

# CITY OF HARTFORD, CONNECTICUT

STATE SINGLE AUDIT REPORT  
JUNE 30, 2020

**CITY OF HARTFORD, CONNECTICUT  
STATE SINGLE AUDIT REPORT  
JUNE 30, 2020  
TABLE OF CONTENTS**

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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	1-3
Schedule of Expenditures of State Financial Assistance	4-6
Notes to Schedule of Expenditures of State Financial Assistance	7-8
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 <i>Government Auditing Standards</i>	9-10
Schedule of Findings and Questioned Costs	11

**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, 2020. 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, 2020.

### **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, 2020, 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 27, 2020, 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 27, 2020

**CITY OF HARTFORD, CONNECTICUT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Education</b>			
Sheff Settlement	11000-SDE64180-12457	\$	983,859
Rosco School of Choice Parent Intake	11000-SDE64180-12457		64,632
Sheff Settlement	11000-SDE64370-12457		<u>602,240</u>
		\$	1,650,731
Talent Development	11000-SDE64370-12552		54,276
Family Resource Centers	11000-SDE64370-16110		299,771
Child Nutrition State Match	11000-SDE64370-16211		147,944
Health Foods Initiative	11000-SDE64370-16212		280,965
Adult Education	11000-SDE64370-17030-84002		1,492,925
Adult Education	11000-SDE64370-17030-84004		<u>122,011</u>
			1,614,936
Health and Welfare Private School Pupils	11000-SDE64370-17034		50,793
Alliance District	11000-SDE64370-17041-82164		16,933,304
Bilingual Education	11000-SDE64370-17042		238,952
Priority School Districts	11000-SDE64370-17043-82052		4,471,267
Extended School Hours Program Grant	11000-SDE64370-17043-82054		5,000
School Breakfast Program	11000-SDE64370-17046		120,417
Open Choice Program	11000-SDE64370-17053-82060		126,998
Open Choice Program	11000-SDE64370-17053-82162		<u>27,500</u>
			154,498
Magnet Schools	11000-SDE64370-17057		60,717,010
Extended School Hours	11000-SDE64370-17108		338,223
School Accountability	11000-SDE64370-17109		414,661
Low Performing Schools SB1502	12052-SDE64370-43728		249,501
Magnet School Incubation Bond Funds	12052-SDE64370-43678-82160		<u>796,483</u>
Total Department of Education			<u>88,538,732</u>
<b>Connecticut State Library</b>			
Historic Document Preservation	12060-CSL66094-35150		10,500
Distressed Public Library Repairs	12052-CSL66051-43300		<u>4,513,512</u>
Total Connecticut State Library			<u>4,524,012</u>
<b>Department of Administrative Services</b>			
Facilities Surplus Property	12060-DAS27142-30580		<u>3,870</u>
<b>Department of Children and Families</b>			
Youth Service Bureaus	11000-DCF91141-17052		193,935
Youth Service Bureau Enhancement	11000-DCF91141-17107		17,311
Juvenile Review Boards	11000-DCF91178-16280		<u>226,014</u>
Total Department of Children and Families			<u>437,260</u>
<b>Department of Consumer Protection</b>			
Non-Budgeted Operating Appropriation	34004-DCP39930-40001		<u>152,553</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, 2020**

<b>State Grantor/Pass-Through Grantor/ Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
<b>Department of Energy and Environmental Protection</b>			
Municipal Loan Land Acquisition	12052-DEP43153-43615		\$ 66,450
Community Conservation and Development	13019-DEP43720-41239-61018	\$ 104,312	
Community Conservation and Development	13019-DEP44720-41239-13008	<u>1,437,123</u>	1,541,435
Land and Water Conservation - Colt Park Project	12060-DEP43153-20787		374,170
Waste Reduction Initiative	12060-DEP43930-35169		<u>7,950</u>
Total Department of Energy and Environmental Protection			<u>1,990,005</u>
<b>Department of Housing</b>			
Housing / Homeless Services	11000-DOH46920-17038	\$ 506,094	506,094
Sustainable Housing Solutions Program	FX 1309301		<u>58,823</u>
Total Department of Housing		<u>506,094</u>	<u>564,917</u>
<b>Department of Labor</b>			
Non-Budgeted Operating Appropriation	12031-DOL40522-40001		<u>28,396</u>
Total Department of Labor			<u>28,396</u>
<b>Department of Transportation</b>			
Roundabout Sigourney St and Park Terrace			229
Bus Operations	12001-DOT57931-12175		95,342
Town Aid Road Grants-Municipal	12052-DOT57131-43455		595,289
Town Aid Road-STO	13033-DOT57131-43459		<u>595,289</u>
Total Department of Transportation			<u>1,286,149</u>
<b>Department of Public Health</b>			
Local and District Departments of Health	11000-DPH48558-17009	32,280	117,664
Other Expenses (Non-cash)	11000-DPH48665-10020		24,229
School Based Health Clinics	11000-DPH48832-17019		933,140
Venereal Disease Control	12004-DPH48665-17013		31,718
X-Ray Screen and Tuberculosis Care	12004-DPH48666-16112		<u>48,016</u>
Total Department of Public Health		<u>32,280</u>	<u>1,154,767</u>
<b>Department of Emergency Services and Public Protection</b>			
Drug Asset Forfeiture Revolving Account	12060-DPS32155-35142		25,190
Enhanced 911 Telecommunications Fund	12060-DPS32741-35190		614,502
School Security Infrastructure	12052-DPS32161-43546		<u>619,654</u>
Total Department of Emergency Services and Public Protection			<u>1,259,346</u>
<b>Department of Social Services</b>			
Medicaid	11000-DSS60000-16020		<u>775,729</u>
Total Department of Social Services			<u>775,729</u>
<b>Economic and Community Development</b>			
North Main Street Streetscape Improvement			19,128
Brownfield Remediation and Development	12060-ECD46260-35533		478,970
Urban Act Grant-OPM	13019-ECD46210-41240	228,097	
Urban Act Grant-OPM	13019-ECD46250-41240	<u>232,873</u>	460,970
Citywide Streetscape	20190640941000		<u>416,104</u>
Total Economic and Community Development			<u>1,375,172</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, 2020

