

CITY OF HARTFORD, CONNECTICUT

STATE SINGLE AUDIT REPORT
JUNE 30, 2019

**CITY OF HARTFORD, CONNECTICUT
STATE SINGLE AUDIT REPORT
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Independent Auditors' 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

To the Honorable Mayor and the 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 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 of Hartford, Connecticut's major state programs for the year ended June 30, 2019. The City of Hartford, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Hartford, Connecticut'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 of Hartford, Connecticut'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 of Hartford, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the City of Hartford, Connecticut, 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, 2019.

Report on Internal Control over Compliance

Management of the City of Hartford, Connecticut, 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 of Hartford, Connecticut'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 of Hartford, Connecticut'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 a 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, 2019, 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 December 18, 2019, 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 18, 2019

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Education			
Sheff Settlement	11000-SDE64180-12457	\$	716,142
RSCO School Choice Parent Intake	11000-SDE64180-12457		35,642
Sheff Settlement	11000-SDE64370-12457		169,473
Commissioner's Network	11000-SDE64370-12547		<u>22,643</u>
			\$ 943,900
Talent Development	11000-SDE64370-12552		39,058
School-Based Diversion Initiative	11000-SDE64370-12587		40,000
Family Resource Centers	11000-SDE64370-16110		500,000
Youth Service Bureau Enhancement	11000-SDE64370-16201		9,205
Child Nutrition State Match	11000-SDE64370-16211		157,361
Health Foods Initiative	11000-SDE64370-16212		298,979
Adult Education	11000-SDE64370-17030-84002		1,626,111
Adult Education	11000-SDE64370-17030-84004		<u>128,319</u>
			1,754,430
Health and Welfare - Private School Pupil	11000-SDE64370-17034		54,629
Alliance District	11000-SDE64370-17041-82164		13,859,758
Bilingual Education	11000-SDE64370-17042		350,258
Priority School Districts	11000-SDE64370-17043-82052		4,441,989
Extended School Hours Program Grant	11000-SDE64370-17043-82054		347,422
Summer School Accountability Grant	11000-SDE64370-17043-82055		411,887
School Breakfast Program	11000-SDE64370-17046		136,016
Youth Service Bureaus	11000-SDE64370-17052		129,290
Open Choice Program	11000-SDE64370-17053		151,530
Magnet Schools	11000-SDE64370-17057		<u>61,858,935</u>
Total Department of Education			<u>85,484,647</u>
Connecticut State Library			
Distressed Public Library Repairs	12052-CSL66051-43300		59,106
Historic Document Preservation	12060-CSL66094-35150		<u>9,500</u>
Total Connecticut State Library			<u>68,606</u>
Department of Administrative Services			
General Improvements to Alliance Districts	12052-DAS27635-43651		<u>1,459,016</u>
Department of Consumer Protection			
Non-Budgeted Operating Appropriation	34004-DCP39930-40001		<u>226,068</u>
Department of Energy and Environmental Protection			
Solid Waste Management Account	11000-DEP43720-12488		10,010
Municipal Loan - Land Acquisition	12052-DEP43153-43615		87,925
Community Conservation and Development	13019-DEP43153-41239-64004		99,286
Community Conservation and Development	13019-DEP43720-41239-61018		133,046
Community Conservation and Development	13019-DEP43720-41239-61099		95,737
Community Conservation and Development	13019-DEP44720-41239-13008		<u>1,558,061</u>
			<u>1,886,130</u>
Total Department of Energy and Environmental Protection			<u>1,984,065</u>

The accompanying notes are an integral part of this schedule

**CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Department of Housing			
Housing / Homeless Services	11000-DOH46902-17038	\$ 253,047	\$ 253,047
Housing / Homeless Services	11000-DOH46920-17038	253,047	<u>253,047</u>
			\$ 506,094
DOH Energy Assistance Program	12060-DOH46920-26348		<u>8,984</u>
Total Department of Housing		<u>506,094</u>	<u>515,078</u>
Department of Transportation			
Bus Operations	12001-DOT57931-12175		89,052
Town Aid Road Grants-Municipal	12052-DOT57131-43455		596,303
Town Aid Road-STO	13033-DOT57131-43459		596,303
Streetscape Improvements for the Coltsville Corridor - Phase I	14DOT00611AA		84,575
Streetscape Improvements for the Coltsville Corridor - Phase II	17DOT0099AA		<u>30,223</u>
			<u>114,798</u>
Total Department of Transportation			<u>1,396,456</u>
Department of Public Health			
Local and District Departments of Health	11000-DPH48558-17009	22,825	119,244
Other Expenses	11000-DPH48665-10020	32,305	32,305
School Based Health Clinics	11000-DPH48832-17019		929,300
Aids Services	12004-DPH48665-12236	25,000	25,000
Venereal Disease Control	12004-DPH48665-17013		39,671
X-Ray Screen and Tuberculosis Care	12004-DPH48666-16112		50,117
Aids Services	12004-DPH48852-12236		<u>40,406</u>
Total Department of Public Health		<u>80,130</u>	<u>1,236,043</u>
Department of Emergency Services and Public Protection			
Drug Asset Forfeiture Revenue Account DPS	12060-DPS32155-35142		83,657
Enhanced 911 Telecomm Fund	12060-DPS32741-35190		<u>610,836</u>
Total Department of Emergency Services and Public Protection			<u>694,493</u>
Department of Social Services			
Medicaid	11000-DSS60000-16020		<u>893,063</u>
Economic and Community Development			
Brownfield Remediation and Development	12060-ECD46260-35533		1,031,685
Municipal Brownfield Grant Round 7	12052-ECD46210-43470		17,850
Urban Act Grant-OPM	13019-ECD46210-41240		<u>1,738,469</u>
Total Economic and Community Development			<u>2,788,004</u>
Judicial Branch			
Non-Budgeted Operating Appropriation	34001-JUD95162-40001		<u>89,972</u>

