State of Connecticut
Single Audit Report

For the Fiscal Year Ended June 30, 2016

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

STATE OF CONNECTICUT

Single Audit Report

For the Year Ended June 30, 2016

Table of Contents **Section/Page**

Letter of Transmittal

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

ROBERT J. KANE

March 30, 2017

Governor Dannel P. Malloy
Members of the General Assembly

We have conducted the Statewide Single Audit of the State of Connecticut for the fiscal year ended June 30, 2016.

This report on that audit complies with state audit requirements and with those audit requirements placed upon the state as a condition of expending more than $9,380,000,000 in federal financial assistance during the fiscal year ended June 30, 2016. This audit was performed in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards for financial audits 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).

We also call to your attention Section III of the Schedule of Findings and Questioned Costs relating to the state's administration of federal financial assistance programs. Section III of the Schedule contains many recommendations, all of which need to be addressed in order to ensure the proper administration of federal funds and their continued receipt at current or increased levels.

We would like to take this opportunity to express our appreciation to the Office of the State Comptroller, and the various state agencies that administer major federal programs, for their assistance and cooperation. That cooperation and assistance contributed greatly to the efficient completion of this Statewide Single Audit.

Finally, we wish to acknowledge the work done by our staff in planning for and carrying out this Statewide Single Audit. This audit work has been performed with dedication, creativity and professionalism. We are pleased to deliver this report for the fiscal year ended June 30, 2016.

Respectfully submitted,

John C. Geragosian
Auditor of Public Accounts

Robert J. Kane
Auditor of Public Accounts

State of Connecticut
Financial Statements

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

INDEPENDENT AUDITORS' REPORT

Governor Dannel P. Malloy
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit:

<u>Government-wide Financial Statements</u>

- the financial statements of the Special Transportation Fund account within the Transportation Fund and the Transportation Special Tax Obligations account within the Debt Service Fund, which in the aggregate, represent six percent of the assets, two percent of the net position and eight percent of the revenues of the Governmental Activities;
- the financial statements of the John Dempsey Hospital account within the University of Connecticut and Health Center, the Connecticut State University System, Connecticut Community Colleges, Connecticut Airport Authority, Bradley International Airport Parking Facility, and the Federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 57 percent of the assets, 51 percent of the net position and 33 percent of the revenues of the Business Type Activities;
- the financial statements of the discretely presented component units;

<u>Fund Financial Statements</u>

- the financial statements of the Special Transportation Fund account, which represents 98 percent of the assets and 97 percent of the revenues of the Transportation Fund;
- the financial statements of the Transportation Special Tax Obligations account, which represents 100 percent of the assets and 100 percent of the revenues of the Debt Service Fund;
- the financial statements of the John Dempsey Hospital account within the University of Connecticut and Health Center, the Connecticut State University System, the Connecticut Community Colleges, Bradley International Airport Parking Facility, and the federal accounts for the Clean Water Fund and Drinking Water Fund, which in the aggregate, represent 57 percent of the assets, 33 percent of the net position and 33 percent of the revenues of the Enterprise Funds;

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned funds and accounts, is based on the reports of the other auditors.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. In addition, the financial statements of the Special Transportation Fund, Transportation Special Tax Obligations Fund, Drinking Water Fund, Clean Water Fund, Connecticut Airport Authority, Capital Region Development Authority, Connecticut Lottery Corporation, Materials Innovation and Recycling Authority, Connecticut Health and Educational Facilities Authority, Connecticut Health Insurance Exchange, Connecticut Housing Finance Authority, Connecticut Innovations Incorporated and the Connecticut Green Bank were audited by other auditors in accordance with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audits of the financial statements of the Bradley International Airport Parking Facility, Connecticut State University System, Connecticut Community Colleges and the University of Connecticut Foundation and University of Connecticut Law School Foundation were not conducted in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, for the State of Connecticut, as of June 30, 2016, and the respective budgetary comparison for the General Fund and the Transportation Fund, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 22 and 24 to the basic financial statements, in the 2016 fiscal year the State of Connecticut adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments and for disclosures related to all fair value measurements. As a result of the implementation of GASB Statement No. 72 the State reported a restatement for a change in accounting principle by an increase of its beginning net position for governmental funds and fiduciary funds totaling $182 thousand and 214.8 million, respectively. The amounts reported for the beginning and ending net position reflect a change in methodology of the State Treasurer for valuing investments that do not have a readily determinable market value. Our opinions are not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the pension plans schedules and information and the other post-employment benefits schedule, as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the course of our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016, on our consideration of the State of Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report will be issued under separate cover in the *Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended June 30, 2016, State of Connecticut Comprehensive Annual Financial Report* and is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

John C. Geragosian
Auditor of Public Accounts

December 30, 2016
State Capitol
Hartford, Connecticut

MANAGEMENT'S DISCUSSION AND ANALYSIS (MDA)

INTRODUCTION

The following is a discussion and analysis of the State's financial performance and condition providing an overview of the State's activities for the fiscal year ended June 30, 2016. The information provided here should be read in conjunction with the letter of transmittal in the front of this report and with the State's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements

The State's total net position (deficit) increased $2.5 billion (or 7.0 percent) as a result of this year's operations. Net position (deficit) of governmental activities increased by $3.2 billion (or 7.9 percent) and business-type activities increased by $770 million (or 14.0 percent). At year-end, net position (deficit) of governmental activities and business-type activities totaled a negative $44.1 billion and $6.30 billion, respectively.

Component units reported net position of $2.35 billion, a decrease of $24.4 million or 1.0 percent from the previous year. The majority of the net position is attributable to the Connecticut Housing Finance Authority, a major component unit.

Fund Financial Statements

The governmental funds reported combined ending fund balance of $1.8 billion, a decrease of $0.3 million in comparison with the prior year. Of this total fund balance, $191.6 million represents nonspendable fund balance, $2.3 billion represents restricted fund balance, $354.8 million represents committed fund balance, and $24.9 million represents assigned fund balance. A negative $1.0 billion unassigned fund balance offsets these amounts. This deficit, which belongs primarily to the General Fund, increased by $265.7 million during the fiscal year.

The State's stabilization account, the General Fund Budget Reserve Account (Rainy Day Fund) ended the fiscal year with a balance of $235.6 million.

Personal income tax revenues in the governmental funds increased $904.2 million or 11.0 percent, compared to $434.4 million or 5.6 percent increase in the prior fiscal year. General fund tax revenues increased $433.6 million or 2.9 percent.

The Enterprise funds reported net position of $6.3 billion at year-end, an increase of $770.1 million during the year, substantially all of which was invested in capital assets or restricted for specific purposes.

Long–Term Debt

Total long-term debt was $62.7 billion for governmental activities at year-end, of which $23.9 billion was bonded debt.

Total long-term debt was $1.9 billion for business-type activities at year-end, of which $1.5 billion was bonded debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements. The State's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information to provide additional support to the basic financial statements.

Government-wide Financial Statements – Reporting the State as a Whole
The Statement of Net Position and the Statement of Activities beginning on page 35 together comprise the government-wide financial statements. These financial statements are designed to provide readers with a broad overview of the State's finances, in a manner similar to a private-sector business. All revenues and expenses are recognized regardless of when cash is received or spent, and all assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level. The government-wide statements report the State's net position and changes in net position. Over time, increases and decreases in net position measure whether the State's overall financial condition is getting better or worse. Non-financial factors such as the State's economic outlook, changes in its demographics, and the condition of capital assets and infrastructure should also be considered when evaluating the State's overall condition.

The statement of net position presents information on all of the State's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between all reported as net position. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted.

The statement of activities presents information showing how the State's net position changed during fiscal year 2016. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Position and Statement of Activities report three separate activities. These activities are described as follows:

- **Governmental Activities** – The State's basic services fall under this activity including legislative, general government, regulation and protection, conservation and development, health and hospital, transportation, human services, education, corrections, and judicial. Taxes and intergovernmental revenues are major funding sources for these programs.

- **Business-type Activities –** The State operates certain activities much like private-sector companies by charging fees to cover all or most of the costs of providing goods and services. The major business-type activities of the State include the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Community Colleges), Employment Security Fund, and Clean Water Fund.

- **Discretely Presented Component Units** – A number of entities are legally separate from the State, yet the State remains financially accountable for them. The major component units of the State are Connecticut Housing Finance Authority, Connecticut Lottery Corporation, and Connecticut Airport Authority.

Fund Financial Statements – Report the State's Most Significant Funds

The fund financial statements beginning on page 36 provide detailed information about individual major funds, not the State as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds –** Most of the State's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the State's financial position helps determine whether the State has sufficient resources to cover expenditures for its basic services in the near future.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the State's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

  The State reports five individual governmental funds. Information is presented separately in the governmental fund statements for the General Fund, Debt Service Fund, Transportation Fund, Restricted Grants and Accounts Fund, and Grants and Loan Programs Fund, all of which are considered major funds. Data from the other eighteen governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements immediately following the required supplementary information.

- **Proprietary Funds** – Proprietary funds include enterprise funds and internal service funds and account for activities that operate more like private-sector businesses and use the full accrual basis of accounting. Enterprise funds charge fees for services provided to outside customers. Enterprise funds are reported as business-type activities on the government-wide financial statements. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the State's various functions. The State uses Internal Service funds to account for correction industries, information technology, and administrative services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  The State reports four individual proprietary funds. Information is presented separately in the proprietary fund statements for the University of Connecticut and Health Center, Board of Regents (Connecticut State Universities & Connecticut Community Colleges), Employment Security, and Clean Water all of which are considered major funds. Data from the other enterprise funds is combined into a single, aggregated presentation. Individual fund data for all nonmajor proprietary funds is provided in the combining statements immediately following the required supplementary information.

- **Fiduciary Funds –** Fiduciary funds account for resources held by the State in a trustee or agency capacity for others. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position.

- **Component Units –** The government-wide financial statements report information for all component units into a single, aggregated presentation. Information is provided separately in the component unit fund statements for the Connecticut Housing Finance Authority, Connecticut Lottery, and Connecticut Airport Authority. Data from the other component units is combined into a single, aggregated presentation. Individual fund data for all other nonmajor component units is provided in the combining statements immediately following the required supplementary information.

Reconciliation between Government-wide and Fund Statements

The financial statements include schedules on pages 41 and 43 which reconcile and explain the differences between the amounts reported for governmental activities on the government-wide statements (full accrual basis of accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual basis of accounting, short-term focus). The following are some of the major differences between the two statements.

- Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements.

- Capital outlay spending results in capital assets on the government-wide statements, but is expenditures on the governmental fund statements.

- Bond proceeds result in liabilities on the government-wide statements, but are other financing sources on the governmental fund statements.

- Net Pension Liability and Net OPEB Obligation are included on the government-wide statements, but are not reported on the governmental fund statements.

- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements, but are deferred inflows of resource on the governmental fund statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit fund financial statements.

Required Supplementary Information (RSI)

Following the basic financial statements are budgetary comparison schedules for major funds with legally adopted budgets. In addition, within the RSI there is a reconciliation schedule for budgetary vs. GAAP basis of accounting. The RSI also includes information regarding the State's funding progress and employer contributions for pension and other postemployment benefits, and change in employers' net pension liability.

Supplementary Information

The combining financial statements for the State's nonmajor governmental, nonmajor enterprise, nonmajor fiduciary funds, and nonmajor discretely presented component units.

Statistical Section

This section provides up to ten years of financial, economic, and demographic information.

FINANCIAL ANALYSIS OF THE GOVERNMENT AS A WHOLE

Net Position

The combined net position deficit of the State increased $2.5 billion or 7.0 percent. In comparison, last year the combined net position deficit decreased $2.7 billion or 6.6 percent. The net position deficit of the State's governmental activities increased $3.2 billion (7.9 percent) to $44.1 billion during the current fiscal year.

State Of Connecticut's Net Position
(Expressed in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015*	2016	2015	2016	2015*
ASSETS						
Current and Other Assets	$ 4,674	$ 4,566	$ 4,166	$ 4,104	$ 8,840	$ 8,670
Capital Assets	13,706	13,031	4,539	4,151	18,245	17,182
Total Assets	18,380	17,597	8,705	8,255	27,085	25,852
Deferred Outflows of Resources	2,656	2,357	12	16	2,668	2,373
LIABILITIES						
Current Liabilities	4,501	4,149	715	829	5,216	4,978
Long-term Liabilities	60,580	55,256	1,714	1,926	62,294	57,182
Total Liabilities	65,081	59,405	2,429	2,755	67,510	62,160
Deferred Inflows of Resources	83	1,429	19	17	102	1,446
NET POSITION						
Net Investment in Capital Assets	4,531	4,958	3,794	3,449	8,325	8,407
Restricted	1,977	1,885	1,090	1,154	3,067	3,039
Unrestricted	(50,636)	(47,723)	1,385	896	(49,251)	(46,827)
Total Net Position (Deficit)	$ (44,128)	$ (40,880)	$ 6,269	$ 5,499	$ (37,859)	$ (35,381)

*Restated for comparative purposes

Total invested in capital assets net of related debt was $4.5 billion (buildings, roads, bridges, etc.) and $2.0 billion was restricted for specific purposes, resulting in an unrestricted net position deficit of $50.6 billion for governmental activities. This deficit is the result of having long-term obligations that are greater than currently available resources. The State has recorded the following outstanding long-term obligations which contributed to the deficit; a) general obligation bonds issued in the amount of $10.0 billion to finance various municipal grant programs (e.g., school construction) and $2.2 billion issued to finance a contribution to a pension trust fund, and b) other long-term obligations in the amount of $38.7 billion, which are partially funded or not funded by the State (e.g., net pension liability and OPEB obligations and compensated absences).

Net position of the State's business-type activities increased $770.1 million (14.0 percent) to $6.3 billion during the current fiscal year. Of this amount, $3.8 billion was invested in capital assets and $1.1 billion was restricted for specific purposes, resulting in unrestricted net positions of $1.4 billion. These resources cannot be used to make up for the net position deficit of the State's governmental activities. The State can only use these net positions to finance the ongoing operations of its Enterprise funds (such as the University of Connecticut and Health Center and others).

Changes in net position for the years ended June 30, 2016 and 2015 were as follows:

State of Connecticut's Changes in Net Position
(Expressed in Millions)

	Governmental Activities		Business-Type Activities		Total		% change
	2016	2015*	2016	2015	2016	2015*	16-15
REVENUES							
Program Revenues							
Charges for Services	$ 1,998	$ 1,902	$ 2,820	$ 2,600	$ 4,818	$ 4,502	7.0%
Operating Grants and Contributions	7,179	7,096	594	676	7,773	7,772	0.0%
Capital Grants and Contributions	779	717	6	33	785	750	4.7%
General Revenues							
Taxes	16,204	15,707	-	-	16,204	15,707	3.2%
Casino Gaming Payments	266	268	-	-	266	268	-0.7%
Lottery Tickets	335	320	-	-	335	320	4.7%
Other	207	141	13	12	220	153	43.8%
Total Revenues	26,968	26,151	3,433	3,321	30,401	29,472	3.2%
EXPENSES							
Legislative	140	109	-	-	140	109	28.4%
General Government	2,545	1,717	-	-	2,545	1,717	48.2%
Regulation and Protection	968	1,032	-	-	968	1,032	-6.2%
Conservation and Development	1,104	924	-	-	1,104	924	19.5%
Health and Hospital	2,772	2,176	-	-	2,772	2,176	27.4%
Transportation	2,238	1,767	-	-	2,238	1,767	26.7%
Human Services	9,116	6,753	-	-	9,116	6,753	35.0%
Education, Libraries, and Museums	5,315	4,407	-	-	5,315	4,407	20.6%
Corrections	2,308	1,825	-	-	2,308	1,825	26.5%
Judicial	1,135	876	-	-	1,135	876	29.6%
Interest and Fiscal Charges	829	797	-	-	829	797	4.0%
University of Connecticut & Health Center	-	-	2,255	2,155	2,255	2,155	4.6%
Board of Regents	-	-	1,363	1,319	1,363	1,319	3.3%
Employment Security	-	-	686	751	686	751	-8.7%
Clean Water	-	-	38	35	38	35	8.6%
Other	-	-	67	69	67	69	-2.9%
Total Expenses	28,470	22,383	4,409	4,329	32,879	26,712	23.1%
Excess (Deficiency) Before Transfers	(1,502)	3,768	(976)	(1,008)	(2,478)	2,760	
Transfers	(1,746)	(1,726)	1,746	1,726	-	-	
Increase (Decrease) in Net Position	(3,248)	2,042	770	718	(2,478)	2,760	
Net Position (Deficit) - Beginning (as restated)	(40,880)	(42,922)	5,499	4,781	(35,381)	(38,141)	
Net Position (Deficit) - Ending	(44,128)	(40,880)	6,269	5,499	(37,859)	(35,381)	7.0%

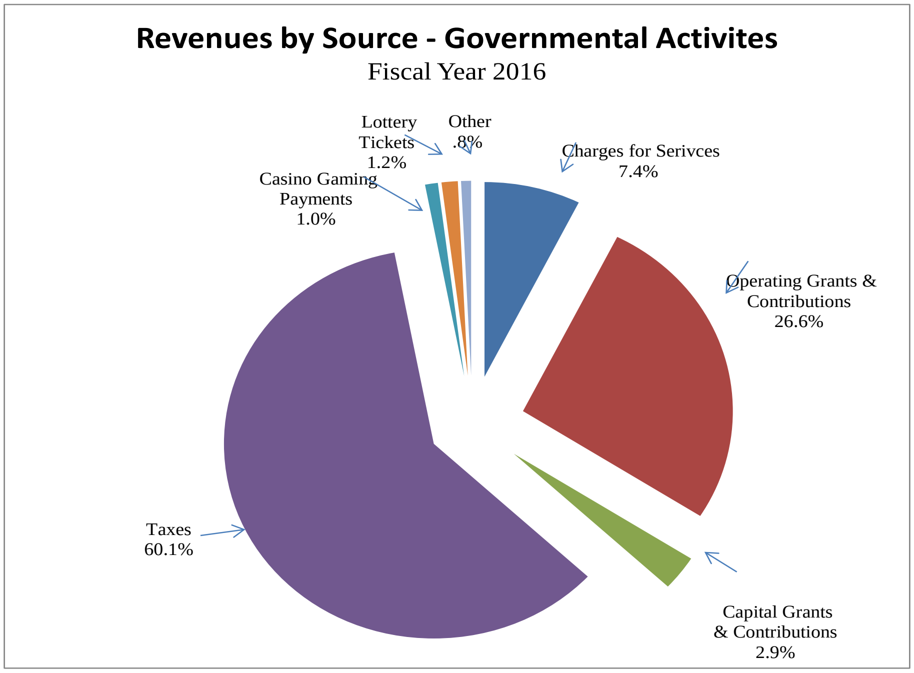
*Restated for comparative purposes

Changes in Net Position

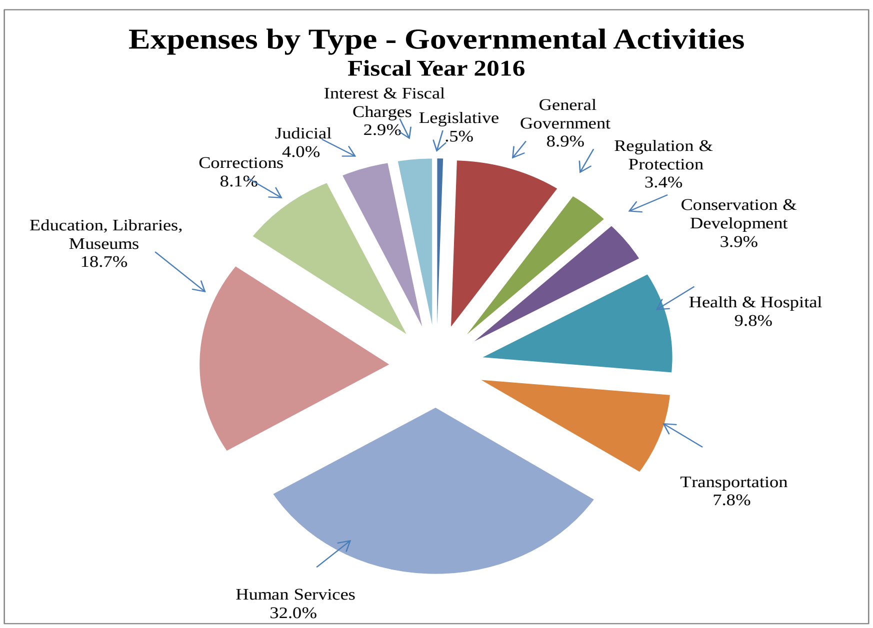
This year the State received 60.1 percent of its revenue from taxes and 29.5 percent of its revenues from grants and contributions. In the prior year, taxes accounted for 60.1 percent and grants and contributions were 27.1 percent of total revenues. Charges for services such as licenses, permits and fees, rents and fines, and other miscellaneous collections comprised 7.4 percent of total revenue in fiscal year 2016, compared to 7.3 percent in fiscal year 2015.

Governmental Activities

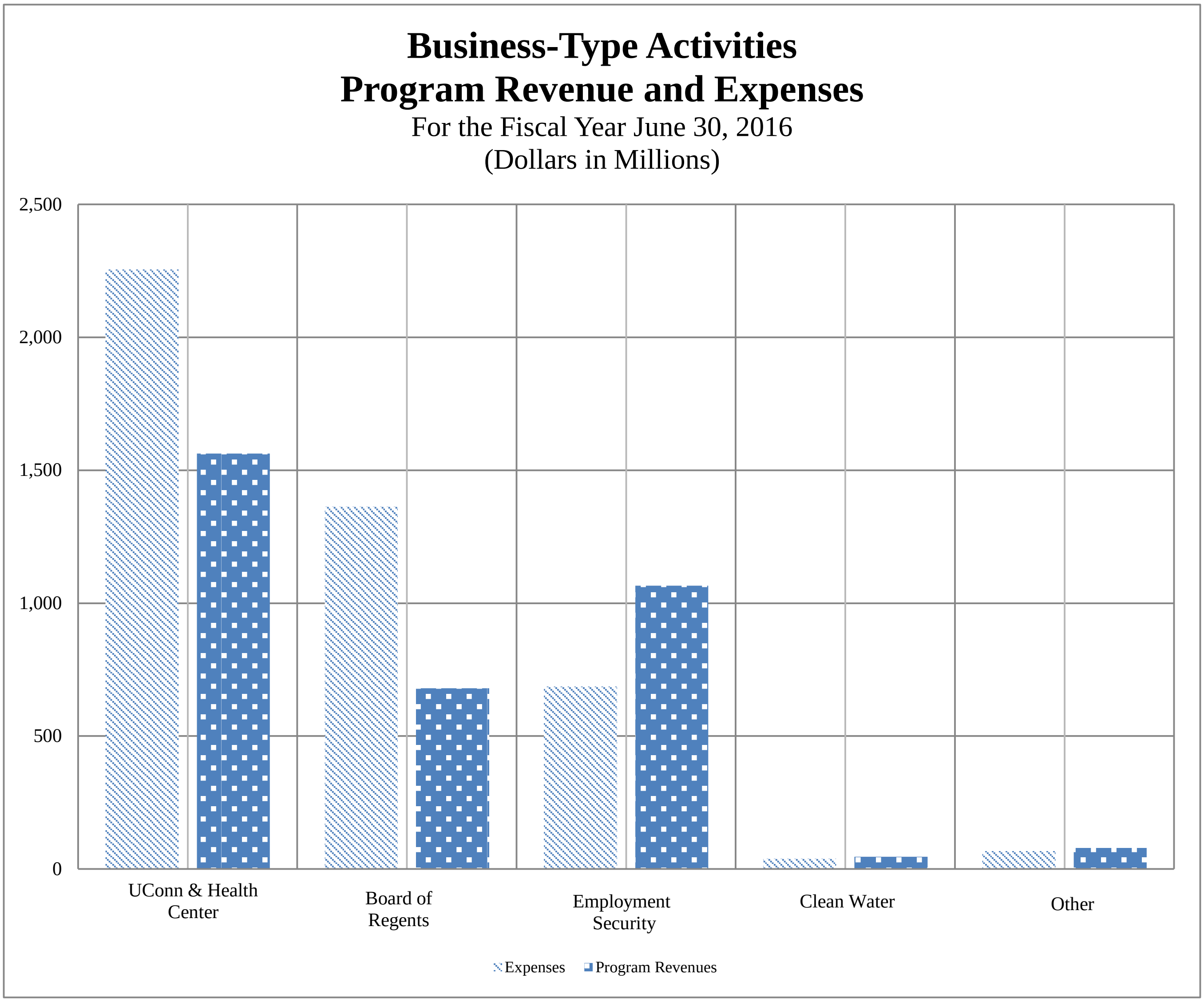
The following graph is a representation of the Statement of Activities revenues for governmental activities. Governmental activities revenues increased by $817 million, or 3.1 percent. This increase is primarily due to an increase of $497 million from taxes.



The following graph is a representation of the Statement of Activities expenses for governmental activities. Governmental activities expenses increased by $6.1 million, or 2.7 percent. The increase is mainly attributable to increased spending in human services.



Business-Type Activities
Net position of business-type activities increased by $770.1 million during the fiscal year. The following chart highlights the changes in net position for the major enterprise funds.



During the year, total revenues of business-type activities increased 3.0 percent to $3.4 billion, while total expenses increased 1.3 percent to $4.4 billion. In comparison, last year total revenues remained steady, while total expenses decreased 2.8 percent. The increase in total expenses of $80.0 million was due mainly to an increase in University of Connecticut and Health Center expenses of $100.0 million or 4.6 percent. Although, total expenses exceeded total revenues by $976.2 million, this deficiency was reduced by transfers of $1,746 million, resulting in an increase in net position of $770.1 million.

FINANCIAL ANALYSIS OF THE STATE'S GOVERNMENTAL FUNDS

As of the end of the fiscal year, the State's governmental funds had fund balances of $1.8 billion, a decrease of $265.4 million over the prior year ending fund balances. Of the total governmental fund balances, $2.3 billion represents fund balance that is considered restricted for specific purposes by external constrains or enabling legislation; $191.6 million represents fund balance that is non-spendable; $379.7 million represents fund balance that is committed or assigned for specific purposes. A negative $1.01 billion unassigned fund balance offsets these amounts.

General Fund

The General Fund is the chief operating fund of the State. At the end of the fiscal year, the General Fund had a fund balance deficit of $614.2 million, an increase of $424.3 million in comparison with the prior year. Of this total fund balance, $384.7 million represents non-spendable fund balance or committed for specific purposes, leaving a deficit of $998.9 million in unassigned fund balance.

Specific changes to the General Fund balance included the following:

- Nonspendable fund balance increased by $1.4 million or 2.8 percent.

- Committed fund balance decreased by $220.0 million or 39.8 percent. There also was a statutory transfer from the Budget Reserve Fund (Rainy Day Fund) for $170.4 million, after the transfer the fund ended the year with a balance of $235.6 million.

- Unassigned fund balance deficit increased by $205.7 million.

At the end of fiscal year 2016, General Fund revenues were 1.5 percent, or $260.9 million, higher than fiscal year 2015 revenues. This change in revenue results from increases of $538.3 million primarily attributable to taxes ($433.6 million), licenses, permits, and fees ($39.2 million), and other revenue ($65.5 million). These increases were offset by decreases of $277.4 million primarily attributable to federal grants and aid ($275.2 million), and other revenue ($2.2 million).

At the end of fiscal year 2016, General Fund expenditures were 3.0 percent, or $508.0 million, higher than fiscal year 2015. This was primarily attributable to increases in legislative, general government, regulations, conservation and development, human services, corrections, and judicial of $4.1 million, $337.5 million, $12.1 million, $81.2 million, $18.2 million, and $30.7 million respectively. Net other financing sources and uses increased by $29.6 million.

Debt Service Fund

At the end of fiscal year 2016, the Debt Service Fund had a fund balance of $738.2 million, all of which was restricted, an increase of $69.8 million in comparison with the prior year.

Transportation Fund

The State's Transportation Fund had a fund balance of $211.9 million at the end of fiscal 2016. Of this amount, $29.7 million was in nonspendable form and $182.2 million was restricted or committed for specific purposes. Fund balance decreased by $45.4 million during the current fiscal year.

At the end of fiscal year 2016, Transportation Fund revenues increased by $21.8 million, or 1.6 percent, and expenditures increased by $38.8 million, or 4.3 percent. The increased revenue is primarily due to an increase in taxes.

Restricted Grants and Accounts Fund
At the end of fiscal year 2016, the Restricted Grants and Accounts Fund had a fund balance of $197.9 million, all of which was restricted for specific purposes, an increase of $113.1 million in comparison with the prior year.

Total revenues were 5.5 percent, or $352.0 million, higher than in fiscal year 2015. Overall, total expenditures were 4.1 percent, or $267.9 million, higher than fiscal year 2015.

Grant and Loan Programs
As of June 30, 2016, the Grant and Loan Programs Fund had a fund balance of $689.4 million, all of which was restricted for specific purposes, a decrease of $63.6 million in comparison with the prior year.

FINANCIAL ANALYSIS OF THE STATE'S PROPRIETARY FUNDS
Proprietary funds report activities of the State that are similar to for-profit business. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Accordingly, a discussion of the financial activities of the Proprietary funds is provided in that section.

FINANCIAL ANALYSIS OF THE STATE'S FIDUCIARY FUNDS
The State maintains Fiduciary funds for the assets of Pension and Other Employee Benefit Trust funds, an Investment Trust fund, and a Private-Purpose Trust fund. The net positions of the State's Fiduciary funds totaled $30.9 billion, a decrease of $234.2 million when compared to the prior year ending net position.

Budget Highlights-General Fund
The State budget is formulated during odd-numbered years; the General Assembly generates a two-year (biennial) budget. The process begins with the Executive Branch, when the governor asks the commissioner of each state agency to prepare draft budgets for the following biennium. Over several months the governor's budget office, the Office of Policy and Management (OPM), compiles this information, makes changes as it sees fit, and then works to match the agencies' spending projections with revenue estimates for the same period.

The result referred to as the 'governor's budget,' is delivered to the General Assembly in a formal address by the governor in early February. The annual budget address often includes policy, initiatives, spending proposals, and vehicles through which additional revenue may be generated. In the address, the governor identifies his priorities for the biennium.

Thereafter, the legislature goes through a similar process to determine spending priorities and corresponding revenue requirements. Later in the session, the Appropriations and Finance Committees approve a budget, which is often different from the governor's. Negotiations with the governor's office reconcile the two versions and determine the final budget language and the state's fiscal path for the following two years. Lastly, the budget must be voted on and passed by both the House and Senate and signed into law by the governor.

The General Fund ended Fiscal Year 2016 with a deficit of $170,418,432. A transfer from the Budget Reserve Fund eliminated the shortfall returning the unappropriated balance of the fund to zero on the budgetary accounting basis. After the transfer to the General Fund, the Budget Reserve Fund had a balance of $235,582,921. The reserves at the beginning of Fiscal Year 2016 were $406,001,353.

In evaluating the Fiscal Year 2016 General Fund deficit, it is instructive to recall that as the fiscal year budget formulation process began, projections indicated that maintaining existing levels of programs and services would produce a deficit of $1.1 billion.

In order to pass a balanced budget for Fiscal Year 2016, policy changes were implemented to reduce current service spending in the General Fund by $519 million. The actual changes in spending between Fiscal Years 2015 and 2016 are discussed below. In addition to the spending changes, adjustments were enacted to generate an anticipated $802.1 million more in gross General Fund revenue. The largest revenue changes were to the income tax ($169.3 million), the corporation tax ($258.1 million), and the health provider tax ($224.8 million). The gain in the health provider tax was to be partially offset by higher payments to hospitals. Since the hospital tax (Public Act 11-6) was implemented in Fiscal Year 2012 as a method of maximizing federal reimbursements, redistribution of the tax back to hospitals has steadily declined.

Within the first two months of Fiscal Year 2016, it became clear that General Fund revenue would fall short of budget targets. A significant stock market correction in August of 2015 dampened hopes of meeting income tax estimates, especially with respect to the capital gains portion of the tax. By the time of the November 10, 2015 consensus revenue forecast, General Fund revenues were projected to be $217.5 million short of budget expectations and a Fiscal Year 2016 General Fund deficit emerged. In December, a deficit mitigation target of $350 million was negotiated and Public Act 15-1 was passed to rebalance the budget. Public Act 15-1 made line-item reductions to agency budgets and delayed revenue transfers to the Transportation Fund and to the Municipal Revenue Sharing Account, among other changes.

Revenue estimates continued to deteriorate throughout the fiscal year and on March 16, 2016, the Governor issued budget rescissions totaling $78.7 million across all branches of government. At the end of Fiscal Year 2016, the General Fund deficit estimate was $279.4 million, which was prior to accrual activity. Positive accrual results have reduced the General Fund deficit number for Fiscal Year 2016 to $170.4 million as cited above.

General Fund spending of $17,921.3 million in Fiscal Year 2016 grew by $501.6 million or 2.9 percent over last fiscal year. Almost 80 percent of this spending increase was attributable to two appropriation line-items: Debt Service increased by $265.5 million or 18.7 percent and the State Employees' Retirement System Contribution grew by $125.9 million or 13 percent. The functional program areas with the largest dollar reductions in spending from last fiscal year were general government administration (down $34 million or 5.1 percent), health and hospitals (down $19.4 million or 1.1 percent) and conservation and development (down $11 million or 5.3 percent). The largest functional program area increase was to education, which grew by $96.6 million or 1.9 percent. Education is the largest single program area accounting for almost 30 percent of General Fund expenditures.

In Fiscal Year 2016, General Fund revenue expanded by $498.8 million or 2.9 percent from the prior fiscal year. This gain was primarily due to the revenue policy changes discussed above, and it was well below initial budget expectations. The largest variance from the original budget estimates was in the income tax, which fell $652.8 million short of the target. Compared with the previous fiscal year, the payroll driven withholding portion of the income tax grew by 3.4 percent in Fiscal Year 2016. However, the estimated and final payments portions of the income tax, which are related to capital gains and bonus payments, dropped by 4.4 percent despite an increase in the upper bracket tax rate.

The disappointing revenue results for Fiscal Year 2016 were largely produced by an economy that has yet to reach past recovery growth levels, as well as considerable stock market volatility.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2016 totaled $18.2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress. The net increase in the State's investment in capital assets for the fiscal year was $1.01 billion.

Major capital asset events for governmental activities during the fiscal year include additions to buildings and land of $523 million and depreciation expense of $988.0 million.

The following table is a two-year comparison of the investment in capital assets presented for both governmental and business-type activities:

State of Connecticut's Capital Assets
(Net of Depreciation, in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land	$ 1,747	$ 1,709	$ 68	$ 68	$ 1,815	$ 1,777
Buildings	2,605	2,505	3,253	2,868	5,858	5,373
Improvements Other Than Buildings	141	156	184	166	325	322
Equipment	-	62	348	332	348	394
Infrastructure	4,613	4,934	-	-	4,613	4,934
Construction in Progress	4,545	3,665	686	717	5,231	4,382
Total	$ 13,651	$ 13,031	$ 4,539	$ 4,151	$ 18,190	$ 17,182

Additional information on the State's capital assets can be found in Note 9 of this report.

Long-Term Debt - Bonded Debt

At the end of the current fiscal year, the State had total debt outstanding of $25.3 billion. Pursuant to various public and special acts, the State has authorized the issuance of the following types of debt: general obligation debt (payable from the General Fund), special tax obligation debt (payable from the Debt Service Fund), and revenue debt (payable from specific revenues of the Enterprise funds).

The following table is a two-year comparison of bonded debt presented for both governmental and business-type activities:

State of Connecticut's Bonded Debt (in millions)
General Obligation and Revenue Bonds

	Governmental Activies		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	$ 17,395	$ 16,403	$ -	$ -	$ 17,395	$ 16,403
Transportation Related bonds	4,520	4,090	-	-	4,520	4,090
Revenue Bonds	-	-	1,271	1,357	1,271	1,357
Long-Term Notes	353	520	-	-	353	520
Premiums and Deferred Amounts	1,672	1,417	102	111	1,774	1,528
Total	$ 23,940	$ 22,430	$ 1,373	$ 1,468	$ 25,313	$ 23,898

The State's total bonded debt increased by $1.4 billion (5.9 percent) during the current fiscal year. This increase resulted mainly from an increase in general obligation bonds of $992 million.

Section 3-21 of the Connecticut General Statutes provides that the total amount of bonds, notes or other evidences of indebtedness payable from General Fund tax receipts authorized by the General Assembly but have not been issued and the total amount of such indebtedness which has been issued and remains outstanding shall not exceed 1.6 times the total estimated General Fund tax receipts of the State for the current fiscal year. In computing the indebtedness at any time, revenue anticipation notes, refunded indebtedness, bond anticipation notes, tax increment financing, budget deficit bonding, revenue bonding, balances in debt retirement funds and other indebtedness pursuant to certain provisions of the General Statutes shall be excluded from the calculation. As of July 2016, the State had a debt incurring margin of $2.9 billion.

Other Long-Term Debt

State of Connecticut Other Long - Term Debt (in Millions)

	Governmental Activies		Business-Type Activities		Total Primary Government	
	2016	2015*	2016	2015	2016	2015*
Net Pension Liability	$ 27,460	$ 26,115	$ -	$ -	$ 27,460	$ 26,115
Net OPEB Obligation	9,928	8,983	-	-	9,928	8,983
Compensated Absences	511	499	192	186	703	685
Workers Compensation	684	651	-	-	684	651
Federal Loan Payable	-	-	-	103	-	103
Other	148	150	349	351	497	501
Total	$ 38,731	$ 36,398	$ 541	$ 640	$ 39,272	$ 37,038

*Restated for comparative purposes

The State's other long-term obligations increased by $2.2 billion (6.0 percent) during the fiscal year. This increase was due mainly to an increase in the net pension liability (Governmental activities) of $1.3 billion or 5.1 percent. Additional information on the State's long-term debt can be found in Notes 16 and 17 of this report.

Economic Outlook and Next Year's Budget

Despite the deep recession of 2008 and the slow pace of recovery, Connecticut continues to be a wealthy State. According to current census data, in 2015 Connecticut had a per capita personal income (PCPI) of $68,704. This PCPI was 143 percent of the national average of $48,112. Connecticut had a median adjusted family income of $91,388 in 2015 ranking it second among all States.

Connecticut's high income is partially explained by the educational achievement of its citizens. Almost 22 percent of the State's adult population has a bachelor's degree and nearly 17 percent possess a graduate degree or higher. This ranks Connecticut 7th and 3rd respectively among the States in the educational attainment of its adult population.

The State continues to be a leader in technology and innovation within its industries. Total spending within the state on research and development activities places Connecticut 5th among all states. In 2015, Connecticut ranked 8th nationally in patents granted per population. The state's principal industries today produce jet engines and parts, submarines, electronics and electrical machinery, computer equipment, and helicopters. Much of Connecticut's manufacturing is for the military. Finance, insurance and real estate (FIRE) are important sectors that in 2015 contributed the highest dollar amount to the state's Real Gross Domestic Product.

As in many other States, Connecticut's traditional core sectors are being reshaped by national trends and global competition. Manufacturing's contribution to the State economy as measured by GDP has been cut in half over the past four decades. The 2008 recession significantly reduced employment in the State's FIRE sector. Jobs in the financial sector remain approximately 13,000 below the 2008 pre-recession peak. These are some of the highest paying jobs within the State. Over the past ten years in Connecticut, the strongest job gains have been in industries with below average wages. The largest gains have been posted in educational services, health care and social assistance, and accommodation and food services, but wages in these sectors are 20 percent below the statewide average.

Looking forward Connecticut has numerous competitive advantages and challenges in shaping its economy. As discussed in the introductory section above, Connecticut has been steadily adding jobs and those gains have now spread to all major employment sectors. There are also indications of pay gains in many sectors. The State's labor force has the 3rd highest productivity rate in the country, which should help sustain higher wages into the future. Connecticut can boast of a high quality of life in attracting and retaining businesses. Forbes magazine ranked Connecticut 3rd in quality of life measures. The State has the 2nd lowest violent crime rate among neighboring states and the 9th lowest in the nation. State residents also enjoy the 3rd highest life expectancy in the country. Connecticut surely has challenges ahead in stabilizing its state budget, improving its transportation system and revitalizing its urban centers to accommodate growing preferences for urban living. Our State is well positioned to create a strong economy moving into the future. The stability of future State budgets is dependent on this economic growth. Job growth, wage growth and capital gains have been dependable indicators of State revenue growth and the resulting budget balance.

CONTACTING THE STATE'S OFFICES OF FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report, please contact the State Comptroller's Office at 1-860-702-3350.

Basic Financial Statements

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Statement of Net Position

June 30, 2016
(Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Current Assets:				
Cash and Cash Equivalents	$ 881,229	$ 784,140	$ 1,665,369	$ 277,149
Deposits with U.S. Treasury	-	382,161	382,161	-
Investments	111,549	34,139	145,688	407,943
Receivables, (Net of Allowances)	2,383,816	630,912	3,014,728	93,996
Due from Primary Government	-	-	-	5,202
Inventories	48,282	12,667	60,949	5,954
Restricted Assets	-	149,081	149,081	1,076,729
Internal Balances	(362,055)	362,055	-	-
Other Current Assets	9,002	30,711	39,713	18,405
Total Current Assets	3,071,823	2,385,866	5,457,689	1,885,378
Noncurrent Assets:				
Cash and Cash Equivalents	-	482,781	482,781	-
Due From Component Units	35,623	-	35,623	-
Investments	-	55,710	55,710	205,609
Receivables, (Net of Allowances)	828,162	973,035	1,801,197	471,545
Restricted Assets	738,240	263,274	1,001,514	4,508,525
Capital Assets, (Net of Accumulated Depreciation)	13,705,901	4,538,697	18,244,598	793,094
Other Noncurrent Assets	107	6,055	6,162	54,138
Total Noncurrent Assets	15,308,033	6,319,552	21,627,585	6,032,911
Total Assets	18,379,856	8,705,418	27,085,274	7,918,289
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	1,857	-	1,857	98,541
Unamortized Losses on Bond Refundings	95,903	9,204	105,107	66,341
Related to Pensions	2,558,497	-	2,558,497	19,743
Other Deferred Outflows	-	2,921	2,921	72
Total Deferred Outflows of Resources	2,656,257	12,125	2,668,382	184,697
Liabilities				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	910,608	403,759	1,314,367	124,135
Due to Component Units	5,202	-	5,202	-
Due to Primary Government	-	-	-	35,623
Due to Other Governments	362,842	239	363,081	-
Current Portion of Long-Term Obligations	2,089,680	165,597	2,255,277	369,796
Amount Held for Institutions	-	-	-	318,694
Unearned Revenue	25,681	43,467	69,148	-
Medicaid Liability	561,749	-	561,749	-
Liability for Escheated Property	465,177	-	465,177	-
Other Current Liabilities	79,255	101,893	181,148	48,410
Total Current Liabilities	4,500,194	714,955	5,215,149	896,658
Noncurrent Liabilities:				
Non-Current Portion of Long-Term Obligations	60,580,323	1,714,497	62,294,820	4,844,324
Total Noncurrent Liabilities	60,580,323	1,714,497	62,294,820	4,844,324
Total Liabilities	65,080,517	2,429,452	67,509,969	5,740,982
Deferred Inflows of Resources				
Related to Pensions	83,337	-	83,337	7,657
Other Deferred Inflows	-	19,004	19,004	1,886
Total Deferred Inflows of Resources	83,337	19,004	102,341	9,543
Net Position				
Net Investment in Capital Assets	4,530,912	3,794,464	8,325,376	521,716
Restricted For:				
Transportation	112,838	-	112,838	-
Debt Service	679,678	4,508	684,186	7,276
Federal Grants and Other Accounts	182,006	-	182,006	-
Capital Projects	90,048	166,916	256,964	110,309
Grant and Loan Programs	693,046	-	693,046	-
Clean Water and Drinking Water Projects	-	713,555	713,555	-
Bond Indenture Requirements	-	-	-	887,556
Loans	-	2,597	2,597	-
Permanent Investments or Endowments:				
Expendable	-	-	-	85,872
Nonexpendable	107,295	13,080	120,375	355,533
Other Purposes	112,285	189,036	301,321	80,899
Unrestricted (Deficit)	(50,635,847)	1,384,932	(49,250,915)	303,300
Total Net Position (Deficit)	$ (44,127,739)	$ 6,269,088	$ (37,858,651)	$ 2,352,461

The accompanying notes are an integral part of the financial statements.

