement Program	12050-OPM20600-40254	416,873
Municipal Grants-in-Aid	11100-OPM20600-17099	1,419,161
PILOT on State Owned Property	11000-OPM20600-17004	13,560,353
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	23,664,027
Project Longevity (Crime Analysis)	11000-OPM20350-12573	6,407
Total Office of Policy and Management		39,970,350
Department of Transportation		
Town Aid Road Grants	12001-DOT57131-17036	1,198,978
Colt Gateway Streetscape - Phase 1	N/A	66,301
Coltsville Streetscape	N/A	109
Click it or Ticket	N/A	11,021
Distracted Driving FY16	N/A	11,999
Distracted Driving FY17	N/A	36,174
FY'16 Major City Speed Enforcement	N/A	36,141
Comprehensive DUI Enforcement	N/A	42,047
Comprehensive DUI Enforcement	N/A	148,834
Dial a Ride	N/A	66,789
Total Department of Transportation	N/A	1,618,393

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2017**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Judicial Department		
Sale of Property	CAF;C401	\$ 63,500
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	65,887
Total Judicial Department		<u>129,387</u>
Connecticut State Library		
Historic Documents Preservation Grant	12060-CSL66094-35150	7,500
Total Connecticut State Library		<u>7,500</u>
Department of Social Services		
Emergency Shelter Grant McKinney CITY	SID#17038 & CONTRACT #064-ESS-1 / 13DOH0101BG A2	506,094
Healthy start 7/1/15 - 6/30/16	SID16105 & CONTRACT064-HUO-06 /05DSS1001EG-A6	2,113
Healthy start 7/1/16 - 6/30/17	SID16105 & CONTRACT064-HUO-06 /05DSS1001EG-A6	110,938
Nurturing Families Network 01/01/15-6	SID #12042 & CONTRACT 150EC8301EG	176,171
Total Department of Social Services		<u>795,316</u>
Department of Public Health		
Childhood Lead Poisoning Prevention	11000-DPH48500-12126	68,526
Tuberculosis Control and Prevention	11000-DPH48666-16112	44,656
Per capita FY17	11000-DPH48500-17009	154,721
Sexually Transmitted Disease Control	11000-DPH48665-17013	40,710
Sexually Transmitted Disease (Federal)	SID 20908 &CFDA 93.991	60,818
Ryan White MHIS Careware	SID#11000-DPH 48854-12236 CFDA #93.917	7,000
Local Prevention Council	SID#11000-DPH 48854-12236 CFDA #93.917	8,973
HIV Prevention	N/A	33,253
HIV Prevention	N/A	67,859
Total Department of Public Health		<u>486,516</u>

(Continued)

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2017

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Public Safety		
911 Subsidy Grant	N/A	\$ 688,334
911 Training Fund 2016-2017	N/A	12,249
State Wide Narcotics TF	N/A	984
State Asset Forfeiture Revolving Fund	12060-DPS32155-35142	131,286
EMD Training Reimbursement	N/A	5,668
Total Department of Public Safety		838,521
Department of Administrative Services		
Morgan St Tax Payment	DASM1	800,000
Sheldon St Lot 288H	DASM1	65,000
Property Tax - 2nd Installment & ID 181415010	DASM1	52,528
Total Department of Administrative Services		917,528
Office of Early Childhood		
ELC Child Care	N/A	1,615,272
ELC Child Care Asylum	N/A	410,284
ELC School Readiness	11000-14OEC0052AA-17101-82056	886,952
Quality Enhancement Grant	11000-SDE64000-17097-82079	150,125
School Readiness	11000-OEC64840-17097	96,676
School Readiness	11000-SDE64000-17403-82056	11,042,153
Total Office of Early Childhood		14,201,462
Department of Energy and Environmental Protection		
Medicaid DEEP	A/C22270	8,168
Microgrid Pilot Program- Parkville	12052-DEP44720-43531	320,222
Elizabeth Park East Lawn Improvement	N/A	1,500
Cronin Park Improvement	N/A	1,210
Electric Vehicle Charging Stations		2,720
Total Department of Energy and Environmental Protection		333,820

(Continued)

City of Hartford, Connecticut

**Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2017**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE-CT Number	Expenditures
Department of Economic and Community Development		
Swift Factory Brownfield's Project	SID# 12052-46000-43236	\$ 184,175
Brownsfield - 120 Wyllys Street	21058	399,949
Brownsfield - 40 Popieluszk	21058	138,107
Brownsfield - Sigourney/Homestead	21058	10,847
Upper Albany Façade Improvement	21058	61,487
Upper Albany Façade Improvement II	Proj#2016064009	331,899
Farmington Avenue Streetscape	Proj#2016104002	2,354
John Rogers	Proj#3400022017	69,623
CCEDA II Home Ownership Appraisal GAP	12059-ECD46400-40577	566,895
Park Street Streetscape Phase III	12052-46000-43470	2,644,772
Total Department of Economic and Community Development		4,410,108
Total State Financial Assistance Before Exempt Programs		154,553,767
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64000-17041-82010	191,280,666
Excess Cost - Student Based	11000-SDE64000-17047	11,383,582
		202,664,248
Department of Administrative Services		
School Construction - Interest	13009-DAS28000-40896	72,003
School Construction - Principal	13009-DAS28000-40901	1,316,806
School Construction - Progress Payment	13010-DAS27636-40901	12,479,660
		13,868,469
Office of Policy and Management		
MRSF Select Pilot	12002-OPM20600-17102	11,883,205
MRSF Revenue Sharing	12002-OPM20600-17102	13,908,437
Grants to Towns	12009-OPM20600-17005	6,263,314
		32,054,956
Total Exempt Programs		248,587,673
Total State Financial Assistance		\$ 403,141,440

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, 2017

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, 2017. 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. 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 balances/net position or changes in cash flows of the City.

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 recognized in the Schedule are reported 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 loan program activity for the year ended June 30, 2017:

Department of Energy and Environmental Protection:

Clean Water Funds 21014-OTT4230-4001

Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
\$ 1,140,426	\$ -	\$ (93,630)	\$ 1,046,796

Note 3. Component Unit

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

City of Hartford, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs
For the Year Ended June 30, 2017**

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
Department of Education		
Magnet Schools	11000-SDE64370-17057	\$ 57,720,439
Department of Early Childhood		
School Readiness	11000-SDE64000-17403-82056	\$ 11,042,153
School Readiness	11000-OEC64840-17097	\$ 96,676
Office of Policy and Management		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 23,664,027
• Dollar threshold used to distinguish between Type A and Type B programs		<u><u>\$ 3,091,075</u></u>

City of Hartford, Connecticut

**Schedule of State Single Audit Compliance Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2017**

II. Financial Statement Findings

No matters to report.

III. State Financial Assistance Findings and Questioned Costs

No matters to report.

City of Hartford, Connecticut

**Summary of Prior Year Audit Findings - State
For the Year Ended June 30, 2017**

There were no state single audit findings in the prior year.