The accompanying notes are an integral part of this schedule

CITY OF HARTFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
Office of Early Childhood			
Early Care and Education	11000-OEC64841-16274-83012	\$ 1,370,105	\$ 1,528,060
Early Care and Education	11000-OEC64845-16274-83014	6,830,245	<u>10,048,835</u>
			\$ 11,576,895
Child Care Quality Enhancement	11000-OEC64845-16158	92,523	112,523
Nurturing Families Network	11000-OEC64860-12603	208,542	209,936
Early Childhood Support Grant	18OECSP01HFD		<u>8,770</u>
Total Office of Early Childhood		<u>8,501,415</u>	<u>11,908,124</u>
Office of Policy and Management			
Reimbursement Towns - Tax Loss on State Owned Property	11000-OPM20600-17004		10,162,953
Reimbursement Towns - Private Tax Exempt Property	11000-OPM20600-17006		20,009,758
Reimbursement Property Tax - Disability Exemption	11000-OPM20600-17011		6,223
Property Tax Relief for Veterans	11000-OPM20600-17024		21,814
Local Capital Improvement	12050-OPM20600-40254		1,662,256
Body Worn Recording Equipment	12052-OPM20350-43676		750,501
Municipal Purposes & Projects	12052-OPM20600-43587		1,419,161
Grant in Lieu of Property Tax	12052-OPM20600-43740		<u>27,824</u>
Total Office of Policy and Management			<u>34,060,490</u>
Total State Financial Assistance Before Exempt Programs		<u>9,087,639</u>	<u>142,804,125</u>
Exempt Programs			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041-82010		188,043,631
Excess Cost - Student Based	11000-SDE64370-17047-82018		6,921,296
Excess Cost - Student Based	11000-SDE64370-17047-82016		<u>3,202,606</u>
			<u>10,123,902</u>
Total Department of Education			<u>198,167,533</u>
Department of Administrative Services			
School Construction - Principal SDE	13010-DAS27635-40901		<u>37,635,862</u>
Office of Policy and Management			
Municipal Revenue Sharing	11000-OPM20600-17102		12,422,113
Municipal Transition	11000-OPM20600-17103		11,078,328
Municipal Stabilization Grant	11000-OPM20600-17104		3,370,519
Grants To Towns	12009-OPM20600-17005		<u>6,136,523</u>
Total Office of Policy and Management			<u>33,007,483</u>
Total Exempt Programs			<u>268,810,878</u>
Total State Financial Assistance		<u>\$ 9,087,639</u>	<u>\$ 411,615,003</u>

The accompanying notes are an integral part of this schedule

**CITY OF HARTFORD, CONNECTICUT
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Hartford, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2019. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the City of Hartford, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the City of Hartford, Connecticut.

Basis of Accounting

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

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

NOTE 2 - LOCAL CAPITAL IMPROVEMENT PROGRAMS

The following is a list of expenditures for individual projects funded under the Local Capital Improvement Program for the fiscal year ended June 30, 2019:

<u>Project No.</u>	<u>Expenditures</u>
064-10-030	\$ 82,139
064-10-060	53,598
064-12-010	15,016
064-18-030	446,059
064-18-040	1,025,614
064-18-060	<u>39,830</u>
Total	\$ <u><u>1,662,256</u></u>

**CITY OF HARTFORD, CONNECTICUT
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3 - LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2019:

Department of Energy and Environmental Protection:

Clean Water Funds:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance Beginning</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Ending</u>
6/30/08	2%	\$ 1,921,859	\$ 951,277	\$ -	\$ 97,448	\$ 853,829

**Independent Auditors' 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***

To the Honorable Mayor and the 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, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Hartford, Connecticut's basic financial statements, and have issued our report thereon dated December 18, 2019. Our report includes a reference to other auditors who audited the financial statements of the Hartford Parking Authority, as described in our report on the City of Hartford, Connecticut's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Hartford, Connecticut'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 of Hartford, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hartford, Connecticut'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, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 of Hartford, Connecticut'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 and those of the other auditors 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 City of Hartford, Connecticut'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 City of Hartford, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 18, 2019

**CITY OF HARTFORD, CONNECTICUT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' 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 auditors' 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 audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Education:		
Alliance District	11000-SDE64370-17041-82164	\$ 13,859,758
Magnet Schools	11000-SDE64370-17057	61,858,935
Dollar threshold used to distinguish between type A and type B programs:		\$ 2,856,083

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.