Statement of Activities

For The Fiscal Year Ended June 30, 2016

(Expressed in Thousands)

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services, Fees, Fines , and Other**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activities:				
Legislative	$ 139,916	$ 3,415	$ 79	$ -
General Government	2,544,489	774,320	72,303	-
Regulation and Protection	968,289	690,976	157,163	-
Conservation and Development	1,103,531	82,789	190,602	-
Health and Hospitals	2,772,452	90,917	160,007	-
Transportation	2,237,773	51,245	-	778,909
Human Services	9,115,540	146,279	5,858,045	-
Education, Libraries, and Museums	5,315,342	11,996	606,087	-
Corrections	2,307,516	11,943	124,502	-
Judicial	1,135,055	133,691	10,524	-
Interest and Fiscal Charges	829,246	-	-	-
Total Governmental Activities	28,469,149	1,997,571	7,179,312	778,909
Business-Type Activities:				
University of Connecticut & Health Center	2,255,211	1,284,715	271,028	5,071
Board of Regents	1,362,522	504,398	172,481	955
Employment Security	686,494	932,800	132,431	-
Clean Water	38,369	27,605	10,475	-
Other	65,757	69,836	7,845	-
Total Business-Type Activities	4,408,353	2,819,354	594,260	6,026
Total Primary Government	$ 32,877,502	$ 4,816,925	$ 7,773,572	$ 784,935
Component Units				
Connecticut Housing Finance Authority (12/31/15)	$ 198,050	$ 170,035	$ -	$ -
Connecticut Lottery Corporation	1,228,424	1,230,836	-	-
Connecticut Airport Authority	91,497	95,811	-	6,021
Other Component Units	323,880	290,359	12,020	3,854
Total Component Units	$ 1,841,851	$ 1,787,041	$ 12,020	$ 9,875

General Revenues:

Taxes:

Personal Income

Corporate Income

Sales and Use

Other

Restricted for Transportation Purposes:

Motor Fuel

Other

Casino Gaming Payments

Tobacco Settlement

Lottery Tickets

Unrestricted Investment Earnings

Transfers-Internal Activities

Total General Revenues, Contributions, and Transfers

Change in Net Position

Net Position (Deficit)- Beginning (as restated)

Net Position (Deficit)- Ending

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (136,422)	$ -	$ (136,422)	$ -
(1,697,866)	-	(1,697,866)	-
(120,150)	-	(120,150)	-
(830,140)	-	(830,140)	-
(2,521,528)	-	(2,521,528)	-
(1,407,619)	-	(1,407,619)	-
(3,111,216)	-	(3,111,216)	-
(4,697,259)	-	(4,697,259)	-
(2,171,071)	-	(2,171,071)	-
(990,840)	-	(990,840)	-
(829,246)	-	(829,246)	-
(18,513,357)	-	(18,513,357)	-
-	(694,397)	(694,397)	-
-	(684,688)	(684,688)	-
-	378,737	378,737	-
-	(289)	(289)	-
-	11,924	11,924	-
-	(988,713)	(988,713)	-
(18,513,357)	(988,713)	(19,502,070)	-
-	-	-	(28,015)
-	-	-	2,412
-	-	-	10,335
-	-	-	(17,647)
-	-	-	(32,915)
9,091,156	-	9,091,156	-
778,917	-	778,917	-
4,224,989	-	4,224,989	-
1,231,783	-	1,231,783	-
877,371	-	877,371	-
69,752	-	69,752	-
265,907	-	265,907	-
120,448	-	120,448	-
335,387	-	335,387	-
16,535	12,500	29,035	8,491
(1,746,295)	1,746,295	-	-
15,265,950	1,758,795	17,024,745	8,491
(3,247,407)	770,082	(2,477,325)	(24,424)
(40,880,332)	5,499,006	(35,381,326)	2,376,885
$ (44,127,739)	$ 6,269,088	$ (37,858,651)	$ 2,352,461

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Governmental Fund Financial Statements

Major Funds:

General Fund:
This fund is the State's general operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

Debt Service Fund:
This fund is used to account for the accumulation of resources for and the payment of, principal and interest on special tax obligation bonds of the Transportation fund.

Transportation Fund:
This fund is used to account for motor vehicle taxes, receipts and transportation related federal revenues collected for the purposes of payment of debt service requirements and budgeted appropriations made to the Department of Transportation. The Department of Transportation is responsible for all aspects of the planning, development, maintenance, and improvement of transportation in the state.

Restricted Grants and Accounts Fund:
This fund is used to account for resources which are restricted by Federal and other providers to be spent for specific purposes.

Grant and Loan Programs Fund:
This fund is used to account for resources that are restricted by state legislation for the purpose of providing grants and/or loans to municipalities and organizations located in the State.

Nonmajor Funds:
Nonmajor governmental funds are presented, by fund type beginning on page 108.

Balance Sheet
Governmental Funds
June 30, 2016
(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	$ -	$ -	$ 62,822	$ 339,841	$ 138,140	$ 327,924	$ 868,727
Investments	-	-	-	-	-	111,549	111,549
Securities Lending Collateral	-	-	-	-	-	8,808	8,808
Receivables:							
Taxes, Net of Allowances	1,320,815	-	141,591	34,027	-	-	1,496,433
Accounts, Net of Allowances	387,060	-	14,238	38,515	3,875	26,814	470,502
Loans, Net of Allowances	3,419	-	-	42,267	559,735	222,741	828,162
From Other Governments	46,208	-	-	335,686	-	8,455	390,349
Interest	-	568	68	-	-	-	636
Other	-	-	-	-	-	4	4
Due from Other Funds	46,390	-	568	115	10	381,691	428,774
Due from Component Units	34,701	-	-	922	-	-	35,623
Inventories	14,421	-	29,650	-	-	-	44,071
Restricted Assets	-	738,240	-	-	-	-	738,240
Total Assets	$ 1,853,014	$ 738,808	$ 248,937	$ 791,373	$ 701,760	$ 1,087,986	$ 5,421,878
Liabilities, Deferred Inflows, and Fund Balances							
Liabilities							
Accounts Payable and Accrued Liabilities	$ 334,285	$ -	$ 28,493	$ 226,630	$ 8,456	$ 99,669	$ 697,533
Due to Other Funds	432,114	568	-	3,144	27	319,424	755,277
Due to Component Units	-	-	-	5,202	-	-	5,202
Due to Other Governments	360,839	-	-	2,003	-	-	362,842
Unearned Revenue	10,762	-	-	-	-	14,919	25,681
Medicaid Liability	223,335	-	-	338,414	-	-	561,749
Liability For Escheated Property	465,177	-	-	-	-	-	465,177
Securities Lending Obligation	-	-	-	-	-	8,808	8,808
Other Liabilities	62,507	-	-	7,939	-	-	70,446
Total Liabilities	1,889,019	568	28,493	583,332	8,483	442,820	2,952,715
Deferred Inflows of Resources							
Receivables to be Collected in Future Periods	578,184	-	8,554	10,157	3,830	24,418	625,143
Fund Balances							
Nonspendable:							
Inventories/Long-Term Receivables	52,541	-	29,650	-	-	-	82,191
Permanent Fund Principal	-	-	-	-	-	109,606	109,606
Restricted For:							
Debt Service	-	738,240	-	-	-	-	738,240
Transportation Programs	-	-	159,630	-	-	-	159,630
Federal Grant and State Programs	-	-	-	197,884	-	-	197,884
Grants and Loans	-	-	-	-	678,302	-	678,302
Other	-	-	-	-	-	506,049	506,049
Committed For:							
Continuing Appropriations	96,559	-	22,610	-	-	-	119,169
Budget Reserve Fund	235,583	-	-	-	-	-	235,583
Assigned To:							
Grants and Loans	-	-	-	-	11,145	-	11,145
Other	-	-	-	-	-	13,770	13,770
Unassigned	(998,872)	-	-	-	-	(8,677)	(1,007,549)
Total Fund Balances	(614,189)	738,240	211,890	197,884	689,447	620,748	1,844,020
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,853,014	$ 738,808	$ 248,937	$ 791,373	$ 701,760	$ 1,087,986	$ 5,421,878

The accompanying notes are an integral part of the financial statements.

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2016

(Expressed in Thousands)

Total Fund Balance - Governmental Funds		$	1,844,020
Net assets reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:			
Buildings	4,321,143		
Equipment	2,473,723		
Infrastructure	14,673,328		
Other Capital Assets	6,758,131		
Accumulated Depreciation	(14,575,793)		13,650,532
Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred inflows of resources in the governmental fund:			625,143
Deferred Inflows of resources are not reported in the governmental funds:			
Related to pensions			(83,337)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			53,954
Deferred outflows of resources are not reported in the governmental funds:			
Amount on refunding of bonded debt			95,903
Related to pensions			2,558,497
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (Note 16).			
Net Pension Liability	(27,459,972)		
Net OPEB Obligation	(9,927,951)		
Worker's Compensation	(684,401)		
Capital Leases	(32,342)		
Compensated Absences	(509,859)		
Claims and Judgments	(62,849)		
Landfill Postclosure Care	(49,433)		(38,726,807)
Long-term bonded debt is not due and payable in the current period and therefore is not reported in the funds. Unamortized premiums, loss on refundings, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the net effect of these balances on the statement (Note 16).			
Bonds and Notes Payable	(22,266,897)		
Unamortized Premiums	(1,672,204)		
Accrued Interest Payable	(206,543)		(24,145,644)
Net Position of Governmental Activities		$	(44,127,739)

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For The Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	General	Debt Service	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Funds	Total Governmental Funds
Revenues							
Taxes	$ 15,217,329	$ -	$ 947,123	$ -	$ -	$ -	$ 16,164,452
Licenses, Permits, and Fees	293,494	-	341,359	11,587	-	87,499	733,939
Tobacco Settlement	-	-	-	-	-	120,448	120,448
Federal Grants and Aid	1,857,171	-	12,181	6,016,992	-	71,654	7,957,998
State Grants and Aid	222	-	-	-	-	-	222
Lottery Tickets	335,387	-	-	-	-	-	335,387
Charges for Services	43,466	-	64,726	-	-	938	109,130
Fines, Forfeits, and Rents	14,183	-	20,461	-	-	847	35,491
Casino Gaming Payments	265,907	-	-	-	-	-	265,907
Investment Earnings (Loss)	828	11,621	2,376	1,258	5,748	2,653	24,484
Interest on Loans	-	-	-	-	-	35	35
Miscellaneous	186,727	-	5,607	725,829	11,856	138,299	1,068,318
Total Revenues	18,214,714	11,621	1,393,833	6,755,666	17,604	422,373	26,815,811
Expenditures							
Current:							
Legislative	121,301	-	-	3,192	-	304	124,797
General Government	1,139,008	-	4,994	276,936	777,714	108,610	2,307,262
Regulation and Protection	446,840	-	110,904	110,246	19,806	181,370	869,166
Conservation and Development	260,509	-	4,280	343,942	249,087	145,353	1,003,171
Health and Hospitals	2,229,113	-	-	246,212	16,196	44,284	2,535,805
Transportation	-	-	822,611	776,671	81,618	-	1,680,900
Human Services	4,023,630	-	2,177	4,299,483	12,255	8,170	8,345,715
Education, Libraries, and Museums	4,237,789	-	-	566,732	37,325	3,641	4,845,487
Corrections	2,059,744	-	-	22,441	915	3,530	2,086,630
Judicial	958,845	-	-	19,943	-	51,536	1,030,324
Capital Projects	-	-	-	-	-	1,202,184	1,202,184
Debt Service:							
Principal Retirement	1,379,667	256,845	-	-	-	-	1,636,512
Interest and Fiscal Charges	587,267	206,658	1,024	148,632	3,179	7,789	954,549
Total Expenditures	17,443,713	463,503	945,990	6,814,430	1,198,095	1,756,771	28,622,502
Excess (Deficiency) of Revenues Over Expenditures	771,001	(451,882)	447,843	(58,764)	(1,180,491)	(1,334,398)	(1,806,691)
Other Financing Sources (Uses)							
Bonds Issued	-	-	-	-	1,113,711	1,847,799	2,961,510
Premiums on Bonds Issued	-	121,751	-	-	75,503	245,078	442,332
Transfers In	177,206	526,021	5,875	212,112	-	87,807	1,009,021
Transfers Out	(1,375,408)	(6,485)	(499,415)	(40,270)	(72,325)	(761,413)	(2,755,316)
Refunding Bonds Issued	-	721,635	-	-	-	-	721,635
Payment to Refunded Bond Escrow Agent	-	(841,226)	-	-	-	-	(841,226)
Capital Lease Obligations	3,034	-	-	-	-	-	3,034
Total Other Financing Sources (Uses)	(1,195,168)	521,696	(493,540)	171,842	1,116,889	1,419,271	1,540,990
Net Change in Fund Balances	(424,167)	69,814	(45,697)	113,078	(63,602)	84,873	(265,701)
Fund Balances (Deficit) - Beginning	(189,849)	668,426	257,288	84,806	753,049	535,875	2,109,595
Change in Reserve for Inventories	(173)	-	299	-	-	-	126
Fund Balances (Deficit) - Ending	$ (614,189)	$ 738,240	$ 211,890	$ 197,884	$ 689,447	$ 620,748	$ 1,844,020

The accompanying notes are an integral part of the financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

June 30, 2016

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds		$	(265,575)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long term-liabilities in the Statement of Net Position. Bond proceeds were received this year from:			
Bonds Issued	(2,961,510)		
Refunding Bonds Issued	(721,635)		
Premium on Bonds Issued	(442,332)		(4,125,477)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Long-term debt repayments this year consisted of:			
Principal Retirement	1,637,209		
Payments to Refunded Bond Escrow Agent	841,226		
Capital Lease Payments	6,060		2,484,495
Some capital assets acquired this year were financed with capital leases. The amount financed by leases is reported in the governmental funds as a source of financing, but lease obligations are reported as long-term liabilities on the Statement of Activities			(3,034)
Capital outlays are reported as expenditures in the governmental funds. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts and other reductions were as follows:			
Capital Outlays	1,660,305		
Depreciation Expense	(984,382)		
Retirements	(1,263)		674,660
Inventories are reported as expenditures in the governmental funds when purchased. However, in the Statement of Activities the cost of these assets is recognized when those assets are consumed. This is the amount by which consumption exceeded purchases of inventories.			126
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:			
Increase in Accrued Interest	(13,748)		
Increase in Interest Accreted on Capital Appreciation Debt	(16,879)		
Amortization of Bond Premium	171,985		
Amortization of Loss on Debt Refundings	(18,340)		
Decrease in Compensated Absences Liability	(12,266)		
Increase in Workers Compensation Liability	(33,217)		
Increase in Claims and Judgments Liability	12,738		
Decrease in Landfill Liability	(14,248)		
Increase in Net Pension Liability	(1,344,509)		
Increase in total Pension related Inflows affecting operations	(440,635)		
Decrease in total Pension related Outflows affecting operations	488,431		
Increase in Net OPEB Obligation	(945,025)		(2,165,713)
Because some revenues will not be collected for several months after the state's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues decreased by this amount this year.			152,226
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of internal service funds is reported with the governmental activities.			885
Change in Net Position of Governmental Activities		$	(3,247,407)

The accompanying notes are an integral part of the financial statements.

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Proprietary Fund Financial Statements

Major Funds:

University of Connecticut and Health Center:
This fund is used to account for the operations of the University of Connecticut a comprehensive institution of higher education, which includes the University of Connecticut Health Center and John Dempsey Hospital.

Board of Regents
This fund is used to account for the operations of the State University System which consist of four universities: Central, Eastern, Southern, and Western, as well as the State community colleges system which consists of twelve regional community colleges.

Employment Security:
This fund is used to account for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Clean Water:
This fund is used to account for resources used to provide loans to municipalities to finance waste water treatment projects.

Nonmajor Funds:
Nonmajor proprietary funds are presented, by fund type beginning on page 126.

Statement of Net Position
Proprietary Funds
June 30, 2016
(Expressed in Thousands)

	Business-Type Activities		
	Enterprise Funds		
	University of Connecticut & Health Center	Board of Regents	Employment Security
Assets			
Current Assets:			
Cash and Cash Equivalents	$ 427,779	$ 300,459	$ 1,693
Deposits with U.S. Treasury	-	-	382,161
Investments	661	33,478	-
Receivables:			
Accounts, Net of Allowances	141,461	35,943	197,579
Loans, Net of Allowances	2,226	3,791	-
Interest	-	-	-
From Other Governments	-	2,167	8,188
Due from Other Funds	175,437	207,772	974
Inventories	12,667	-	-
Restricted Assets	149,081	-	-
Other Current Assets	24,212	6,488	-
Total Current Assets	933,524	590,098	590,595
Noncurrent Assets:			
Cash and Cash Equivalents	-	134,139	-
Investments	13,601	31,303	-
Receivables:			
Loans, Net of Allowances	10,727	8,099	-
Restricted Assets	416	-	-
Capital Assets, Net of Accumulated Depreciation	2,643,404	1,869,445	-
Other Noncurrent Assets	4,472	1,220	-
Total Noncurrent Assets	2,672,620	2,044,206	-
Total Assets	3,606,144	2,634,304	590,595
Deferred Outflows of Resources			
Unamortized Losses on Bond Refundings	4,815	-	-
Other Deferred Outflows	-	2,921	-
Total Deferred Outflows of Resources	4,815	2,921	-
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	268,984	113,090	676
Due to Other Funds	18,158	3,528	442
Due to Other Governments	-	-	239
Current Portion of Long-Term Obligations	68,055	26,520	-
Unearned Revenue	-	43,467	-
Other Current Liabilities	93,170	8,723	-
Total Current Liabilities	448,367	195,328	1,357
Noncurrent Liabilities:			
Noncurrent Portion of Long-Term Obligations	450,649	387,954	-
Total Noncurrent Liabilities	450,649	387,954	-
Total Liabilities	899,016	583,282	1,357
Deferred Inflows of Resources			
Other Deferred Inflows	3,886	15,107	-
Total Deferred Inflows of Resources	3,886	15,107	-
Net Position (Deficit)			
Net Investment in Capital Assets	2,100,398	1,698,813	-
Restricted For:			
Debt Service	-	-	-
Clean and Drinking Water Projects	-	-	-
Capital Projects	166,916	-	-
Nonexpendable Purposes	12,593	487	-
Loans	2,597	-	-
Other Purposes	24,516	164,520	-
Unrestricted (Deficit)	401,037	175,017	589,238
Total Net Position (Deficit)	$ 2,708,057	$ 2,038,837	$ 589,238

The accompanying notes are an integral part of the financial statements.

Business-Type Activities Enterprise Funds			Governmental Activities
Clean Water	Other Funds	Total	Internal Service Funds
$ 6,633	$ 47,576	$ 784,140	$ 12,502
-	-	382,161	-
-	-	34,139	-
-	7,567	382,550	258
203,481	23,496	232,994	-
4,590	423	5,013	-
-	-	10,355	-
-	-	384,183	5,182
-	-	12,667	4,211
-	-	149,081	-
-	11	30,711	194
214,704	79,073	2,407,994	22,347
276,258	72,384	482,781	-
10,806	-	55,710	-
845,986	108,223	973,035	-
199,105	63,753	263,274	-
-	25,848	4,538,697	55,369
-	363	6,055	107
1,332,155	270,571	6,319,552	55,476
1,546,859	349,644	8,727,546	77,823
4,307	82	9,204	-
-	-	2,921	-
4,307	82	12,125	-
10,308	10,701	403,759	2,367
-	-	22,128	19,265
-	-	239	-
61,232	9,790	165,597	86
-	-	43,467	-
-	-	101,893	-
71,540	20,491	737,083	21,718
738,825	137,069	1,714,497	2,151
738,825	137,069	1,714,497	2,151
810,365	157,560	2,451,580	23,869
-	11	19,004	-
-	11	19,004	-
-	(4,747)	3,794,464	55,476
-	4,508	4,508	-
568,642	144,913	713,555	-
-	-	166,916	-
-	-	13,080	-
-	-	2,597	-
-	-	189,036	-
172,159	47,481	1,384,932	(1,522)
$ 740,801	$ 192,155	$ 6,269,088	$ 53,954

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

For The Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	Business-Type Activities		
	Enterprise Funds		
	University of Connecticut & Health Center	Board of Regents	Employment Security
Operating Revenues			
Charges for Sales and Services (Net of allowances & discounts $216,447)	$ 1,121,441	$ 473,054	$ -
Assessments	-	-	810,211
Federal Grants, Contracts, and Other Aid	189,287	141,202	118,395
State Grants, Contracts, and Other Aid	35,135	23,616	14,036
Private Gifts and Grants	46,606	7,663	-
Interest on Loans	-	-	-
Other	100,735	24,564	122,589
Total Operating Revenues	1,493,204	670,099	1,065,231
Operating Expenses			
Salaries, Wages, and Administrative	2,010,765	1,189,972	-
Unemployment Compensation	-	-	686,494
Claims Paid	-	-	-
Depreciation and Amortization	109,151	93,906	-
Other	123,772	68,497	-
Total Operating Expenses	2,243,688	1,352,375	686,494
Operating Income (Loss)	(750,484)	(682,276)	378,737
Nonoperating Revenue (Expenses)			
Interest and Investment Income	1,598	1,968	-
Interest and Fiscal Charges	(11,523)	(10,147)	-
Other - Net	62,539	6,780	-
Total Nonoperating Revenues (Expenses)	52,614	(1,399)	-
Income (Loss) Before Capital Contributions, Grants, and Transfers	(697,870)	(683,675)	378,737
Capital Contributions	5,071	955	-
Federal Capitalization Grants	-	-	-
Transfers In	970,992	794,042	-
Transfers Out	-	(5,900)	(18,503)
Change in Net Position	278,193	105,422	360,234
Total Net Position (Deficit) - Beginning (as restated)	2,429,864	1,933,415	229,004
Total Net Position (Deficit) - Ending	$ 2,708,057	$ 2,038,837	$ 589,238

The accompanying notes are an integral part of the financial statements.

Business-Type Activities Enterprise Funds			Governmental Activities
Clean Water	Other Funds	Totals	Internal Service Funds
$ -	$ 26,667	$ 1,621,162	$ 55,821
-	39,799	850,010	-
-	-	448,884	-
-	-	72,787	-
-	-	54,269	-
20,979	2,721	23,700	-
-	649	248,537	153
20,979	69,836	3,319,349	55,974
925	18,669	3,220,331	35,124
-	-	686,494	-
-	26,546	26,546	-
-	1,140	204,197	17,754
-	1,701	193,970	-
925	48,056	4,331,538	52,878
20,054	21,780	(1,012,189)	3,096
8,055	879	12,500	437
(37,444)	(6,071)	(65,185)	-
6,626	(11,630)	64,315	(2,648)
(22,763)	(16,822)	11,630	(2,211)
(2,709)	4,958	(1,000,559)	885
-	-	6,026	-
10,475	7,845	18,320	-
1,589	4,075	1,770,698	-
-	-	(24,403)	-
9,355	16,878	770,082	885
731,446	175,277	5,499,006	53,069
$ 740,801	$ 192,155	$ 6,269,088	$ 53,954

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	Business-Type Activities		
	Enterprise Funds		
	University of Connecticut & Health Center	Board of Regents	Employment Security
Cash Flows from Operating Activities			
Receipts from Customers	$ 1,123,452	$ 462,200	$ 801,500
Payments to Suppliers	(699,326)	(307,142)	-
Payments to Employees	(1,374,776)	(923,605)	-
Other Receipts (Payments)	394,153	177,139	(781,345)
Net Cash Provided by (Used in) Operating Activities	(556,497)	(591,408)	20,155
Cash Flows from Noncapital Financing Activities			
Retirement of Bonds and Annuities Payable	-	-	-
Interest on Bonds and Annuities Payable	-	-	-
Transfers In	528,519	592,727	-
Transfers Out	-	-	(18,503)
Other Receipts (Payments)	33,962	14,680	-
Net Cash Flows from Noncapital Financing Activities	562,481	607,407	(18,503)
Cash Flows from Capital and Related Financing Activities			
Additions to Property, Plant, and Equipment	(445,722)	(109,187)	-
Proceeds from Capital Debt	300,000	-	-
Principal Paid on Capital Debt	(105,525)	(20,247)	-
Interest Paid on Capital Debt	(68,696)	(12,158)	-
Transfer In	302,623	150,984	-
Federal Grant	-	-	-
Other Receipts (Payments)	40,874	(45,294)	-
Net Cash Flows from Capital and Related Financing Activities	23,554	(35,902)	-
Cash Flows from Investing Activities			
Proceeds from Sales and Maturities of Investments	-	74,993	-
Purchase of Investment Securities	(1,514)	(35,963)	-
Interest on Investments	1,392	1,846	1,599
(Increase) Decrease in Restricted Assets	-	-	-
Other Receipts (Payments)	-	-	-
Net Cash Flows from Investing Activities	(122)	40,876	1,599
Net Increase (Decrease) in Cash and Cash Equivalents	29,416	20,973	3,251
Cash and Cash Equivalents - Beginning of Year	547,861	413,625	776
Cash and Cash Equivalents - End of Year	$ 577,277	$ 434,598	$ 4,027
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities			
Operating Income (Loss)	$ (750,484)	$ (682,276)	$ 378,737
Adjustments not Affecting Cash:			
Depreciation and Amortization	97,913	93,905	-
Other	173,492	(9,587)	-
Change in Assets and Liabilities:			
(Increase) Decrease in Receivables, Net	(13,169)	(32)	(252,024)
(Increase) Decrease in Due from Other Funds	-	-	(3,820)
(Increase) Decrease in Inventories and Other Assets	3,729	89	-
Increase (Decrease) in Accounts Payables & Accrued Liabilities	(67,978)	7,919	(102,423)
Increase (Decrease) in Due to Other Funds	-	(1,426)	(315)
Total Adjustments	193,987	90,868	(358,582)
Net Cash Provided by (Used In) Operating Activities	$ (556,497)	$ (591,408)	$ 20,155
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets			
Cash and Cash Equivalents - Current	$ 427,780	$ 300,459	
Cash and Cash Equivalents - Noncurrent	-	134,139	
Cash and Cash Equivalents - Restricted	149,497	-	
	$ 577,277	$ 434,598	
Noncash Investing, Capital, and Financing Activities:			
Mortgage Proceeds held by Trustee in Construction Escrow	8,559	-	
Fixed assets included in accounts payable	-	5,253	
State financed plant facilities	-	955	

For further information on Noncash transactions, see the University of Connecticut's financial statements

The accompanying notes are an integral part of the financial statements.

Business-Type Activities Enterprise Funds Clean Water	Business-Type Activities Enterprise Funds Other	Business-Type Activities Enterprise Funds Totals	Governmental Activities Internal Service Funds
$ 104,057	$ 79,463	$ 2,570,672	$ 57,733
-	(7,677)	(1,014,145)	(27,060)
(738)	(12,546)	(2,311,665)	(10,558)
(128,314)	(48,777)	(387,144)	75
(24,995)	10,463	(1,142,282)	20,190
(73,802)	(9,758)	(83,560)	-
(33,811)	(5,641)	(39,452)	-
2,001	-	1,123,247	-
-	4,075	(14,428)	-
-	(12,298)	36,344	(2,648)
(105,612)	(23,622)	1,022,151	(2,648)
-	-	(554,909)	(15,678)
-	-	300,000	-
-	-	(125,772)	-
-	-	(80,854)	-
-	-	453,607	-
10,475	8,350	18,825	-
-	-	(4,420)	-
10,475	8,350	6,477	(15,678)
-	-	74,993	-
-	-	(37,477)	-
8,477	892	14,206	437
136,966	-	136,966	-
(22,784)	9,053	(13,731)	-
122,659	9,945	174,957	437
2,527	5,136	61,303	2,301
4,105	42,441	1,008,808	10,201
$ 6,632	$ 47,577	$ 1,070,111	$ 12,502
$ 20,054	$ 21,780	$ (1,012,189)	$ 3,096
-	1,140	192,958	17,754
-	-	163,905	-
(45,049)	710	(309,564)	412
-	-	(3,820)	1,500
-	(11,018)	(7,200)	(77)
-	(2,149)	(164,631)	(2,495)
-	-	(1,741)	-
(45,049)	(11,317)	(130,093)	17,094
$ (24,995)	$ 10,463	$ (1,142,282)	$ 20,190

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Fiduciary Fund Financial Statements

Investment Trust Fund
External Investment Pool:
This fund is used to account for the portion of the Short-Term Investment Fund that belongs to participants that are not part of the State's financial reporting entity.

Private Purpose Trust Fund
Escheat Securities:
This fund is used to account for securities that are held by the State Treasurer for individuals under escheat laws of the State.

Individual fund descriptions and financial statements begin on the following pages:
Pension (and Other Employee Benefit) Trust Funds, page 134
Agency Funds, page 140

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2016

(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private-Purpose Trust Fund Escheat Securities	Agency Funds	Total
Assets					
Current:					
Cash and Cash Equivalents	$ 87,867	$ -	$ -	$ 233,916	$ 321,783
Receivables:					
Accounts, Net of Allowances	40,231	-	-	1,627	41,858
From Other Governments	1,075	-	-	-	1,075
From Other Funds	1,974	-	-	4,149	6,123
Interest	1,538	2,009	-	52	3,599
Investments (See Note 3)	29,135,806	1,375,910	-	-	30,511,716
Securities Lending Collateral	2,587,749	-	-	-	2,587,749
Other Assets	-	50	3,766	352,731	356,547
Noncurrent:					
Due From Employers	279,178	-	-	-	279,178
Total Assets	32,135,418	1,377,969	3,766	$ 592,475	34,109,628
Liabilities					
Accounts Payable and Accrued Liabilities	39,098	495	-	$ 51,562	91,155
Securities Lending Obligation	2,587,749	-	-	-	2,587,749
Due to Other Funds	27,245	-	-	347	27,592
Funds Held for Others	-	-	-	540,566	540,566
Total Liabilities	2,654,092	495	-	$ 592,475	3,247,062
Net Position					
Held in Trust For:					
Employees' Pension Benefits (Note 12)	29,035,205	-	-		29,035,205
Other Employee Benefits (Note 14)	446,121	-	-		446,121
Individuals, Organizations, and Other Governments	-	1,377,474	3,766		1,381,240
Total Net Position	$ 29,481,326	$ 1,377,474	$ 3,766		$ 30,862,566

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	Pension & Other Employee Benefit Trust Funds	Investment Trust Fund External Investment Pool	Private-Purpose Trust Fund Escheat Securities	Total
Additions				
Contributions:				
Plan Members	$ 672,853	$ -	$ -	$ 672,853
State	3,124,195	-	-	3,124,195
Municipalities	136,572	-	-	136,572
Total Contributions	3,933,620	-	-	3,933,620
Investment Income	88,511	130,290	-	218,801
Less: Investment Expense	(79,303)	(14,654)	-	(93,957)
Net Investment Income	9,208	115,636	-	124,844
Escheat Securities Received	-	-	21,951	21,951
Pool's Share Transactions	-	371,579	-	371,579
Other	13,578	-	-	13,578
Total Additions	3,956,406	487,215	21,951	4,465,572
Deductions				
Administrative Expense	4,263	-	-	4,263
Benefit Payments and Refunds	4,405,775	-	-	4,405,775
Escheat Securities Returned or Sold	-	-	17,633	17,633
Distributions to Pool Participants	-	115,636	-	115,636
Other	155,337	-	1,145	156,482
Total Deductions	4,565,375	115,636	18,778	4,699,789
Change in Net Position Held In Trust For:				
Pension and Other Employee Benefits	(608,969)	-	-	(608,969)
Individuals, Organizations, and Other Governments	-	371,579	3,173	374,752
Net Position - Beginning (as restated)	30,090,295	1,005,895	593	31,096,783
Net Position - Ending	$ 29,481,326	$ 1,377,474	$ 3,766	$ 30,862,566

The accompanying notes are an integral part of the financial statements.

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Component Unit Financial Statements

Major Component Units:

Connecticut Housing Finance Authority:
The Connecticut Housing Finance Authority is a public instrumentality and political subdivision of the State created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate income families throughout the State.

Connecticut Airport Authority:
The Connecticut Airport Authority, a public instrumentality and political subdivision of the State of Connecticut was established on July 1, 2011, to operate Bradley International Airport as well as the other State-owned (general aviation) airports.

The Connecticut Lottery Corporation:
The Connecticut Lottery Corporation, a public instrumentality and political subdivision of the State of Connecticut was created on July 1, 1996 for the purpose of generating revenues for the State of Connecticut's General Fund through the operation of a lottery.

Nonmajor:
The nonmajor component units are presented beginning on page 144.

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Statement of Net Position
Component Units

June 30, 2016

(Expressed in Thousands)

Assets	Connecticut Housing Finance Authority (12-31-15)	Connecticut Lottery Corporation	Connecticut Airport Authority	Other Component Units	Total
Current Assets:					
Cash and Cash Equivalents	$ -	$ 19,277	$ 83,045	$ 174,827	$ 277,149
Investments	-	8,071	-	399,872	407,943
Receivables:					
Accounts, Net of Allowances	-	27,063	6,242	47,243	80,548
Loans, Net of Allowances	-	-	-	6,311	6,311
Other	-	1,641	-	1,842	3,483
Due From Other Governments	-	-	3,654	-	3,654
Due From Primary Government	-	-	4,789	413	5,202
Restricted Assets	630,199	-	23,425	423,105	1,076,729
Inventories	-	-	-	5,954	5,954
Other Current Assets	-	4,223	63	14,119	18,405
Total Current Assets	630,199	60,275	121,218	1,073,686	1,885,378
Noncurrent Assets:					
Investments	-	122,263	-	83,346	205,609
Accounts, Net of Allowances	-	-	-	30,472	30,472
Loans, Net of Allowances	-	-	-	441,073	441,073
Restricted Assets	4,348,509	-	96,262	63,754	4,508,525
Capital Assets, Net of Accumulated Depreciation	3,599	871	322,613	466,011	793,094
Other Noncurrent Assets	-	4,834	-	49,304	54,138
Total Noncurrent Assets	4,352,108	127,968	418,875	1,133,960	6,032,911
Total Assets	4,982,307	188,243	540,093	2,207,646	7,918,289
Deferred Outflows of Resources					
Accumulated Decrease in Fair Value of Hedging Derivatives	74,671	-	23,870	-	98,541
Unamortized Losses on Bond Refundings	64,465	-	1,876	-	66,341
Related to Pensions	9,828	4,561	-	5,354	19,743
Other	-	-	-	72	72
Total Deferred Outflows of Resources	148,964	4,561	25,746	5,426	184,697
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	20,909	10,140	14,195	78,891	124,135
Current Portion of Long-Term Obligations	339,314	8,741	6,690	15,051	369,796
Due To Primary Government	-	-	922	34,701	35,623
Amount Held for Institutions	-	-	-	318,694	318,694
Other Liabilities	-	31,704	5,804	10,902	48,410
Total Current Liabilities	360,223	50,585	27,611	458,239	896,658
Noncurrent Liabilities:					
Pension Liability	65,654	40,525	57,383	43,085	206,647
Noncurrent Portion of Long-Term Obligations	3,816,340	122,767	140,161	558,409	4,637,677
Total Noncurrent Liabilities	3,881,994	163,292	197,544	601,494	4,844,324
Total Liabilities	4,242,217	213,877	225,155	1,059,733	5,740,982
Other Deferred Inflows					
Unamortized Investment Earnings	-	-	-	(3)	(3)
Related to Pensions	-	4,573	1,492	1,592	7,657
Other Deferred Inflows	-	-	-	1,889	1,889
Total Deferred Inflows of Resources	-	4,573	1,492	3,478	9,543
Net Position					
Net Investment in Capital Assets	3,599	871	196,627	320,619	521,716
Restricted:					
Debt Service	-	-	7,276	-	7,276
Bond Indentures	885,455	-	2,101	-	887,556
Expendable Endowments	-	-	-	85,872	85,872
Nonexpendable Endowments	-	-	-	355,533	355,533
Capital Projects	-	-	110,309	-	110,309
Other Purposes	-	(9,009)	-	89,908	80,899
Unrestricted (Deficit)	-	(17,508)	22,879	297,929	303,300
Total Net Position	$ 889,054	$ (25,646)	$ 339,192	$ 1,149,861	$ 2,352,461

The accompanying notes are an integral part of the financial statements.

Statement of Activities
Component Units

For The Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Connecticut Housing Finance Authority (12/31/15)	$ 198,050	$ 170,035	$ -	$ -
Connecticut Lottery Corporation	1,228,424	1,230,836	-	-
Connecticut Airport Authority	91,497	95,811	-	6,021
Other Component Units	323,880	290,359	12,020	3,854
Total Component Units	$ 1,841,851	$ 1,787,041	$ 12,020	$ 9,875

General Revenues:
Investment Income
Total General Revenues
and Contributions
Change in Net Position
Net Position - Beginning (as restated)
Net Position - Ending

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position				
Connecticut Housing Finance Authority (12-31-15)	**Connecticut Lottery Corporation**	**Connecticut Airport Authority**	**Other Component Units**	**Totals**
$ (28,015)	$ -	$ -	$ -	$ (28,015)
-	2,412	-	-	2,412
-	-	10,335	-	10,335
-	-	-	(17,647)	(17,647)
(28,015)	2,412	10,335	(17,647)	(32,915)
7,592	6,597	255	(5,953)	8,491
7,592	6,597	255	(5,953)	8,491
(20,423)	9,009	10,590	(23,600)	(24,424)
909,477	(34,655)	328,602	1,173,461	2,376,885
$ 889,054	$ (25,646)	$ 339,192	$ 1,149,861	$ 2,352,461

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Notes to the Financial Statements
June 30, 2016

Note 1 Summary of Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements of the State of Connecticut have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board, except for the financial statements of the University of Connecticut Foundation, Incorporated (a component unit), and the Board of Regents, Those statements are prepared according to generally accepted accounting principles as prescribed in pronouncements of the Financial Accounting Standards Board.

b. Reporting Entity

For financial reporting purposes, the State's reporting entity includes the "primary government" and its "component units." The primary government includes all funds, agencies, departments, bureaus, commissions, and component units that are considered an integral part of the State's legal entity. Component units are legally separate organizations for which the State is financially accountable. Financial accountability exists if (1) the State appoints a voting majority of the organization's governing board, and (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. The State reported as component units the following organizations that are public instrumentalities and political subdivisions of the State (public authorities).

Connecticut Housing Finance Authority (CHFA)

CHFA was created for the purpose of increasing the housing supply and encouraging and assisting in the purchase, development, and construction of housing for low and moderate-income families and persons throughout the State. The Authority's fiscal year is for the period ending on December 31, 2015.

Connecticut Airport Authority (CAA)

The Connecticut Airport Authority was established in July 2011 to develop, improve and operate Bradley International Airport and the state's five general aviation airports (Danielson, Groton-New London, Hartford-Brainard, Waterbury-Oxford, and Windham airports).

Materials, Innovation, and Recycling Authority (MIRA)

MIRA is responsible for the planning, design, construction, financing, management, ownership, operations and maintenance of solid waste disposal, volume reduction, recycling, intermediate processing, resource recovery and related support facilities necessary to carry out the State's Solid Waste Management Plan.

Connecticut Higher Education Supplemental Loan Authority (CHESLA)

CHESLA was created to assist students, their parents, and institutions of higher education to finance the cost of higher education through its bond funds. Effective fiscal year 2013, CHESLA was statutorily consolidated into CHEFA, making CHESLA a subsidiary of CHEFA.

Connecticut Health and Educational Facilities Authority (CHEFA)

CHEFA was created to assist certain health care institutions, institutions of higher education, and qualified for-profit and not-for-profit institutions in the financing and refinancing of projects to be undertaken in relation to programs for these institutions.

Connecticut Student Loan Foundation (CSLF)

CSLF was established as a Connecticut State chartered nonprofit corporation established pursuant to State of Connecticut Statute Chapter 187a for the purpose of improving educational opportunity. CSLF is empowered to achieve this by originating and acquiring student loans and providing appropriate service incident to the administration of programs, which are established to improve educational opportunities. CSLF no longer originates or acquires student loans.

In July 2014, CSLF was statutorily consolidated with CHEFA as a subsidiary and became a quasi-public agency of the State of Connecticut.

Capital Region Development Authority (CRDA)

CRDA was established July 1, 2012 to market the major sports, convention, and exhibition venues in the region. CRDA became the successor to the Capital City Economic Development Authority, which was established in 1998.

Connecticut Innovations, Incorporated (CI)

CI was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations, and inventions or markets in Connecticut by providing financial and technical assistance.

Connecticut Green Bank (CGB)

CGB was established on July 1, 2011 through Public Act 11-80 as a quasi-public agency that supersedes Connecticut Clean Energy Fund. CGB uses public and private funds to finance and support clean energy investment in residential, municipal, small business and larger commercial projects and stimulate demand for clean energy and the deployment of clean energy sources within the state.

Connecticut Lottery Corporation (CLC)

The corporation was created in 1996 for the purpose of generating revenues for the State through the operation of a lottery.