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
<b>Judicial Branch</b>			
Non-Budgeted Operating Appropriation	34001-JUD95162-40001		\$ 87,898
<b>Office of Early Childhood</b>			
Early Care and Education - Child Day Care	11000-OEC64841-16274-83012	\$ 1,360,536	1,471,250
Early Care and Education - School Readiness in Priority School Districts	11000-OEC64845-16274-83014	6,638,677	9,889,629
Care 4 Kids TANF/CCDF	11000-OEC64845-16147		219,000
Child Care Quality Enhancement	11000-OEC64845-16158	82,693	112,523
COVID-19 Project 26	Program #: 33807 - 32000		81,463
Total Office of Early Childhood		<u>8,081,906</u>	<u>11,773,865</u>
<b>Office of Policy and Management</b>			
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		6,559
Property Tax Relief for Veterans	11000-OPM20600-17024		19,456
Local Capital Improvement Program	12050-OPM20600-40254		4,595,437
Municipal Grants-In-Aid	12052-OPM20600-43587		1,419,161
Hartford Infrastructure Projects (Urban Act Grants)	12052-OPM20870-43472		3,706,779
Total Office of Policy and Management			<u>39,920,103</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>8,620,280</u>	<u>153,872,774</u>
<b>Exempt Programs</b>			
<b>Department of Education</b>			
Education Cost Sharing	11000-SDE64370-17041-82010		187,788,684
Excess Cost - Student Based	11000-SDE64370-17047-82016	\$ 3,632,566	
Excess Cost - Student Based	11000-SDE64370-17047-82018	<u>7,893,503</u>	<u>11,526,069</u>
Total Department of Education			<u>199,314,753</u>
<b>Department of Administrative Services</b>			
School Construction - Principal SDE	13010-DAS27635-40901		14,264,603
School Construction Progress	13010-DAS27635-43744		83,339,483
Total Department of Administrative Services			<u>97,604,086</u>
<b>Office of Policy and Management</b>			
Municipal Revenue Sharing	11000-OPM20600-17102		12,422,113
Municipal Transition	11000-OPM20600-17103		11,597,120
Municipal Stabilization Grant	11000-OPM20600-17104		3,370,519
Grants To Towns	12009-OPM20600-17005		6,136,523
Total Office of Policy and Management			<u>33,526,275</u>
Total Exempt Programs			<u>330,445,114</u>
<b>Total State Financial Assistance</b>		<u>\$ 8,620,280</u>	<u>\$ 484,317,888</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, 2020**

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**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, 2020. 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, 2020:

<u>Project No.</u>	<u>Expenditures</u>
064-10-030	\$ 17,093
064-10-060	801,334
064-18-020	766,287
064-18-030	127,743
064-18-040	141,832
064-18-050	2,000,000
064-18-060	61,302
064-19-010	193,010
064-19-020	486,836
<b>Total</b>	<b>\$ 4,595,437</b>

**CITY OF HARTFORD, CONNECTICUT  
 NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED JUNE 30, 2020**

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**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, 2020:

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	\$ 853,829	- \$	99,415 \$	754,414

**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, 2020, 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 27, 2020. 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) as a basis for designing 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 financial statements. 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 27, 2020

**CITY OF HARTFORD, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

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**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:		
Magnet Schools	11000-SDE64370-17057	\$ 60,717,010
Connecticut State Library:		
Distressed Public Library Repairs	12052-CSL66051-43300	4,513,512
Office of Early Childhood:		
Early Care and Education - School Readiness in Priority School Districts	11000-OEC64845-16274-83014	9,889,629
Office of Policy and Management:		
Reimbursement Towns - Private Tax Exempt Property	11000-OPM20600-17006	20,009,758
Local Capital Improvement Program	12050-OPM20600-40254	4,595,437
Hartford Infrastructure Projects (Urban Act Grants)	12052-OPM20870-43472	3,706,779
Dollar threshold used to distinguish between type A and type B programs:		\$ 3,077,455

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No matters were reported.