CHFA, MIRA, CHESLA, CHEFA, CSLF, and CRDA are reported as component units because the State appoints a voting majority of the organization's governing board and is contingently liable for the organization's bonded debt that is secured by a special capital reserve fund, or other contractual agreement.

CI and CGB are reported as component units because the State appoints a voting majority of the organization's governing board and has the ability to access the resources of the organization.

The Connecticut Lottery Corporation is reported as a component unit because the State appoints a voting majority of the corporation's governing board and receives a significant amount of revenues from the operations of the lottery.

The Connecticut Airport Authority is reported as a component unit because the nature and significance of its relationship with the State are such that it would be misleading to exclude the authority from the State's reporting entity.

In addition, the State also includes the following non-governmental nonprofit corporation as a component unit.

University of Connecticut Foundation, Incorporated

The Foundation was created exclusively to solicit, receive, and administer gifts and financial resources from private sources for the benefit of all campuses and programs of the University of Connecticut and Health Center, a major Enterprise fund. The Foundation is reported as a component unit because the nature and significance of its relationship with the State are such that it would be misleading to exclude the Foundation from the Sate's reporting entity.

Component units are reported in separate columns and rows in the government-wide financial statements (discrete presentation) to emphasize that they are legally separate from the primary government. Financial statements for the major component units are included in the accompanying financial statements after the fund financial statements. Audited financial statements issued separately by each component unit can be obtained from their respective administrative offices.

c. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and its component units. These statements distinguish between the governmental and business-type activities of the primary government by using separate columns and rows. Governmental activities are generally financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the reporting entity's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is reported in three components:

1. Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds issued to buy, construct, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the purchase, construction, or improvement of those assets or related debt should be included in this component of net position.

2. Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

3. Unrestricted – This component of net position is the remaining balance of net position, after the determination of the other two components of net position.

When both restricted and unrestricted resources are available for use, the State generally uses restricted resources first, then unrestricted resources as needed. There may be occasions when restricted funds may only be spent in proportion to unrestricted funds spent.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated to the various functions or segments. Program revenues include a) fees, fines, and charges paid by the recipients of goods or services offered by the functions or segments and b) grants and contributions that are restricted to meeting the operational or capital needs of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

In the governmental fund financial statements, fund balance (difference between assets and liabilities) is classified as nonspendable, restricted, and unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints on the resources are externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints by formal action of the Legislature, such as appropriation or legislation. Assigned fund balance is constrained by the Legislature's intent to be used for specific uses, but is neither restricted nor committed.

The State reports the following major governmental funds:

General Fund - This is the State's primary operating fund. It is used to account for all financial resources which are not required to be accounted in other funds and which are spent for those services normally provided by the State (e.g., health, social assistance, education, etc.).

Debt Service - This fund is used to account for the resources that are restricted for payment of principal and interest on special tax obligation bonds of the Transportation fund.

Transportation - This fund is used to account for motor fuel taxes, vehicle registration and driver license fees, and other revenues that are restricted for the payment of budgeted appropriations of the Transportation and Motor Vehicles Departments.

Restricted Grants and Accounts - This fund is used to account for resources which are restricted by Federal and other providers to be spent for specific purposes.

Grant and Loan Programs – This fund is used to account for resources that are restricted by state legislation for the purpose of providing grants and/or loans to municipalities and organizations located in the State.

The State reports the following major enterprise funds:

University of Connecticut & Health Center - This fund is used to account for the operations of the University of Connecticut, a comprehensive institution of higher education, which includes the University of Connecticut Health Center and John Dempsey Hospital.

Board of Regents - This fund is used to account for the operations of the State University System & the State Community Colleges which consists of four universities: Central, Eastern, Southern, and Western and twelve regional community colleges.

Colleges and universities do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges and universities are legally part of the state their financial operations are reported in the state's financial statements using the fund structure prescribed by GASB.

Employment Security - This fund is used to account for unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.

Clean Water - This fund is used to account for resources used to provide loans to municipalities to finance waste water treatment facilities.

In addition, the State reports the following fund types:

Internal Service Funds - These funds account for goods and services provided to other agencies of the State on a cost-reimbursement basis. These goods and services include prisoner-built office furnishings, information services support, telecommunications, printing, and other services.

Pension Trust Funds - These funds account for resources held in the custody of the state for the members and beneficiaries of the State's pension plans. These plans are discussed more fully in Notes 10, 11, and 12.

Other Post-Employment Benefit (OPEB) Trust Funds- These funds account for resources held in trust for the members and beneficiaries of the state's other post-employment benefit plans which are described in notes 13 and 14.

Investment Trust Fund - This fund accounts for the external portion of the State's Short-Term Investment Fund, an investment pool managed by the State Treasurer.

Private-Purpose Trust Fund - This fund accounts for escheat securities held in trust for individuals by the State Treasurer.

Agency Funds - These funds account for deposits, investments, and other assets held by the State as an agent for inmates and patients of State institutions, insurance companies, municipalities, and private organizations.

d. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Taxes and casino gaming payments are recognized as revenues in the period when the underlying exchange transaction has occurred. Grants and similar items are recognized as revenues in the period when all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the State's enterprise and internal service funds are charges to customers for sales and services, assessments, and intergovernmental revenues. Operating expenses for enterprise and internal service funds include salaries, wages, and administrative expenses, unemployment compensation, claims paid, and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers taxes and other revenues to be available if the revenues are collected within 60 days after year-end. Exceptions to this policy are federal grant revenues, which are considered to be available if collection is expected within 12 months after year-end, and licenses and fees which are recognized as revenues when the cash is collected. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general-long term debt and acquisitions under capital leases are reported as other financing sources.

e. Budgeting Process

By statute, the Governor must submit the State budget to the General Assembly in February of every other year. Prior to June 30, the General Assembly enacts the budget through the passage of appropriation acts for the next two fiscal years and sets forth revenue estimates for the same period for the following funds: the General Fund, the Transportation Fund, the Mashantucket Pequot Fund, the Workers' Compensation Administration Fund, the Banking Fund, the Consumer Counsel and Public Utility Control Fund, the Insurance Fund, the Criminal Injuries Fund, the Soldiers, Sailors, and Marines Fund, and the Regional Market Operations Fund. Under the State Constitution, the Governor has the power to veto any part of the itemized appropriations bill and to accept the remainder of the bill. However, the General Assembly may separately reconsider and repass the disapproved items by a two-thirds majority vote of both the Senate and the House.

Budgetary control is maintained at the individual appropriation account level by agency as established in authorized appropriation bills and is reported in the Annual Report of the State Comptroller. A separate document is necessary because the level of legal control is more detailed than reflected in the CAFR. Before an agency can utilize funds appropriated for a particular purpose, such funds must be allotted for the specific purpose by the Governor and encumbered by the Comptroller upon request by the agency. Such funds can then be expended by the Treasurer only upon a warrant, draft or order of the Comptroller drawn at the request of the responsible agency. The allotment process maintains expenditure control over special revenue, enterprise, and internal service funds that are not budgeted as part of the annual appropriation act.

The Governor has the power under Connecticut statute to modify budgetary allotment requests for the administration, operation and maintenance of a budgeted agency. However, the modification cannot exceed 3 percent of the fund or 5 percent of the appropriation amount. Modifications beyond those limits, but not in excess of 5 percent of the total funds require the approval of the Finance Advisory Committee. The Finance Advisory Committee is comprised of the Governor, the Lieutenant Governor, the Treasurer, the Comptroller, two senate members, not of the same political party, and three house members, not more than two of the same political party. Additional reductions of appropriations of more than 5 percent of the total appropriated fund can be made only with the approval of the General Assembly.

All funds, except fiduciary funds, use encumbrance accounting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditures of the fund are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end and, generally, all appropriations lapse at year-end except for certain continuing appropriations (continuing appropriations are defined as carryforwards of spending authority from one fiscal budget into a subsequent budget). The continuing appropriations include: appropriations continued for a one-month period after year-end which are part of a program that was not renewed the succeeding year; appropriations continued the entire succeeding year, as in the case of highway and other capital construction projects; and appropriations continued for specified amounts for certain special programs. Carryforward appropriations are reported as reservations of the fund balance in the financial statements.

The budget is prepared on a "statutory" basis of accounting that utilizes the accounting standards that were applied in the budget act and related legislation. Commencing in Fiscal Year 2014, appropriations were made to legislatively budgeted funds to account for expense accruals. The actual expense accruals were posted using the same methodology described above for the governmental fund financial statements. Revenues were recognized when received except in the General Fund and Transportation Fund. In those two funds certain taxes and Indian gaming payments are recognized within a statutory accrual period as approved by the State Comptroller. The state's three major tax categories (the personal income tax, the sales and use tax, and the corporation tax), among other taxes, are subject to statutory accrual. A comparison of actual results of operations recorded on this basis and the adopted budget is presented in the financial statements for the General and Transportation funds. During the 2016 fiscal year, the original adopted budget was adjusted by the General Assembly and the Finance Advisory Committee.

Budget Reserve Fund ("Rainy Day Fund")

In accordance with Section 4-30a of the Connecticut State Statutes, the State maintains a Budget Reserve ("Rainy Day") Fund. Per section 4-30a after the accounts for the General Fund have been closed for each fiscal year and the Comptroller has determined the amount of unappropriated surplus, and after any required transfers have been made, the surplus shall be transferred by the State Treasurer to the Budget Reserve Fund. Moneys shall be expended only when in any fiscal year the Comptroller has determined the amount of a deficit applicable with respect to the immediately preceding fiscal year, to the extent necessary.

Historically, resources from the Rainy Day Fund have only been expended during recessionary periods to cover overall budget shortfalls after other budgetary measures have been exhausted. During fiscal year 2017 a withdrawal of $170.4 million will be made to cover the budgetary shortfall in fiscal year 2016.

After the transfer is made to cover the shortfall in fiscal year 2016 the Budget Reserve Fund will have a balance of $235.6 million. Effective February 28, 2003, the amount on deposit cannot exceed 10 percent of the net General Fund appropriations for the current fiscal year.

Changes to the Budget Reserve Fund in PA 15-244

PA 15-244, the fiscal year 2016 and fiscal year 2017 budget bill, establishes, beginning in fiscal year 2021, requires revenue collected from the estimated and final payments portion of the personal income tax and the corporation business tax must be in excess of a calculated threshold to be deposited into the Budget Reserve Fund at the close of each fiscal year. The act allows for the threshold to be adjusted for changes in tax policy that impact the corporation business tax or the personal income tax.

f. Assets and Liabilities

Cash and Cash Equivalents (see Note 3)

In addition to petty cash and bank accounts, this account includes cash equivalents – short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents consist of investments in the Short-Term Investment Fund which are reported at the fund's share price.

In the Statement of Cash Flows, certain Enterprise funds exclude from cash and cash equivalents investments in STIF reported as noncurrent or restricted assets.

Investments (see Note 3)

Investments include Equity in Combined Investment Funds and other investments. Equity in Combined Investment Funds is reported at fair value based on the funds' current share price. Other investments are reported at fair value, except for the following investments which are reported at cost or amortized cost:

- Nonparticipating interest-earning investment contracts.
- Money market investments that mature within one year or less at the date of their acquisition.
- Investments of the External Investment Pool fund (an Investment Trust fund).

The fair value of other investments is determined based on quoted market prices except for:

- The fair value of State bonds held by the Clean Water and Drinking Water funds (Enterprise funds) which is estimated using a comparison of other State bonds.
- The fair value of securities not publicly traded held by the Connecticut Innovations, Incorporated, a Component Unit. The fair value of these investments is determined by an independent valuation committee of the Corporation, after giving consideration to pertinent information about the companies comprising the investments, including but not limited to recent sales prices of the issuer's securities, sales growth, progress toward business goals, and other operating data.

The State invests in derivatives. These investments are held by the Combined Investment Funds and are reported at fair value in each fund's statement of net position.

Inventories

Inventories are reported at cost. Cost is determined by the first-in first-out (FIFO) method. Inventories in the governmental funds consist of expendable supplies held for consumption whose cost was recorded as an expenditure at the time the individual inventory items were purchased. Reported inventories in these funds are offset by a fund balance designation (nonexpendable) to indicate that they are unavailable for appropriation.

Capital Assets and Depreciation

Capital assets include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, railways, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the State as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated fair market value at the date of donation.

Collections of historical documents, rare books and manuscripts, guns, paintings, and other items are not capitalized. These collections are held by the State Library for public exhibition, education, or research; and are kept protected, cared for, and preserved indefinitely. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are also not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements Other than Buildings	10-20
Machinery and Equipment	5-30
Infrastructure	20-28

Securities Lending Transactions (see Note 3)

Assets, liabilities, income, and expenses arising from securities lending transactions of the Combined Investment Funds are allocated ratably to the participant funds based on their equity in the Combined Investment Funds.

Escheat Property

Escheat property is private property that has reverted to the State because it has been abandoned or has not been claimed by the rightful owners for a period of time. State law requires that all escheat property receipts be recorded as revenue in the General fund. Escheat revenue is reduced and a fund liability is reported to the extent that it is probable that escheat property will be refunded to claimants in the future. This liability is estimated based on the State's historical relationship between escheat property receipts and amounts paid as refunds, taking into account current conditions and trends.

Deferred Outflows of Resources

Deferred outflows of resources are defined as the consumption of net assets in one period that are applicable to future periods. These amounts are reported in the Statement of Net Position on the government-wide and fund financial statements in a separate section, after total assets.

Unearned Revenues
In the government-wide and fund financial statements, this liability represents resources that have been received, but not yet earned.

Long-term Obligations
In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and issuance costs are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs are reported as an expense in the year they are incurred. Other significant long-term obligations include the net pension liability, OPEB obligation, compensated absences, workers' compensation claims, and federal loans. In the fund financial statements, governmental fund types recognize bond premiums and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Appreciation Bonds
Capital appreciation (deep-discount) bonds issued by the State, unlike most bonds, which pay interest semi-annually, do not pay interest until the maturity of the bonds. An investor who purchases a capital appreciation bond at its discounted price and holds it until maturity will receive an amount which equals the initial price plus an amount which has accrued over the life of the bond on a semiannual compounding basis. The net value of the bonds is accreted (the discount reduced), based on this semiannual compounding, over the life of the bonds. This deep-discount debt is reported in the government-wide statement of net position at its net or accreted value rather than at face value.

Compensated Absences
The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977, and managers regardless of date hired can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days. Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent to sixty days.

g. Derivative Instruments
The State's derivative instruments consist of interest rate swap agreements, all of which have been determined by the State to be effective cash flow hedges. Accumulated decreases in the fair value of some of the swaps are reported as deferred outflows of resources in the Statement of Net Position. These agreements are discussed in more detail in Note No. 18.

h. Deferred Inflows of Resources
Deferred inflows of resources are defined as the acquisition of net assets in one period that are applicable to future periods. These amounts are reported in the Statement of Net Position and Balance Sheet in a separate section, after total liabilities.

i. Interfund Activities
In the fund financial statements, interfund activities are reported as follows:

Interfund receivables/payables - The current portion of interfund loans outstanding at the end of the fiscal year is reported as due from/to other funds; the noncurrent portion as advances to/from other funds. All other outstanding balances between funds are reported as due from/to other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund services provided and used - Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. In the statement of activities, transactions between the primary government and its discretely presented component units are reported as revenues and expenses, unless they represent repayments of loans or similar activities.

Interfund transfers - Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund reimbursements - Repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are not reported in the financial statements.

j. Supplemental Nutrition Assistance Program (SNAP)
Nutrition assistance distributed to recipients during the year is recognized as an expenditure and a revenue in the governmental fund financial statements.

k. External Investment Pool
Assets and liabilities of the Short-Term Investment Fund are allocated ratably to the External Investment Pool Fund based

on its investment in the Short-Term Investment Fund (see Note 3). Pool income is determined based on distributions made to the pool's participants.

l. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Note 2 Nonmajor Fund Deficits

The following funds have deficit fund/net position balances at June 30, 2016, none of which constitutes a violation of statutory provisions (amounts in thousands).

Capital Projects	
Transportation	$ 718
Enterprise	
Bradley Parking Garage	$ 22,202

Note 3 Cash Deposits and Investments

According to GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*", the State is required to make certain disclosures about deposit and investment risks that have the potential to result in losses. Thus, the following deposit and investment risks are discussed in this note:

Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk - the risk of loss attributed to the magnitude of an investment in a single issuer.

Custodial Credit Risk (deposits) - the risk that, in the event of a bank failure, the State's deposits may not be recovered.

Foreign Currency Risk - the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

Primary Government

The State Treasurer is the chief fiscal officer of State government and is responsible for the prudent management and investment of monies of State funds and agencies as well as monies of pension and other trust funds. The State Treasurer with the advice of the Investment Advisory Council, whose members include outside investment professionals and pension beneficiaries, establishes investment policies and guidelines. Currently, the State Treasurer manages one Short-Term Investment Fund and twelve Combined Investment Funds.

Short-Term Investment Fund (STIF)

STIF is a money market investment pool in which the State, municipal entities, and political subdivisions of the State are eligible to invest. The State Treasurer is authorized to invest monies of STIF in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers' acceptances, repurchase agreements, and asset-backed securities. STIF's investments are reported at amortized cost (which approximates fair value) in the fund's statement of net position.

For financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The external portion of STIF (i.e. the portion that belongs to participants which are not part of the State's financial reporting entity) is reported as an investment trust fund (External Investment Pool fund) in the fiduciary fund financial statements. The internal portion of STIF (i.e., the portion that belongs to participants that are part of the State's financial reporting entity) is not reported in the accompanying financial statements. Instead, investments in the internal portion of STIF by participant funds are reported as cash equivalents in the government-wide and fund financial statements.

For disclosure purposes, certificates of deposit held by STIF are reported in this note as bank deposits, not as investments.

As of June 30, 2016, STIF had the following investments and maturities (amounts in thousands):

Short-Term Investment Fund

		Investment Maturities (in years)	
Investment Type	**Amortized Cost**	**Less Than 1**	**1-5**
Federal Agency Securities	$ 1,948,162	$ 1,938,162	$ 10,000
Bank Commercial Paper	399,747	399,747	-
US Government Guaranteed or Insured	29,000	29,000	-
Government Money Market Funds	190,532	190,532	-
Repurchase Agreements	450,000	450,000	-
Total Investments	$ 3,017,441	$ 3,007,441	$ 10,000

Interest Rate Risk

The STIF's policy for managing interest rate risk is to limit investment to a very short weighted average maturity, not to exceed 90 days, and to comply with Standard and Poor's requirement that the weighted average maturity not to exceed 60 days. As of June 30, 2016, the weighted average maturity of the STIF was 40 days. Additionally, STIF is allowed by policy to invest in floating-rate securities. However, investment in these securities having maturities greater than two years is limited to no more than 25 percent of the overall portfolio. For purposes of the fund's weighted average maturity calculation, variable-rate securities are calculated using their rate reset date. Because these securities reprice frequently to prevailing market rates, interest rate risk is substantially reduced. As of June 30, 2016, the amount of STIF's investments in variable-rate securities was $885 million.

Credit Risk

The STIF's policy for managing credit risk is to purchase short-term, high-quality fixed income securities that fall within the highest short-term or long-term rating categories by nationally recognized rating organizations.

As of June 30, 2016, STIF's investments were rated by Standard and Poor's as follows (amounts in thousands):

Short-Term Investment Fund

Investment Type	Amortized Cost	Quality Ratings AAAm	AA+/A-1+	A/A-1
Federal Agency Securities	$ 1,948,162	$ -	$ 1,948,162	$ -
Bank Commercial Paper	399,747	-	399,747	-
U.S. Government Guaranteed & Insured Securities	29,000	-	29,000	-
Government Money Market Funds	190,532	190,532	-	-
Repurchase Agreements	450,000	-	200,000	250,000
Total Investments	$ 3,017,441	$ 190,532	$ 2,576,909	$ 250,000

Concentration of Credit Risk

STIF reduces its exposure to this risk by insuring that at least 75 percent of fund assets will be invested in securities rated "A-1+" or equivalent. In addition exposure to any single non-governmental issuer will not exceed 5 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5 percent of fund assets and exposure to money market mutual funds in total will not exceed 10 percent. As of June 30, 2016, STIF's investments in any one issuer that represents more than 5 percent of total investments were as follows (amounts in thousands):

Investment Issuer	Amortized Cost
Federal Home Loan Bank	$ 670,144
Federal Farm Credit Bank	$ 736,407
U.S. Bank	$ 225,000
Commercial Paper	$ 174,747
Freddie Mac	$ 244,578
Merryl Lynch	$ 250,000
Fannie Mae	$ 297,034
Western Asset	$ 190,532
RBC Capital Markets	$ 200,000

Custodial Credit Risk-Bank Deposits-Nonnegotiable Certificate of Deposits (amounts in thousands):

The STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of assets. Further, the certificate of deposits must be issued from commercial banks whose short-term debt is rated at least "A-1" by Standard and Poor's and "F-1" by Fitch and whose long-term debt is rated at least "A-" and its issuer rating is at least "C", or backed by a letter of credit issued by a Federal Home Loan bank. As of June 30, 2016, $1,779,500 of the bank balance of STIF's deposits of $1,880,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 957,025
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	822,475
Total	$ 1,779,500

Combined Investment Funds (CIFS)

The CIFS are open-ended, unitized portfolios in which the State pension trust and permanent funds are eligible to invest. The State pension trust and permanent funds own the units of the CIFS. The State Treasurer is also authorized to invest monies of the CIFS in a broad range of fixed income and equity securities, as well as real estate properties, mortgages and private equity. CIFS' investments are reported at fair value in each fund's statement of net position.

For financial reporting purposes, the CIFS are considered to be external investment pools and are not reported in the accompanying financial statements. Instead, investments in the CIFS by participant funds are reported as equity in the CIFS in the government-wide and fund financial statements.

	Primary Government Governmental Activities	Business-Type Activities	Fiduciary Funds
Equity in the CIFS	$ 109,454	$ 661	$ 29,135,806
Other Investments	2,095	70,329	1,375,910
Total Investments-Current	$ 111,549	$ 70,990	$ 30,511,716

The CIFS measures and records its investments using fair value measurement guidelines. These guidelines have a three tired fair value hierarchy, as follows: Level 1: Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and, Level 3: Unobservable inputs.

As of June 30, 2016, the CIFS had the following recurring fair value measurements. (amounts in thousands):

Fair Value Measurements

Investments by Fair Value Level	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash Equivalents	$ 77,377	$ -	$ 77,377	$ -
Asset Backed Securities	153,162	-	153,162	-
Government Securities	3,057,456	1,162,573	1,894,883	-
Government Agency Securities	645,771	-	645,771	-
Mortgage Backed Securities	402,029	-	402,029	-
Corporate Debt	3,046,436	-	2,954,600	91,836
Convertible Securities	53,747	-	53,747	-
Common Stock	13,540,539	13,540,539	-	-
Preferred Stock	87,632	78,400	9,232	-
Real Estate Investment Trust	385,415	324,390	61,025	-
Mutual Fund	703,637	171,221	-	532,416
Limited Partnerships	2,199	2,199	-	-
Total	$ 22,155,400	$ 15,279,322	$ 6,251,826	$ 624,252

Investments Measured at the Net Asset Value (NAV)		**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Business Development Corporation	99,612	$ 45,103	Illiquid	N/A
Limited Liability Corporation	1,156	-	Illiquid	N/A
Trusts	530	-	Illiquid	N/A
Limited Partnerships	6,949,357	1,394,251	Illiquid	N/A
Total	7,050,655	$ 1,439,354		
Total Investments in Securities at Fair Value	$ 29,206,055			

Interest Rate Risk

CIFS' investment managers are given full discretion to manage their portion of CIFS' assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Barclays Aggregate-an intermediate duration index.

Following is a schedule which provides information about the interest rate risks associated with the CIF investments. The investments include short-term cash equivalents including certificate of deposits and collateral, long-term investments and restricted assets by maturity in years. (amounts in thousands):

Combined Investment Funds

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
Cash Equivalents	$ 77,377	$ 77,377	$ -	$ -	$ -
Asset Backed Securities	153,162	9,211	118,312	15,124	10,515
Government Securities	3,057,456	118,521	1,186,623	695,703	1,056,609
Government Agency Securities	645,771	61,643	82,929	5,727	495,472
Mortgage Backed Securities	402,028	603	66,980	86,396	248,049
Corporate Debt	3,046,436	776,156	1,090,122	892,978	287,180
Convertible Debt	53,747	4,886	17,417	610	30,834
	$ 7,435,977	$ 1,048,397	$ 2,562,383	$ 1,696,538	$ 2,128,659

Credit Risk

The CIFS minimizes exposure to this risk in accordance with a comprehensive investment policy statement, as developed by the Office of the Treasurer and the State's Investment Advisory Council, which provides policy guidelines for the CIFS and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. As of June 30, 2016, CIFS' debt investments were rated by Moody's as follows (amounts in thousands):

Combined Investment Funds

	Fair Value	**Cash Equivalents**	**Asset Backed Securities**	**Government Securities**	**Government Agency Securities**	**Mortgage Backed Securities**	**Corporate Debt**	**Convertible Debt**
Aaa	$ 2,484,426	$ -	$ 75,616	$ 1,477,893	$ 603,867	$ 271,129	$ 55,921	$ -
Aa	573,991	3,000	2,677	393,378	-	11,075	163,861	-
A	672,191	-	1,737	327,573	-	13,273	329,608	-
Baa	691,470	-	-	352,658	-	7,046	330,976	790
Ba	631,841	-	-	182,505	-	-	441,749	7,587
B	805,211	-	-	50,949	-	-	742,406	11,856
Caa	296,878	-	-	29,969	-	-	260,061	6,848
Ca	11,476	-	-	-	-	-	11,476	-
C	1,592	-	-	-	-	-	1,592	-
Prime 1	374,671	-	2,786	-	-	-	371,885	-
Prime 2	10,394	-	-	-	-	-	10,394	-
Government fixed not rated	50,178	-	-	8,275	41,903	-	-	-
Non Government fixed not rated	234,256	-	-	234,256	-	-	-	-
Not Rated	597,402	74,377	70,346	-	-	99,506	326,507	26,666
	$ 7,435,977	$ 77,377	$ 153,162	$ 3,057,456	$ 645,770	$ 402,029	$ 3,046,436	$ 53,747

Foreign Currency Risk

The CIFS manage exposure to this risk by utilizing a strategic hedge ratio of 50 percent for the developed market portion of the International Stock Fund (a Combined Investment Fund). This strategic hedge ratio represents the neutral stance or desired long-term exposure to currency for the ISF. To implement this policy, currency specialists actively manage the currency portfolio as an overlay strategy to the equity investment managers. These specialists may manage the portfolio passively or actively depending on opportunities in the market place. While managers within the fixed income portion of the portfolio are allowed to invest in non-U.S. denominated securities; managers are required to limit that investment to a portion of their respective portfolios. As of June 30, 2016, CIFS' foreign deposits and investments were as follows (amounts in thousands):

				Combined Investment Funds						
				Fixed Income Securities				Equities		
Foreign Currency	**Total**	**Cash**	**Cash Equivalent Collateral**	**Government Securities**	**Corporate Debt**	**Asset Backed**	**Mortgage Backed**	**Common Stock**	**Preferred stock**	**Real Estate Investment Trust Fund**
Argentine Peso	$ 49	$ 49	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Australian Dollar	390,816	928	48	87,102	7,712		-	265,852	-	29,174
Brazilian Real	238,391	3,397	-	86,699	-	-	-	134,189	14,106	-
Canadian Dollar	113,770	527	-	25,029	-	-	-	85,815	-	2,399
Chilean Peso	4,367	43	-	152	-	-	-	4,172	-	-
Colombian Peso	34,735	5	-	32,147	2,387	-	-	196	-	-
Czech Koruna	793	1	-	-	-	-	-	792	-	-
Danish Krone	85,553	194	-	1,259	-	-	-	84,100	-	-
Egyptian Pound	3,813	294	-	-	-	-	-	3,519	-	-
Euro Currency	1,805,613	945	(5)	233,894	2,084	168	-	1,541,800	12,858	13,869
Hong Kong Dollar	558,798	1,385	-	-	-	-	-	551,404	-	6,009
Hungarian Forint	35,223	2	-	8,780	-	-	-	26,441	-	-
Iceland Krona	2	2	-	-	-	-	-	-	-	-
Indian Rupee	1,252	-	-	-	1,252	-	-	-	-	-
Indonesian Rupiah	110,265	77	-	50,760	2,587	-	-	56,841	-	-
Israeli Shekel	20,504	216	-	-	-	-	-	20,288	-	-
Japanese Yen	1,190,721	7,565	-	49,956	-	-	-	1,124,737	-	8,463
Malaysian Ringgit	83,394	30	-	65,236	-	-	-	18,128	-	-
Mexican Peso	194,423	2,018	-	142,149	3,598	-	-	43,813	-	2,845
New Turkish Lira	153,017	2	-	48,073	-	-	-	104,942	-	-
New Zealand Dollar	163,784	1,407	-	149,078		-	-	13,299	-	-
Nigerian Naira	181	11	-	-	-	-	-	170	-	-
Norwegian Krone	54,992	567	-	11,188	-	-	-	43,237	-	-
Peruvian Nouveau Sol	4,009	-	-	4,009	-	-	-	-	-	-
Philippine Peso	51,452	6	-	1,151	-	-	-	50,295	-	-
Polish Zloty	108,856	36	-	80,536	-	-	-	28,284	-	-
Pound Sterling	1,135,613	2,875	44	235,944	8,003	-	8,149	868,704	-	11,894
Romanian Leu	3,946	-	-	3,946	-	-	-	-	-	-
Russian Ruble	27,353	-	-	27,353	-	-	-	-	-	-
Singapore Dollar	85,880	534	-	8,241	-	-	-	71,780	-	5,325
South African Rand	180,585	914	-	81,865	-	-	-	97,195	-	611
South Korean Won	323,171	66	-	496	-	-	-	311,607	11,002	-
Sri Lanka Rupee	29	-	-	-	-	-	-	29	-	-
Swedish Krona	156,963	184	-	7,603	-	-	-	149,176	-	-
Swiss Franc	446,233	545	-	-	-	-	-	445,688	-	-
Thailand Baht	103,607	240	-	19,603	-	-	-	83,555	-	209
Uruguayan Peso	1,212	-	-	1,212	-	-	-	-	-	-
	$ 7,873,365	$ 25,065	$ 87	$ 1,463,461	$ 27,623	$ 168	$ 8,149	$ 6,230,048	$ 37,966	$ 80,798

Derivatives

As of June 30, 2016, the CIFS held the following derivative investments (amounts in thousands):

Derivative Investments	Fair Value
Adjustable Rate Securities	$ 581,229
Asset Backed Securities	153,799
Mortgage Backed Securities	303,820
Collateralized Mortgage Obligations	98,208
TBA's	41,236
Interest Only Securities	423
Options	1,281
Total	$ 1,179,996

The CIFS invest in derivative investments for trading purposes and to enhance investment returns. The credit exposure resulting from these investments is limited to their fair value at year end.

The CIFS also invest in foreign currency contracts. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIFS' investments against currency fluctuations. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms. As of June 30, 2016, the fair value of contracts to buy and contracts to sell was $11.9 billion and $11.9 billion, respectively.

Custodial Credit Risk-Bank Deposits
The CIFS minimize this risk by maintaining certain restrictions set forth in the Investment Policy Statement. The CIFS use a Liquidity Account which is a cash management pool investing in highly liquid money market securities. As of June 30, 2016, the CIFS had deposits with a bank balance of $40.1 million which was uninsured and uncollateralized.

Complete financial information about the STIF and the CIFS can be obtained from financial statements issued by the Office of the State Treasurer.

Other Investments
The University of Connecticut measures and records its investments using fair value measurement guidelines. These guidelines have a three tired fair value hierarchy, as follows: Level 1; Quoted prices for identical investments in active market; Level 2: Observable inputs other than quoted market price; and, Level 3: Unobservable inputs. As of June 30, 2016, UConn had the following recurring fair value measurements. (amounts in thousands):

Fair Value Measurements

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Cash Equivalents	$ 1,926	$ 1,926	$ -	$ -
Fixed Income Securities	913	913	-	-
Equity Securities	8,129	7,376	753	-
Partnerships	3	-	-	3
Total	$ 10,971	$ 10,215	$ 753	$ 3

Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Capital Partnerships	$ 1,655	$ 215	N/A	N/A
Private Real Estate Partnerships	329	41	N/A	N/A
Natural Resource Partnerships	566	67	N/A	N/A
Long/Short Equities	1	-	N/A	N/A
Relative Value	832	-	N/A	N/A
Total	3,383	$ 323		
Total Investments in Securities at Fair Value	$ 14,354			

As of June 30, 2016, the State had other investments and maturities as follows (amounts in thousands):

Other Investments

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
State Bonds	$ 17,629	$ -	$ 5,269	$ 12,360	$ -
U.S. Government and Agency Securities	112,662	55,352	6,450	50,366	494
Guaranteed Investment Contracts	130,472	-	40,712	34,882	54,878
Money Market Funds	31,261	31,261	-	-	-
Total Debt Investments	292,024	$ 86,613	$ 52,431	$ 97,608	$ 55,372
Endowment Pool	12,593				
Corporate Stock	1,758				
Limited Partnership	3				
Total Investments	$ 306,378				

Credit Risk
As of June 30, 2016, other debt investments were rated by Standard and Poor's as follows (amounts in thousands):

Other Investments

	Fair	Quality Ratings		
Investment Type	Value	AA	A	Unrated
State Bonds	$ 17,629	$ 17,629	$ -	$ -
U.S. Government and Agency Securities	62,447	62,447	-	-
Guaranteed Investment Contracts	130,472	34,882	95,590	-
Money Market Funds	31,261	-	-	31,261
Total	$ 241,809	$ 114,958	$ 95,590	$ 31,261

Connecticut State Universities reported $50 million as U.S. Government Securities, these securities have no credit risk, therefore, these securities are not included in the above table.

Custodial Credit Risk-Bank Deposits (amounts in thousands):
The State maintains its deposits at qualified financial institutions located in the state to reduce its exposure to this risk. These institutions are required to maintain, segregated from its other assets, eligible collateral in an amount equal to 10 percent, 25 percent, 100 percent, or 120 percent of its public deposits. The collateral is held in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. As of June 30, 2016, $438,282 of the bank balance of the Primary Government of $441,570 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 38,456
Uninsured and collateral held by trust department of either the pledging bank or another bank not in the name of the State	399,826
Total	$ 438,282

Component Units
The Connecticut Housing Finance Authority (CHFA) and the Connecticut Lottery Corporation (CLC) reported the following investments and maturities as of December 31, 2015 and June 30,2016, respectively (amounts in thousands):

Major Component Units

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Collateralized Mortgage Obligations	$ 743	$ -	$ -	$ 743	$ -
GNMA & FNMA Program Assets	846,159	-	-	-	846,159
Mortgage Backed Securities	768	-	-	125	643
Money Market	15,624	15,624			
Municipal Bonds	42,750	213	1,258	1,655	39,624
STIF	448,707	448,707	-	-	-
Structured Securities	450	-	-	-	450
U.S. Government Agency Securities	892	-	-	-	892
Total Debt Investments	1,356,093	$ 464,544	$ 1,258	$ 2,523	$ 887,768
Annuity Contracts	130,333				
Total Investments	$ 1,486,426				

The CHFA and the CLC own 91.2 percent and 8.8 percent of the above investments, respectively. GNMA Program Assets represent securitized home mortgage loans of CHFA which are guaranteed by the Government National Mortgage Association. Annuity contracts are the only investment held by the CLC, which are not subject to investment risks discussed next.

Interest Rate Risk
CHFA
Exposure to declines in fair value is substantially limited to GNMA Program Assets. The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets in a specific maturity. This policy also requires the Authority to attempt to match its investments with anticipated cash flows requirements and to seek diversification by staggering maturities in such a way that avoids undue concentration of assets in a specific maturity sector.

Credit Risk
CHFA
The Authority's investments are limited by State statutes to United States Government obligations, including its agencies or instrumentalities, investments guaranteed by the state, investments in the state's STIF, and other obligations which are legal investments for savings banks in the state. The Fidelity Funds are fully collateralized by obligations issued by the United States Government or its agencies. Mortgage Backed Securities are fully collateralized by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association, and Collateralized Mortgage Obligations are fully collateralized by the United States Department of Housing and Urban Development mortgage pools.

CHFA's investments were rated as of December 31, 2015 as follows (amounts in thousands):

	Component Units				
	Fair		Quality Ratings		
Investment Type	Value	AAA	CCC	D	Unrated
Collateralized Mortgage Obligations	$ 743	$ -	$ 743	$ -	$ -
Municipal Bonds	42,750		-	-	42,750
Money Market	15,624				15,624
STIF	448,707	448,707			-
Structured Securities	450	-	-	450	-
Total	$ 508,274	$ 448,707	$ 743	$ 450	$ 58,374

Concentration of Credit Risk
CHFA
The Authority's investment policy requires diversification of its investment portfolio to eliminate the risk of loss resulting from, among other things, an over-concentration of assets with a specific issuer. As of December 31, 2015, the Authority had no investments in any one issuer that represents 5 percent or more of total investments, other than investments guaranteed by the U.S. Government (GNMA and FNMA Program Assets), and investments in the State's STIF.

Security Lending Transactions
Certain of the Combined Investment Funds are permitted by State statute to engage in security lending transactions to provide incremental returns to the funds. The funds' Agent is authorized to lend available securities to authorized broker-dealers and banks subject to a formal loan agreement.

During the year, the Agent lent certain securities and received cash or other collateral as indicated on the Securities Lending Authorization Agreement. The Agent did not have the ability to pledge or sell collateral securities received absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102 percent of the market value of the domestic loaned securities or 105 percent of the market value of foreign loaned securities.

According to the Agreement, the Agent has an obligation to indemnify the funds in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures during the fiscal year that resulted in a declaration or notice of default of the borrower. During the fiscal year, the funds and the borrowers maintained the right to terminate all securities lending transactions upon notice. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. At year end, the funds had no credit exposure to borrowers because the fair value of the collateral held and the fair value of securities on loan were $2,590.9 million and $2,512.6 million, respectively.

Under normal circumstances, the average duration of collateral investments is managed so that it will not exceed 60 days. At year end, the average duration of the collateral investments was 49.46 days and an average weighted maturity of 57.77 days.

Note 4 Receivables-Current
As of June 30, 2016, current receivables consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Taxes	$ 1,655,010	$ -	$ -
Accounts	1,192,158	492,044	84,093
Loans-Current Portion	-	232,994	6,311
Other Governments	393,493	10,355	3,654
Interest	636	2,591	105
Other (1)	25,638	2,422	3,378
Total Receivables	3,266,935	740,406	97,541
Allowance for			
Uncollectibles	(883,119)	(109,494)	(3,545)
Receivables, Net	$ 2,383,816	$ 630,912	$ 93,996

(1) Includes a reconciling amount of $25,634 million from fund financial statements to government-wide financial statements.

Note 5 Taxes Receivable

Taxes receivable consisted of the following as of June 30, 2016 (amounts in thousands):

	Governmental Activities		
	General Fund	Transportation Fund	Total
Sales and Use	$ 637,072	$ -	$ 637,072
Income Taxes	462,231	-	462,231
Corporations	72,650	-	72,650
Gasoline and Special Fuel	-	141,760	141,760
Various Other	341,297	-	341,297
Total Taxes Receivable	1,513,250	141,760	1,655,010
Allowance for Uncollectibles	(158,408)	(169)	(158,577)
Taxes Receivable, Net	$ 1,354,842	$ 141,591	$ 1,496,433

Note 6 Receivables-Noncurrent

Noncurrent receivables for the primary government and its component units, as of June 30, 2016, consisted of the following (amounts in thousands):

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
Accounts	$ -	$ -	$ 30,472
Loans	831,378	976,339	452,882
Total Receivables	831,378	976,339	483,354
Allowance for Uncollectibles	(3,216)	(3,304)	(11,809)
Receivables, Net	$ 828,162	$ 973,035	$ 471,545

The Grants and Loans fund (governmental activities) makes loans through the Department of Economic and Community Development to provide financial support to businesses, municipalities, nonprofits, economic develop agencies and other partners for a wide range of activities that create and retain jobs; strengthen the competitiveness of the workforce; promote tourism, the arts and historic preservation; and help investigate and redevelop brownfields. The department's investments are helping build stronger neighborhoods and communities and improving the quality of life for state residents. These loans are payable over a ten year period with rates ranging from 2 percent to 4 percent.

Clean Water fund (business-type activities) loans funds to qualified municipalities for planning, design, and construction of water quality projects. These loans are payable over a 20 year period at an annual interest rate of 2 percent and are secured by the full faith and credit or revenue pledges of the municipalities, or both. At year end, the noncurrent portion of loans receivable was $846.0 million.

The Connecticut Higher Education Supplemental Loan Authority (a component unit) makes loans to individuals from the proceeds of bonds issued by the Authority. The loans bear interest rates ranging from 0 percent to 9.2 percent. At year end, the noncurrent portion of loans receivable was $95.6 million.

Note 7 Restricted Assets

Restricted assets are defined as resources that are restricted by legal or contractual requirements. As of June 30, 2016, restricted assets were comprised of the following (amounts in thousands):

	Cash & Cash Equivalents	Investments	Loans, Net of Allowances	Other	Total Restricted Assets
Governmental Activities:					
Debt Service	$ 738,240	$ -	$ -	$ -	$ 738,240
Total-Governmental Activities	$ 738,240	$ -	$ -	$ -	$ 738,240
Business-Type Activities:					
UConn/Health Center	$ 149,497	$ -	$ -	$ -	$ 149,497
Clean Water	55,619	143,486	-	-	199,105
Other Proprietary	53,132	10,621	-	-	63,753
Total-Business-Type Activities	$ 258,248	$ 154,107	$ -	$ -	$ 412,355
Component Units:					
CHFA	$ 466,127	$ 891,549	$ 3,520,597	$ 100,435	$ 4,978,708
CAA	117,380	-	-	2,307	119,687
Other Component Units	482,634	-	-	4,225	486,859
Total-Component Units	$ 1,066,141	$ 891,549	$ 3,520,597	$ 106,967	$ 5,585,254

Note 8 Current Liabilities

a. Accounts Payable and Accrued Liabilities

As of June 30, 2016, accounts payable and accrued liabilities consisted of the following (amounts in thousands):

	Vendors	Salaries and Benefits	Interest	Other	Total Payables & Accrued Liabilities
Governmental Activities:					
General	$ 115,881	$ 205,185	$ -	$ 13,219	$ 334,285
Transportation	16,020	12,473	-	-	28,493
Restricted Accounts	215,025	11,605	-	-	226,630
Grants and Loans	5,463	93	-	2,900	8,456
Other Governmental	91,977	7,645	-	47	99,669
Internal Service	1,072	1,295	-	-	2,367
Reconciling amount from fund financial statements to government-wide financial statements	-	-	206,543	4,165	210,708
Total-Governmental Activities	$ 445,438	$ 238,296	$ 206,543	$ 20,331	$ 910,608
Business-Type Activities:					
UConn/Health Center	$ 154,301	$ 82,363	$ -	$ 32,320	$ 268,984
Board of Regents	18,628	78,447	2,193	13,822	113,090
Other Proprietary	7,533	-	12,529	1,623	21,685
Total-Business-Type Activities	$ 180,462	$ 160,810	$ 14,722	$ 47,765	$ 403,759
Component Units:					
CHFA	$ -	$ -	$ 14,280	$ 6,629	$ 20,909
Connecticut Lottery Corporation	8,499	-	1,641	-	10,140
Connecticut Airport Authority	4,162	4,593	1,210	4,230	14,195
Other Component Units	2,679	-	890	75,322	78,891
Total-Component Units	$ 15,340	$ 4,593	$ 18,021	$ 86,181	$ 124,135

Note 9 Capital Assets

Capital asset activity for the year was as follows (amounts in thousands):

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital Assets not being Depreciated:				
Land	$ 1,709,017	$ 39,882	$ 1,263	$ 1,747,636
Construction in Progress	3,664,840	1,554,823	675,348	4,544,315
Total Capital Assets not being Depreciated	5,373,857	1,594,705	676,611	6,291,951
Capital Assets being Depreciated:				
Buildings	4,296,701	207,890	183,291	4,321,300
Improvements Other than Buildings	463,026	8,088	4,409	466,705
Equipment	2,736,204	162,607	280,620	2,618,191
Infrastructure	14,307,362	365,966	-	14,673,328
Total Other Capital Assets at Historical Cost	21,803,293	744,551	468,320	22,079,524
Less: Accumulated Depreciation For:				
Buildings	1,792,161	108,031	183,291	1,716,901
Improvements Other than Buildings	306,610	23,148	4,409	325,349
Equipment	2,674,470	169,502	280,620	2,563,352
Infrastructure	9,372,668	687,304	-	10,059,972
Total Accumulated Depreciation	14,145,909	987,985	468,320	14,665,574
Other Capital Assets, Net	7,657,384	(243,434)	-	7,413,950
Governmental Activities, Capital Assets, Net	$ 13,031,241	$ 1,351,271	$ 676,611	$ 13,705,901

* Depreciation expense was charged to functions as follows:

Governmental Activities:	
Legislative	$ 5,082
General Government	34,580
Regulation and Protection	26,781
Conservation and Development	11,129
Health and Hospitals	10,101
Transportation	808,344
Human Services	1,093
Education, Libraries and Museums	30,755
Corrections	40,999
Judicial	15,518
Capital assets held by the government's internal service funds are charged to the various functions based on the usage of the assets	3,603
Total Depreciation Expense	$ 987,985

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities				
Capital Assets not being Depreciated:				
Land	$ 68,072	$ 559	$ -	$ 68,631
Construction in Progress	717,171	490,730	521,831	686,070
Total Capital Assets not being Depreciated	785,243	491,289	521,831	754,701
Capital Assets being Depreciated:				
Buildings	4,786,947	543,261	18,737	5,311,471
Improvements Other Than Buildings	373,287	32,322	2,358	403,251
Equipment	995,211	90,682	43,502	1,042,391
Total Other Capital Assets at Historical Cost	6,155,445	666,265	64,597	6,757,113
Less: Accumulated Depreciation For:				
Buildings	1,919,230	151,120	11,126	2,059,224
Improvements Other Than Buildings	207,087	14,116	2,246	218,957
Equipment	662,926	70,578	38,568	694,936
Total Accumulated Depreciation	2,789,243	235,814	51,940	2,973,117
Other Capital Assets, Net	3,366,202	430,451	12,657	3,783,996
Business-Type Activities, Capital Assets, Net	$ 4,151,445	$ 921,740	$ 534,488	$ 4,538,697

Component Units

Capital assets of the component units consisted of the following as of June 30, 2016 (amounts in thousands):

Land	$ 61,115
Buildings	697,352
Improvements other than Buildin	319,058
Machinery and Equipment	576,802
Construction in Progress	7,450
Total Capital Assets	1,661,777
Accumulated Depreciation	868,683
Capital Assets, Net	$ 793,094

Note 10 State Retirement Systems
The State sponsors three major public employee retirement systems: the State Employees' Retirement System (SERS)-consisting of Tier I (contributory), Tier II (noncontributory) Tier IIA (contributory) and Tier III (contributory), the Teachers' Retirement System (TRS), and the Judicial Retirement System (JRS). The three plans in this note do not issue separate financial statements, nor are they reported as a part of other entities. The financial statements and other required information are presented in Note 12 and in the Required Supplementary Information (RSI) section of the CAFR.

The State Comptroller's Retirement Division under the direction of the Connecticut State Employees' Retirement Commission administers SERS and JRS. The sixteen members are: the State Treasurer or a designee who serves as a non-voting ex-officio member, six trustees representing employees are appointed by the bargaining agents in accordance with the provisions of applicable collective bargaining agreements, one "neutral" Chairman, two actuarial trustees and six management trustees appointed by the Governor. The Teachers' Retirement Board administers TRS. The fourteen members of the Teachers' Retirement Board include: the State Treasurer, the Secretary of the Office of Policy and Management, the Commissioner of Education or their designees, who serve as ex-officio voting members. Six members who are elected by teacher membership and five public members appointed by the Governor.

Special Funding Situation
The employer contributions for the Teachers' Retirement System (TRS) are funded by the State on behalf of the participating municipal employers. Therefore, these employers are considered to be in a special funding situation and the State is treated as a non-employer contributing entity as defined by GASB 68. As a result, the State reports a liability, deferred outflows of resources and deferred inflows of resources, and expenses. Additionally, the autonomous Component Units that benefit from the services provided by employees of the State are considered, as defined by GASB 68 as non-employer contributing entities. As such they report a liability, deferred outflows of resources and deferred inflows of resources, and expenses as a result of being statutorily required to contribute to SERS.

Plan Descriptions and Funding Policy
Membership of each plan consisted of the following at the date of the latest actuarial evaluation:

	SERS 6/30/2014	TRS 6/30/2014	JRS 6/30/2014
Inactive Members or their Beneficiaries receiving benefits	45,803	36,065	250
Inactive Members Entitled to but not yet Receiving Benefits	1,457	1,480	4
Active Members	49,976	50,877	212

State Employees' Retirement System
Plan Description
SERS is a single-employer defined-benefit pension plan covering substantially all of the State full-time employees who are not eligible for another State sponsored retirement plan. Plan benefits, cost-of-living allowances, contribution requirements of plan members and the State, and other plan provisions are described in Sections 5-152 to 5-192 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

Funding Policy
The contribution requirements of plan members and the State are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. Tier I Plan B regular and Hazardous Duty members are required to contribute 2 percent and 4 percent of their annual salary, respectively, up to the Social Security Taxable Wage Base plus 5 percent above that level; Tier I Plan C members are required to contribute 5 percent of their annual salary; Tier II Plan Hazardous Duty members are required to contribute 4 percent of their annual salary; Tier IIA and Tier III Plans regular and Hazardous Duty members are required to contribute 2 percent and 5 percent of their annual salary, respectively. Individuals hired on or after July 1, 2011 otherwise eligible for the Alternative Retirement Plan (ARP) are eligible to become members of the Hybrid Plan in addition to their other existing choices. The Hybrid Plan has defined benefits identical to Tier II/IIA and Tier III for individuals hired on or after July 1, 2011, but requires employee contributions 3 percent higher than the contribution required from the applicable Tier II/IIA/III plan. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Teachers' Retirement System
Plan Description
TRS is a cost-sharing multiple-employer defined-benefit pension plan covering any teacher, principal, superintendent, or supervisor engaged in service of public schools in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

Funding Policy
The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. Administrative costs of the plan are funded by the State.

Judicial Retirement System
Plan Description
JRS is a single-employer defined-benefit pension plan covering any appointed judge or compensation commissioner in the State. Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 51-49 to 51-51 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living allowances to plan members and their beneficiaries.

Funding Policy

The contribution requirements of plan members and the State are established and may be amended by the State legislature. Plan members are required to contribute 6 percent of their annual salary. The State is required to contribute at an actuarially determined rate. Administrative costs of the plan are funded by the State.

Investments

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer, as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits. The following is the asset allocation policy as of June 30, 2015.

	SERS		TRB		JRS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.0%	5.8%	25.0%	5.8%	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%	20.0%	6.6%	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%	9.0%	8.3%	9.0%	8.3%
Real Estate	7.0%	5.1%	5.0%	5.1%	7.0%	5.1%
Private Equity	11.0%	7.6%	10.0%	7.6%	11.0%	7.6%
Alternative Investment	8.0%	4.1%	8.0%	4.1%	8.0%	4.1%
Fixed Income (Core)	8.0%	1.3%	13.0%	1.3%	8.0%	1.3%
High Yield Bonds	5.0%	3.9%	2.0%	3.9%	5.0%	3.9%
Emerging Market Bond	4.0%	3.7%	4.0%	3.7%	4.0%	3.7%
Inflation Linked Bonds	5.0%	1.0%	6.0%	1.0%	5.0%	1.0%
Cash	4.0%	0.4%	6.0%	0.4%	4.0%	0.4%

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

***Rate of Return*:** For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was .23, .17, and 1.11 percent for SERS, TRS, and JRS, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability as of the measurement June 30, 2015 were as follows (amounts in millions):

	SERS	TRS	JRS
Total Pension Liability	$ 27,192	$ 27,092	$ 365
Fiduciary Net Position	10,668	16,120	190
Net Pension Liability	$ 16,524	$ 10,972	$ 175
Ratio of Fiduciary Net Position to Total Pension Liability	39.23%	59.50%	51.98%

Deferred Retirement Option Program (DROP)

Section 10-183v of the General Statute authorizes that a TRS member teacher receiving retirement benefits from the system may be reemployed for up to one full school year by a local board of education, the State Board of Education or by a constituent unit of the state system of higher education in a position (1) designated by the Commissioner of Education as a subject shortage area, or (2) at a school located in a school district identified as a priority school district. Such reemployment may be extended for an additional school year, by written request for approval to the Teachers' Retirement Board.

As of June 30, 2016 the balance held for the DROP was not available from the Teachers' Retirement Board.

Discount Rate

The discount rate used to measure the total pension liability was 8.0, 8.5, and 8.0 percent for SERS, TRS, and JRS respectively. The projection of cash flows used to determine the SERS, TRS, and JRS discount rate assumed employee contributions will be made at the current contribution rate and that contributions from the State will be made at actuarially determined rates in future years. Based on those assumptions, SERS, TRS, and JRS pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the State, calculated using the discount rates of 8.0, 8.5 and 8.0 percent for SERS, TRS, and JRS, as well as what the State's net pension liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in millions):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
SERS Net Pension Liability	$ 19,656	$ 16,524	$ 13,886
TRS Net Pension Liability	$ 13,837	$ 10,972	$ 8,537
JRS Net Pension Liability	$ 210	$ 175	$ 144

GASB Statement 68 Employer Reporting Employer Contributions

The following table presents the primary governments and component units' contributions recognized by the pension plans at the measurement date June 30, 2015 (amounts in thousands):

	SERS	TRS	JRS	Total
Primary Government	$ 1,354,117	$ 984,110	$ 17,731	$ 2,355,958
Component Units	17,534	-	-	17,534
Total Employer Contributions	$ 1,371,651	$ 984,110	$ 17,731	$ 2,373,492

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of the reporting date June 30, 2016, the primary government and component units reported net pension liabilities for the following plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Proportionate Share of the Net Pension Liability		
State Employees' Retirement System	$ 16,312,856	$ 211,231
Net Pension Liability		
Teachers' Retirement System	10,972,043	-
Judicial Retirement System	175,073	-
Total Net Pension Liability	$ 27,459,972	$ 211,231

The primary government's and component units' proportions of the collective net pension liability for the State Employees' Retirement System as of the measurement date June 30, 2015 as follows (amounts in thousands):

	Primary Government	Component Units
State Employees' Retirement System		
Proportion-June 30, 2015	98.72%	1.28%

For the reporting year ended June 30, 2016, the primary government and component units' recognized pension expense for the following pension plans administered by the State as follows (amounts in thousands):

	Primary Government	Component Units
Pension Expense		
State Employees' Retirement System	$ 1,290,123	$ 16,705
Teachers' Retirement System	879,137	-
Judicial Retirement System	18,747	-
	$ 2,188,007	$ 16,705

Deferred Outflows and Inflows of Resources

As of the reporting date June 30, 2016, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	Component Units	
	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
State Employees' Retirement System			
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 2,571	$ 32	$ -
Changes in Proportion & Differences Between Employer Contributions & Proportionate Share of Contributions	-	7,970	7,657
Employer Contributions Subsequent to Measurement Date	1,481,323	20,482	-
Total	$ 1,483,894	$ 28,484	$ 7,657
Teachers' Retirement System			
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 78,887		
Employer Contributions Subsequent to Measurement Date	975,578		
Total	$ 1,054,465		
Judicial Retirement System			
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 2,193		
Employer Contributions Subsequent to Measurement Date	18,259		
Total	$ 20,452		

The amount reported as deferred outflows of resources related to pensions resulting from the State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability reported in the following fiscal year. The amount reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows (amounts in thousands):

State Employees' Retirement System

Year Ending June 30	Primary Government	Component Units
2016	$ (34,712)	$ (383)
2017	(34,712)	(383)
2018	(34,714)	(383)
2019	106,444	1,445
2020	-	-
	$ 2,306	$ 296

Teachers' Retirement System

Year Ending June 30	Primary Government
2016	$ (33,821)
2017	(33,821)
2018	(33,819)
2019	180,348
2020	-
	$ 78,887

Judges' Retirement System

Year Ending June 30	Primary Government
2016	$ 57
2017	57
2018	55
2019	2,024
2020	-
	$ 2,193

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	SERS	TRS	JRS
Valuation Date	6/30/2014	6/30/2014	6/30/2014
Inflation	2.75%	3.00%	2.75%
Salary Increases	4.00%-20.00%	3.75%-7.00%	4.75%
Investment Rate of Returr	8.00%	8.5%	8.00%

The actuarial assumptions used in the June 30, 2016 SERS and JRS reported mortality rates based on the RP-2000 Mortality Table projected with the scale AA using 15 years for males and 25 years for females, set back 2 and 1 years respectively, for periods after service retirement and 55% (men) and 80% (women) for periods after disability retirement thus providing approximately a 13% margin in the assumed rates.

The actuarial assumptions used in the June 30, 2016 TRS actuarial report were based on RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, using a two year setback for males and females for the period after retirement and for dependent beneficiaries.

Changes in Net Pension Liability

The following schedule presents changes in the State's pension liability and fiduciary net position for each plan for the measurement date June 30, 2015 (amounts in thousands):

Total Pension Liability	SERS	TRS	JRS
Service Cost	$ 310,472	$ 404,449	$ 8,142
Interest	2,052,651	2,162,174	27,240
Benefit payments	(1,657,589)	(1,823,737)	(22,541)
Net change in total pension liability	705,534	742,886	12,841
Total pension liability - beginning (a)	26,486,933	26,349,209	351,773
Total pension liability - ending (c)	**$ 27,192,467**	**$ 27,092,095**	**$ 364,614**
Plan fiduciary net position			
Contributions - employer	$ 1,371,651	$ 984,110	$ 17,731
Contributions - member	187,339	228,100	1,791
Net investment income	294,412	452,942	4,781
Benefit payments	(1,657,589)	(1,823,737)	(22,541)
Other	-	57,749	-
Net change in plan fiduciary net position	195,813	(100,836)	1,762
Plan net position - beginning (b)	10,472,567	16,220,889	187,780
Plan net position - ending (d)	**$ 10,668,380**	**$ 16,120,053**	**$ 189,542**
Net pension liability - beginning (a)-(b)	**$ 16,014,366**	**$ 10,128,320**	**$ 163,993**
Net pension liability - ending (c)-(d)	**$ 16,524,087**	**$ 10,972,042**	**$ 175,072**

Defined Contribution Plan

The State also sponsors the Connecticut Alternate Retirement Program (CARP), a defined contribution plan. CARP is administered by the State Comptroller's Retirement Office under the direction of the Connecticut State Employees' Retirement Division. Plan provisions, including contribution requirements of plan members and the State, are described in Section 5-156 of the General Statutes.

Unclassified employees at any of the units of the Connecticut State System of Higher Education are eligible to participate in the plan. Plan members are required to contribute 5 percent of their annual salaries. The State is required to contribute 8 percent of covered salary. During the year, plan members and the State contributed $35.1 million and $56.0 million, respectively.

Note 11 Other Retirement Systems Administered by the State of Connecticut

The State acts solely as the administrator and custodian of the assets of the Connecticut Municipal Employees' Retirement System (MERS) and the Connecticut Probate Judges and Employees Retirement System (CPJERS). The State makes no contribution to and has only a fiduciary responsibility for these funds. None of the above mentioned systems issue stand-alone financial reports. However, financial statements for MERS and CPJERS are presented in Note No. 12.

Plan Descriptions and Funding Policy

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

	MERS 6/30/2014	CPJERS 12/31/2015
Retirees and beneficiaries receiving benefits	6,511	336
Terminated plan members entitled to but not receiving benefits	1,258	149
Active plan members	8,477	371
Total	16,246	856
Number of participating employers	187	1

Connecticut Municipal Employees' Retirement System Plan Description

MERS is a cost-sharing multiple-employer defined benefit pension plan that covers fire, police, and other personnel (except teachers) of participating municipalities in the State. Pension plan assets are pooled and the plan assets can be used to pay the pensions of the retirees of any participating employer. Plan benefits, cost-of-living adjustments, contribution requirements of plan members and participating municipalities, and other plan provisions are described in Chapters 7-425 to 7-451 of the General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

Funding Policy

Plan members are required to contribute 2.25 percent to 5.0 percent of their annual salary. Participating municipalities are required to contribute at an actuarial determined rate. The participating municipalities fund administrative costs of the plan.

Investment Policy

The State Treasurer employs several outside consulting firms as external money and investment managers, to assist the Chief Investment Officer as they manage the investment programs of the pension plans. Plan assets are managed primarily through asset allocation decisions with the main objective being to maximize investment returns over the long term at an acceptable level of risk. There is no concentration of investments in any one organization that represents 5.0 percent or more of plan net position available for benefits.

	MERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	16.0%	5.8%
Developed Non-U.S. Equities	14.0%	6.6%
Emerging Markets (Non-U.S.)	7.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	10.0%	7.6%
Alternative Investment	8.0%	4.1%
Fixed Income (Core)	8.0%	1.3%
High Yield Bonds	14.0%	3.9%
Emerging Market Bond	8.0%	3.7%
Inflation Linked Bonds	5.0%	1.0%
Cash	3.0%	0.4%

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Net Pension Liability of Participating Employers

The components of the net pension liability for MERS at June 30, 2015 were as follows (amounts in millions):

	MERS
Employers' Total Pension Liability	$ 2,648
Fiduciary Net Position	2,455
Employers' Net Pension Liability	$ 193
Ratio of Fiduciary Net Position to Total Pension Liability	92.72%

Discount Rate

The discount rate used to measure the total pension liability was 8 percent for MERS. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of MERS, calculated using the discount rate of 8 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate (amounts in millions):

	1% Decrease in Rate	Current Discount Rate	1% Increase in Rate
Net Pension Liability	$ 491	$ 193	$ (96)

Deferred outflows and deferred inflows of resources

As of the reporting date June 30, 2016, MERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees Retirement System		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 94,403	$ 64,307
Total	$ 94,403	$ 64,307

The cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows (amounts in thousands):

	Collective Deferred Outflows of Resources
Net difference between projected and actual earnings on plan investments	$ 30,096

Amounts recognized in subsequent fiscal years:

Year Ending June 30	MERS
2016	$ 2,165
2017	2,165
2018	2,165
2019	23,601

The above amounts do not include the deferred outflows/inflows of resources for employer contributions made subsequent to the measurement date. These amounts should be calculated and recorded by each participating employer.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the period ended June 30, 2015 is as follows (amounts in thousands):

Service Cost	$ 64,545
Interest on the total pension liability	194,760
Member Contributions	(16,726)
Projected earnings on plan investments	(173,371)
Expensed portion of current period differences between projected and actual earnings on plan investments	23,601
Other	(6,508)
Recognition of beginning deferred inflows of resources as pension expense	(21,436)
Collective Pension Expense	$ 64,865

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement date:

Inflation	3.25%
Salary increase	4.25-11.0%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for annuitants and non-annuitants (set forward one year for males and set back one year for females).

Connecticut Probate Judges and Employees' Retirement System
Plan Description
CPJERS is an agent multi-employer defined benefit pension plan that covers judges and employees of probate courts. Plan benefits, cost-of-living adjustments, required contributions of plan members and the probate court system, and other plan provisions are described in Chapters 45a-34 to 45a-56 of General Statutes. The plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.
Pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual court so that each court's share of the pooled assets is legally available to pay the benefits of only its employees. The plan is administered by the State Employee's Retirement Commission.

Funding
Plan members are required to contribute 1.0 percent to 3.75 percent of their annual salary. The probate court system is required to contribute at an actuarial determined rate. Administrative costs of the plan are funded by the probate court system.

Pension Liability
Information concerning the CPJERS total pension liability and significant assumptions used to measure the plans total pension liability, such as inflation, salary changes, discount rates and mortality are available by contacting the State Comptroller's Retirement Division.

Note 12 Pension Trust Funds Financial Statements

The financial statements of the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. State contributions are recognized in the period in which the contributions are appropriated. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investment income and related expenses of the Combined Investment Funds are allocated ratably to the pension trust funds based on each fund's equity in the Combined Investment Funds. As of June 30, 2016 the Fiduciary Fund financial statements were as follows (amounts in thousands):

Statement of Fiduciary Net Position (000's)

	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
Assets							
Current:							
Cash and Cash Equivalents	$ 607	$ 5,306	$ -	$ 3,566	$ -	$ 332	$ 9,811
Receivables:							
Accounts, Net of Allowances	15,990	11,360	73	12,804	4	-	40,231
From Other Governments	-	1,075	-	-	-	-	1,075
From Other Funds	42	(2)	-	1	-	-	41
Interest	487	956	7	84	3	-	1,537
Investments	10,636,703	15,584,564	189,678	2,212,023	87,268	1,546	28,711,782
Securities Lending Collateral	959,799	1,370,928	17,016	198,596	8,113	175	2,554,627
Noncurrent:							
Due From Employers	-	-	-	279,178	-	-	279,178
Total Assets	$ 11,613,628	$ 16,974,187	$ 206,774	$ 2,706,252	$ 95,388	$ 2,053	$ 31,598,282
Liabilities							
Accounts Payable and Accrued Liabilities	$ 37	$ 6,429	$ -	$ -	$ 14	$ -	$ 6,480
Securities Lending Obligation	959,799	1,370,928	17,016	198,596	8,113	175	2,554,627
Due to Other Funds	-	1,958	-	-	12	-	1,970
Total Liabilities	959,836	1,379,315	17,016	198,596	8,139	175	2,563,077
Net Position							
Held in Trust For Employee							
Pension Benefits	10,653,792	15,594,872	189,758	2,507,656	87,249	1,878	29,035,205
Total Net Assets	$ 10,653,792	$ 15,594,872	$ 189,758	$ 2,507,656	$ 87,249	$ 1,878	$ 29,035,205

Statement of Changes in Fiduciary Net Position (000's)

	State Employees'	State Teachers'	Judicial	Connecticut Municipal Employees'	Probate Judges'	Other	Total
Additions							
Contributions:							
Plan Members	$ 135,029	$ 293,493	$ 1,831	$ 24,019	$ 241	$ 43	$ 454,656
State	1,501,805	975,578	18,259	-	-	-	2,495,642
Municipalities	-	142	-	135,754	-	-	135,896
Total Contributions	1,636,834	1,269,213	20,090	159,773	241	43	3,086,194
Investment Income	(983)	(181,425)	14,148	174,331	7,023	(29)	13,065
Less: Investment Expenses	883	162,952	(12,708)	(156,581)	(6,308)	26	(11,736)
Net Investment Income	(100)	(18,473)	1,440	17,750	715	(3)	1,329
Other	10,058	-	66	505	1,444	1	12,074
Total Additions	1,646,792	1,250,740	21,596	178,028	2,400	41	3,099,597
Deductions							
Administrative Expense	651	-	-	-	-	-	651
Benefit Payments and Refunds	1,736,279	1,738,131	22,994	144,230	5,029	-	3,646,663
Other	-	153,763	-	-	-	-	153,763
Total Deductions	1,736,930	1,891,894	22,994	144,230	5,029	-	3,801,077
Changes in Net Assets	(90,138)	(641,154)	(1,398)	33,798	(2,629)	41	(701,480)
Net Position Held in Trust For Employee Pension Benefits:							
Beginning of Year (as restated)	10,743,930	16,236,026	191,156	2,473,858	89,878	1,837	29,736,685
End of Year	$ 10,653,792	$ 15,594,872	$ 189,758	$ 2,507,656	$ 87,249	$ 1,878	$ 29,035,205

Note 13 Other Postemployment Benefits (OPEB)

The State sponsors two defined benefit OPEB plans: the State Employee OPEB Plan (SEOPEBP) and the Retired Teacher Healthcare Plan (RTHP). SEOPEBP is administered by the State Comptroller (Healthcare Policy and Benefit Division), and RTHP is administered by the Teachers' Retirement Board. None of these plans issues stand-alone financial statements. However, financial statements for these plans are presented in Note No. 14.

State Employee OPEB Plan

Plan Description

SEOPEBP is a single-employer defined benefit OPEB plan that covers retired employees of the State who are receiving benefits from any State-sponsored retirement system, except the Teachers' Retirement System and the Municipal Employees' Retirement System. The plan provides healthcare and life insurance benefits to eligible retirees and their spouses. Plan benefits, required contributions of plan participants and the State, and other plan provisions are described in Sections 5-257 and 5-259 of the General Statutes. As of June 30, 2015 (date of the latest actuarial valuation), the plan had 70,776 retirees and beneficiaries receiving benefits.

Plan Funding

The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employees unions, upon approval by the State legislature. The cost of providing plan benefits is financed approximately 100 percent by the State on a pay-as-you-go basis through an annual appropriation in the General fund. Administrative costs of the plan are financed by the State.

Retired Teacher Healthcare Plan

Plan Description

RTHP is a single-employer defined benefit OPEB plan that covers retired teachers and administrators of public schools in the State who are receiving benefits from the Teachers' Retirement System. The plan provides healthcare insurance benefits to eligible retirees and their spouses. Plan benefits, required contributions of plan participants and the State, and other plan provisions are described in Section 10-183 of the General Statutes. As of June 30, 2016 (date of the latest actuarial valuation), the plan had 40,160 retirees and beneficiaries receiving benefits.

Plan Funding

The contribution requirements of plan members and the State are established and may be amended by the State legislature. The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of plan costs through a contribution of 1.25 percent of their annual salaries, retired teachers pay for one third of plan costs through monthly premiums, and the State pays for one third of plan costs through an annual appropriation in the General Fund. Administrative costs of the plan are financed by the State.

Annual OPEB Cost and Net OPEB Obligation

The State's annual OPEB cost and the net OPEB obligation for each plan for the current fiscal year were as follows (amounts in thousands):

	SEOPEBP	RTHP
Annual Required Contribution	$ 1,443,716	$ 130,331
Interest on Net OPEB Obligation	456,117	44,139
Adjustment to Annual Required Contribution	(464,237)	(36,487)
Annual OPEB Cost	1,435,596	137,983
Contributions Made	546,284	19,960
Increase in net OPEB Obligation	889,312	118,023
Net OPEB Obligation - Beginning of Year	8,002,059	980,868
Net OPEB Obligation - End of Year	$ 8,891,371	$ 1,098,891

In addition, other related information for each plan for the past three fiscal years was as follows (amounts in thousands):

	Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
SEOPEBP				
	2016	$ 1,435,596	38.1%	$ 8,891,371
	2015	$ 1,541,667	35.4%	$ 8,002,059
	2014	$ 1,560,006	33.0%	$ 7,006,676
RTHP				
	2016	$ 137,983	14.5%	$ 1,098,891
	2015	$ 118,175	21.3%	$ 980,868
	2014	$ 192,851	13.5%	$ 887,838

Funded Status and Funding Progress

The following is funded status information for the SEOPEBP and the RTHP as of June 30, 2015 and 2016, respectively, date of the latest actuarial valuations (amounts in million):

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
SEOPEBP	$ 229.6	$ 19,119.6	$ 18,890.0	1.2%	$3,895.1	485.0%
RTHP	$ -	$ 2,997.5	$ 2,997.5	0.0%	$3,949.9	75.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding in progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the State and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the State and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

	SEOPEBP	RTHP
Actuarial Valuation Date	6/30/2015	6/30/2016
Actuarial Cost Method	Projected Unit Credit	Entry Age
Amortization Method	Level Percent of Pay, Closed, 30 Years	Level Percent of Pay, Open
Remaining Amortization Period	22 Years	30 Years
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Investment Rate of Return	5.70%	4.25% (includes inflation)
Projected Salary Increases	3.75%	3.25%-6.50% (includes inflation)
Healthcare Inflation Rate	10.00% graded to 5.00% over 5 years	2.75%

Other OPEB Plan

The State acts solely as the administrator and custodian of the assets of the Policemen and Firemen Survivors' Benefit Fund (PFSBF). The State makes no contribution to and has only a fiduciary responsibility for this fund. The fund does not issue stand-alone financial statements. However, financial statements for this fund are presented in Note No. 14.

Plan Description

PFSBF is a cost-sharing multiple-employer defined benefit OPEB plan that covers policemen and firemen of participating municipalities in the State. As of June 30, 2014 there were 9 municipalities participating in the plan with a total membership of 591 active members. The plan provides survivor benefits upon the death of an active or retired member of the fund to his spouse and dependent children. Plan benefits, contribution requirements of plan members and participant municipalities, and other plan provisions are described in Sections 7-323a to 7-323i of the General Statutes.

Contributions

Plan members are required to contribute one percent of their annual salary. Participating municipalities are required to contribute at an actuarially determined rate. Administrative costs of the plan are financed by participating municipalities.

Note 14 OPEB Trust Funds Financial Statements

The financial statements of the OPEB trust funds are prepared using the accrual basis of accounting. Plan member and municipality contributions are recognized in the period in which they are due. State contributions are recognized in the period they are appropriated. Benefits are recognized when due and payable in accordance with the terms of each plan. Investment income and related investment expense of the Combined Investment Funds are allocated ratably to the PFSBF trust fund based on the fund's equity in the Combined Investment Funds.

Statement of Fiduciary Net Position (000's)

	State Employees' OPEB Plan	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Surviors' Benefits	Total
Assets				
Cash and Cash Equivalents	$ -	$ 78,022	$ 34	$ 78,056
Receivables:				
Accounts, Net of Allowances	-	-	-	-
From Other Funds	(35)	1,968	-	1,933
Interest	-	-	1	1
Investments	395,436	-	28,588	424,024
Securities Lending Collateral	30,672	-	2,450	33,122
Total Assets	426,073	79,990	31,073	537,136
Liabilities				
Accounts Payable and Accrued Liabilities	29,508	3,110	-	32,618
Securities Lending Obligation	30,672	-	2,450	33,122
Due To Other Funds	25,275	-	-	25,275
Total Liabilities	85,455	3,110	2,450	91,015
Net Position				
Held in Trust For Other				
Postemployment Benefits	340,618	76,880	28,623	446,121
Total Net Assets	$ 340,618	$ 76,880	$ 28,623	$ 446,121

Statement of Changes in Fiduciary Net Position (000's)

	State Employees' OPEB Plan	Retired Teachers' Healthcare Plan	Policemen, Firemen, and Survivors' Benefit	Total
Additions				
Contributions:				
Plan Members	$ 125,192	$ 92,437	$ 568	$ 218,197
State	608,593	19,960	-	628,553
Municipalities	-	-	676	676
Total Contributions	733,785	112,397	1,244	847,426
Investment Income	73,519	220	1,707	75,446
Less: Investment Expenses	(66,034)	-	(1,533)	(67,567)
Net Investment Income	7,485	220	174	7,879
Other	-	1,504	-	1,504
Total Additions	741,270	114,121	1,418	856,809
Deductions				
Administrative Expense	-	3,612	-	3,612
Benefit Payments and Refunds	632,498	125,415	1,199	759,112
Other	79	1,495	-	1,574
Total Deductions	632,577	130,522	1,199	764,298
Changes in Net Assets	108,693	(16,401)	219	92,511
Net Position Held in Trust For				
Other Postemployment Benefits:				
Beginning of Year (as restated)	231,925	93,281	28,404	353,610
End of Year	$ 340,618	$ 76,880	$ 28,623	$ 446,121

Note 15 Capital and Operating Leases

State as Lessor

The State leases building space, land, and equipment to private individuals. The minimum future lease revenues for the next five years and thereafter are as follows (amounts in thousands):

2017	$ 40,742
2018	33,777
2019	33,083
2020	33,033
2021	20,789
Thereafter	84,448
Total	$245,872

Contingent revenues for the year ended June 30, 2016, were $444 thousand.

State as Lessee

Obligations under capital and operating leases as of June 30, 2016 were as follows (amounts in thousands):

	Noncancelable Operating Leases	Capital Leases
2017	$ 30,190	$ 7,306
2018	21,627	6,911
2019	27,926	6,443
2020	15,315	5,469
2021	9,679	1,563
2022-2026	17,267	6,133
2027-2031	-	6,090
Total minimum lease payments	$ 122,004	39,915
Less: Amount representing interest costs		7,572
Present value of minimum lease payments		$ 32,343

Minimum capital lease payments were discounted using interest rates changing from 3.66 percent to 6.00 percent.

Rental payments on noncancelable operating leases charged to expenses during the year ended June 30, 2016, were $30.2 million.

Note 16 Long-Term Debt

The following is a summary of changes in long-term debt of the primary government for the year ended June 30, 2016, (amounts in thousands):

Governmental Activities	**Balance**	**Additions**	**Reductions**	**Ending Balance**	**Amounts due within one year**
Bonds:					
General Obligation	$ 16,402,537	$ 2,843,375	$ 1,851,290	$ 17,394,622	$ 1,291,350
Transportation	4,089,540	839,770	409,620	4,519,690	270,550
	20,492,077	3,683,145	2,260,910	21,914,312	1,561,900
Plus/(Less) Premiums	1,417,172	442,335	187,303	1,672,204	175,465
Total Bonds	21,909,249	4,125,480	2,448,213	23,586,516	1,737,365
Long-Term Notes	520,275	-	167,690	352,585	167,690
Other L/T Liabilities: [1]					
Net Pension Liability (Note 10) [2]	26,115,463	6,747,299	5,402,790	27,459,972	-
Net OPEB Obligation	8,982,926	1,573,578	628,553	9,927,951	-
Compensated Absences	499,004	47,822	35,435	511,391	42,095
Workers' Compensation	651,184	136,682	103,465	684,401	104,442
Capital Leases	35,368	3,034	6,060	32,342	5,815
Claims and Judgments	75,587	3,211	15,949	62,849	31,344
Landfill Post Closure Care	35,185	15,177	929	49,433	929
Liability on Interest Rate Swaps	3,361	-	1,504	1,857	-
Contracts Payable & Other	705	-	-	705	-
Total Other Liabilities	36,398,783	8,526,803	6,194,685	38,730,901	184,625
Governmental Activities Long-Term Liabilities [2]	$ 58,828,307	$12,652,283	$ 8,810,588	$ 62,670,002	$ 2,089,680

1. In prior years, the General and Transportation funds have been used to liquidate other liabilities.

2. The beginning total is restated by the effect of CHFA's reporting the net pension liability on their financial statements as of the December, 2015

Business-Type Activities					
Revenue Bonds	$ 1,356,779	$ -	$ 110,097	$ 1,246,682	$ 95,757
Plus/(Less) Premiums and Discounts	110,737	-	8,693	102,044	1,486
Total Revenue Bonds	1,467,516	-	118,790	1,348,726	97,243
Compensated Absences	186,090	42,464	36,374	192,180	56,977
Federal Loans Payable	103,054	5,563	108,617	-	-
Other	350,631	15,130	26,573	339,188	11,377
Total Other Liabilities	639,775	63,157	171,564	531,368	68,354
Business-Type Long-Term Liabilities	$ 2,107,291	$ 63,157	$ 290,354	$ 1,880,094	$ 165,597

The liability for claims and judgments (Governmental Activities) includes a pollution remediation liability of approximately $31.9 million. This liability represents the State's share of the cost of cleaning up certain polluted sites in the state under federal and state superfund regulations. The liability was estimated using the cash flow technique and could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort. In addition, there are other polluted sites in the state that require remedial action by the State that will result in additional cleanup costs. The State did not recognize a liability for these costs at year end because it could not be reasonably estimated.

As of June 30, 2016, long-term debt of component units consisted of the following (amounts in thousands):

Long-Term Debt	Balance June 30, 2016	Amounts due within year
Bonds Payable	$ 4,491,234	$ 315,643
Escrow Deposits	175,401	44,636
Annuities Payable	131,003	8,741
Rate Swap Liability	178,018	-
Net Pension Liability	211,230	-
Other	31,818	776
Total	$ 5,218,704	$ 369,796

Not all component units report net pension liabilities; therefore the net pension liability in the notes is $4,584 higher than in the financial statements.

Landfill Closure and Postclosure Care
Public Act 13-247 and section 99 of Public Act 13-184 required the Materials Innovation and Recycling Authority to transfer all legally required reserves and obligations resulting from the closure of the authority's landfills located in Hartford, Ellington, Waterbury, Wallingford and Shelton to the State Department of Energy and Environmental Protection (DEEP). During the year ended June 30, 2014, the legal transfer of $35.8 million in post closure care obligations and the concurrent transfer of $31.0 million of Authority reserve funds to the State resulting from the closure of landfills was addressed by a memorandum of understanding ("MOU") between the Authority and DEEP.
By the end of the year ended June 30, 2015, all work associated with the closure of the five landfills was completed. Going forward DEEP is required to reimburse the authority for all postclosure care obligations as the five landfills are now certified as closed. All landfill expense reimbursements paid by DEEP totaled $928,683 in FY2016.

GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost* applies to closure and postclosure care costs that are paid near or after the date a landfill stops accepting waste. The State recognizes landfill expenditures and related General Fund liabilities using the modified accrual basis of accounting. DEEP estimates the State's landfill liability for closure and postclosure costs based on landfill capacity. Increases or decreases in such estimates are reported as additions or reductions in this line item of the State's long-term liabilities. The liability for these estimated costs is reduced when the costs are actually paid. Actual costs may be higher than estimated due to inflation or changes in permitted capacity, technology or regulation. As of June 30, 2013, all five of the landfills had no capacity available since 100 percent of their capacity had been used.

Note 17 Long-Term Notes and Bonded Debt
a. Economic Recovery Notes
In December 2009, Public Act 09-2 authorized the issuance $915.8 million of General Obligation Economic Recovery Notes which were used to fund a major portion of the State's General Fund deficit at that time. In October 2013, a portion of these notes were refunded when the State issued $314.3 million of General Obligation Refunding Notes which were issued in four series as variable-rate remarketed obligations (VRO) that ultimately mature on January 1, 2018. Any series of these notes may be converted by the State at any time from the VRO rate, which is determined by the remarketing agent on a daily basis, to another interest rate mode – such as an adjusted SIFMA rate mode.

If the State decides to convert the interest rate mode, each holder is required to tender their notes for conversion while the State has agreed to make available supplementary information describing the notes following the conversion. If any tendered VRO's of a series are not successfully remarketed they may continue to be owned by their respective holders until the VRO Special Mandatory Redemption Date. That series of notes in that case would bear interest at a higher stepped-up rate. The liquidity available to purchase tendered notes is only provided by remarketing resources and the State's general fund. In the opinion of management, the higher cost precludes the likelihood of conversion by the State. The original VRO interest rate modes remain in effect at the end of the fiscal year.

Total Economic Recovery and VRO Notes outstanding at June 30, 2016 were $352.6 million. The notes mature on various dates through 2018 and bear interest rates from 3.0 to 3.2 percent. Future amounts needed to pay principal and interest on these notes outstanding at June 30, 2016 were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2017	$ 175,465	$ 9,360	$ 184,825
2018	177,120	3,958	181,078
Total	$ 352,585	$ 13,318	$ 365,903

b. Primary Government – Governmental Activities
General Obligation Bonds
General Obligation bonds are those bonds that are paid out of the revenues of the General Fund and that are supported by the full faith and credit of the State. General Obligation bonds outstanding and bonds authorized but unissued at June 30, 2016, were as follows (amounts in thousands):

Purpose of Bonds	Final Final Dates	Original Original Rates	Outstanding	Authorized But Unissued
Capital Improvements	2016-2036	2.00-5.632%	$ 3,454,977	$ 850,880
School Construction	2016-2035	2.00-5.750%	4,528,256	203,000
Municipal & Other Grants & Loans	2016-2036	1.00-5.632%	2,033,367	1,021,736
Housing Assistance	2016-2035	0.65-5.460%	424,915	185,228
Elimination of Water Pollution	2016-2035	2.00-5.09%	261,509	406,208
General Obligation Refunding	2016-2038	1.75-5.50%	3,782,363	-
GAAP Conversion	2016-2027	1.00-5.00%	527,975	151,500
Pension Obligation	2016-2032	4.65-6.27%	2,217,693	-
Miscellaneous	2016-2034	3.50-5.100%	51,750	38,461
			17,282,805	$ 2,857,013
Accretion-Various Capital Appreciation Bonds			111,817	
		Total	$ 17,394,622	

Future amounts needed to pay principal and interest on as General Obligation bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2017	$ 1,291,350	$ 774,230	$ 2,065,580
2018	1,276,865	729,943	2,006,808
2019	1,227,316	674,216	1,901,532
2020	1,171,271	623,055	1,794,326
2021	1,150,151	572,524	1,722,675
2022-2026	5,272,787	2,409,921	7,682,708
2027-2031	4,212,730	982,470	5,195,200
2032-2036	1,676,110	146,823	1,822,933
2037-2041	4,225	212	4,437
Total	$ 17,282,805	$ 6,913,394	$ 24,196,199

Transportation Related Bonds

Transportation Related bonds include special tax obligation bonds that are paid out of revenues pledged or earned in the Transportation Fund. The revenue pledged or earned in the Transportation Fund to pay special tax obligation bonds is transferred to the Debt Service Fund for retirement of principal and interest.

Transportation Related bonds outstanding and bonds authorized but unissued at June 30, 2016, were as follows (amounts in thousands):

Purpose of Bonds	Final Maturity Dates	Original Interest Rates	Amount Outstanding	Authorized But Unissued
Infrastructure				
Improvements	2016-2035	2.00-5.740%	$ 4,519,690	$ 3,225,919
			4,519,690	$ 3,225,919
Accretion-Various Capital Appreciation Bonds			-	
		Total	$ 4,519,690	

Future amounts required to pay principal and interest on transportation related bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2017	$ 270,550	$ 217,138	$ 487,688
2018	276,950	204,862	481,812
2019	269,800	192,108	461,908
2020	269,785	178,972	448,757
2021	277,285	166,159	443,444
2022-2026	1,318,490	633,678	1,952,168
2027-2031	1,212,015	306,156	1,518,171
2032-2036	624,815	62,100	686,915
	$ 4,519,690	$ 1,961,173	$ 6,480,863

c. Primary Government – Business–Type Activities

Revenue Bonds

Revenue bonds are those bonds that are paid out of resources pledged in the Enterprise funds and Component Units. Enterprise funds' revenue bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Funds	Final Maturity Dates	Original Interest Rates	Amount Outstanding (000's)
UConn	2016-2030	1.5-5.5%	$ 112,685
State Universities	2016-2036	2.0-6.0%	302,381
Clean Water	2016-2035	2.0-5.0%	726,129
Drinking Water	2016-2035	2.0-5.0.%	74,891
Bradley Parking Garage	2016-2024	6.5-6.6%	30,595
Total Revenue Bonds			1,246,681
Plus/(Less) premiums and discounts:			
UConn			19,340
Clean Water			73,928
Other			8,776
Revenue Bonds, net			$ 1,348,725

The University of Connecticut has issued student fee revenue bonds to finance the costs of buildings, improvements and renovations to certain revenue-generating capital projects. Revenues used for payments on the bonds are derived from various fees charged to students.

The Connecticut State University System has issued revenue bonds that finance the costs of auxiliary enterprise buildings, improvements and renovations to certain student housing related facilities. Revenues used for payments on the bonds are derived from various fees charged to students.

In 2000, Bradley Parking Garage bonds were issued in the amount of $53.8 million to build a parking garage at the airport. As of June 30, 2016, $30.6 million of these bonds are outstanding.

In 1994, the State of Connecticut began issuing Clean Water Fund revenue bonds. The proceeds of these bonds are to be used to provide funds to make loans to Connecticut municipalities for use in connection with the financing or refinancing of wastewater treatment projects. Details on these agreements are disclosed under the separately issued audited financial statements of the fund.

Future amounts needed to pay principal and interest on revenue bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2016	$ 97,442	$ 56,680	$ 154,122
2017	87,539	52,662	140,201
2018	87,325	48,908	136,233
2019	93,299	44,889	138,188
2020	82,220	40,586	122,806
2021-2025	383,175	146,330	529,505
2026-2030	301,595	63,347	364,942
2031-2035	133,270	11,395	144,665
2036-2040	1,065	21	1,086
Total	$ 1,266,930	$ 464,818	$ 1,731,748

d. Component Units

Component Units' revenue bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Component Unit	Final Maturity Date	Interest Rates	Amount Outstanding (000's)
CT Housing Finance Authority	2016-2055	0.15-6.625%	$ 3,808,922
CT Student Loan Foundation	2034-2046	0.00-1.934%	274,800
CT Higher Education Supplemental Loan Authority	2017-2036	0.40-5.25%	152,785
CT Airport Authority	2017-2032	%/1 mth libor	122,980
CT Regional Development Authority	2016-2034	1.00-7.00%	85,920
UConn Foundation	2016-2029	1.90-5.00%	22,740
CT Innovations Inc.	2016-2020	2.37-5.25%	2,260
Total Revenue Bonds			4,470,407
Plus/(Less) premiums and discounts:			
CHFA			20,105
CSLF			(710)
CHESLA			2,195
Uconn Foundation			(441)
CRDA			(322)
Revenue Bonds, net			$ 4,491,234

Revenue bonds issued by the Component Units do not constitute a liability or debt of the State. The State is only contingently liable for those bonds as discussed below.

Following the merger of the operations of the Connecticut Development Authority, Connecticut Innovations, Incorporated (CII) assumed responsibility for the former authority's Special Obligation Industrial revenue bonds. The bonds were issued to finance such projects as the acquisition of land, the construction of buildings, the purchase and installation of machinery, equipment, and pollution control facilities. These activities are financed under its Self-Sustaining Bond Program which is described in the no-commitment debt section of this note. In addition, CII has $2.3 million in General Obligation bonds outstanding at year-end. These bonds were issued to finance the lease of an entertainment/sports facility and the purchase of a hockey team.

Connecticut Housing Finance Authority's revenue bonds are issued to finance the purchase, development and construction of housing for low and moderate-income families and persons throughout the State. The Authority has issued bonds under a bond resolution dated 9/27/72; a special needs indenture dated 9/25/95, and other bond resolutions dated October 2009. As of December 31, 2015, bonds outstanding under the bond resolution, the indenture, and other bond resolutions were $3,401.4 million, $58.6 million, and $369.1 million respectively. According to the bond resolution, the following assets of the Authority are pledged for the payment of the bond principal and interest (1) the proceeds from the sale of bonds, (2) all mortgage repayments with respect to long-term mortgage and construction loans financed from the Authority's General fund, and (3) all monies and securities of the Authority's General and Capital Reserve funds. The resolution and indenture Capital Reserve funds are required to be maintained at an amount at least equal to the amount of principal, sinking fund installments, and interest maturing and becoming due in any succeeding calendar year on all outstanding bonds. The required reserves are $247.7 million per the resolution and $4.6 million per the indenture at 12/31/15. As of December 31, 2015, the Authority has entered into interest rate swap agreements for $830.1 million of its outstanding variable rate bonds. Details on these agreements are disclosed under the separately issued audited financial statements of the Authority.

Materials, Innovation, and Recycling Authority's revenue bonds are issued to finance the design, development and construction of resources recovery and recycling facilities and landfills throughout the State. These bonds are paid solely from the revenues generated from the operations of the projects and other receipts, accounts and monies pledged in the bond indentures.

Connecticut Higher Education Supplemental Loan Authority's Revenue bonds are issued to provide loans to students, their parents, and institutions of higher education to assist in the financing of the cost of higher education. These loans are issued through the Authority's Bond fund. According to the bond resolutions, the Authority internally accounts for each bond issue in separate funds, and additionally, the Bond fund includes individual funds and accounts as defined by each bond resolution.

Capital Reserves

Each Authority has established Special Capital Reserve funds that secure all the outstanding bonds of the Authority at year-end. These funds are usually maintained at an amount equal to next year's bond debt service requirements. The State may be contingently liable to restore any deficiencies that may exist in the funds in any one year in the event that the Authority is unable to do so.

The Capital Region Development Authority revenue bonds are issued to provide sufficient funds for carrying out its purposes. The bonds are not debt of the State of Connecticut. However, the Authority and the State have entered into a contract for financial assistance, pursuant to which the State will be obligated to pay principal and interest on the bonds in an amount not to exceed $9.0 million in any calendar year. The bonds are secured by energy fees from the central utility plant and by parking fees subject to the Travelers Indemnity Company parking agreement.

Future amounts needed to pay principal and interest on Component Unit revenue bonds outstanding at June 30, 2016, were as follows (amounts in thousands):

Year Ending June 30,	Principal	Interest	Total
2017	$ 142,063	$ 100,443	$ 242,506
2018	146,533	101,173	247,706
2019	153,492	97,434	250,926
2020	157,850	94,096	251,946
2021	160,949	90,622	251,571
2022-2026	840,357	392,311	1,232,668
2027-2031	895,903	283,782	1,179,685
2032-2036	847,271	183,232	1,030,503
2037-2041	618,543	98,208	716,751
2042-2046	246,600	84,547	331,147
2047-2051	231,002	15,942	246,944
2052-2056	29,844	6,804	36,648
	$ 4,470,407	$ 1,548,594	$ 6,019,001

No-commitment debt
Under the Self-Sustaining Bond program, acquired from its combination with the Connecticut Development Authority, Connecticut Innovations, Inc., issues revenue bonds to finance such projects as described previously in the Component Unit section of this note. These bonds are paid solely from payments received from participating companies (or from proceeds of the sale of the specific projects in the event of default) and do not constitute a debt or liability of the Authority or the State. Thus, the balances are not included in the Authority's financial statements. Total bonds outstanding for the year ended June 30, 2016 were $441.4 million.

The Connecticut Health and Educational Facilities Authority has issued Special Obligation bonds for which the principal and interest are payable solely from the revenues of the institutions. Starting in 1999, the Authority elected to remove these bonds and related restricted assets from its financial statements, except for restricted assets for which the Authority has a fiduciary responsibility. Total Special Obligation bonds outstanding at June 30, 2016, were $8,314.8 million, of which $302.8 million was secured by Special Capital Reserve funds.

The Materials, Innovation, and Recycling Authority has served as a conduit issuer for debt to fund the construction of waste processing facilities by independent contractor-operators. The outstanding debt is secured by loan agreements, between the authority and independent contractor-operators, which have been assigned to the trustee for the debt, and through additional corporate guarantee agreements between the trustee and third party guarantors. The payment of the debt is not guaranteed by the Authority or the State. Thus the assets and liabilities related to the debt are not included in the Authority's financial statements. The amount of the debt outstanding at June 30, 2016 is $30.0 million.

e. Debt Refundings
During the fiscal year the State issued General Obligation and Special Tax Obligation bonds of $721.6 million at an average coupon interest rate of 4.86 percent to advance refund $808.3 million of General Obligation and Special Tax Obligation bonds with an average coupon interest rate of 4.66 percent. Although the advance refunding resulted in a $17.6 million accounting loss, the State in effect reduced its aggregate fund level debt service payments by $102.4 million over the next 8 years. The present value of these savings represents an economic gain (difference between the present values of the debt service payments of the old and the new bonds) of $95.6 million.

The proceeds of the refunding bonds were used to purchase U.S. Government securities which were deposited into irrevocable trust accounts with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds were removed from the State's financial statements as they are considered defeased.

In prior years, the State placed the proceeds of refunding bonds in irrevocable trust accounts to provide for all future debt service payments on defeased bonds. The assets of the trust accounts and the liability for defeased bonds are not included in the State's financial statements. As of June 30, 2016, the outstanding balance of bonds defeased in prior years was approximately $980.7 million.

Note 18 - Derivative Financial Instruments
The fair value balances and notional amounts of the State's derivative instruments outstanding at June 30, 2016, classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows (amounts in thousands; debit (credit)):

	Changes in Fair Value		Fair Value at Year End		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges: Pay-fixed interest rate swap	Deferred outflow of Resources	$ (1,504)	Non-current portion of LT Obligation	$ (1,857)	$ 40,000

Objective and Terms of Hedging Derivative Instruments
The following table displays the objective and the terms of the States' governmental activities hedging derivative instruments outstanding at June 30, 2016, along with the credit rating of the associated counterparty (amounts in thousands).

Type	Objective	Notional Amounts (000's)	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows of the 2005 GO bonds	$ 20,000	4/27/2005	6/1/2017	Pay 5.07% receive CPI plus 1.73%	A3/A-
Pay-fixed interest rate	Hedge of changes in cash flows of the 2005 GO bonds	20,000	4/27/2005	6/1/2020	Pay 5.2% receive CPI plus 1.79%	A3/BBB+
	Total Notional Amount	$ 40,000				

The fair values of interest rate swaps were estimated using the zero-coupon method. This method calculates the future net settlement payment required under the swaps, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date each future net settlement on the swaps.

Credit Risk
As of June 30, 2016, the State had no credit risk exposure on any of the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the swaps' fair value.

Basis Risk
The State's variable-rate bond interest payments are based on the CPI floating rate. As of June 30, 2016 the State receives variable-rate payments from the counterparty based on the same CPI floating rate.

Termination Risk
The State or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. If any swap is terminated, the associated variable-rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap has a negative fair value, the State would be liable to the counterparty for a payment equal to the swap's fair value. Under the 2005 swap agreements, the State has up to 270 days to fund any required termination payment.

Rollover Risk
Because all of the swap agreements terminate when the associated debt is fully paid, the State is only exposed to rollover risk if an early termination occurs. Upon an early termination, the State will not realize the synthetic rate offered by the swaps on the underlying debt issues.

Hedging Derivative Instrument Payments and Hedged Debt
As rates vary, variable-rate bond interest payments and net swap payments will vary. Using rates as of June 30, 2016, debt service requirements of the State's outstanding variable-rate bonds and net swap payments are as follows (amounts in thousands):

Fiscal Year Ending June 30,	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Interest Rate SWAP, Net	Total
2018	$ 20,000	$ 689	$ 1,365	$ 22,054
2019	-	351	689	1,040
2020	-	351	689	1,040
2021	20,000	352	688	21,040
	$ 40,000	$ 1,743	$ 3,431	$ 45,174

Note 19 Risk Management
The risk financing and insurance program of the State is managed by the State Insurance and Risk Management Board. The Board is responsible mainly for determining the method by which the State shall insure itself against losses by the purchase of insurance to obtain the broadest coverage at the most reasonable cost, determining whether deductible provisions should be included in the insurance contract, and whenever appropriate determining whether the State shall act as self-insurer. The schedule lists the risks of loss to which the State is exposed and the ways in which the State finances those risks.

Risk of Loss	Risk Financed by: Purchase of Commercial Insurance	Risk Financed by: Self-Insurance
Liability (Torts):		
-General (State buildings, parks, or grounds)		X
-Other	X	
Theft of, damage to, or destruction of assets	X	
Business interruptions	X	
Errors or omissions:		
-Professional liability	X	
-Medical malpractice (John Dempsey Hospital)		X
Injuries to employees		X
Natural disasters	X	

For the general liability risk, the State is self-insured because it has sovereign immunity. This means that the State cannot be sued for liability without its permission. For other liability risks, the State purchases commercial insurance only if the State can be held liable under a particular statute (e.g. per Statute the State can be held liable for injuries suffered by a person on a defective State highway), or if it is required by a contract.

For the risk of theft, of damage to, or destruction of assets (particularly in the automobile fleet), the State insures only leased cars and vehicles valued at more than $100 thousand. When purchasing commercial insurance the State may retain some of the risk by assuming a deductible or self-insured retention amount in the insurance policy. This amount varies greatly because the State carries a large number of insurance policies covering various risks. The highest deductible or self-insured retention amount assumed by the State is $25 million, which is carried in a railroad liability policy.

The State records its risk management activities related to the medical malpractice risk in the University of Connecticut and Health Center fund, an Enterprise fund. At year-end, liabilities for unpaid claims are recorded in the statement of net position (government-wide and proprietary fund statements) when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liabilities are determined based on the ultimate cost of settling the claims, including an amount for claims that have been incurred but not reported and claim adjustment expenses. The liabilities are actuarially determined and the unpaid liability for medical malpractice is reported at its present value, using a discount rate of 5 percent. In the General Fund, the liability for unpaid claims is only recorded if the liability is due for payment at year-end.

Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the claims liabilities during the last two fiscal years were as follows (amounts in thousands):

	Governmental Activities Workers' Compensation	Business-Type Activities Medical Malpractice
Balance 6-30-14	$ 619,578	$ 21,875
Incurred claims	137,770	9,884
Paid claims	(106,164)	(5,009)
Balance 6-30-15	651,184	26,750
Incurred claims	136,682	9,210
Paid claims	(103,465)	(4,368)
Balance 6-30-16	$ 684,401	$ 31,592

Note 20 Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2016, were as follows (amounts in thousands):

	Balance due to fund(s)											
	General	Transportation	Restricted Grants & Accounts	Grant & Loan Programs	Other Governmental	UConn	Board of Regents	Employment Security	Internal Services	Fiduciary	Component Units	Total
Balance due from fund(s)												
General	$ -	$ -	$ 115	$ 10	$ 339,215	$ 44,961	$ 37,492	$ 974	$ 5,182	$ 4,165	$ -	$ 432,114
Debt Service	-	568	-	-	-	-	-	-	-	-	-	568
Restricted Grants & Accounts	3,144	-	-	-	-	-	-	-	-	-	5,202	8,346
Grant & Loan Programs	27	-	-	-	-	-	-	-	-	-	-	27
Other Governmental	2,268	-	-	-	16,400	130,476	170,280	-	-	-	-	319,424
UConn	18,158	-	-	-	-	-	-	-	-	-	-	18,158
Board of Regents	3,528	-	-	-	-	-	-	-	-	-	-	3,528
Employment Security	-	-	-	-	442	-	-	-	-	-	-	442
Internal Services	19,265	-	-	-	-	-	-	-	-	-	-	19,265
Fiduciary	-	-	-	-	25,634	-	-	-	-	1,958	-	27,592
Component Units	34,701	-	922	-	-	-	-	-	-	-	-	35,623
Total	$ 81,091	$ 568	$ 1,037	$ 10	$ 381,691	$ 175,437	$ 207,772	$ 974	$ 5,182	$ 6,123	$ 5,202	$ 865,087

Interfund receivables and payables arose because of interfund loans and other interfund balances outstanding at year end.

Note 21 Interfund Transfers

Interfund transfers for the fiscal year ended June 30, 2016, consisted of the following (amounts in thousands):

	Amount transferred to fund(s)								
	General	Debt Service	Transportation	Restricted Grants & Accounts	Other Governmental	UConn	Board of Regents	Clean Water & Drinking Water	Total
Amount transferred from fund(s)									
General	$ -	$ -	$ -	$ 44,175	$ 62,036	671,127	$ 598,070	$ -	$ 1,375,408
Debt Service	-	-	-	6,485	-	-	-	-	6,485
Transportation	-	492,915	-	-	6,500	-	-	-	499,415
Restricted Grants & Accounts	24,237	-	-	16,033	-	-	-	-	40,270
Grants & Loan Programs	-	-	-	72,325	-	-	-	-	72,325
Other Governmental	147,069	33,106	5,875	73,094	768	299,865	195,972	5,664	761,413
Board of Regents	5,900	-	-	-	-	-	-	-	5,900
Employment Security	-	-	-	-	18,503	-	-	-	18,503
Total	$ 177,206	$ 526,021	$ 5,875	$ 212,112	$ 87,807	$ 970,992	$ 794,042	$ 5,664	$ 2,779,719

Transfers were made to (1) move revenues from the fund that budget or statute requires to collect them to the fund that budget or statute requires to expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

Note 22 Restatement of Net Position, Fund Balance Classifications, and Restricted Net Position

Restatement of Net Position

During the fiscal year 2016, the State implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB Statement 72, *Fair Value Measurement and Application*

GASB Statement 72 – This Statement establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

Beginning net position of governmental activities was increased by $182 thousand on the Statement of Activities as a result of implementing this Statement. This increase is reported on the Combing Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Permanent Funds as well.

Beginning net position of Fiduciary Funds was restated by $214.8 million as a result of implementing GASB 72 as well. This reduction is reported on the Combining Statement of Changes in Fiduciary Net Position (and Other Employee Benefit) Trust Funds as well as on Statement of Changes in Fiduciary Net Position – Fiduciary Funds.

As of December 31, 2015, Connecticut Housing Finance Authority implemented GASB Statements 68 and 71. As a result of implementing these statements, the beginning net position for the Component Units was reduced $54.6 million on the Statement of Activities resulting in a restated beginning net position. This reduction is reported on the Combining Statement of Activities – Component Units as well. As a result of this implementation the beginning net position of governmental activities was decreased by $55.4 million in the Statement of Activities. This resulted because in Fiscal Year 2015 the State included CHFA as part of the primary government for the calculation of the Net Pension Liability.

During Fiscal Year 2016, Connecticut Airport Authority discovered that a certain capital asset was double counted in error. The Authority made a prior period adjustment to correct this error. The beginning net position for the Component Units was reduced $10.9 million on the Statement of Activities resulting in a restated beginning net position. This reduction is also reported on the Combining Statement of Activities – Component Units.

Fund Balance – Restricted and Assigned

As of June 30, 2016 restricted and assigned fund balances of nonmajor governmental funds were comprised as follows (amounts in thousands):

	Restricted Purposes	Assigned Purposes
Capital Projects	$ 92,056	$ -
Environmental Programs	39,008	-
Housing Programs	289,883	-
Employment Security Administration	15,816	-
Banking	9,010	-
Other	60,276	13,770
Total	$ 506,049	$ 13,770

Restricted Net Position

As of June 30, 2016, the government-wide statement of net position reported $3,067 million of restricted net position, of which $177.8 million was restricted by enabling legislation.

Note 23 Related Organizations

The Community Economic Development Fund and Connecticut Health Insurance Exchange are legally separate organizations that are related to the State because the State appoints a voting majority of the organizations governing board. However, the State's accountability for these organizations does not extend beyond making the appointments.

Note 24 New Accounting Pronouncements

In 2016, The State implemented the following statements issued by the Governmental Accounting Standards Board ("GASB").

Fair Value Measurement and Application (Statement No. 72) - This Statement establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value.

See Note 22 for restatement information relating to the implementation of this statement.

Note 25 Commitments and Contingencies

A. Commitments

Primary Government

Commitments are defined as "existing arrangements to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities." As of June 30, 2016, the Departments of Transportation and Construction Services had contractual commitments of approximately $3,235 million for infrastructure and other construction projects. Additionally, other commitments were approximately as follows:

School construction and alteration grant program $2,966 million.

Clean and drinking water loan programs $272 million.
Various programs and services $7,197 million.

All commitments are expected to be funded by federal grants, bond proceeds, and other resources.

Component Units

As of December 31, 2015, the Connecticut Housing Finance Authority had mortgage loan commitments of approximately $229.8 million.

B. Contingent Liabilities

The State entered into a contractual agreement with H.N.S. Management Company, Inc. and ATE Management and Service Company, Inc. to manage and operate the bus transportation system for the State. The State shall pay all expenses of the system including all past, present and future pension plan liabilities of the personnel employed by the system and any other fees as agreed upon. When the agreement is terminated the State shall assume or make arrangements for the assumption of all the existing obligations of the management companies including but not limited to all past, present and future pension plan liabilities and obligations.

As of June 30, 2016, the State reported an escheat liability of $465.2 million in the General fund. This liability represents an estimate of the amount of escheat property likely to be refunded to claimants in the future. However, there is a reasonable possibility that the State could be liable for an additional amount of escheat refunds of $285.6 million in the future.

Grant amounts received or receivable by the State from federal agencies are subject to audit and adjustment by these agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the federal government cannot be determined at this time, although the State expects such amounts, if any, to be immaterial.

C. Litigation
The State, its units and employees are parties to numerous legal proceedings, many of which normally occur in government operations. Most of these legal proceedings are not, in the opinion of the Attorney General, likely to have a material adverse impact on the State's financial position.

There are, however, several legal proceedings which, if decided adversely against the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on the future expenditures nor revenue sources of the State.

D. Lease/Lease Back Transaction
On September 30, 2003 the State executed a U.S. Lease-to-Service Contract of Rolling Stock Agreement (Agreement) whereby the state entered into a head lease of certain rolling stock consisting of rail coaches and locomotives to statutory trusts established for the benefit of three equity investors. Simultaneously, the State executed sublease agreements to lease back the rolling stock in order to allow the State to have continued use of the property. The terms of the head leases are for periods ranging from 40 years to 67 years, expiring through March 2071, while the subleases have terms ranging from 18 years to 28 years, expiring through January 2032. At the end of the respective sublease terms, the State will have the option to purchase the statutory trusts' interest in the rolling stock for an aggregate fixed price.

Proceeds from the prepayment of the head lease rents were paid to debt payment undertakers and custodians in amounts sufficient, together with investment earning thereon, to provide for all future obligations of the State under the sublease agreements and the end of lease term purchase options. Although it is remote that the State will be required to make any additional payments under the sublease, the State is and shall remain liable for all of its obligations under the subleases. The aggregate remaining commitment under the subleases totaled approximately $30 million at June 30, 2016.

The State is obligated to insure and maintain the rolling stock. In addition, if an equity investor suffers a loss of tax deductions or incurs additional taxable income as a result of certain circumstances, as defined in the Agreement, then the State must indemnify the equity investor for the additional tax incurred, including interest and penalties thereon. The State has the right to terminate the sublease early under certain circumstances and upon payment of a termination value to the equity investors. If the State chooses early termination, then the termination value would be paid from funds available from the debt payment undertakers and the custodians, and if such amounts are insufficient, then the State would be required to pay the difference.

Note 26 Subsequent Events
In preparing these financial statements, the State has evaluated events and transactions for potential recognition or disclosure in the footnotes. The effect of this evaluation led the State to report the following events which took place after the State's fiscal year end date through to the date these financial statements were issued.

In August 2016, the State issued $500 million of General Obligation bonds. The bonds were issued for Community Conservation Development as well as for other State purposes. The official offering includes $250.0 million 2016 series D nontaxable bonds maturing 2036 bearing interest rates ranging from 3.0 to 5.0 percent and $250.0 million series A taxable bonds maturing in 2026 bearing interest rates ranging from 1.0 to 2.6 percent.

In September 2016, the State issued $868.3 million of Special Tax Obligation Transportation Infrastructure bonds. The offering includes $800 million of series A which will mature in 2036 bearing interest rates ranging from 3.0 percent to 5.0 percent and $68.3 million of series B refunding bonds maturing in 2028 bearing interest rates ranging from 2.0 percent to 5.0 percent that defeased $75.6 million of other bonds issued at a higher cost.

In October 2016, the State issued $650.0 million of general Obligation bonds. The offering includes $585.0 million of series E, for school construction and other State purposes, which mature in 2036 bearing interest rates ranging from 2.0 percent to 5.0 percent, and $65.0 million series F "Green Bonds", for water pollution control purposes, which mature in 2031 bearing interest rates ranging from 4.0 percent to 5.0 percent.

In December 2016, the State issued $327.4 million of general obligation refunding bonds to defease $348.7 million of other bond by their redemption dates. The bonds mature in 2023 bearing interest rates ranging from 2.0 to 5.0 percent.

In July 2016 and November 2016, the Connecticut Health and Educational Facilities Authority (CHEFA) issued revenue bonds consisting of $35.0 million of series A, $110.0 million of series F, $5.8 million of series G and $47.6 million of series K bonds respectively, to finance various Connecticut based facility improvements. Additionally, in September 2016, CHEFA issued $40.7 million series L-1 tax-exempt and $12.9 million of series L-2 federally taxable revenue bonds on behalf of Connecticut Community Colleges. In September CHEFA issued $55.0 million of series P-1 revenue bonds on behalf of the State University System. Finally, in September 2016 CHEFA issued $19.5 million series P-2 Revenue refunding bonds together with $11.0 of other available funds, to refund $30.7 million of bonds series G and F on the call date.

In the months of July, August, May, November and December of calendar 2016, the Connecticut Housing Finance authority (CHFA) issued Housing Mortgage Finance Program bonds consisting of $86.0 million of series C; $185.0 million of series E; $149.0 million of series B; $220.9 million of series F; and $37.4 series 18, 19, 20 and 21; respectively to finance home mortgage loans. Additionally, in March of 2016, CHFA issued $185.0 million of series A and A-3 demand bonds whereupon the authority entered into Stand-By Bond Purchase and Remarketing Agreements with the Royal Bank of Canada. More information concerning these transactions can be obtained from separately issued financial statements published by CHFA having a fiscal year end of December 31, 2015.

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Required Supplementary Information

Budgetary Comparison Schedule
Required Supplemental Information
General and Transportation Funds

For the Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	General Fund			
	Budget			Variance with Final Budget positive
Revenues	**Original**	**Final**	**Actual**	**(negative)**
Budgeted:				
Taxes, Net of Refunds	$ 15,711,600	$ 15,078,800	$ 15,155,166	$ 76,366
Casino Gaming Payments	258,800	265,900	265,907	7
Licenses, Permits, and Fees	308,500	296,600	296,502	(98)
Other	337,800	364,400	365,926	1,526
Federal Grants	1,265,200	1,301,600	1,301,532	(68)
Refunds of Payments	(74,200)	(60,300)	(60,336)	(36)
Operating Transfers In	450,000	451,600	450,561	(1,039)
Operating Transfers Out	(61,800)	(61,800)	(61,688)	112
Transfer to/from the Resources of the General Fund	(33,500)	72,300	67,253	(5,047)
Total Revenues	18,162,400	17,709,100	17,780,823	71,723
Expenditures				
Budgeted:				
Legislative	84,830	82,830	74,089	8,741
General Government	680,152	680,008	627,035	52,973
Regulation and Protection	317,680	317,726	288,554	29,172
Conservation and Development	213,731	213,730	194,878	18,852
Health and Hospitals	1,817,935	1,801,386	1,765,944	35,442
Transportation	-	-	-	-
Human Services	3,200,663	3,200,663	3,102,021	98,642
Education, Libraries, and Museums	5,192,742	5,192,542	5,122,029	70,513
Corrections	1,517,199	1,517,264	1,463,065	54,199
Judicial	625,815	630,414	597,584	32,830
Non Functional	4,784,087	4,792,265	4,686,059	106,206
Total Expenditures	18,434,834	18,428,828	17,921,258	507,570
Appropriations Lapsed	303,366	373,714	-	(373,714)
Excess (Deficiency) of Revenues Over Expenditures	30,932	(346,014)	(140,435)	205,579
Other Financing Sources (Uses)				
Prior Year Appropriations Carried Forward	64,964	64,964	64,964	-
Appropriations Continued to Fiscal Year 2017	-	-	(96,559)	(96,559)
Miscellaneous Adjustments	-	1,573	1,612	39
Total Other Financing Sources (Uses)	64,964	66,537	(29,983)	(96,520)
Net Change in Fund Balance	$ 95,896	$ (279,477)	(170,418)	$ 109,059
Budgetary Fund Balances - July 1			37,245	
Changes in Reserves			179,632	
Budgetary Fund Balances - June 30			$ 46,459	

The information about budgetary reporting is an integral part of this schedule.

Transportation Fund			
Budget			**Variance with Final Budget positive**
Original	**Final**	**Actual**	**(negative)**
$ 1,073,400	$ 955,800	$ 946,984	$ (8,816)
-	-	-	-
385,100	391,700	395,373	3,673
7,700	7,800	8,159	359
12,100	12,200	12,180	(20)
(3,700)	(3,400)	(3,384)	16
-	-	-	-
(6,500)	(6,500)	(6,500)	-
-	-	-	-
1,468,100	1,357,600	1,352,812	(4,788)
-	-	-	-
8,728	8,728	6,390	2,338
77,884	77,884	65,400	12,484
2,743	2,743	2,550	193
-	-	-	-
660,533	660,533	630,227	30,306
2,244	2,244	2,177	67
-	-	-	-
-	-	-	-
-	-	-	-
709,252	709,252	693,975	15,277
1,461,384	1,461,384	1,400,719	60,665
12,000	44,557	-	(44,557)
	-		
18,716	(59,227)	(47,907)	11,320
33,311	33,311	33,311	-
-	-	(22,610)	(22,610)
-	-	-	-
33,311	33,311	10,701	(22,610)
$ 52,027	$ (25,916)	(37,206)	$ (11,290)
		213,357	
		(10,700)	
		$ 165,451	

Budgetary vs. GAAP Basis of Accounting
Required Supplemental Information

For the Fiscal Year Ended June 30, 2016
(Expressed in Thousands)

	General Fund	Transportation Fund
Net change in fund balances (budgetary basis)	$ (170,418)	$ (37,206)
Adjustments:		
Increases (decreases) in revenue accruals:		
Receivables and Other Assets	8,413	7,089
(Increases) decreases in expenditure accruals:		
Accounts Payable and Other Liabilities	(310,394)	(3,054)
Salaries and Fringe Benefits Payable	16,637	1,353
Increase (Decrease) in Continuing Appropriations	31,595	(10,701)
Fund Reclassification-Bus Operations	-	(3,178)
Net change in fund balances (GAAP basis)	$ (424,167)	$ (45,697)

The major differences between the statutory and the GAAP (generally accepted accounting principles) financial basis of accounting as reconciled above are as follows:

1. Revenues are recorded when received in cash except for certain year-end accruals statutory basis) as opposed to revenues being recorded when they are susceptible to accrual (GAAP basis).

2. Certain expenditures are not subject to accrual for budgeting purposes and are recorded when paid in cash (statutory basis) as opposed to expenditures being recorded when the related fund liability is incurred (GAAP basis).

3. For budgetary reporting purposes, continuing appropriations are reported with other financing sources and uses in the determination of the budgetary surplus or deficit to more fully demonstrate compliance with authorized spending for the year. For GAAP purposes, continuing appropriations are excluded from operations and reported as committed fund balance.

The information about budgetary reporting is an integral part of this schedule.

Pension Plans
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Plan Net Position

(Expressed in Thousands)

Total Pension Liability	**2015 SERS**	**2015 TRS**	**2015 JRS**	**2014 SERS**	**2014 TRS**	**2014 JRS**
Service Cost	$ 310,472	$ 404,449	$ 8,142	$ 287,473	$ 347,198	$ 7,539
Interest	2,052,651	2,162,174	27,240	1,998,736	2,090,483	26,301
Benefit payments	(1,650,465)	(1,773,408)	(22,541)	(1,563,029)	(1,737,144)	(21,668)
Refunds of contributions	(7,124)	(50,329)	-	(3,935)	-	-
Net change in total pension liability	705,534	742,886	12,841	719,245	700,537	12,172
Total pension liability - beginning	26,486,933	26,349,209	351,773	25,767,688	25,648,672	339,601
Total pension liability - ending (a)	**$ 27,192,467**	**$ 27,092,095**	**$ 364,614**	**$ 26,486,933**	**$ 26,349,209**	**$ 351,773**
Plan net position						
Contributions - employer	$ 1,371,651	$ 984,110	$ 17,731	$ 1,268,890	$ 948,540	$ 16,298
Contributions - member	187,339	228,100	1,791	144,807	261,213	1,641
Net investment income	294,412	452,942	4,781	1,443,391	2,277,550	23,156
Benefit payments	(1,650,465)	(1,773,408)	(22,541)	(1,563,029)	(1,737,144)	(21,668)
Refunds of contributions	(7,124)	(50,329)	-	(3,935)	-	-
Other Changes	-	57,749	-	-	(5,307)	-
Net change in plan net position	195,813	(100,836)	1,762	1,290,124	1,744,852	19,427
Plan net position - beginning	10,472,567	16,220,889	187,780	9,182,443	14,462,903	168,353
Plan net position - ending (b)	**$ 10,668,380**	**$ 16,120,053**	**$ 189,542**	**$ 10,472,567**	**$ 16,207,755**	**$ 187,780**
Ratio of plan net position to total pension liability	39.23%	59.50%	51.98%	39.54%	61.51%	53.38%
Net pension liability - ending (a) -(b)	**$ 16,524,087**	**$ 10,972,042**	**$ 175,072**	**$ 16,014,366**	**$ 10,141,454**	**$ 163,993**
Covered-employee payroll	$ 3,618,361	$ 4,078,367	$ 34,972	$ 3,487,577	$ 3,831,624	$ 33,386
Net pension liability as a percentage of covered-employee payroll	456.67%	269.03%	500.61%	459.18%	264.68%	491.20%

Pension Plans
Required Supplementary Information
Schedule of Employer Contributions
(Expressed in Thousands)

SERS	2015	2014	2013	2012	2011
Actuarially determined employer contribution	$ 1,379,189	$ 1,268,935	$ 1,059,652	$ 926,372	$ 944,077
Actual employer contributions	1,371,651	1,268,890	1,058,113	926,343	825,801
Annual contributions deficiency excess	$ 7,538	$ 45	$ 1,539	$ 29	$ 118,276
Covered Payroll	$ 3,618,361	$ 3,355,077	$ 3,304,538	$ 3,209,782	$ 3,308,498
Actual contributions as a percentage of covered-employee payroll	37.91%	37.82%	32.02%	28.86%	24.96%
TRS					
Actuarially determined employer contribution	$ 984,110	$ 948,540	$ 787,536	$ 757,246	$ 581,593
Actual employer contributions	984,110	948,540	787,536	757,246	581,593
Annual contributions deficiency excess	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,078,367	$ 3,930,957	$ 4,101,750	$ 3,943,990	$ 3,823,754
Actual contributions as a percentage of covered-employee payroll	24.13%	24.13%	19.20%	19.20%	15.21%
JRS					
Actuarially determined employer contribution	$ 17,731	$ 16,298	$ 16,006	$ 15,095	$ 16,208
Actual employer contributions	17,731	16,298	16,006	15,095	-
Annual contributions deficiency excess	$ -	$ -	$ -	$ -	$ 16,208
Covered Payroll	$ 34,972	$ 33,386	$ 31,748	$ 30,308	$ 33,102
Actual contributions as a percentage of covered-employee payroll	50.70%	48.82%	50.42%	49.81%	0.00%

	2010	2009	2008	2007	2006
	$ 897,428	$ 753,698	$ 716,944	$ 663,926	$ 623,063
	720,527	699,770	711,555	663,931	623,063
	$ 176,901	$ 53,928	$ 5,389	$ (5)	$ -
	$ 2,920,661	$ 3,497,400	$ 3,497,400	$ 3,310,400	$ 3,107,900
	24.67%	20.01%	20.35%	20.06%	20.05%
	$ 559,224	$ 539,303	$ 518,560	$ 412,099	$ 396,249
	559,224	539,303	518,560	412,099	396,249
	$ -	$ -	$ -	$ -	$ -
	$ 3,676,686	$ 3,529,470	$ 3,393,717	$ 3,296,792	$ 3,169,992
	15.21%	15.28%	15.28%	12.50%	12.50%
	$ 15,399	$ 14,172	$ 13,434	$ 12,375	$ 11,730
	-	14,173	13,434	12,375	11,730
	$ 15,399	$ (1)	$ -	$ -	$ -
	$ 31,602	$ 34,000	$ 33,982	$ 33,757	$ 31,803
	0.00%	41.69%	39.53%	36.66%	36.88%

Pension Plans
Required Supplementary Information
Schedule of Investment Returns
Annual Money-Weighted Rates of Return Net of Investment Expenses

	6/30/2016	6/30/2015	6/30/2014
State Employees' Retirement Fund	0.23%	2.83%	15.62%
Teachers' Retirement Fund	0.17%	2.82%	15.67%
State Judges Retirement Fund	1.11%	2.57%	13.66%
OPEB Fund	2.44%	3.44%	11.80%

Note: This schedule is to be built prospectively until it contains ten years of data

Other Postemployment Benefit Plans
Required Supplementary Information
Schedules of Funding Progress

(Expressed in Millions)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
RTHP						
6/30/2008	$-	$2,318.8	$2,318.8	0.0%	$3,399.3	68.2%
6/30/2009 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2010	$-	$2,997.8	$2,997.8	0.0%	$3,646.0	82.2%
6/30/2011 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2012	$-	$3,048.3	$3,048.3	0.0%	$3,652.5	83.5%
6/30/2013 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2014	$-	$2,433.0	$2,433.0	0.0%	$3,831.6	63.5%
6/30/2015 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2016	$-	$2,997.5	$2,997.5	0.0%	$3,949.9	75.9%

Actuarial valuations for other postemployment benefit plans are required to be disclosed starting with fiscal year 2008.

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
SEOPEBP						
6/30/2011	$49.6	$17,954.3	$17,904.7	0.3%	$3,902.2	458.8%
6/30/2012 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2013	$143.8	$19,676.3	$19,532.5	0.7%	$3,539.7	551.8%
6/30/2014 *	$-	$-	$-	0.0%	$-	0.0%
6/30/2015	$229.6	$19,119.6	$18,889.9	1.2%	$3,895.1	485.0%
6/30/2016 *	$-	$-	$-	0.0%	$-	0.0%

*No actuarial valuation was performed.

June 30,2011 was the first year an actuarial valuation for State Employees Other Postemployment Benefit Plan was performed.

Other Postemployment Benefit Plans
Required Supplementary Information
Schedule of Employer Contributions
(Expressed in Thousands)

	RTHP		SEOPEBP	
Fiscal Year	Annual Required Contributions	Percentage Contributed	Annual Required Contributions	Percentage Contributed
2008	$116.1	21.5%	$0.0	0%
2009	$116.7	25.3%	$0.0	0%
2010	$121.3	10.0%	$0.0	0%
2011	$177.1	3.0%	$0.0	0%
2012	$184.1	26.9%	$1,354.7	40.0%
2013	$180.4	15.0%	$1,271.3	42.7%
2014	$187.2	13.9%	$1,525.4	33.7%
2015	$125.6	20.0%	$1,513.0	36.1%
2016	$130.3	15.3%	$1,443.7	42.2%

Actuarial valuations for other postemployment benefit plans are required to be disclosed starting with fiscal year 2008.
June 30,2011 was the first year an actuarial valuation for State Employees Other Postemployment Benefit Plan was performed.

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*

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

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*

Governor Dannel P. Malloy
Members of the General Assembly

We have audited in accordance with 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Connecticut as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the state's basic financial statements and have issued our report thereon dated December 30, 2016. Our report includes a reference to other auditors. Other auditors audited the financial statements of certain funds and discretely presented component units of the state, as described in our report on the State of Connecticut's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors. The audits of the financial statements of the Bradley International Airport Parking Facility, Connecticut State University System, Connecticut Community Colleges and the University of Connecticut Foundation and University of Connecticut Law School Foundation were not conducted in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting:

In planning and performing our audit of the financial statements, we considered the State of Connecticut's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of 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. 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 State of Connecticut's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management in the *Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended June 30, 2016, State of Connecticut Comprehensive Annual Financial Report*. The state's management responses to findings identified in our audit were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it. In addition, we have reported or will report to management findings in separately issued departmental audit reports covering the fiscal year ended June 30, 2016

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 report is intended solely for the information and use of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly, the Legislative Committee on Program Review and Investigations, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

John C. Geragosian
Auditor of Public Accounts

December 30, 2016
State Capitol
Hartford, Connecticut

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

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

JOHN C. GERAGOSIAN
ROBERT J. KANE

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

Independent Auditor's Report

Governor Dannel P. Malloy
Members of the General Assembly

Report on Compliance for Each Major Federal Program

We have audited the State of Connecticut's 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 State of Connecticut's major federal programs for the year ended June 30, 2016. The State of Connecticut's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The State of Connecticut's basic financial statements include the operations of the Connecticut Housing Finance Authority, the Connecticut Airport Authority, the CT Green Bank, Inc, the Connecticut Health Insurance Exchange (Access Health CT), the Clean Water Fund, and the Drinking Water Fund, which expended $92,855,783 in federal awards, which is not included in the Schedule of Expenditures of Federal Awards, during the year ended June 30, 2016. Our audit, described below, did not include the operations of the Connecticut Housing Finance Authority, the Connecticut Airport Authority, the CT Green Bank, Inc., the Connecticut Health Insurance Exchange (Access Health CT), the Clean Water Fund, and the Drinking Water Fund because other auditors were engaged to audit those entities in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with the 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 State of Connecticut'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 State of 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 federal program. However, our audit does not provide a legal determination of the State of Connecticut's compliance.

Basis for Qualified Opinion on CFDA 93.917-HIV Care Formula Grants

As described in the accompanying schedule of findings and questioned costs, the State of Connecticut did not comply with the requirements regarding CFDA 93.917 HIV Care Formula Grants as described in finding number 2016-202 - Cash Management and 2016-203 - Subrecipient Monitoring. Compliance with such requirements is necessary, in our opinion, for the State of Connecticut to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 93.917-HIV Care Formula Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Connecticut complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA# 93.917-HIV Care Formula Grants for the year ended June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Program

In our opinion, the State of 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-021, 2016-100, 2016-101, 2016-251, 2016-300, 2016-301, 2016-302, 2016-500, 2016-661, 2016-725, 2016-726, and 2016-731. Our opinion on each major federal program is not modified with respect to these matters.

The State of Connecticut's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State of Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the State of 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 State of Connecticut'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 our 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 State of Connecticut's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-003, 2016-005, and 2016-202 to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002, 2016-004, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, 2016-011, 2016-012, 2016-013, 2016-014, 2016-015, 2016-016, 2016-017, 2016-018, 2016-019, 2016-020, 2016-021, 2016-022, 2016-023, 2016-100, 2016-101, 2016-150, 2016-151, 2016-152, 2016-153, 2016-154, 2016-155, 2016-156, 2016-157, 2016-200, 2016-201, 2016-203, 2016-250, 2016-251, 2016-300, 2016-301, 2016-302, 2016-303, 2016-304, 2016-450, 2016-451, 2016-501, 2016-600, 2016-650, 2016-651, 2016-652, 2016-653, 2016-654, 2016-655, 2016-656, 2016-657, 2016-658, 2016-659, 2016-660, 2016-661, 2016-662, 2016-725, 2016-726, 2016-727, 2016-728, 2016-729, 2016-730, 2016-731, 2016-732, 2016-733, 2016-734, 2016-735, 2016-736, 2016-775, 2016-776, and 2016-777 to be significant deficiencies.

The State of Connecticut's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State of Connecticut’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 units, each major fund, and the aggregate remaining fund information of the State of Connecticut as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the State of Connecticut’s basic financial statements. We issued our report thereon dated December 30, 2016, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. 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 taken as a whole.

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 report is intended solely for the information and use of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly, the Legislative Committee on Program

Review and Investigations, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

John C. Geragosian
Auditor of Public Accounts

Robert J. Kane
Auditor of Public Accounts

March 30, 2017
State Capitol
Hartford, Connecticut

Schedule of Expenditures of Federal Awards

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
DEPARTMENT OF AGRICULTURE						
DEPARTMENT OF AGRICULTURE DIRECT PROGRAMS						
AGRICULTURAL RESEARCH-BASIC AND APPLIED RESEARCH	10.001					$1,247,152
PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	10.025				$3,957	$246,493
PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	10.025				$30,194	$348,108
EMERGENCY FOREST RESTORATION PROGRAM	10.102					$26,235
FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM	10.156					$39,603
INSPECTION GRADING AND STANDARDIZATION	10.162					$150
MARKET PROTECTION AND PROMOTION	10.163				$35,501	$77,353
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170				$96,138	$172,339
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170					$151,858
GRANTS FOR AGRICULTURAL RESEARCH, SPECIAL RESEARCH GRANTS	10.200				$57,102	$115,652
COOPERATIVE FORESTRY RESEARCH	10.202					$413,296
PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE HATCH ACT	10.203					$2,293,138
ANIMAL HEALTH AND DISEASE RESEARCH	10.207					$15,878
HIGHER EDUCATION GRADUATE FELLOWSHIPS GRANT PROGRAM	10.210					$32,043
HIGHER EDUCATION - INSTITUTION CHALLENGE GRANTS PROGRAM	10.217					$33,751
BIOTECHNOLOGY RISK ASSESSMENT RESEARCH	10.219					$85,310
AGRICULTURAL AND RURAL ECONOMIC RESEARCH, COOPERATIVE AGREEMENTS AND COLLABORATIONS	10.250					$58,842
INTEGRATED PROGRAMS	10.303					$77,182
INTEGRATED PROGRAMS	10.303				$71,308	$195,898
AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI)	10.310					$56,227
AGRICULTURE AND FOOD RESEARCH INITIATIVE	10.310				$623,905	$2,265,031
BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM	10.311					$69,872
CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS PROGRAM	10.329					$155,531
CROP INSURANCE	10.450					$3,781
CROP INSURANCE EDUCATION IN TARGETED STATES	10.458				$29,378	$225,727
FOOD SAFETY COOPERATIVE AGREEMENTS	10.479					$96,010
COOPERATIVE EXTENSION SERVICE	10.500				$10,382	$3,077,499
COOPERATIVE EXTENSION SERVICE	10.500					$28,760
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SEE NOTE 4)	10.551					$693,212,512
SCHOOL BREAKFAST PROGRAM	10.553				$30,528,834	$31,531,047
NATIONAL SCHOOL LUNCH PROGRAM (SEE NOTE 4)	10.555				$99,701,006	$117,137,981
SPECIAL MILK PROGRAM FOR CHILDREN	10.556				$147,124	$147,124
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (SEE NOTE 6)	10.557				$9,821,571	$43,220,851
CHILD AND ADULT CARE FOOD PROGRAM	10.558				$17,704,544	$17,929,065
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SEE NOTE 4)	10.559				$3,856,626	$4,020,355
STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	10.560					$3,255,706
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561				$3,774,520	$55,874,769
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561					$859,962
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565				$80,113	$86,189
EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	10.568				$300,913	$307,584
WIC FARMERS' MARKET NUTRITION PROGRAM	10.572					$292,817
TEAM NUTRITION GRANTS	10.574					-$52,470
SENIOR FARMERS MARKET NUTRITION PROGRAM	10.576					$89,192
WIC GRANTS TO STATES	10.578				$108,640	$4,506,512
CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	10.579				$225,326	$362,944
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM, PROCESS AND TECHNOLOGY IMPROVEMENT GRANTS	10.580				$32,997	$32,997
FRESH FRUIT AND VEGETABLE PROGRAM	10.582					$2,425,110
COOPERATIVE FORESTRY ASSISTANCE	10.664				$111,314	$473,010
FOREST LEGACY PROGRAM	10.676					$42,131
FOREST STEWARDSHIP PROGRAM	10.678				$6,000	$36,358
FOREST HEALTH PROTECTION	10.680					$38,349
RURAL BUSINESS ENTERPRISE GRANTS	10.769					$31,600
SOIL AND WATER CONSERVATION	10.902					$24,384
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	10.912					$7,794
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	10.912					$30,144
FARM AND RANCH LANDS PROTECTION PROGRAM	10.913					$282,673
WATERSHED REHABILITATION PROGRAM	10.916					$806,000
REGIONAL CONSERVATION PARTNERSHIP PROGRAM	10.932					$73,975
INTEGRATING APPROACHES TO CONSERVATION DESIGN ACROSS THE LCC NETWORK IN THE EAST	10.RD	14-CR-11242311-038				$51,174
UCONN - USFA CLIMATE HUB PARTNERSHIP	10.U01	14-JV-11242306-097				$5,686
PREPARING FARMERS FOR A PRODUCE SAFETY FUTURE: FSMA	10.U02	15-SCBGP-CT-0053				$84
2014 FARM BILL-PRODUCER EDUCATION	10.U03	58-0510-4-012N				$47
TOTAL DEPARTMENT OF AGRICULTURE DIRECT PROGRAMS					$167,335,629	$988,752,375
DEPARTMENT OF AGRICULTURE PASS THROUGH PROGRAMS						
AGRICULTURAL RESEARCH-BASIC AND APPLIED RESEARCH	10.001		VERMONT LAW SCHOOL	AG160429		$32,219
GRANTS FOR AGRICULTURAL RESEARCH, SPECIAL RESEARCH GRANTS	10.200		UNIVERSITY OF NEW HAMPSHIRE	13-082		-$39
GRANTS FOR AGRICULTURAL RESEARCH, SPECIAL RESEARCH GRANTS	10.200		RUTGERS UNIVERSITY UNIVERSITY OF MARYLAND, COLLEGE PARK	5890-NER15OHP-AULAKH 28838-Z5659003		$23,181
SMALL BUSINESS INNOVATION RESEARCH	10.212		BIORASIS INC.	1230148		$14,773
SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION	10.215		UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT	SNE14-01-29001 SNE15-01-29001 UVM ID 29001		$268,042

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
			THE PENNSYLVANIA STATE UNIVERSITY	4378-CAES-UV-0296		
			UNIVERSITY OF VERMONT	COORDINATOR15-29994		
			UNIVERSITY OF VERMONT	GNE14-083-27806		
			UNIVERSITY OF VERMONT	LNE13-324		
			UNIVERSITY OF VERMONT	ONE13-179		
SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION	10.215		UNIVERSITY OF VERMONT	SUBAWARD NO. GNE15-113-29001		$69,166
HIGHER EDUCATION - INSTITUTION CHALLENGE GRANTS PROGRAM	10.217		OHIO STATE UNIVERSITY	60025859		$1,487
RESEARCH INNOVATION AND DEVELOPMENT GRANTS IN ECONOMIC (RIDGE)	10.255		UNIVERSITY OF WISCONSIN	607K095		$14,388
INTEGRATED PROGRAMS	10.303		CORNELL UNIVERSITY	67850-10222		$12,883
INTEGRATED PROGRAMS	10.303		UNIVERSITY OF IDAHO	2013-51102-21015		$12,537
HOMELAND SECURITY_AGRICULTURAL	10.304		CORNELL UNIVERSITY	67826-9915		$20,453
HOMELAND SECURITY-AGRICULTURAL	10.304		CORNELL UNIVERSITY	67826-9931		$15,333
			CORNELL UNIVERSITY	64094-9752		
			UNIVERSITY OF FLORIDA	SUBAWARD NO. UFDSP00010709		
			UNIVERSITY OF MASSACHUSETTS AMHERST	12-007055-A-00		
SPECIALTY CROP RESEARCH INITIATIVE	10.309		VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	422179-19756	$7,183	$191,225
			COLLEGE OF WILLIAM AND MARY	718252-712683		
			COLORADO UNIVERSITY	G-45001-1		
			NORTH CAROLINA STATE UNIVERSITY	PREAWARD		
			OHIO STATE UNIVERSITY	60039584/PO#RF01392433		
			OHIO STATE UNIVERSITY	SUBAWARD NO. 60045862		
			PURDUE UNIVERSITY	8000047623-AG		
			UNIVERSITY OF CALIFORNIA, DAVIS	SUBAWARD# 201015739-07		
			UNIVERSITY OF NEVADA	UNR-12-02		
			UNIVERSITY OF RHODE ISLAND	4452/052715		
AGRICULTURE AND FOOD RESEARCH INITIATIVE	10.310		UNIVERSITY OF VERMONT	28976SUBS1705		$658,931
CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS			CORNELL UNIVERSITY	73984-10396		
PROGRAM	10.329		CORNELL UNIVERSITY	73986-10427	$1,842	$33,427
			KANSAS STATE UNIVERSITY	S15022		
			KANSAS STATE UNIVERSITY	S15052		
			KANSAS STATE UNIVERSITY	S16079		
			PENNSYLVANIA STATE UNIVERSITY	5156-UC-USDA-2628		
			UNIVERSITY OF DELAWARE	36516		
			UNIVERSITY OF MISSOURI	C00048589-2		
			UNIVERSITY OF MISSOURI	SUBAWARD # C00051968-2		
COOPERATIVE EXTENSION SERVICE	10.500		UNIVERSITY OF VERMONT	COORDINATOR13		$82,609
STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	10.560		STATE EDUCATION RESOURCE CENTER	AG150685		$10,014
NATIONAL FOOD SERVICE MANAGEMENT INSTITUTE			UNIVERSITY OF SOUTHERN MISSISSIPPI	USM-GR04592-05		
ADMINISTRATION AND STAFFING GRANT	10.587		UNIVERSITY OF SOUTHERN MISSISSIPPI	USM-GR04831-05		$27,457
SCHOOL WELLNESS POLICY COOPERATIVE AGREEMENT	10.597		UNIVERSITY OF ILLINOIS	2015-0179-01-01		$81,076
TECHNICAL ASSISTANCE FOR SPECIALTY CROPS PROGRAM	10.604		CALIFORNIA DRIED PLUM BOARD	PN-12-27	$808	$70,982
FOREST STEWARDSHIP PROGRAM	10.678		NATIONAL AUDUBON SOCIETY INC.	13-DG-11420004-260		$46,822
RURAL ENERGY FOR AMERICA PROGRAM	10.868		CONNECTICUT CENTER FOR ADVANCED TECHNOLOGY	15-K01		$3,679
UTILIZATION OF GRAS COMPOUNDS AS ANTIMICROBIAL DIP AND COATING TREATMENTS FOR CONTROLLING LISTERIA	10.RD	DMI #02368	DAIRY MANAGEMENT INC. (DMI)	DMI #02368		$76,872
TOTAL DEPARTMENT OF AGRICULTURE PASS THROUGH PROGRAMS					$9,833	$1,767,517
TOTAL DEPARTMENT OF AGRICULTURE					$167,345,462	$990,519,892
DEPARTMENT OF COMMERCE						
DEPARTMENT OF COMMERCE DIRECT PROGRAMS						
CLUSTER GRANTS	11.020					$1,811
ECONOMIC DEVELOPMENT_SUPPORT FOR PLANNING ORGANIZATIONS	11.302					$44,907
ECONOMIC DEVELOPMENT_TECHNICAL ASSISTANCE	11.303					$71,852
ANADROMOUS FISH CONSERVATION ACT PROGRAM	11.405					$29
INTERJURISDICTIONAL FISHERIES ACT OF 1986	11.407					$8,887
SEA GRANT SUPPORT	11.417					$113,021
SEA GRANT SUPPORT	11.417				$198,460	$1,703,057
COASTAL ZONE MANAGEMENT ADMINISTRATION AWARDS	11.419					$2,012,659
FISHERIES DEVELOPMENT AND UTILIZATION RESEARCH AND DEVELOPMENT GRANTS AND COOPERATIVE AGREEMENTS PROGRAM	11.427					-$16
FISHERIES DEVELOPMENT AND UTILIZATION RESEARCH AND DEVELOPMENT GRANTS	11.427					$163,627
CLIMATE AND ATMOSPHERIC RESEARCH	11.431					$24,531
COOPERATIVE FISHERY STATISTICS	11.434					$3,254
MARINE MAMMAL DATA PROGRAM	11.439					$39,615
UNALLIED MANAGEMENT PROJECTS	11.454				$126,180	$126,180
APPLIED METEOROLOGICAL RESEARCH	11.468				$17,628	$21,597
CONGRESSIONALLY IDENTIFIED AWARDS AND PROJECTS	11.469					$2,082
ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT	11.474					$115,617
NOAA PROGRAMS FOR DISASTER RELIEF APPROP ACT- NON-CONSTRUCTION & CONSTRUCTION	11.483				$97,232	$320,142
STATE AND LOCAL IMPLEMENTATION GRANT	11.549					$330,665
TOTAL DEPARTMENT OF COMMERCE DIRECT PROGRAMS					$439,500	$5,103,517
DEPARTMENT OF COMMERCE PASS THROUGH PROGRAMS						
OCEAN EXPLORATION	11.011		UNIVERSITY OF ALASKA	UAF 16-0040		$24,047

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
			NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN			
			OBSERVING SYSTEMS			
			NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN	A002-001		
INTEGRATED OCEAN OBSERVING SYSTEM (IOOS)	11.012		OBSERVING SYSTEMS	A005-01		$334,213
SEA GRANT SUPPORT	11.417		UNIVERSITY OF MISSISSIPPI	16-10-027		$8,784
			STONY BROOK UNIVERSITY	67208		
SEA GRANT SUPPORT	11.417		UNIVERSITY OF WASHINGTON	UWSC7610/BPO10195		$37,834
CLIMATE AND ATMOSPHERIC RESEARCH	11.431		UNIVERSITY OF MICHIGAN	3002868294		$16,537
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION						
COOPERATIVE INSTITUTES	11.432		UNIVERSITY OF MAINE	SUBAWARD NO. UM-S990		$80,760
OFFICE FOR COASTAL MANAGEMENT	11.473		RUTGERS UNIVERSITY	PO#S1566258/#4489		$27,509
CENTER FOR SPONSORED COASTAL OCEAN RESEARCH PROGRAM	11.478		UNIVERSITY OF RHODE ISLAND	SUB#091811/0003087		$9,610
			NEW JERSEY MARINE SCIENCES CONSORTIUM			
			NEW YORK SEA GRANT	6306-0005		
			NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN	NA13OAR4830228		
NOAA PROGRAMS FOR DISASTER RELIEF APPROP ACT- NON-			OBSERVING SYSTEMS	A003-001		
CONSTRUCTION & CONSTRUCTION	11.483		RUTGERS UNIVERSITY	436500 10255 S1961894		$148,676
SUMMARY AND RECOMMENDATIONS REPORT RELATED TO CARBON						
SEQUESTRATION IN COASTAL AREAS	11.RD	CONTRACT# EA133C11CQ0009	QUANTUM SPATIAL	CONTRACT# EA133C11CQ0009		$15,562
DOLPHIN AND TURTLE IMMUNOLOGY	11.U04	5700-UCONN	INDUSTRIAL ECONOMICS (IEC)	5700-UCONN		-$2,355
TOTAL DEPARTMENT OF COMMERCE PASS THROUGH PROGRAMS						$701,177
TOTAL DEPARTMENT OF COMMERCE					$439,500	$5,804,694
DEPARTMENT OF DEFENSE						
DEPARTMENT OF DEFENSE DIRECT PROGRAMS						
STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE						
REIMBURSEMENT OF TECHNICAL SERVICES	12.113					$15,266
COLLABORATIVE RESEARCH AND DEVELOPMENT	12.114					$116,240
BASIC AND APPLIED SCIENTIFIC RESEARCH	12.300				$355,503	$2,347,841
NAVAL MEDICAL RESEARCH AND DEVELOPMENT	12.340					$76,886
DEPARTMENT OF DEFENSE HIV/AIDS PREVENTION PROGRAM	12.350					$425,207
SCIENTIFIC RESEARCH - COMBATING WEAPONS OF MASS						
DESTRUCTION	12.351				$272,216	$515,394
MILITARY CONSTRUCTION, NATIONAL GUARD	12.400					-$2,084
NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE						
(O&M) PROJECTS	12.401					$17,099,819
NATIONAL GUARD CHALLENGE PROGRAM	12.404					$604,607
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420				$44,217	$973,856
BASIC SCIENTIFIC RESEARCH	12.431				$15,826	$702,020
ECONOMIC ADJUSTMENT ASSISTANCE FOR STATE GOVERNMENTS	12.617				$900,724	$1,080,348
AIR FORCE DEFENSE RESEARCH SCIENCES PROGRAM	12.800				$410,771	$1,163,231
MODELING THE COMBINED EFFECTS OF DETERMINISTIC AND						
STATISTICAL STRUCTURE FOR OPTIMIZATION OF REGIONAL						
MONITORING	12.RD	FA9453-12-C-0207				$116
DATA FUSION AND TRACKING ALGORITHMS FOR BMD	12.RD	HQ0147-12-C-6017				$169,919
DEVELOPMENT OF INNOVATIVE SOLUTIONS FOR HARDWARE						
SECURITY, AND DETECTION AND PREVENTION OF COUNTERFEIT						
ELECTRONICS COMPONENTS	12.RD	HQ0147-13-C-6029				$10,599
RADAR AND EO SYSTEMS TRACK DETECTION ALGORITHMS FOR BMD	12.RD	HQ0147-15-C-6004				$148,626
HYDROPHOBIC ELECTRODE EQUIPMENT AND HEART RATE						
VARIABILITY NON-PERSONAL SERVICES SUPPORT	12.RD	N61331-15-P-4051				$15,000
GAIN CHIP FABRICATION IN SUPPORT OF LIGHT WEIGHT APERTURE						
ARRAY (LWWA) PROGRAM	12.RD	N66604-15-P-0912				$29,381
GAIN CHIP FABRICATION IN SUPPORT OF LIGHT WEIGHT APERTURE						
ARRAY (LWWA) PROGRAM	12.RD	N66604-16-P-0889				$146
TRACKING THE UPTAKE, TRANSLOCATION, CYCLING AND						
METABOLISM OF MUNITIONS COMPOUNDS IN COASTAL MARINE						
ECOSYSTEMS USING STABLE ISOTOPIC TRACER	12.RD	W912HQ-11-C-0051				$252,511
2014 CONNECTICUT OPERATION MILITARY KIDS	12.U05	NAFBA1-13-M-0310				-$1,803
TOTAL DEPARTMENT OF DEFENSE DIRECT PROGRAMS					$1,999,257	$25,743,126
DEPARTMENT OF DEFENSE PASS THROUGH PROGRAMS						
			JOHNS HOPKINS UNIVERSITY	2002725906		
			UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH	Z14-12073		
BASIC AND APPLIED SCIENTIFIC RESEARCH	12.300		UNIVERSITY OF TEXAS, AUSTIN	UTA09-000725		$196,980
			CREARE	SUBCONTRACT NO. 75609		
			STEVENS INSTITUTE OF TECHNOLOGY	2102309-01		
			UNIVERSITY OF PITTSBURGH	0036974 (410159-1)		
			UNIVERSITY OF PITTSBURGH	0046723(411452-4)		
			WAKE FOREST UNIVERSITY	WFUHS 441059 ER-09		
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420		WORCESTER POLYTECHNIC INSTITUTE	16-215700-01		$664,077
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003138		
			NORTH CAROLINA STATE UNIVERSITY	2015-0978-02		
			NORTHEASTERN UNIVERSITY	504062-78057		
			NORTHWESTERN UNIVERSITY	SP0025190-PROJ0006752		
BASIC SCIENTIFIC RESEARCH	12.431		UNIVERSITY OF CALIFORNIA, LOS ANGELES	1000 G SA915		$459,748
BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND						
ENGINEERING	12.630		ACADEMY OF APPLIED SCIENCE	AG160225		$15,590

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			OPTOMEC	AG141188		
			UNIVERSITY OF TEXAS, RIO GRANDE VALLEY	FA9550-12-1-01559-03		
			UNIVERSITY OF TULSA	14-2-1203439-94802		
AIR FORCE DEFENSE RESEARCH SCIENCES PROGRAM	12.800		UNIVERSITY OF WISCONSIN	575K691		$244,678
LANGUAGE GRANTS PROGRAM	12.900		CREATE	SUBCONTRACT NO. 71388		$23,439
SCAAN II: SENSE-MAKING VIA COLLABORATIVE AGENTS AND ACTIVITY NETWORKS	12.RD	1004-1880	APTIMA	1004-1880		$110,816
SECURE EFFICIENT CROSS-DOMAIN PROTOCOLS-PHASE I	12.RD	201500410-S	SONALYSTS	201500410-S		$127,821
CARBON EXCHANGES AND SOURCE ATTRIBUTIONS IN THE NEW RIVER ESTUARY, NC	12.RD	888-13-16-129-312-0213589	RTI INTERNATIONAL	888-13-16-12, 9-312-0213589		$67,874
ADVANCED MATERIALS FOR MICRO GENERATORS	12.RD	AG100049	D-STAR ENGINEERING CORPORATION	AG100049		$16,895
ADHESIVE BONDING OF AIRCRAFT PATCHES	12.RD	AG140023	UNITED TECHNOLOGIES-SIKORSKY AIRCRAFT	AG140023		$39,350
CMAS AND HIGH TEMPERATURE RESISTANT LAMGA111019 TBC COATINGS USING A MICROWAVE BASED UNIFORM-MELT-STATE PLASMA PROCESS (UNIMELT)	12.RD	AG141138	AMASTAN	AG141138		$54,015
SIGNAL PROCESSING AND PATTERN FORMATION IN AUDITORY NETWORKS	12.RD	AG151328	CIRCULAR LOGIC	AG151328		$93,985
OBJECTIVE BRAIN FUNCTION ASSESSMENT OF MTBI FROM INITIAL INJURY TO REHABILITATION AND TREATMENT OPTIMIZATION (BRAINSCOPE)	12.RD	AG151555	BRAINSCOPE COMPANY	AG151555		$127,151
MODELING AND OPTIMIZING TURBINES FOR UNSTEADY FLOW	12.RD	HPCI-UCONN-2014-01	HYPERCOMP	HPCI-UCONN-2014-01		$139,162
IMPACT POINT PREDICTION RESEARCH FOR SHORT & MEDIUM RANGE THRUSTING PROJECTILES"	12.RD	PO 4440278825	MINISTRY OF DEFENSE (ISRAEL)	PO 4440278825		$77,677
THE EFFECT OF WAKEFULNESS ON AUDITORY CUED VISUAL SEARCH	12.RD	PO10164705	LEIDOS	PO10164705		$58,140
INDUSTRIAL PSYCHOLOGY SUPPORT TO SUBSCREEN MODERNIZATION	12.RD	PO10171583	LEIDOS	P010171583		$21,936
SWITCHED RELUCTANCE MACHINE WITH A REDUCED AUDIBLE NOISE SIGNATURE USING MODEL BASED HARMONIC INJECTION	12.RD	QSI-DSC-15-006	QUALTECH SYSTEMS	QSI-DSC-15-006		$32,767
			INNOVATIVE SCIENTIFIC SOLUTIONS	SB01210		
THERMODYNAMIC MODELING OF A ROTATING DETONATION ENGINE	12.RD	SB01210	INNOVATIVE SCIENTIFIC SOLUTIONS, INC.	SB01210		-$12,176
EFFICIENT CLUTTER SUPPRESSION AND NON LINEAR FILTERING TECHNIQUES FOR TRACKING CLOSELY SPACED OBJECTS IN THE PRESENCE OF DEBRIS	12.RD	SC14-5908-1	TOYON	SC14-5908-1		$107,327
TECHNOLOGIES FOR RARE EARTHS ENRICHMENT OF A NOVEL LOW-COST RAW MATERIAL	12.RD	SC67698-1869-002	PHYSICAL SCIENCES	SC67698-1869-002		$98,548
TOTAL DEPARTMENT OF DEFENSE PASS THROUGH PROGRAMS						$2,765,800
TOTAL DEPARTMENT OF DEFENSE					$1,999,257	$28,508,926
CENTRAL INTELLIGENCE AGENCY						
CENTRAL INTELLIGENCE AGENCY DIRECT PROGRAMS						
POROUS SOLID ELECTROLYTES FOR ADVANCED LITHIUM ION BATTERIES	13.RD	2014-14081300014				$69,366
TOTAL CENTRAL INTELLIGENCE AGENCY						$69,366
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DIRECT PROGRAMS						
CONGREGATE HOUSING SERVICES PROGRAM	14.170				$352,876	$352,876
SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES (SEE NOTE 1)	14.181					$1,569,730
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM (SEE NOTE 1)	14.195					$5,053,563
COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII	14.228				$11,769,541	$12,088,981
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231				$2,068,773	$2,164,855
SHELTER PLUS CARE	14.238					-$37,475
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239				$522,123	$9,758,137
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241				$217,492	$217,492
SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY (SEE NOTE 1)	14.249					$69,467
CONTINUUM OF CARE PROGRAM	14.267				$2,416,252	$16,393,249
HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANTS (CDBG-DR)	14.269					$33,230,583
HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANTS (CDBG-DR)	14.269					$199,270
NATIONAL DISASTER RESILIENCE COMPETITION	14.272					$32,401
PROJECT RENTAL ASSISTANCE DEMONSTRATION(PRA DEMO)	14.326					$23,114
FAIR HOUSING ASSISTANCE PROGRAM-STATE AND LOCAL	14.401					$32,863
LOWER INCOME HOUSING ASSISTANCE PROGRAM - SECTION 8 MODERATE REHABILITATION (SEE NOTE 1)	14.856					$95,907
SECTION 8 HOUSING CHOICE VOUCHERS (SEE NOTE 1	14.871					$81,122,142
FAMILY SELF-SUFFICIENCY PROGRAM	14.896					$231,386
LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM	14.905				$1,630,327	$1,630,327
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					$18,977,384	$164,228,868
DEPARTMENT OF THE INTERIOR						
DEPARTMENT OF THE INTERIOR DIRECT PROGRAMS						
SPORT FISH RESTORATION	15.605					$3,232,482
SPORT FISH RESTORATION PROGRAM	15.605					$2,693
FISH AND WILDLIFE MANAGEMENT ASSISTANCE	15.608					$16,577
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611				$171,379	$4,348,870
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611					$83,660
COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	15.615					$12,768
CLEAN VESSEL ACT	15.616				$840,706	$1,194,930
SPORTFISHING AND BOATING SAFETY ACT	15.622				$224,968	$251,379
NORTH AMERICAN WETLANDS CONSERVATION FUND	15.623				$250,000	$250,000

Federal Grantor/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Federal Expenditures
WILDLIFE CONSERVATION AND RESTORATION	15.625					$640
COASTAL	15.630					$15,000
LANDOWNER INCENTIVE	15.633					$17,884
STATE WILDLIFE GRANTS	15.634				$103,434	$700,320
STATE WILDLIFE GRANTS	15.634					$87,959
RESEARCH GRANTS (GENERIC)	15.650					$15,148
RESEARCH GRANTS (GENERIC)	15.650					$221
FISH AND WILDLIFE COORDINATION AND ASSISTANCE	15.664					$17,402
HURRICANE SANDY DISASTER RELIEF ACTIVITIES-FWS	15.677				$278,911	$363,035
ASSISTANCE TO STATE WATER RESOURCES RESEARCH INSTITUTES	15.805				$18,236	$163,354
U.S. GEOLOGICAL SURVEY - RESEARCH AND DATA COLLECTION	15.808					$74,365
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904				$73,532	$641,292
OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING	15.916					$1,449,712
HISTORIC PRESERVATION FUND GRANTS TO PROVIDE DISASTER RELIEF TO HISTORIC PROPERTIES DAMAGED BY HURRICANE SANDY	15.957				$2,149,125	$2,272,008
TOTAL DEPARTMENT OF THE INTERIOR DIRECT PROGRAMS					$4,110,291	$15,211,699
DEPARTMENT OF THE INTERIOR PASS THROUGH PROGRAMS						
HURRICANE SANDY DISASTER RELIEF-COASTAL RESILIENCY GRANTS	15.153		THE UNIVERSITY OF RHODE ISLAND	44017/031715/0004251		$6,558
HURRICANE SANDY DISASTER RELIEF ACTIVITIES-FWS	15.677		UNIVERSITY OF MAINE	UM-S987		$109,990
NATIONAL LAND REMOTE SENSING_EDUCATION OUTREACH AND RESEARCH	15.815		AMERICA VIEW	AV14-CT01		$25,561
TOTAL DEPARTMENT OF THE INTERIOR PASS THROUGH PROGRAMS						$142,109
TOTAL DEPARTMENT OF THE INTERIOR					$4,110,291	$15,353,808
DEPARTMENT OF JUSTICE						
DEPARTMENT OF JUSTICE DIRECT PROGRAMS						
LAW ENFORCEMENT ASSISTANCE NARCOTICS AND DANGEROUS DRUGS STATE LEGISLATION	16.002					$3,673
SEXUAL ASSAULT SERVICES FORMULA PROGRAM	16.017				$212,167	$215,826
ANTITERRORISM EMERGENCY RESERVE	16.321				$2,124,495	$2,124,495
JUVENILE ACCOUNTABILITY BLOCK GRANTS	16.523				$308,873	$421,781
JUVENILE ACCOUNTABILITY BLOCK GRANTS	16.523					$62,635
GRANTS TO REDUCE DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ON CAMPUS	16.525					$63,697
JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	16.540				$301,953	$442,768
JUVENILE JUSTICE AND DELINQUENCY PREVENTION_ALLOCATION TO STATES	16.540					$16,750
MISSING CHILDREN'S ASSISTANCE	16.543					$271,501
NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM	16.554					$691,990
NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	16.560				$79,489	$210,850
NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	16.560				$76,312	$221,743
CRIME VICTIM ASSISTANCE	16.575				$5,334,299	$5,925,544
CRIME VICTIM COMPENSATION	16.576					$652,676
EDWARD BYRNE MEMORIAL FORMULA GRANT PROGRAM	16.579					$56,073
NARCOTICS CONTROL DISCRETIONARY GRANT PROGRAM	16.580					$247,088
VIOLENCE AGAINST WOMEN FORMULA GRANTS	16.588				$1,076,507	$1,620,974
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	16.593					$172,226
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606					$371,970
PREA PROGRAM: DEMONSTRATION PROJECTS TO ESTABLISH "ZERO TOLERANCE" CULTURES FOR SEXUAL ASSAULT IN CORRECTIONAL FACILITIES	16.735					$3,498
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738				$1,333,530	$2,572,980
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738					$7,939
DNA BACKLOG REDUCTION PROGRAM	16.741					$608,977
PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	16.742					$206,386
SUPPORT FOR ADAM WALSH ACT IMPLEMENTATION GRANT PROGRAM	16.750					$248,559
EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM	16.751					$73,361
SECOND CHANCE ACT REENTRY INITIATIVE	16.812					$40,311
NICS ACT RECORD IMPROVEMENT PROGRAM	16.813					$26,618
NATIONAL SEXUAL ASSAULT KIT INITIATIVE	16.833					$120,323
EQUITABLE SHARING PROGRAM	16.922					$290,876
TOTAL DEPARTMENT OF JUSTICE DIRECT PROGRAMS					$10,847,625	$17,994,088
DEPARTMENT OF JUSTICE PASS THROUGH PROGRAMS						
NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	16.560		UNIVERSITY OF ARIZONA	229334		$53,289
			NATIONAL 4-H COUNCIL	2013-JU-FX-0022		
			NATIONAL 4-H COUNCIL	2014-JU-FX-0025		
			NATIONAL 4-H COUNCIL	2015-JU-FX-0015		
JUVENILE MENTORING PROGRAM	16.726		NATIONAL 4-H COUNCIL	AG160262	$36,634	$97,635
TOTAL DEPARTMENT OF JUSTICE PASS THROUGH PROGRAMS					$36,634	$150,924
TOTAL DEPARTMENT OF JUSTICE					$10,884,259	$18,145,012
DEPARTMENT OF LABOR						
DEPARTMENT OF LABOR DIRECT PROGRAMS						
LABOR FORCE STATISTICS (SEE NOTE 1)	17.002				$56,793	$1,633,896
COMPENSATION AND WORKING CONDITIONS	17.005					$181,416
EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES (SEE NOTE 1)	17.207				$409,770	$8,607,711
UNEMPLOYMENT INSURANCE (SEE NOTE 1 AND NOTE 6)	17.225					$757,189,363
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	17.235				$875,003	$875,003
TRADE ADJUSTMENT ASSISTANCE (SEE NOTE 1	17.245					$2,800,293

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WIA/WIOA ADULT PROGRAM	17.258				$8,843,409	$9,341,626
WIA/WIOA YOUTH ACTIVITIES	17.259				$8,431,289	$9,157,853
WIA/WIOA PILOTS, DEMONSTRATIONS, AND RESEARCH PROJECTS	17.261					$311,627
H-1B JOB TRAINING GRANTS	17.268					$372,571
WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC) (SEE NOTE 1)	17.271					$144,975
TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS (SEE NOTE 1)	17.273					$434,401
WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	17.277				$1,341,056	$1,760,094
WIA/WIOA DISLOCATED WORKER FORMULA GRANTS	17.278				$9,131,749	$13,050,164
GREEN JOBS INNOVATION FUND GRANTS	17.279				$862	$149,044
WIA/WIOA DISLOCATED WORKER NATIONAL RESERVE TECHNICAL ASSISTANCE AND TRAINING	17.281					$28,032
TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS	17.282					$10,868,967
WORKFORCE INNOVATION FUND	17.283				$441,211	$708,094
OCCUPATIONAL SAFETY AND HEALTH-STATE PROGRAM	17.503					$629,700
CONSULTATION AGREEMENTS	17.504					$1,143,200
MINE HEALTH AND SAFETY GRANTS	17.600					$57,494
DISABLED VETERANS' OUTREACH PROGRAM (SEE NOTE 1)	17.801					$1,892,190
TOTAL DEPARTMENT OF LABOR DIRECT PROGRAMS					$29,531,142	$821,337,714
DEPARTMENT OF LABOR PASS THROUGH PROGRAMS						
			NORTHWEST REGIONAL INVESTMENT BOARD	ISY-14-002		
			NORTHWEST REGIONAL INVESTMENT BOARD	ISY-15-001		
			NORTHWEST REGIONAL INVESTMENT BOARD	OSY-14-002		
WIA/WIOA YOUTH ACTIVITIES	17.259		NORTHWEST REGIONAL INVESTMENT BOARD	OSY-15-002		$742,280
H-1B JOB TRAINING GRANTS	17.268		THE WORKPLACE INC.	HG-22616-12-60-A-9		$69,324
TOTAL DEPARTMENT OF LABOR PASS THROUGH PROGRAMS						$811,604
TOTAL DEPARTMENT OF LABOR					$29,531,142	$822,149,318
DEPARTMENT OF STATE						
DEPARTMENT OF STATE DIRECT PROGRAMS						
ACADEMIC EXCHANGE PROGRAMS - UNDERGRADUATE PROGRAMS	19.009				$141,969	$902,785
PROFESSIONAL AND CULTURAL EXCHANGE PROGRAMS - CITIZEN EXCHANGES	19.415				$8,062	$17,994
TOTAL DEPARTMENT OF STATE DIRECT PROGRAMS					$150,031	$920,779
DEPARTMENT OF STATE PASS THROUGH PROGRAMS						
AEECA/ESF PD PROGRAMS	19.900		EURASIA FOUNDATION	W16-1002		$1,250
TOTAL DEPARTMENT OF STATE PASS THROUGH PROGRAMS						$1,250
TOTAL DEPARTMENT OF STATE					$150,031	$922,029
DEPARTMENT OF TRANSPORTATION						
DEPARTMENT OF TRANSPORTATION DIRECT PROGRAMS						
AIRPORT IMPROVEMENT PROGRAM	20.106					$9,987,167
AVIATION RESEARCH GRANTS	20.108					$78,662
HIGHWAY RESEARCH AND DEVELOPMENT PROGRAM	20.200					$470,404
HIGHWAY PLANNING AND CONSTRUCTION	20.205				$36,913,599	$512,921,078
HIGHWAY PLANNING AND CONSTRUCTION	20.205					-$10,323
HIGHWAY PLANNING AND CONSTRUCTION	20.205				$430,846	$3,897,914
HIGHWAY TRAINING AND EDUCATION	20.215					$28,178
HIGHWAY TRAINING AND EDUCATION	20.215					$5,500
MOTOR CARRIER SAFETY ASSISTANCE	20.218					$1,719,215
RECREATIONAL TRAILS PROGRAM	20.219				$498,718	$625,495
PERFORMANCE AND REGISTRATION INFORMATION SYSTEMS MANAGEMENT	20.231					$111,514
COMMERCIAL DRIVER'S LICENSE PROGRAM IMPROVEMENT GRANT	20.232					$836,059
SAFETY DATA IMPROVEMENT PROGRAM	20.234					$88,258
MOTOR CARRIER SAFETY ASSISTANCE HIGH PRIORITY ACTIVITIES GRANTS AND COOPERATIVE AGREEMENTS	20.237					$935,134
RAILROAD RESEARCH AND DEVELOPMENT	20.313					$97,948
HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE - CAPITAL ASSISTANCE GRANTS	20.319					$35,360,320
HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE - CAPITAL ASSISTANCE GRANTS	20.319					$19,729,890
FEDERAL TRANSIT - CAPITAL INVESTMENT GRANTS	20.500					$91,433,464
FEDERAL TRANSIT - FORMULA GRANTS	20.507					$58,102,705
FEDERAL TRANSIT-FORMULA GRANTS FOR RURAL AREAS	20.509				$518,388	$2,503,659
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513					$2,374,914
JOB ACCESS - REVERSE COMMUTE PROGRAM	20.516					$433,453
NEW FREEDOM PROGRAM	20.521				$187,525	$975,896
ALTERNATIVES ANALYSIS	20.522					$767,348
CAPITAL ASSISTANCE PROGRAM FOR REDUCING ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS	20.523					$2,776,745
PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM	20.527					$14,622,927
STATE AND COMMUNITY HIGHWAY SAFETY	20.600				$702,938	$1,854,608
ALCOHOL IMPAIRED DRIVING COUNTERMEASURES INCENTIVE GRANTS I	20.601					$90,109
ALCOHOL OPEN CONTAINER REQUIREMENTS	20.607				$2,831,163	$5,830,476
STATE AND COMMUNITY HIGHWAY SAFETY	20.607					$14,406
INCENTIVE GRANT PROGRAM TO PROHIBIT RACIAL PROFILING	20.611					$224,625
NATIONAL PRIORITY SAFETY PROGRAMS	20.616				$2,017,710	$5,631,051
PIPELINE SAFETY PROGRAM STATE BASE GRANT	20.700					$684,501
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701					$6,323
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703				$40,000	$191,699

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PHMSA PIPELINE SAFETY PROGRAM ONE CALL GRANT	20.721					$14,791
NATIONAL INFRASTRUCTURE INVESTMENTS	20.933				$1,504,535	$8,109,985
TOTAL DEPARTMENT OF TRANSPORTATION DIRECT PROGRAMS					$45,645,422	$783,526,098
DEPARTMENT OF TRANSPORTATION PASS THROUGH PROGRAMS						
AIR TRANSPORTATION CENTERS OF EXCELLENCE	20.109		GEORGIA INSTITUTE OF TECHNOLOGY	RF377-G1		$82,186
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003188		
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003214		
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003457		
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003459		
			MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003806		
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		MASSACHUSETTS INSTITUTE OF TECHNOLOGY	NO. 5710003188		$153,677
			NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	5710003805		
			NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	5710003807		
			NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	5710003808		
			NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	5710003809		
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	SUB NO 5710003808		$351,265
IMPROVED PREDICTION MODELS FOR CRASH TYPES AND CRASH SEVERITIES	20.RD	HR 17-62	NAS/TRANSPORTATION RESEARCH BOARD	HR 17-62	$57,110	$104,191
DYNAMIC IMPACT FACTORS ON EXISTING LONG-SPAN TRUSS RAILROAD BRIDGES	20.RD	SAFETY-25	NAS/TRANSPORTATION RESEARCH BOARD	SAFETY-25		$15,021
EVALUATING APPLICATION OF FIELD SPECTROSCOPY DEVICES TO FINGERPRINT COMMONLY USED CONSTRUCTION MATERIALS	20.RD	SHRP-R-06(B)	NAS/TRANSPORTATION RESEARCH BOARD	SHRP-R-06(B)		$1,530
TOTAL DEPARTMENT OF TRANSPORTATION PASS THROUGH PROGRAMS					$57,110	$707,870
TOTAL DEPARTMENT OF TRANSPORTATION					$45,702,532	$784,233,968
DEPARTMENT OF TREASURY						
DEPARTMENT OF TREASURY DIRECT PROGRAMS						
LOW INCOME TAXPAYER CLINICS	21.008					$106,877
TOTAL DEPARTMENT OF TREASURY						$106,877
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION DIRECT PROGRAMS						
JOB DISCRIMINATION SPECIAL PROJECTS GRANT	30.002					$2,897
TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						$2,897
GENERAL SERVICES ADMINISTRATION						
GENERAL SERVICES ADMINISTRATION DIRECT PROGRAMS						
DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY (SEE NOTE 4)	39.003					$65,882
TOTAL GENERAL SERVICES ADMINISTRATION						$65,882
NATIONAL AERONAUTICS & SPACE ADMINISTRATION						
NATIONAL AERONAUTICS & SPACE ADMINISTRATION DIRECT PROGRAMS						
SCIENCE	43.001				$42,129	$1,256,143
AERONAUTICS	43.002				$29,405	$78,509
EXPLORATION	43.003					-$1,151
EDUCATION	43.008					$598
EDUCATION	43.008					$47,988
USING RAPIDSCAT OCEAN VECTOR WINDS TO UNDERSTAND THE ORIGIN OF OCEAN TEMPERATURE EXTREMES OFF U.S. COASTS	43.RD	1544398				$7,211
FLEX DROPLET FLAME EXTINGUISHMENT IN MICROGRAVITY	43.RD	NNX08AD13G				$25,726
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION DIRECT PROGRAMS					$71,534	$1,415,024
NATIONAL AERONAUTICS & SPACE ADMINISTRATION PASS THROUGH PROGRAMS						
SCIENCE	43.001		UNIVERSITY OF HARTFORD	AGR-1-15-08		$3,699
			AMERICAN COLLEGE OF SPORTS MEDICINE			
			BERMUDA BIOLOGICAL STATION FOR RESEARCH	AG150873		
			SMITHSONIAN INSTITUTION/SMITHSONIAN ENVIRONMENTAL	154444UCONN		
			RESEARCH CENTER	12SUBC-440-0000256377		
			UNIVERSITY OF FLORIDA	UF12067/00097232/UFDSP00010599		
			UNIVERSITY OF NEW HAMPSHIRE	15-048		
			WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101127		
			WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101231		
SCIENCE	43.001		WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101238		$291,665
AERONAUTICS	43.002		UNIVERSITY OF ILLINOIS	2012-05551-01		$89,554
			CT SPACE GRANT CONSORTIUM			
			UNIVERSITY OF HARTFORD	2788		
			UNIVERSITY OF HARTFORD	LTR. 03-28-14		
			UNIVERSITY OF HARTFORD	NNX12AG64H		
			UNIVERSITY OF HARTFORD	P-884		
			UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT	P-917		
EDUCATION	43.008		CONSORTIUM	NNX12AG64H (P-942)		$49,139

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			CT SPACE GRANT CONSORTIUM	P830		
			CT SPACE GRANT CONSORTIUM	P835		
			CT SPACE GRANT CONSORTIUM	P936		
			CT SPACE GRANT CONSORTIUM	P962		
			UNIVERSITY OF HARTFORD	P-780		
			UNIVERSITY OF HARTFORD	P-905		
			UNIVERSITY OF HARTFORD	P-938		
			UNIVERSITY OF HARTFORD	P-949		
			UNIVERSITY OF HARTFORD	PREAWARD		
EDUCATION	43.008		UNIVERSITY OF HARTFORD	SUBAWARD P-946		$63,051
			UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT CONSORTIUM			
			UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT CONSORTIUM	NNX12AG64H - P530		
			UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT	NNX12AG64H (P-939)		
EDUCATION	43.008		CONSORTIUM	NNX12AG64H (P-940)		$22,980
STTR PHASE II: HYDROGEN-BASED ENERGY CONSERVATION SYSTEM	43.RD	NNX13CS13C	SUSTAINABLE INNOVATIONS	NNX13CS13C		$109,922
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION PASS THROUGH PROGRAMS						$630,010
TOTAL NATIONAL AERONAUTICS & SPACE ADMINISTRATION					$71,534	$2,045,034
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES						
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES DIRECT PROGRAMS						
PROMOTION OF THE ARTS_GRANTS TO ORGANIZATIONS AND INDIVIDUALS	45.024					$10,000
PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS	45.025				$527,411	$757,766
PROMOTION OF HUMANITIES-DIVISION OF PRESERVATION AND ACCESS	45.149					$124,884
PROMOTION OF THE HUMANITIES_FELLOWSHIPS AND STIPENDS	45.160					$50,335
PROMOTION OF THE HUMANITIES-TEACHING AND LEARNING RESOURCES AND CURRICULUM DEVELOPMENT	45.162					$13,963
PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT	45.163					$172,283
PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT	45.163					$17,088
GRANTS TO STATES	45.310				$46,116	$1,938,833
NATIONAL LEADERSHIP GRANTS	45.312					-$700
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES DIRECT PROGRAMS					$573,527	$3,084,452
INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES PASS THROUGH PROGRAMS						
PROMOTION OF THE HUMANITIES_RESEARCH	45.161		EAST CAROLINA UNIVERSITY	SUBAWARD # A15-0046-S001		$9,837
PROMOTION OF THE HUMANITIES-PUBLIC PROGRAMS	45.164		AMERICAN LIBRARY ASSOCIATION	LA105946		$9,158
PROMOTION OF HUMANITIES_PUBLIC PROGRAMS	45.164		HARTFORD PUBLIC LIBRARY, CT	AG150150		$35,541
			GEORGE MASON UNIVERSITY	E2033501		
NATIONAL LEADERSHIP GRANTS	45.312		HARTFORD PUBLIC LIBRARY, CT	AG140827		$39,133
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES PASS THROUGH PROGRAMS						$93,669
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES					$573,527	$3,178,121
NATIONAL SCIENCE FOUNDATION						
NATIONAL SCIENCE FOUNDATION DIRECT PROGRAMS						
ENGINEERING GRANTS	47.041				$342,508	$5,253,358
MATHEMATICAL AND PHYSICAL SCIENCES	47.049				$31,306	$3,467,911
GEOSCIENCES	47.050				$41,974	$1,965,737
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070				$111,131	$2,039,595
BIOLOGICAL SCIENCES	47.074				$137,500	$3,062,541
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075				$49,840	$748,756
EDUCATION AND HUMAN RESOURCES	47.076					$106,965
EDUCATION AND HUMAN RESOURCES	47.076				$262,997	$4,299,726
POLAR PROGRAMS	47.078					$94,078
OFFICE OF INTERNATIONAL SCIENCE AND ENGINEERING	47.079					$12,779
OFFICE OF CYBERINFRASTRUCTURE	47.080					$14,413
TRANS-NSF RECOVERY ACT RESEARCH SUPPORT	47.082					$419
OFFICE OF INTEGRATIVE ACTIVITIES	47.083					$18,325
TOTAL NATIONAL SCIENCE FOUNDATION DIRECT PROGRAMS					$977,256	$21,084,603
NATIONAL SCIENCE FOUNDATION PASS THROUGH PROGRAMS						
			ADVANCED ENERGY MATERIALS	AG151041		
			CIENCIA	803210		
			CLEMSON UNIVERSITY	1695-206-2009743		
			UNIVERSITY OF MAINE, MACHIAS	AG150003		
			UNIVERSITY OF NOTRE DAME	202508UC		
ENGINEERING GRANTS	47.041		YALE UNIVERSITY	C13D11528 (D01897)		$192,319
MATHEMATICAL AND PHYSICAL SCIENCES	47.049		YALE UNIVERSITY	C12D11227(D01804)		$179,602
			POMONA COLLEGE	6053-2015-4		
			UNIVERSITY OF DELAWARE	35526		
			WOODS HOLE OCEANOGRAPHIC INSTITUTION	PO# M217258		
GEOSCIENCES	47.050		JAMES MADISON UNIVERSITY	SUB AWARD # S15-235-03		$25,634

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			ROCHESTER INSTITUTE OF TECHNOLOGY	31419-02		
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070		WASHINGTON STATE UNIVERSITY	SUBAWARD NO. 123507_003406		$24,296
			SMITHSONIAN INSTITUTION/SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER	12SUBC440-0000250211		
			UNIVERSITY OF MAINE	UM-S920		
			UNIVERSITY OF PUERTO RICO	2014-05		
			UNIVERSITY OF PUERTO RICO	AG060505		
			UNIVERSITY OF VIRGINIA	GA11020-142299		
BIOLOGICAL SCIENCES	47.074		YALE UNIVERSITY	C14D11804(D01653)		$52,881
			CONNECTICUT CHILDREN'S MEDICAL CENTER	16-179392-02		
			UNIVERSITY OF CHICAGO	FP050648		
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075		UNIVERSITY OF ILLINOIS	2012-06354-01 (A0388)		$120,466
			NEW ENGLAND BOARD OF HIGHER EDUCATION	NSF AWARD #DUE-0903051		
EDUCATION AND HUMAN RESOURCES	47.076		NORTHERN VIRGINIA COMMUNITY COLLEGE	SUBGRANT NO. 1323283		$4,002
			AMERICAN MUSEUM OF NATURAL HISTORY	SUBAWARD NO 2-2014		
			STEVENS INSTITUTE	DUE-1407123		
			TUFTS UNIVERSITY	DRL-1418163		
			UNIVERSITY OF MASSACHUSETTS	12-006782 B		
			UNIVERSITY OF MASSACHUSETTS AMHERST	13-007380 A 00		
			UNIVERSITY OF MASSACHUSETTS, AMHERST	15-008243 A 00		
EDUCATION AND HUMAN RESOURCES	47.076		UNIVERSITY OF VIRGINIA	GA11161 150024		$784,254
GENOME AMBASSADORS: PROMOTING PUBLIC UNDERSTANDING OF GENOMICS	47.RD	AG131062	CONNECTICUT SCIENCE CENTER	AG131062		$2,347
TOTAL NATIONAL SCIENCE FOUNDATION PASS THROUGH PROGRAMS						$1,385,801
TOTAL NATIONAL SCIENCE FOUNDATION					$977,256	$22,470,404
SMALL BUSINESS ADMINISTRATION						
SMALL BUSINESS ADMINISTRATION DIRECT PROGRAMS						
SMALL BUSINESS DEVELOPMENT CENTERS	59.037					$1,054,741
SMALL BUSINESS ADM - FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM	59.058					$103,754
STATE TRADE EXPANSION	59.061					$72,715
ENTREPRENEURIAL DEVELOPMENT DISASTER ASSISTANCE	59.064				$316,567	$606,828
TOTAL SMALL BUSINESS ADMINISTRATION					$316,567	$1,838,038
DEPARTMENT OF VETERANS AFFAIRS						
DEPARTMENT OF VETERANS AFFAIRS DIRECT PROGRAMS						
GRANTS TO STATES FOR CONSTRUCTION OF STATE HOME FACILITIES	64.005					$364,814
VETERANS STATE DOMICILIARY CARE	64.014					$3,314,402
VETERANS STATE HOSPITAL CARE	64.016					$6,474,815
BURIAL EXPENSES ALLOWANCE FOR VETERANS	64.101					$354,930
ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE	64.124					$174,971
VETERANS CEMETERY GRANTS PROGRAM	64.203					$1,734,559
TOTAL DEPARTMENT OF VETERANS AFFAIRS						$12,418,491
ENVIRONMENTAL PROTECTION AGENCY						
ENVIRONMENTAL PROTECTION AGENCY DIRECT PROGRAMS						
STATE INDOOR RADON GRANTS	66.032					$199,901
SURVEYS, STUDIES, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES-CLEAN AIR ACT	66.034					$436,787
STATE CLEAN DIESEL GRANT PROGRAM	66.040				$98,277	$121,471
STATE PUBLIC WATER SYSTEM SUPERVISION	66.432					$1,627,248
LONG ISLAND SOUND PROGRAM	66.437				$19,800	$1,280,731
LONG ISLAND SOUND PROGRAM	66.437				$46,464	$541,699
WATER QUALITY MANAGEMENT PLANNING	66.454				$25,776	$53,637
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460				$848,712	$889,476
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460					$70,062
REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	66.461					$175,724
BEACH MONITORING AND NOTIFICATION PROGRAM IMPLEMENTATION GRANTS	66.472					$240,425
SCIENCE TO ACHIEVE RESULTS (STAR) RESEARCH PROGRAM	66.509					$44,130
P3 AWARD: NATIONAL STUDENT DESIGN COMPETITION FOR SUSTAINABILITY	66.516					$3,149
PERFORMANCE PARTNERSHIP GRANTS	66.605					$9,019,770
PERFORMANCE PARTNERSHIP GRANTS	66.605					$6,412
TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS	66.701					$65,755
TSCA TITLE IV STATE LEAD GRANTS CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS	66.707					$236,834
POLLUTION PREVENTION GRANTS PROGRAM	66.708					$77,259
SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE-SPECIFIC COOPERATIVE AGREEMENTS	66.802					-$431,095
UNDERGROUND STORAGE TANK PREVENTION, DETECTION AND COMPLIANCE PROGRAM	66.804					$504,743
LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM	66.805					$839,805
SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE AGREEMENTS	66.809					$156,219
STATE AND TRIBAL RESPONSE PROGRAM GRANTS	66.817					$599,642
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818				$262,258	$557,805
TOTAL ENVIRONMENTAL PROTECTION AGENCY DIRECT PROGRAMS					$1,301,287	$17,317,589

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ENVIRONMENTAL PROTECTION AGENCY PASS THROUGH PROGRAMS						
HEALTHY COMMUNITIES GRANT PROGRAM	66.110		MARTHA'S VINEYARD SHELLFISH GROUP	AG151548		$5,381
LONG ISLAND SOUND PROGRAM	66.437		NATIONAL FISH AND WILDLIFE FOUNDATION	1401.13.039525		$14,856
MANUFACTURING OF ULTRA-EFFICIENT AND ROBUST NANO-ARRAY BASED LEAN NOX TRAPPING DEVICES	66.RD	AG150279	3D ARRAY TECHNOLOGY	AG150279		$33,581
ENHANCEMENT AND TECHNICAL RECOMMENDATIONS FOR THE N SINK DECISION SUPPORT TOOL	66.RD	CON-15-002 DTS2-3V5	CSS-DYNAMIC	CON-15-002 DTS2-3V5		$23,751
TOTAL ENVIRONMENTAL PROTECTION AGENCY PASS THROUGH PROGRAMS						$77,569
TOTAL ENVIRONMENTAL PROTECTION AGENCY					$1,301,287	$17,395,158
NUCLEAR REGULATORY COMMISSION						
NUCLEAR REGULATORY COMMISSION PASS THROUGH PROGRAMS						
U.S. NUCLEAR REGULATORY COMMISSION SCHOLARSHIP AND FELLOWSHIP PROGRAM	77.008		UNIVERSITY OF HARTFORD	P-591 303203		$43,971
TOTAL NUCLEAR REGULATORY COMMISSION						$43,971
DEPARTMENT OF ENERGY						
DEPARTMENT OF ENERGY DIRECT PROGRAMS						
NATIONAL ENERGY INFORMATION CENTER	81.039					$17,687
STATE ENERGY PROGRAM	81.041				$88,438	$1,289,971
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049				$39,544	$2,428,158
UNIVERSITY COAL RESEARCH	81.057					$64,246
CONSERVATION RESEARCH AND DEVELOPMENT	81.086					$690,021
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089					$277,483
ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL ANALYSIS/ASSISTANCE	81.117				$32,845	$122,935
STATE HEATING OIL AND PROPANE PROGRAM	81.138				$2,102,886	$2,214,438
EVALUATION OF THE USE OF AN ELECTROCHEMICAL FLOW REACTOR AS A REPLACEMENT OF THE DISTILLATION OF 211 AT TO SIMPLIFY THE AUTOMATED ISOLATION METHOD	81.RD	244236				$43,968
GAS PHASE CHROMIUM CAPTURE FOR SOFC SYSTEMS	81.RD	282107				$30,199
DEVELOPMENT OF KINETIC MECHANISMS FOR DIESEL FUEL SURROGATES	81.RD	B617843				$398
SWITCH POLARITY SOLVENT (SPS) MEMBRANE STUDIES	81.RD	CONTRACT 00141830				$32,465
TAGGER MICROSCOPE DETECTOR W/ DETECTOR-MOUNTED ELECTRONICS & ACTIVE COLLIMATOR FOR HALL D POLARIZED PHOTON BEAM	81.U06	JSA-13-C0285				$18,954
TOTAL DEPARTMENT OF ENERGY DIRECT PROGRAMS					$2,263,713	$7,230,923
DEPARTMENT OF ENERGY PASS THROUGH PROGRAMS						
			HIFUNDA	AG120179		
			HIFUNDA	AG130541		
			MARINE BIOLOGICAL LABORATORY	44977		
			MICHIGAN STATE UNIVERSITY	RC102989A		
			PRECISION COMBUSTION	AG160479		
			PROTON ONSITE	PO 12753		
			SUSTAINABLE INNOVATIONS	AG150387		
			UNIVERSITY OF SOUTH CAROLINA	10-1721		
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		WESTERN MICHIGAN UNIVERSITY	6646-UCONN-1		$483,878
UNIVERSITY COAL RESEARCH	81.057		UNIVERSITY OF MASSACHUSETTS, LOWELL	551900000027086		$79,583
CONSERVATION RESEARCH AND DEVELOPMENT	81.086		SEVENTHWAVE-DOE	715516-001		$25,552
			FUEL CELL ENERGY	PO 57048		
			SOUTH DAKOTA STATE UNIVERSITY	3TA155/YULIA KUZOVKINA-EISCHEN		
RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	81.087		UNIVERSITY OF HAWAII	Z975726		$239,281
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089		FUEL CELL ENERGY	PO10005143		$24,635
NUCLEAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION	81.121		CLEMSON UNIVERSITY	1740-219-2010311		$79,137
INDUSTRIAL CARBON CAPTURE AND STORAGE APPLICATION	81.134		PRAXAIR	PO 60010996		$70,471
			FUEL CELL ENERGY	PO 57047-2		
ADVANCED RESEARCH PROJECTS AGENCY-ENERGY	81.135		UNITED TECHNOLOGIES-RESEARCH CENTER	PO 2603144		$437,655
LOAD FORECASTING AT THE DISTRIBUTION LEVEL IN THE FACE OF DISTRIBUTED ENERGY RESOURCES	81.RD	3481-4700194558	ALSTOM GRID	3481-4700194558		$7,227
DEVELOPMENT OF WILLOW BIOMASS CROPS	81.RD	3TR676	SOUTH DAKOTA STATE UNIVERSITY	3TR676		$7,842
ELECTROPRODUCTION WITH NUCLEON AND NUCLEAR TARGETS USING CLAS AND CLAS12	81.RD	6F-30601	CHICAGO ARGONNE	6F-30601		$18,305
GRADUATE RESEARCH SERVICES-ANDREY KIM	81.RD	PO 14-P0041	JEFFERSON SCIENCE ASSOCIATES	PO 14-P0041		$37,809
EVALUATING ALUMINA FORMING AUSTENITIC STEELS FOR SOLID OXIDE FUEL CELL POWER SYSTEM BALANCE OF PLANT	81.RD	PO 2601309	UNITED TECHNOLOGIES-RESEARCH CENTER	PO 2601309		-$14,000
SUBSEA HIGH VOLTAGE DIRECT CURRENT CONNECTORS FOR ENVIRONMENTALLY SAFE AND RELIABLE POWERING OF UDW SUBSEA PROCESSING	81.RD	PO# 400218130	GENERAL ELECTRIC COMPANY	PO# 400218130		$143,494
TOTAL DEPARTMENT OF ENERGY PASS THROUGH PROGRAMS						$1,640,869
TOTAL DEPARTMENT OF ENERGY					$2,263,713	$8,871,792
DEPARTMENT OF EDUCATION						
DEPARTMENT OF EDUCATION DIRECT PROGRAMS						
ADULT EDUCATION-BASIC GRANTS TO STATES	84.002				$3,865,961	$5,443,109
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007					$2,823,411
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010				$111,092,967	$114,509,863
TITLE 1 STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN & YOUTH	84.013					$1,400,059
SPECIAL EDUCATION - GRANTS TO STATES	84.027				$110,375,223	$126,382,928
FEDERAL WORK-STUDY PROGRAM	84.033					$3,058,874

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended 6/30/2016

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
FEDERAL PERKINS LOAN PROGRAM-FEDERAL CAPITAL CONTRIBUTIONS (SEE NOTE 5)	84.038					$31,154,320
TRIO-STUDENT SUPPORT SERVICES	84.042					$598,201
TRIO-TALENT SEARCH	84.044					$592,044
TRIO-UPWARD BOUND	84.047					$256,462
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048				$6,018,144	$9,351,043
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048					$14,379
FEDERAL PELL GRANT PROGRAM	84.063					$142,587,727
HIGHER EDUCATION- VETERANS EDUCATION OUTREACH PROGRAM	84.064					$1,127
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116					-$49
REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES	84.126					$34,942,049
REHABILITATION SERVICES_VOCATIONAL REHABILITATION GRANTS TO STATES	84.126					$12,625
REHABILITATION LONG-TERM TRAINING	84.129					$26,489
REHABILITATION SERVICES-CLIENT ASSISTANCE PROGRAM	84.161					$82,049
SPECIAL EDUCATION - PRESCHOOL GRANTS	84.173				$3,511,682	$4,018,574
SPECIAL EDUCATION_PRESCHOOL GRANTS	84.173					$93,657
REHABILITATION SERVICES-INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND	84.177					$381,961
SPECIAL EDUCATION - GRANTS FOR INFANTS AND FAMILIES	84.181					$3,620,548
SCHOOL SAFETY NATIONAL ACTIVITIES	84.184					$582,672
SCHOOL SAFETY NATIONAL ACTIVITIES	84.184					$110,559
SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES	84.187					$155,739
BILINGUAL EDUCATION	84.195					$342,877
EDUCATION FOR HOMELESS CHILDREN AND YOUTH	84.196				$383,662	$501,399
GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED	84.200					$945,885
JAVITS GIFTED AND TALENTED STUDENTS EDUCATION	84.206				$53,937	$443,367
FUND FOR THE IMPROVEMENT OF EDUCATION	84.215					$469,287
TRIO-MCNAIR POST-BACCALAUREATE ACHIEVEMENT	84.217					$274,768
CENTERS FOR INTERNATIONAL BUSINESS EDUCATION	84.220					$285,084
PROGRAM OF PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS	84.240					$227,864
REHABILITATION TRAINING-STATE VOCATIONAL REHABILITATION UNIT IN-SERVICE TRAINING	84.265					$120,347
FEDERAL DIRECT STUDENT LOANS (SEE NOTE 5)	84.268					$368,709,782
TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	84.287				$8,172,645	$8,676,902
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305				$602,662	$2,744,614
SPECIAL EDUCATION-STATE PERSONNEL DEVELOPMENT	84.323					$662,765
RESEARCH IN SPECIAL EDUCATION	84.324				$175,803	$790,958
SPECIAL ED. - PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.325					$442,555
SPECIAL EDUCATION - PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.325				$36,113	$994,847
ADVANCED PLACEMENT PROGRAM	84.330					$296,174
GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	84.334					$2,582,243
RURAL EDUCATION	84.358				$6,158	$6,158
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	84.365				$5,824,999	$6,758,213
MATHEMATICS AND SCIENCE PARTNERSHIPS	84.366				$732,741	$760,012
MATHEMATICS AND SCIENCE PARTNERSHIPS	84.366					$96,540
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367				$19,448,459	$21,271,063
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367					$71,549
GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	84.369					$5,551,491
STATEWIDE LONGITUDINAL DATA SYSTEMS	84.372					$62,905
SCHOOL IMPROVEMENT GRANTS	84.377				$1,969,940	$2,170,921
COLLEGE ACCESS CHALLENGE GRANT PROGRAM	84.378					-$96,916
TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS	84.379					$14,832
SCHOOL IMPROVEMENT GRANTS, RECOVERY ACT	84.388					$108,256
PRESCHOOL DEVELOPMENT GRANTS	84.419				$9,907,640	$10,592,644
TOTAL DEPARTMENT OF EDUCATION DIRECT PROGRAMS					$282,178,736	$919,079,806
DEPARTMENT OF EDUCATION PASS THROUGH PROGRAMS						
ADULT EDUCATION-BASIC GRANTS TO STATES	84.002		EDUCATION CONNECTION, FOOTHILL ADULTS & CONTINUING ED.	49149		$8,050
HIGHER EDUCATION-INSTITUTIONAL AID	84.031		MERCY COLLEGE	AG150593		$21,586
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048		WORKFORCE ALLIANCE	SGA-DFA-PY-11-05		$15,988
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116		DREXEL UNIVERSITY	213031-3661		$6,653
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305		YALE UNIVERSITY	R305H140050		$24,902
			MICHIGAN STATE UNIVERSITY	61-1708UC		
			OHIO STATE UNIVERSITY	60046504		
			SRI INTERNATIONAL	51-001267		
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305		TEXAS A&M UNIVERSITY	02-S140264		$195,299
			UNIVERSITY OF MARYLAND, COLLEGE PARK	Z2104001		
RESEARCH IN SPECIAL EDUCATION	84.324		UNIVERSITY OF TENNESSEE	A12-0612-S003-A03		$194,810
			UNIVERSITY OF FLORIDA-CEEDAR CENTER	H325A120003		
SPECIAL ED. - PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.325		VANDERBILT UNIVERSITY	3402-018447		$226,154
			UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	5039295		
SPECIAL ED. - TECH ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES FOR CHILDREN WITH DISABILITIES	84.326		UNIVERSITY OF OREGON	224440K		$626,013

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended 6/30/2016

Federal Grantor/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Federal Expenditures
SPECIAL EDUCATION TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.326		AMERICAN INSTITUTES FOR RESEARCH UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	313000102 5103430		$22,207
SPECIAL EDUCATION_EDUCATIONAL TECHNOLOGY MEDIA AND MATERIALS FOR INDIVIDUALS WITH DISABILITIES	84.327		OHIO STATE UNIVERSITY	60036894/PO#RF01370554		$23,614
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367		NATIONAL WRITING PROJECT CORPORATION UNIVERSITY OF HAWAII	AGREEMENT 92-CT01-SEED2012 Z10103363		$9,061
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367		NATIONAL WRITING PROJECT CORPORATION NATIONAL WRITING PROJECT CORPORATION	92-CT01-SEED2016 AGREEMENT 92-CT01-SEED2012		$11,318
TEACHER AND SCHOOL LEADER INCENTIVE GRANTS	84.374		NEW HAVEN PUBLIC SCHOOLS	AGREEMENT NO: 96084453		$132,267
SCHOOL IMPROVEMENT GRANTS	84.388		BRIDGEPORT PUBLIC SCHOOLS, CT	AG130845		$117
STATE FISCAL STABILIZATION FUND (SFSF) - INVESTING IN INNOVATION (I3) FUND, RECOVERY ACT	84.396		OHIO STATE UNIVERSITY OHIO STATE UNIVERSITY	6002916/RF01233626 60029196/RF01233626		$2,846
TOTAL DEPARTMENT OF EDUCATION PASS THROUGH PROGRAMS						$1,520,885
TOTAL DEPARTMENT OF EDUCATION					$282,178,736	$920,600,691
NATIONAL ARCHIVES & RECORDS ADMINISTRATION						
NATIONAL ARCHIVES & RECORDS ADMINISTRATION DIRECT PROGRAMS						
NATIONAL HISTORICAL PUBLICATIONS AND RECORDS GRANTS	89.003				$2,000	$10,827
TOTAL NATIONAL ARCHIVES & RECORDS ADMINISTRATION					$2,000	$10,827
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECT PROGRAMS						
SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3-PREVENTION OF ELDER ABUSE, NEGLECT & EXPLOITATION	93.041				$49,922	$55,967
SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2, LONG-TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	93.042					$191,749
SPECIAL PROGRAMS FOR THE AGING-TITLE III PART D-DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	93.043				$235,831	$235,831
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART B_GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044				$4,169,703	$4,412,844
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART B_GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044					$54,529
SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART C-NUTRITION SERVICES	93.045				$7,821,114	$7,821,114
SPECIAL PROGRAMS FOR THE AGING-TITLE IV-AND TITLE II-DISCRETIONARY PROJECTS	93.048				$241,567	$244,788
NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	93.052				$1,744,659	$1,746,159
NUTRITION SERVICES INCENTIVE PROGRAM (SEE NOTE 4)	93.053				$1,479,571	$1,479,571
TRAINING IN GENERAL, PEDIATRIC, AND PUBLIC HEALTH DENTISTRY	93.059					$281,007
LABORATORY TRAINING, EVALUATION, AND QUALITY ASSURANCE PROGRAMS	93.064					$87,354
STATE VITAL STATISTICS IMPROVEMENT PROGRAM	93.066					$50,000
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069				$3,073,301	$7,933,021
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069					$48,736
ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	93.070				$266,845	$1,366,832
MEDICARE ENROLLMENT ASSISTANCE PROGRAM	93.071				$156,818	$156,818
HOSPITAL PREPAREDNESS PROGRAM AND PUBLIC HEALTH EMERGENCY PREPAREDNESS ALIGNED COOPERATIVE AGREEMENTS	93.074				$758,242	$875,274
TANF PROGRAM INTEGRITY INNOVATION GRANTS	93.076					$306,875
FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT REGULATORY RESEARCH	93.077				$237,230	$1,809,772
COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE	93.079					$425,072
GUARDIANSHIP ASSISTANCE	93.090					$1,694,533
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092				$155,922	$485,840
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092					$17,346
WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN ACROSS THE NATION	93.094				$101,402	$471,730
HHS PROGRAMS FOR DISASTER RELIEF APPROPRIATIONS ACT - NON CONSTRUCTION	93.095					$104,154
FOOD AND DRUG ADMINISTRATION RESEARCH	93.103					$1,435,586
FOOD AND DRUG ADMINISTRATION - RESEARCH	93.103				$119,878	$1,399,925
COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN W/SED	93.104				$646,391	$1,025,555
AREA HEALTH EDUCATION CENTERS	93.107				$293,415	$367,623
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110				$63,189	$377,176
ENVIRONMENTAL HEALTH	93.113				$111,919	$1,052,887
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	93.116					$383,683
ORAL DISEASES AND DISORDERS RESEARCH	93.121				$676,575	$4,152,776
COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES	93.130					$177,955
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136				$317,356	$585,447
PROTECTION AND ADVOCACY FOR INDIVIDUALS WITH MENTAL ILLNESS	93.138					$498,485
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	93.150				$785,397	$797,197

Federal Grantor/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Federal Expenditures
COORDINATED SERVICES AND ACCESS TO RESEARCH FOR WOMEN, INFANTS, CHILDREN, AND YOUTH	93.153				$162,107	$360,698
HUMAN GENOME RESEARCH	93.172				$1,971,003	$2,778,169
RESEARCH RELATED TO DEAFNESS AND COMMUNICATION DISORDERS	93.173				$157,156	$1,018,742
NURSING WORKFORCE DIVERSITY	93.178					$38,756
RESEARCH AND TRAINING IN COMPLEMENTARY AND INTEGRATIVE HEALTH	93.213				$260,618	$662,112
NATIONAL CENTER ON SLEEP DISORDERS RESEARCH	93.233					$114,955
GRANTS TO STATES TO SUPPORT ORAL HEALTH WORKFORCE ACTIVITIES	93.236					$51,991
STATE CAPACITY BUILDING	93.240					$498,477
MENTAL HEALTH RESEARCH GRANTS	93.242				$722,023	$4,515,081
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				$4,874,519	$10,607,541
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				$290,354	$2,110,713
UNIVERSAL NEWBORN HEARING SCREENING	93.251				$38,382	$273,429
POISON CENTER SUPPORT AND ENHANCEMENT GRANT PROGRAM	93.253					$194,254
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262					$127,954
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262					$198,783
NURSE FACULTY LOAN PROGRAM (SEE NOTE 5)	93.264					$1,555,412
STATE GRANTS FOR PROTECTION AND ADVOCACY SERVICES	93.267					$60,652
IMMUNIZATION COOPERATIVE AGREEMENTS (SEE NOTE 4)	93.268				$840,336	$35,408,511
ADULT VIRAL HEPATITIS PREVENTION AND CONTROL	93.270					$160,727
ALCOHOL RESEARCH PROGRAMS	93.273				$688,082	$5,304,224
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279				$830,793	$5,257,078
MENTAL HEALTH RESEARCH CAREER/SCIENTIST DEVELOPMENT AWARDS	93.281					$36,977
MENTAL HEALTH NATIONAL RESEARCH SERVICE AWARDS FOR RESEARCH TRAINING	93.282					$297,670
CENTERS FOR DISEASE CONTROL AND PREVENTION-INVESTIGATIONS AND TECHNICAL ASSISTANCE (SEE NOTE 4)	93.283				$1,235,327	$3,558,205
CENTERS FOR DISEASE CONTROL, PREVENTION-INVESTIGATIONS AND TECHNICAL ASSIST	93.283					$96,084
DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL INNOVATIONS TO IMPROVE HUMAN HEALTH	93.286				$99,674	$945,454
NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	93.292				$6,553	$16,553
STATE PARTNERSHIP GRANT PROGRAM TO IMPROVE MINORITY HEALTH	93.296				$4,500	$13,732
SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	93.301					$12,716
NATIONAL STATE BASED TOBACCO CONTROL PROGRAMS	93.305					$715,426
TRANS-NIH RESEARCH SUPPORT	93.310				$167,404	$965,365
EARLY HEARING DETECTION AND INTERVENTION INFORMATION SYSTEM SURVEILLANCE PROGRAM	93.314					$152,528
EMERGING INFECTIONS PROGRAM	93.317					$148,850
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES	93.323					$860,175
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES	93.323					$101,237
STATE HEALTH INSURANCE ASSISTANCE PROGRAM	93.324				$438,845	$583,493
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM	93.336					$277,880
HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGE (SEE NOTE 5)	93.342					$928,249
ADVANCED EDUCATION NURSING TRAINEESHIPS	93.358					$346,209
NURSE EDUCATION, PRACTICE QUALITY AND RETENTION GRANTS	93.359				$100,734	$420,256
NURSE EDUCATION, PRACTICE QUALITY AND RETENTION GRANTS	93.359					$37,214
NURSING RESEARCH	93.361				$22,648	$887,096
NURSING STUDENT LOANS (SEE NOTE 5)	93.364					$19,571
ACL INDEPENDENT LIVING STATE GRANTS	93.369					$240,695
NATIONAL CENTER FOR RESEARCH RESOURCES	93.389					$4,058
CANCER CAUSE AND PREVENTION RESEARCH	93.393				$41,306	$881,470
CANCER DETECTION AND DIAGNOSIS RESEARCH	93.394					$5,354
CANCER TREATMENT RESEARCH	93.395				$268,567	$1,209,193
CANCER BIOLOGY RESEARCH	93.396				$284,869	$1,321,452
CANCER RESEARCH MANPOWER	93.398					$118,325
ARRA - NURSE FACULTY LOAN PROGRAM (SEE NOTE 5)	93.408					$144,512
NON-ACA/PPHF - BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL NONPROFIT ORGANIZATIONS	93.424				$16,000	$31,773
FOOD SAFETY AND SECURITY MONITORING PROJECT	93.448					$290,607
ACL ASSISTIVE TECHNOLOGY	93.464					$446,986
PREGNANCY ASSISTANCE FUND PROGRAM	93.500				$912,428	$1,519,349
AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	93.505				$9,152,933	$9,750,797
ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF LT CARE FACILITIES AND PROVIDERS	93.506					$659,624
PPHF NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	93.507				$14,067	$77,897
AFFORDABLE CARE ACT (ACA) PRIMARY CARE RESIDENCY EXPANSION PROGRAM	93.510					$470,311
AFFORDABLE CARE ACT – AGING AND DISABILITY RESOURCE CENTER	93.517				$268,159	$270,354
AFFORDABLE CARE ACT (ACA) - CONSUMER ASSISTANCE PROGRAM GRANTS	93.519					$200,749
ACA: BUILDING EPIDEMIOLOGY, LAB, & HEALTH INFO SYSTEMS CAPACITY IN THE EPIDEMIOLOGY & LAB CAPACITY FOR INFECTIOUS DISEASE (ELC) AND EMERGING INFECTIONS PROGRAM (EIP) COOP AGREEMENTS	93.521				$411,892	$1,569,598

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended 6/30/2016

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
THE AFFORDABLE CARE ACT: BUILDING EPIDEMIOLOGY, LABORATORY, AND HEALTH INFORMATION SYSTEMS CAPACITY IN THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASE (ELC) AND EMERGING INFECTIONS PROGRAM (EIP) COOPERATIVE AGREEMENTS; PPHF	93.521					$5,517
BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL NON-PROFIT ORGANIZATIONS - FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	93.524					$390
BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL NON-PROFIT ORGANIZATIONS - FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	93.524					$15,804
AFFORDABLE CARE ACT - MEDICAID INCENTIVES FOR PREVENTION OF CHRONIC DISEASE DEMONSTRATION PROJECT	93.536				$111,589	$1,465,735
AFFORDABLE CARE ACT - NATIONAL ENVIRONMENTAL PUBLIC HEALTH TRACKING PROGRAM-NETWORK IMPLEMENTATION	93.538					-$1,277
PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	93.539				$194,555	$233,153
ABANDONED INFANTS	93.551				$143,301	$280,584
ABANDONED INFANTS	93.551					$63,288
PROMOTING SAFE AND STABLE FAMILIES	93.556				$1,329,170	$2,158,682
PROMOTING SAFE AND STABLE FAMILIES	93.556					$298,216
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558				$1,561,960	$240,109,296
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558					-$1,628
CHILD SUPPORT ENFORCEMENT (SEE NOTE 8)	93.563					$51,391,881
REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	93.566				$410,850	$718,702
LOW-INCOME HOME ENERGY ASSISTANCE	93.568				$62,892,008	$65,287,464
COMMUNITY SERVICES BLOCK GRANT	93.569				$8,145,355	$8,449,693
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575					$18,414,359
REFUGEE AND ENTRANT ASSISTANCE-DISCRETIONARY GRANTS	93.576				$394,526	$405,769
REFUGEE AND ENTRANT ASSISTANCE TARGETED ASSISTANCE GRANTS	93.584				$232,682	$232,682
STATE COURT IMPROVEMENT PROGRAM	93.586					$283,741
STATE COURT IMPROVEMENT PROGRAM	93.586					$9,609
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590				$310,162	$845,743
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590					$137,157
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND	93.596					$33,834,132
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	93.597				$86,977	$117,099
CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	93.599					$303,203
HEAD START	93.600				$88,271	$126,236
ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	93.603					$7,770
THE AFFORDABLE CARE ACT MEDICAID ADULT QUALITY GRANTS	93.609					$618,628
VOTING ACCESS FOR INDIVIDUALS WITH DISABILITIES-GRANTS FOR PROTECT AND ADVOCACY SYSTEMS	93.618					$84,798
ACA-STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND TESTING ASSISTANCE	93.624					$3,039,940
ACA-STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND TESTING ASSISTANCE	93.624				$137,608	$679,839
AFFORDABLE CARE ACT: TESTING EXPERIENCE AND FUNCTIONAL ASSESSMENT TOOLS	93.627					$131,838
AFFORDABLE CARE ACT: TESTING EXPERIENCE AND FUNCTIONAL ASSESSMENT TOOLS	93.627					$289,730
DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	93.630				$204,812	$1,183,662
UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENT DISABILITIES EDUCATION, RESEARCH, AND SERVICE	93.632					$105,926
UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES EDUCATION, RESEARCH, AND SERVICE	93.632					$424,847
CHILDREN'S JUSTICE GRANTS TO STATES	93.643				$10,000	$85,949
STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	93.645				$469,864	$1,996,864
ADOPTION OPPORTUNITIES	93.652					$533,729
FOSTER CARE-TITLE IV-E	93.658					$64,942,754
ADOPTION ASSISTANCE	93.659					$41,983,719
SOCIAL SERVICES BLOCK GRANT	93.667				$24,078,208	$49,900,322
CHILD ABUSE AND NEGLECT STATE GRANTS	93.669				$217,723	$300,248
CHILD ABUSE AND NEGLECT DISCRETIONARY ACTIVITIES	93.670				$735,142	$872,781
FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE SHELTER AND SUPPORTIVE SERVICES	93.671				$1,348,353	$1,351,627
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674				$1,222,633	$1,327,397
TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	93.701					-$6,792
ARRA CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.713				$5,319	$5,319
ADVANCE INTEROPERABLE HEALTH INFORMATION TECHNOLOGY SERVICES TO SUPPORT HEALTH INFORMATION EXCHANGE	93.719					-$1,208
CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE	93.733				$41,892	$351,417
EMPOWERING OLDER ADULTS AND ADULTS WITH DISABILITIES THROUGH CHRONIC DISEASE SELF-MANAGEMENT EDUCATION PROGRAMS ¿FINANCED BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.734				$42,622	$42,622
STATE PUBLIC HEALTH APPROACHES FOR ENSURING QUIT LINE CAPACITY ¿FUNDED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.735					$118,354

Federal Grantor/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Federal Expenditures
CHILD LEAD POISONING PREVENTION SURVEILLANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH (PPHF) PROGRAM	93.753					$356,739
STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE AND STROKE (PPHF)	93.757				$358,608	$679,823
STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE AND STROKE (PPHF)	93.757					$82,470
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.758				$1,087,367	$1,911,167
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767				$435,925	$31,776,844
STATE MEDICAID FRAUD CONTROL UNITS	93.775					$1,551,817
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS AND SUPPLIERS (TITLE XVIII) MEDICARE	93.777					$5,222,667
MEDICAL ASSISTANCE PROGRAM	93.778					$4,594,653,054
MEDICAL ASSISTANCE PROGRAM	93.778					-$77,471
MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	93.791					$32,116,286
DOMESTIC EBOLA SUPPLEMENT TO THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES	93.815				$50,000	$362,475
HOSPITAL PREPAREDNESS PROGRAM (HPP) EBOLA PREPAREDNESS AND RESPONSE ACTIVITIES	93.817				$570,320	$579,839
SECTION 223 DEMONSTRATION PROGRAMS TO IMPROVE COMMUNITY MENTAL HEALTH SERVICES	93.829					$156,819
CARDIOVASCULAR DISEASES RESEARCH	93.837				$160,490	$917,983
LUNG DISEASES RESEARCH	93.838				$120,348	$471,532
ACL ASSISTIVE TECHNOLOGY STATE GRANTS FOR PROTECTION AND ADVOCACY	93.843					$46,131
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	93.846				$158,724	$4,180,186
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847				$745,199	$4,424,591
EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853				$36,863	$2,620,765
ALLERGY AND INFECTIOUS DISEASES RESEARCH	93.855				$984,046	$10,100,975
MICROBIOLOGY AND INFECTIOUS DISEASES RESEARCH	93.856					$1,523
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859				$350,895	$7,047,159
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865				$954,641	$3,425,837
AGING RESEARCH	93.866				$1,483,864	$3,921,390
VISION RESEARCH	93.867					$1,144,912
MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT PROGRAM	93.870				$1,030,410	$1,031,416
MEDICAL LIBRARY ASSISTANCE	93.879				$53,999	$185,532
GRANTS FOR PRIMARY CARE TRAINING AND ENHANCEMENT	93.884				$7,369	$9,303
NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	93.889				$2,822,493	$3,392,869
NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	93.889					$93,200
GRANTS TO STATES FOR OPERATION OF STATE OFFICES OF RURAL HEALTH	93.913					$179,378
HIV CARE FORMULA GRANTS (SEE NOTE 9)	93.917					$5,935,553
HIV CARE FORMULA GRANTS	93.917					$443,715
COOPERATIVE AGREEMENTS FOR STATE-BASED COMPREHENSIVE BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAMS	93.919				$318,490	$704,654
HEALTHY START INITIATIVE	93.926				$447,263	$670,012
HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED	93.940				$1,276,719	$3,757,272
HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED	93.940					$356,334
RESEARCH, PREVENTION, AND EDUCATION PROGRAMS ON LYME DISEASE IN U. S.	93.942					$233,371
EPIDEMIOLOGIC RESEARCH STUDIES OF ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS) AND HUMAN IMMUNODEFICIENCY VIRUS (HIV) INFECTION IN SELECTED POPULATION GROUPS	93.943				$320,726	$367,620
HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE	93.944				$21,563	$863,641
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	93.945				$274,517	$924,457
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	93.945					$266,013
COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS	93.946					$97,031
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958				$4,164,014	$4,661,142
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959				$16,287,373	$16,743,126
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959					$182,998
PREVENTIVE HEALTH SERVICES-SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.977				$17,308	$579,578
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991					-$170
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994				$1,338,928	$4,236,767
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994					$28,969
CONTINUOUS MANUFACTURING OF LIPOSOMAL DRUG FORMULATIONS	93.RD	HHHSF223201310117C				$137,450
EVIDENCE-BASED PRACTICE CENTERS II	93.RD	HHSA 290-2007-10067I				$60
EVIDENCE-BASED PRACTICE CENTERS (EPC) V	93.RD	HHSA290201500012I				$6,554
NIH PAIN CONSORTIUM CENTERS OF EXCELLENCE IN PAIN EDUCATION	93.RD	HHSN271201500087C				$34,924
MULTI-SECTORIAL AGRICULTURAL INTERVENTION TO IMPROVE NUTRITION, HEALTH AND DEVELOPMENTAL OUTCOMES OF HIV-INFECTED AND AFFECTED CHILDREN IN WESTERN KENYA	93.RD	PREAWARD				$36,098

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES DIRECT PROGRAMS					$187,739,895	$5,495,935,204
DEPARTMENT OF HEALTH AND HUMAN SERVICES PASS THROUGH PROGRAMS						
FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT REGULATORY RESEARCH	93.077		HARVARD UNIVERSITY	114869-5053043		$2,418
HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD GRANTS	93.086		VILLAGE FOR CHILDREN AND FAMILIES	AG160335		$20,929
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092		THE VILLAGE FOR FAMILIES & CHILDREN INC.	90AP2669/06		$229,479
FOOD AND DRUG ADMINISTRATION - RESEARCH	93.103		NATIONAL INSTITUTE OF PHARMACEUTICAL TECHNOLOGY AND EDUCATION NATIONAL INSTITUTE OF PHARMACEUTICAL TECHNOLOGY AND EDUCATION	NIPTE-U01-UC-2015-001 NIPTE-U01-UC-2016-001		$50,631
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110		FAVOR, INC. MOUNT SINAI SCH MED NYU HOSP CTR MOUNT SINAI SCH MED NYU HOSP CTR MOUNT SINAI SCH MED NYU HOSP CTR ORGANIZATION OF TERATOLOGY INFORMATION SERVICES ORGANIZATION OF TERATOLOGY INFORMATION SERVICES	(BLANK) 0253-6541-4609 0253-6542-4609 0253-6544-4609 1UG4MC27861-01 5UG4MC27861-02		$80,530
ENVIRONMENTAL HEALTH	93.113		CIENCIA CIENCIA DARTMOUTH COLLEGE PENNSYLVANIA STATE UNIVERSITY UNIVERSITY OF KANSAS, MEDICAL CENTER RESEARCH INSTITUTE UNIVERSITY OF MINNESOTA UNIVERSITY OF WASHINGTON	751504-1-UCONN 753103-UCONN SUBAWARD NO. 1076 UCTES021762 QK850572 P004067101 UWSC8485 *(PO765736)		$654,327
PREVENTATIVE MEDICINE AND PUBLIC HEALTH RESIDENCY TRAINING PROGRAM, INTEGRATIVE MEDICINE PROGRAM, AND NATIONAL CENTER FOR INTEGRATIVE PRIMARY HEALTHCARE	93.117		GRIFFIN HOSPITAL	AG150445		$16,940
PREVENTIVE MEDICINE AND PUBLIC HEALTH RESIDENCY TRAINING PROGRAM, INTEGRATIVE MEDICINE PROGRAM, AND NATIONAL CENTER FOR INTEGRATIVE PRIMARY HEALTHCARE	93.117		GRIFFIN HOSPITAL	D33HP26994		$17,804
ORAL DISEASES AND DISORDERS RESEARCH	93.121		NEW YORK UNIVERSITY REGENTS OF THE UNIVERSITY OF CALIFORNIA LOS ANGELES THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY D/B/A CAROLINAS THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY D/B/A CAROLINAS THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA UNIVERSITY OF CALIFORNIA, LOS ANGELES UNIVERSITY OF ROCHESTER	F7530-01 1350 G SB824 2000203699 14-050S1 551082 1350 G RD915 413332-G		$374,644
NIEHS SUPERFUND HAZARDOUS SUBSTANCES-BASIC RESEARCH & EDUCATION	93.143		DARTMOUTH COLLEGE	R154		$115,380
HIV-RELATED TRAINING AND TECHNICAL ASSISTANCE	93.145		UNIVERSITY OF MASSACHUSETTS UNIVERSITY OF MASSACHUSETTS	WA001218317/ RFS2015021 WA00359206/ OSP2016094		$111,642
RESEARCH RELATED TO DEAFNESS AND COMMUNICATION DISORDERS	93.173		DREXEL UNIVERSITY STANFORD UNIVERSITY	232584-3684 26366270-50588-B		$21,904
RESEARCH AND TRAINING IN COMPLEMENTARY AND INTEGRATIVE HEALTH	93.213		MASSACHUSETTS GENERAL HOSPITAL	223108		$133,041
POLICY RESEARCH AND EVALUATIONS GRANTS	93.239		INSTITUTE FOR RESEARCH ON POVERTY	546K980		$1,637
MENTAL HEALTH RESEARCH GRANTS	93.242		CHILDREN'S CTR AT SUNY BROOKLYN, INC. DUKE UNIVERSITY NORTHWESTERN UNIVERSITY NORTHWESTERN UNIVERSITY PALO ALTO VETERANS INSTITUTE FOR RESEARCH UNIVERSITY OF CALIFORNIA, SAN FRANCISCO UNIVERSITY OF CALIFORNIA, SAN FRANCISCO VERITAS HEALTH SOLUTIONS, LLC YALE UNIVERSITY YALE UNIVERSITY	54246PRJ:1087883 2031801 60036522 60042322 CLO0001-07 9371SC 9397SC 2R44MH085350-02 M14A1168 (A09551) M16A12393(A09550)		$469,576
MENTAL HEALTH RESEARCH GRANTS	93.242		STANFORD UNIVERSITY THE JOHNS HOPKINS UNIVERSITY THE JOHNS HOPKINS UNIVERSITY THE JOHNS HOPKINS UNIVERSITY THE JOHNS HOPKINS UNIVERSITY	61138664-121865 2002285000 2002286234 2002392365 2002554852		$106,626
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243		YALE UNIVERSITY YALE UNIVERSITY YALE UNIVERSITY	1H79TI025889-01 1H79TI026330-01 M15A11966(A10058)		$72,805

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
			COMMUNITY MENTAL HEALTH AFFILIATES INC.	H79SM0599584-03		
			COMMUNITY MENTAL HEALTH AFFILIATES INC.	H79SM0599584-04		
			JUSTICE RESOURCE INSTITUTE INC.	U79SM061283-04		
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF			JUSTICE RESOURCE INSTITUTE INC.	U79SM0678283-01		
REGIONAL AND NATIONAL SIGNIFICANCE	93.243		RESEARCH TRIANGLE INSTITUTE	11-312-0210700		$22,830
			NORTHEASTERN UNIVERSITY	500326-78051		
			UNIVERSITY OF MASSACHUSETTS	L000250484		
			UNIVERSITY OF MASSACHUSETTS	L000250485		
			UNIVERSITY OF MASSACHUSETTS	L000251953		
			UNIVERSITY OF MASSACHUSETTS	L000251979		
			UNIVERSITY OF MASSACHUSETTS	L000425151		
			UNIVERSITY OF MASSACHUSETTS	L000425152		
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		UNIVERSITY OF MASSACHUSETTS	L000425155		$654,581
			UNIVERSITY OF MASSACHUSETTS AT LOWELL	S51130000030773		
			UNIVERSITY OF MASSACHUSETTS, LOWELL	S51130000027434		
			UNIVERSITY OF MASSACHUSETTS, LOWELL	S51130000030773		
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		VIRIDIAN HEALTH MANAGEMENT	200-2011-42034		$95,150
ALCOHOL RESEARCH PROGRAMS	93.273		YALE UNIVERSITY	5R01AA018944-04		$3,402
			CHILDREN'S CTR AT SUNY BROOKLYN, INC.			
			CHILDREN'S CTR AT SUNY BROOKLYN, INC.	65685/1009189		
			MIRIAM HOSPITAL	69157/1009189		
			SUNY RESEARCH FOUNDATION	710-9926		
			THE RESEARCH FOUNDATION OF STATE UNIVERSITY OF NEW	74258-01		
ALCOHOL RESEARCH PROGRAMS	93.273		YORK	72372/1009189		$630,369
DRUG-FREE COMMUNITIES SUPPORT PROGRAM GRANTS	93.276		CLINTON YOUTH & FAMILY SERVICE BUREAU	SAMSA #10-SP15833A		$606
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		YALE UNIVERSITY	5R01DA030762-05		$17,013
			DUKE UNIVERSITY	2034089		
			MEDICAL UNIVERSITY OF SOUTH CAROLINA	10-090		
			UNIVERSITY OF IOWA	PREAWARD		
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		UNIVERSITY OF TEXAS MEDICAL BRANCH	11-028		$133,967
			YALE UNIVERSITY	M14A11821/A09724		
			YALE UNIVERSITY	M10A10351/A08308		
			YALE UNIVERSITY	M12A11188/A08462		
			YALE UNIVERSITY	M14A11821/A09724		
			YALE UNIVERSITY	M15A11968/A10051		
			YALE UNIVERSITY	M15A11968/A10464		
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		YALE UNIVERSITY	PREAWARD		$697,013
CENTERS FOR DISEASE CONTROL, PREVENTION-INVESTIGATIONS						
AND TECHNICAL ASSIST	93.283		ASSOCIATION FOR PREVENTION, TEACHING AND RESEARCH	15-23-IPE-03		$2,942
			NANOPROBES INCORPORATED	1 R43EB015845-01		
			PHYSICAL SCIENCES	SC61233-1820		
DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL			PHYSICAL SCIENCES	SC62048-1827		
INNOVATIONS TO IMPROVE HUMAN HEALTH	93.286		UNIVERSITY OF ARIZONA	317682		$125,648
			CITY OF HARTFORD	2014-01-5449-M		
			CITY OF HARTFORD	2016-35-U1		
TEENAGE PREGNANCY PREVENTION PROGRAM	93.297		CITY OF HARTFORD	2016-35-U2		$25,821
MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH	93.307		YALE UNIVERSITY	M11A11032/A08176		$73,426
			THE JACKSON LABORATORY	TBI PO205401		
TRANS-NIH RESEARCH SUPPORT	93.310		UNIVERSITY OF TEXAS AT EL PASO	226141170-07		$32,678
			CIENCIA	743101-UCONN		
			WASHINGTON STATE UNIVERSITY	119573-G003331		
RESEARCH INFRASTRUCTURE PROGRAMS	93.351		YALE UNIVERSITY	M13A11654/A09242		$256,574
			UNIVERSITY OF PITTSBURGH	0029591 (127125-2)		
NURSING RESEARCH	93.361		UNIVERSITY OF WISCONSIN, MILWAUKEE	153405530		$140,431
			BROWN UNIVERSITY	808		
			COLUMBIA UNIVERSITY	4 (GG008335)		
			PHYSICAL SCIENCES	SC68508-1890		
CANCER CAUSE AND PREVENTION RESEARCH	93.393		UNIVERSITY OF HAWAII	KA0063		$145,001
			BROWN UNIVERSITY	770		
			BROWN UNIVERSITY	771		
			UNIVERSITY OF CALIFORNIA, SAN DIEGO	54734388		
CANCER DETECTION AND DIAGNOSIS RESEARCH	93.394		UNIVERSITY OF UTAH	10036972-01		$96,632
			CALIFORNIA INSTITUTE OF TECHNOLOGY	CIT 21B 1088933		
			NEW YORK UNIVERSITY	13A10000008101		
			NRG ONCOLOGY FOUNDATION, INC.	27469-121		
			PHYSICAL SCIENCES	SC64916-1847		
			UNIVERSITY OF ARIZONA FOUNDATION	Y560264		
			UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	8762SC		
CANCER TREATMENT RESEARCH	93.395		UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	5101332		$294,046
CANCER CENTERS SUPPORT GRANTS	93.397		UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	9374SC		$2,988
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590		FRIENDS OF CHILDREN TRUST FUND INC.	052UCH-CTF-01		$41,704
HEALTH CARE INNOVATION AWARDS (HCIA)	93.610		SAN FRANCISCO PUBLIC HEALTH FOUNDATION	AG161235		$11,991
ACA-TRANSFORMING CLINICAL PRACTICE INITIATIVE: PRACTICE						
TRANSFORMATION NETWORKS (PTNS)	93.638		UNIVERSITY OF MASSACHUSETTS	WA00366279		$271,158

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
			NATIONAL CHILD WELFARE WORKFORCE INSTITUTE	SUBCONTRACT# 15-53/1128024-13-		
			RESEARCH FOUNDATION FOR THE STATE UNIVERSITY OF NEW	72851		
CHILD WELFARE RESEARCH TRAINING OR DEMONSTRATION	93.648		YORK	SUB 15-53/1128024-1372851		$161,989
CHILD ABUSE AND NEGLECT DISCRETIONARY ACTIVITIES	93.670		CONNECTION	AG130109		$202,047
			BROWN UNIVERSITY	PREAWARD		
			CONNECTICUT CHILDREN'S MEDICAL CENTER	15-179399-01		
			NANOPROBES INCORPORATED	1R43HL117473 01		
			THE JOHNS HOPKINS UNIVERSITY	2002870152		
			THE PENNSYLVANIA STATE UNIVERSITY	5275 UCHC DHHS 2311		
			UNIVERSITY OF GEORGIA	RR376-352/4945956		
CARDIOVASCULAR DISEASES RESEARCH	93.837		WORCESTER POLYTECHNIC INSTITUTE	16-210860-01		$271,109
			DUKE UNIVERSITY	2033968		
			DUKE UNIVERSITY	2034035		
LUNG DISEASES RESEARCH	93.838		UNIVERSITY OF IOWA	1001469952		$32,684
			THE JACKSON LABORATORY	201997		
			THE REGENTS OF THE UNIVERSITY OF MICHIGAN	3002095783		
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	93.846		UNIVERSITY OF KANSAS	QW854830		$16,735
			BIORASIS	AG150112		
			CIENCIA	733102-UCONN		
			CIENCIA	733103-1-UCONN		
			DREXEL UNIVERSITY	232510		
			MIRIAM HOSPITAL	710-9820		
			RUSH UNIVERSITY MEDICAL CENTER	5R01DK089394-05		
			UNIVERSITY OF MELBOURNE	TA 19370_UC		
			UNIVERSITY OF MICHIGAN	3003573024		
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL			UNIVERSITY OF WISCONSIN	361K594		
RESEARCH	93.847		VIRGINIA COMMONWEALTH UNIVERSITY	PD303771-SC106551		$168,227
			NOVASTERILIS	1R43AI112166-01A1		
			OREGON HEALTH & SCIENCE UNIVERSITY	9006862		
			RUTGERS, THE STATE UNIVERSITY	8172		
			TRUSTEES OF DARTMOUTH COLLEGE	R63		
			YALE UNIVERSITY	M16A12356/A10521		
ALLERGY AND INFECTIOUS DISEASES RESEARCH	93.855		MICROBIOTIX	2 R44 AI100332-03A1		$235,366
			CELL AND MOLECULAR TISSUE ENGINEERING, LLC	1R43GM103116-01		
			CIENCIA	723205		
			DUKE UNIVERSITY	14-NIH-1110		
			NORTHWESTERN UNIVERSITY	60029188UC		
			REGENTS OF THE UNIVERSITY OF MINNESOTA	N003002801		
			UNIVERSITY OF ARIZONA FOUNDATION	72285		
			UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	SUBAWARD UNC # 5-32099		
			UNIVERSITY OF WASHINGTON	738392		
			VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	431519-19801		
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	431745-19213		$247,479
			WORCESTER POLYTECHNIC INSTITUTE	15-210780-00		
			WORCESTER POLYTECHNIC INSTITUTE	16-210890-00		
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		YALE UNIVERSITY	C16A12295/A08889		$128,867
			BETH ISRAEL DEACONESS MEDICAL CENTER	5P01HD057853-04		
			CONNECTICUT CHILDREN'S MEDICAL CENTER	13-179330-02		
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL			DREXEL UNIVERSITY	232645		
RESEARCH	93.865		YALE UNIVERSITY	M11A12116 (A08340)		$384,060
			HEBREW REHAB CTR HEBREW SENIOR LIFE	10.10.92254		
			RENSSELAER POLYTECHNIC INST	A12279		
			UNIVERSITY OF MARYLAND AT BALTIMORE	SR00002917		
AGING RESEARCH	93.866		YALE UNIVERSITY	M14Q12053(Q00377)		$493,490
VISION RESEARCH	93.867		LAMBDAVISION	22087577-01		$56,837
			CITY OF HARTFORD	HHS2012-02R		
			CITY OF HARTFORD	HHS2012-39R		
			CONNECTICUT CHILDREN'S MEDICAL CENTER	15-179377-01 COH HHS2015-16R		
HIV EMERGENCY RELIEF PROJECT GRANTS	93.914		CONNECTICUT CHILDREN'S SPECIALTY GROUP INC.	16-185010-01 COH HRSA 2016-17		$58,707
HIV CARE FORMULA GRANTS	93.917		CITY OF HARTFORD	HHS2016-37Q		$45,194
SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE	93.928		YALE UNIVERSITY	5H97HA24963-02		$7,924
NHANES CHEMOSENSORY DEVELOPMENT AND IMPLEMENTATION						
PROTOCOL	93.RD	S8056	WESTAT	S8056		$4
CONNECTICUT HEALTHY CAMPUS INITIATIVE	93.U07	AG110722	WHEELER CLINIC	AG110722		$3,546
SOFTWARE CARPENTRY AND DATA CARPENTRY WORKSHOPS AT THE						
UNIVERSITY OF CONNECTICUT	93.U08	AG160243	UNIVERSITY OF MASSACHUSETTS	AG160243		$9,365
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PASS THROUGH PROGRAMS						$8,779,914
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					$187,739,895	$5,504,715,118

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended 6/30/2016

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Amount Passed Through to Sub-Recipients*	*Federal Expenditures*
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE DIRECT PROGRAMS						
STATE COMMISSIONS	94.003				$5,000	$114,890
AMERICORPS	94.006				$2,316,621	$2,406,907
TRAINING AND TECHNICAL ASSISTANCE	94.009					$939
VOLUNTEERS IN SERVICE TO AMERICA	94.013					$48,572
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE DIRECT PROGRAMS					$2,321,621	$2,571,308
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE PASS THROUGH PROGRAMS						
AMERICORPS	94.006		JUMPSTART	830200		$129,559
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE PASS THROUGH PROGRAMS						$129,559
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					$2,321,621	$2,700,867
SOCIAL SECURITY ADMINISTRATION						
SOCIAL SECURITY ADMINISTRATION DIRECT PROGRAMS						
SOCIAL SECURITY-DISABILITY INSURANCE	96.001					$27,568,573
SOCIAL SECURITY-WORK INCENTIVE PLANNING AND ASSISTANCE PROGRAM	96.008					$184,748
SOCIAL SECURITY STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO DISABLED BENEFICIARIES	96.009					$76,665
TOTAL SOCIAL SECURITY ADMINISTRATION DIRECT PROGRAMS						$27,829,986
SOCIAL SECURITY ADMINISTRATION PASS THROUGH PROGRAMS						
SOCIAL SECURITY STATE GRANTS FOR WORK INCENTIVES ASSISTANCE TO DISABLED BENEFICIARIES	96.009		NATIONAL DISABILITY RIGHTS NETWORK	CTOPA		$109,715
TOTAL SOCIAL SECURITY ADMINISTRATION PASS THROUGH PROGRAMS						$109,715
TOTAL SOCIAL SECURITY ADMINISTRATION						$27,939,701
DEPARTMENT OF HOMELAND SECURITY						
DEPARTMENT OF HOMELAND SECURITY DIRECT PROGRAMS						
BOATING SAFETY FINANCIAL ASSISTANCE	97.012					$1,462,772
COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES ELEMENT (CAP-SSSE)	97.023					$219,504
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	97.036				$12,190,811	$15,657,374
HAZARD MITIGATION GRANT	97.039				$6,177,231	$6,624,281
NATIONAL DAM SAFETY PROGRAM	97.041					$44,553
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042				$1,233,935	$4,218,172
STATE FIRE TRAINING SYSTEMS GRANTS	97.043					$20,000
ASSISTANCE TO FIREFIGHTERS GRANT	97.044					$85,189
PRE-DISASTER MITIGATION	97.047				$15,407	$85,689
HOMELAND SECURITY GRANT PROGRAM	97.067				$2,906,002	$5,772,676
NATIONAL EXPLOSIVES DETECTION CANINE TEAM PROGRAM	97.072					$193,442
RAIL AND TRANSIT SECURITY GRANT PROGRAM	97.075					$127,600
HOMELAND SECURITY-RELATED SCIENCE, TECH. ENGINEERING AND MATH (HS STEM) CAREER DEVELOPMENT PROGRAM	97.104					$160,628
SECURING HOMELAND TRANSPORTATION SYSTEMS AND INFRASTRUCTURE: TECHNOLOGY FROM UNIVERSITIES TO COMMERCIAL PRODUCTS	97.RD	HSHQDC-15-J-00033				$187,586
TOTAL DEPARTMENT OF HOMELAND SECURITY DIRECT PROGRAMS					$22,523,386	$34,859,466
DEPARTMENT OF HOMELAND SECURITY PASS THROUGH PROGRAMS						
HOMELAND SECURITY RESEARCH, DEVELOPMENT, TESTING, EVALUATION, AND DEMONSTRATION OF TECHNOLOGIES RELATED TO NUCLEAR THREAT DETECTION	97.077		YALE UNIVERSITY	C12P11266(P00323)		-$8,872
SECURING THE CITIES PROGRAM	97.106		NYPD	UNKNOWN		$242,168
TOTAL DEPARTMENT OF HOMELAND SECURITY PASS THROUGH PROGRAMS						$233,296
TOTAL DEPARTMENT OF HOMELAND SECURITY					$22,523,386	$35,092,762
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT						
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT PASS THROUGH PROGRAMS						
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001		OREGON STATE UNIVERSITY VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	RD011G-E 451066-19213	$97,664	$188,288
USAID DEVELOPMENT PARTNERSHIPS FOR UNIVERSITY COOPERATION AND DEV.	98.012		AMERICAN COUNCIL ON EDUCATION NORTH CAROLINA STATE UNIVERSITY UNIVERSITY OF GEORGIA UNIVERSITY OF GEORGIA	HED052-9740-ETH-11-01 2014-0316-02 RC299-430/4942366 RC710-059/5054806	$50,755	$184,574
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT					$148,419	$372,862
TOTAL EXPENDITURE OF FEDERAL AWARDS					$779,557,799	$9,389,805,374

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Federal Expenditures
AGING CLUSTER PROGRAMS					
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART B_GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044				$4,412,844
SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART C-NUTRITION SERVICES	93.045				$7,821,114
NUTRITION SERVICES INCENTIVE PROGRAM (SEE NOTE 4)	93.053				$1,479,571
TOTAL AGING CLUSTER PROGRAMS					$13,713,529
CCDF CLUSTER PROGRAMS					
CHILD CARE AND DEVELOPMENT BLOCK GRANT	93.575				$18,414,359
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND	93.596				$33,834,132
TOTAL CCDF CLUSTER PROGRAMS					$52,248,491
CDBG - DISASTER RECOVERY GRANTS - PUB. L. NO. 113-2 CLUSTER PROGRAMS					
NATIONAL DISASTER RESILIENCE COMPETITION	14.272				$32,401
TOTAL CDBG - DISASTER RECOVERY GRANTS - PUB. L. NO. 113-2 CLUSTER PROGRAMS					$32,401
CHILD NUTRITION CLUSTER PROGRAMS					
SCHOOL BREAKFAST PROGRAM	10.553				$31,531,047
NATIONAL SCHOOL LUNCH PROGRAM (SEE NOTE 4)	10.555				$117,137,981
SPECIAL MILK PROGRAM FOR CHILDREN	10.556				$147,124
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SEE NOTE 4)	10.559				$4,020,355
TOTAL CHILD NUTRITION CLUSTER PROGRAMS					$152,836,507
DISABILITY INSURANCE/SSI CLUSTER PROGRAMS					
SOCIAL SECURITY-DISABILITY INSURANCE	96.001				$27,568,573
TOTAL DISABILITY INSURANCE/SSI CLUSTER PROGRAMS					$27,568,573
EMPLOYMENT SERVICE CLUSTER PROGRAMS					
EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES (SEE NOTE 1)	17.207				$8,607,711
DISABLED VETERANS' OUTREACH PROGRAM (SEE NOTE 1)	17.801				$1,892,190
TOTAL EMPLOYMENT SERVICE CLUSTER PROGRAMS					$10,499,901
FEDERAL TRANSIT CLUSTER PROGRAMS					
FEDERAL TRANSIT - CAPITAL INVESTMENT GRANTS	20.500				$91,433,464
FEDERAL TRANSIT - FORMULA GRANTS	20.507				$58,102,705
TOTAL FEDERAL TRANSIT CLUSTER PROGRAMS					$149,536,169
FISH AND WILDLIFE CLUSTER PROGRAMS					
SPORT FISH RESTORATION	15.605				$3,232,482
TOTAL FISH AND WILDLIFE CLUSTER PROGRAMS					$3,232,482
FOOD DISTRIBUTION CLUSTER PROGRAMS					
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565				$86,189
EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	10.568				$307,584
TOTAL FOOD DISTRIBUTION CLUSTER PROGRAMS					$393,773
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER PROGRAMS					
HIGHWAY PLANNING AND CONSTRUCTION	20.205				$512,921,078
HIGHWAY PLANNING AND CONSTRUCTION	20.205				-$10,323
RECREATIONAL TRAILS PROGRAM	20.219				$625,495
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER PROGRAMS					$513,536,250
HIGHWAY SAFETY CLUSTER PROGRAMS					
STATE AND COMMUNITY HIGHWAY SAFETY	20.600				$1,854,608
ALCOHOL IMPAIRED DRIVING COUNTERMEASURES INCENTIVE GRANTS I	20.601				$90,109
INCENTIVE GRANT PROGRAM TO PROHIBIT RACIAL PROFILING	20.611				$224,625
NATIONAL PRIORITY SAFETY PROGRAMS	20.616				$5,631,051
TOTAL HIGHWAY SAFETY CLUSTER PROGRAMS					$7,800,393
HOUSING VOUCHER CLUSTER PROGRAMS					
SECTION 8 HOUSING CHOICE VOUCHERS (SEE NOTE 1)	14.871				$81,122,142
TOTAL HOUSING VOUCHER CLUSTER PROGRAMS					$81,122,142
MEDICAID CLUSTER PROGRAMS					
STATE MEDICAID FRAUD CONTROL UNITS	93.775				$1,551,817
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS AND SUPPLIERS (TITLE XVIII) MEDICARE	93.777				$5,222,667
MEDICAL ASSISTANCE PROGRAM	93.778				$4,594,653,054
TOTAL MEDICAID CLUSTER PROGRAMS					$4,601,427,538

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
RESEARCH AND DEVELOPMENT PROGRAMS					
AGRICULTURAL RESEARCH-BASIC AND APPLIED RESEARCH	10.001		VERMONT LAW SCHOOL	AG160429	$32,219
AGRICULTURAL RESEARCH-BASIC AND APPLIED RESEARCH	10.001				$1,247,152
PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	10.025				$348,108
FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM	10.156				$39,603
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170				$151,858
GRANTS FOR AGRICULTURAL RESEARCH, SPECIAL RESEARCH GRANTS	10.200		RUTGERS UNIVERSITY UNIVERSITY OF MARYLAND, COLLEGE PARK	5890-NER15OHP-AULAKH 28838-Z5659003	$23,181
GRANTS FOR AGRICULTURAL RESEARCH, SPECIAL RESEARCH GRANTS	10.200				$115,652
COOPERATIVE FORESTRY RESEARCH	10.202				$413,296
PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE HATCH ACT	10.203				$2,293,138
ANIMAL HEALTH AND DISEASE RESEARCH	10.207				$15,878
HIGHER EDUCATION GRADUATE FELLOWSHIPS GRANT PROGRAM	10.210				$32,043
SUSTAINABLE AGRICULTURE RESEARCH AND EDUCATION	10.215		THE PENNSYLVANIA STATE UNIVERSITY UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT UNIVERSITY OF VERMONT	4378-CAES-UV-0296 COORDINATOR15-29994 GNE14-083-27806 LNE13-324 ONE13-179 SUBAWARD NO. GNE15-113-29001	$69,166
BIOTECHNOLOGY RISK ASSESSMENT RESEARCH	10.219				$85,310
AGRICULTURAL AND RURAL ECONOMIC RESEARCH, COOPERATIVE AGREEMENTS AND COLLABORATIONS	10.250				$58,842
RESEARCH INNOVATION AND DEVELOPMENT GRANTS IN ECONOMIC (RIDGE)	10.255		UNIVERSITY OF WISCONSIN	607K095	$14,388
INTEGRATED PROGRAMS	10.303		UNIVERSITY OF IDAHO	2013-51102-21015	$12,537
INTEGRATED PROGRAMS	10.303				$195,898
HOMELAND SECURITY-AGRICULTURAL	10.304		CORNELL UNIVERSITY	67826-9931	$15,333
SPECIALTY CROP RESEARCH INITIATIVE	10.309		CORNELL UNIVERSITY UNIVERSITY OF FLORIDA UNIVERSITY OF MASSACHUSETTS AMHERST VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	64094-9752 SUBAWARD NO. UFDSP00010709 12-007055-A-00 422179-19756	$191,225
AGRICULTURE AND FOOD RESEARCH INITIATIVE	10.310		COLLEGE OF WILLIAM AND MARY COLORADO UNIVERSITY NORTH CAROLINA STATE UNIVERSITY OHIO STATE UNIVERSITY OHIO STATE UNIVERSITY PURDUE UNIVERSITY UNIVERSITY OF CALIFORNIA, DAVIS UNIVERSITY OF NEVADA UNIVERSITY OF RHODE ISLAND UNIVERSITY OF VERMONT	718252-712683 G-45001-1 PREAWARD 60039584/PO#RF01392433 SUBAWARD NO. 60045862 8000047623-AG SUBAWARD# 201015739-07 UNR-12-02 4452/052715 28976SUBS1705	$658,931
AGRICULTURE AND FOOD RESEARCH INITIATIVE	10.310				$2,265,031
CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS PROGRAM	10.329		CORNELL UNIVERSITY CORNELL UNIVERSITY	73984-10396 73986-10427	$33,427
COOPERATIVE EXTENSION SERVICE	10.500				$28,760
STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	10.560		STATE EDUCATION RESOURCE CENTER	AG150685	$10,014
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561				$859,962
NATIONAL FOOD SERVICE MANAGEMENT INSTITUTE ADMINISTRATION AND STAFFING GRANT	10.587		UNIVERSITY OF SOUTHERN MISSISSIPPI UNIVERSITY OF SOUTHERN MISSISSIPPI	USM-GR04592-05 USM-GR04831-05	$27,457
SCHOOL WELLNESS POLICY COOPERATIVE AGREEMENT	10.597		UNIVERSITY OF ILLINOIS	2015-0179-01-01	$81,076
TECHNICAL ASSISTANCE FOR SPECIALTY CROPS PROGRAM	10.604		CALIFORNIA DRIED PLUM BOARD	PN-12-27	$70,982
FOREST STEWARDSHIP PROGRAM	10.678		NATIONAL AUDUBON SOCIETY INC.	13-DG-11420004-260	$46,822
FOREST STEWARDSHIP PROGRAM	10.678				$36,358
FOREST HEALTH PROTECTION	10.680				$38,349
RURAL BUSINESS ENTERPRISE GRANTS	10.769				$31,600
RURAL ENERGY FOR AMERICA PROGRAM	10.868		CONNECTICUT CENTER FOR ADVANCED TECHNOLOGY	15-K01	$3,679
SOIL AND WATER CONSERVATION	10.902				$24,384
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	10.912				$30,144
INTEGRATING APPROACHES TO CONSERVATION DESIGN ACROSS THE LCC NETWORK IN THE EAST	10.RD	14-CR-11242311-038			$51,174
UTILIZATION OF GRAS COMPOUNDS AS ANTIMICROBIAL DIP AND COATING TREATMENTS FOR CONTROLLING LISTERIA	10.RD	DMI #02368	DAIRY MANAGEMENT INC. (DMI)	DMI #02368	$76,872
OCEAN EXPLORATION	11.011		UNIVERSITY OF ALASKA	UAF 16-0040	$24,047

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
INTEGRATED OCEAN OBSERVING SYSTEM (IOOS)	11.012		NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN OBSERVING SYSTEMS NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN OBSERVING SYSTEMS	A002-001 A005-01	$334,213
CLUSTER GRANTS	11.020				$1,811
SEA GRANT SUPPORT	11.417		STONY BROOK UNIVERSITY UNIVERSITY OF WASHINGTON	67208 UWSC7610/BPO10195	$37,834
SEA GRANT SUPPORT	11.417				$1,703,057
FISHERIES DEVELOPMENT AND UTILIZATION RESEARCH AND DEVELOPMENT GRANTS	11.427				$163,627
CLIMATE AND ATMOSPHERIC RESEARCH	11.431		UNIVERSITY OF MICHIGAN	3002868294	$16,537
CLIMATE AND ATMOSPHERIC RESEARCH	11.431				$24,531
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION COOPERATIVE INSTITUTES	11.432		UNIVERSITY OF MAINE	SUBAWARD NO. UM-S990	$80,760
MARINE MAMMAL DATA PROGRAM	11.439				$39,615
APPLIED METEOROLOGICAL RESEARCH	11.468				$21,597
OFFICE FOR COASTAL MANAGEMENT	11.473		RUTGERS UNIVERSITY	PO#S1566258/#4489	$27,509
CENTER FOR SPONSORED COASTAL OCEAN RESEARCH PROGRAM	11.478		UNIVERSITY OF RHODE ISLAND	SUB#091811/0003087	$9,610
NOAA PROGRAMS FOR DISASTER RELIEF APPROP ACT- NON-CONSTRUCTION & CONSTRUCTION	11.483		NEW JERSEY MARINE SCIENCES CONSORTIUM NEW YORK SEA GRANT NORTHEASTERN REGIONAL ASSOCIATION OF COASTAL OCEAN OBSERVING SYSTEMS RUTGERS UNIVERSITY	6306-0005 NA13OAR4830228 A003-001 436500 10255 S1961894	$148,676
NOAA PROGRAMS FOR DISASTER RELIEF APPROP ACT- NON-CONSTRUCTION & CONSTRUCTION	11.483				$320,142
SUMMARY AND RECOMMENDATIONS REPORT RELATED TO CARBON SEQUESTRATION IN COASTAL AREAS	11.RD	CONTRACT# EA133C11CQ0009	QUANTUM SPATIAL	CONTRACT# EA133C11CQ0009	$15,562
COLLABORATIVE RESEARCH AND DEVELOPMENT	12.114				$116,240
BASIC AND APPLIED SCIENTIFIC RESEARCH	12.300		JOHNS HOPKINS UNIVERSITY UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH UNIVERSITY OF TEXAS, AUSTIN	2002725906 Z14-12073 UTA09-000725	$196,980
BASIC AND APPLIED SCIENTIFIC RESEARCH	12.300				$2,347,841
NAVAL MEDICAL RESEARCH AND DEVELOPMENT	12.340				$76,886
DEPARTMENT OF DEFENSE HIV/AIDS PREVENTION PROGRAM	12.350				$425,207
SCIENTIFIC RESEARCH - COMBATING WEAPONS OF MASS DESTRUCTION	12.351				$515,394
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420		CREARE STEVENS INSTITUTE OF TECHNOLOGY UNIVERSITY OF PITTSBURGH UNIVERSITY OF PITTSBURGH WAKE FOREST UNIVERSITY WORCESTER POLYTECHNIC INSTITUTE	SUBCONTRACT NO. 75609 2102309-01 0036974 (410159-1) 0046723(411452-4) WFUHS 441059 ER-09 16-215700-01	$664,077
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420				$973,856
BASIC SCIENTIFIC RESEARCH	12.431		MASSACHUSETTS INSTITUTE OF TECHNOLOGY NORTH CAROLINA STATE UNIVERSITY NORTHEASTERN UNIVERSITY NORTHWESTERN UNIVERSITY UNIVERSITY OF CALIFORNIA, LOS ANGELES	5710003138 2015-0978-02 504062-78057 SP0025190-PROJ0006752 1000 G SA915	$459,748
BASIC SCIENTIFIC RESEARCH	12.431				$702,020
AIR FORCE DEFENSE RESEARCH SCIENCES PROGRAM	12.800		OPTOMEC UNIVERSITY OF TEXAS, RIO GRANDE VALLEY UNIVERSITY OF TULSA UNIVERSITY OF WISCONSIN	AG141188 FA9550-12-1-01559-03 14-2-1203439-94802 575K691	$244,678
AIR FORCE DEFENSE RESEARCH SCIENCES PROGRAM	12.800				$1,163,231
LANGUAGE GRANTS PROGRAM	12.900		CREATE	SUBCONTRACT NO. 71388	$23,439
SCAAN II: SENSE-MAKING VIA COLLABORATIVE AGENTS AND ACTIVITY NETWORKS	12.RD	1004-1880	APTIMA	1004-1880	$110,816
SECURE EFFICIENT CROSS-DOMAIN PROTOCOLS-PHASE II	12.RD	201500410-S	SONALYSTS	201500410-S	$127,821
CARBON EXCHANGES AND SOURCE ATTRIBUTIONS IN THE NEW RIVER ESTUARY, NC	12.RD	888-13-16-129-312-0213589	RTI INTERNATIONAL	888-13-16-12, 9-312-0213589	$67,874
ADVANCED MATERIALS FOR MICRO GENERATORS	12.RD	AG100049	D-STAR ENGINEERING CORPORATION	AG100049	$16,895
ADHESIVE BONDING OF AIRCRAFT PATCHES	12.RD	AG140023	UNITED TECHNOLOGIES-SIKORSKY AIRCRAFT	AG140023	$39,350
CMAS AND HIGH TEMPERATURE RESISTANT LAMGA111019 TBC COATINGS USING A MICROWAVE BASED UNIFORM-MELT-STATE PLASMA PROCESS (UNIMELT)	12.RD	AG141138	AMASTAN	AG141138	$54,015

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
SIGNAL PROCESSING AND PATTERN FORMATION IN AUDITORY NETWORKS	12.RD	AG151328	CIRCULAR LOGIC	AG151328	$93,985
OBJECTIVE BRAIN FUNCTION ASSESSMENT OF MTBI FROM INITIAL INJURY TO REHABILITATION AND TREATMENT OPTIMIZATION (BRAINSCOPE)	12.RD	AG151555	BRAINSCOPE COMPANY	AG151555	$127,151
MODELING THE COMBINED EFFECTS OF DETERMINISTIC AND STATISTICAL STRUCTURE FOR OPTIMIZATION OF REGIONAL MONITORING	12.RD	FA9453-12-C-0207			$116
MODELING AND OPTIMIZING TURBINES FOR UNSTEADY FLOW	12.RD	HPCI-UCONN-2014-01	HYPERCOMP	HPCI-UCONN-2014-01	$139,162
DATA FUSION AND TRACKING ALGORITHMS FOR BMD	12.RD	HQ0147-12-C-6017			$169,919
DEVELOPMENT OF INNOVATIVE SOLUTIONS FOR HARDWARE SECURITY, AND DETECTION AND PREVENTION OF COUNTERFEIT ELECTRONICS COMPONENTS	12.RD	HQ0147-13-C-6029			$10,599
RADAR AND EO SYSTEMS TRACK DETECTION ALGORITHMS FOR BMD	12.RD	HQ0147-15-C-6004			$148,626
HYDROPHOBIC ELECTRODE EQUIPMENT AND HEART RATE VARIABILITY NON-PERSONAL SERVICES SUPPORT	12.RD	N61331-15-P-4051			$15,000
GAIN CHIP FABRICATION IN SUPPORT OF LIGHT WEIGHT APERTURE ARRAY (LWWA) PROGRAM	12.RD	N66604-15-P-0912			$29,381
GAIN CHIP FABRICATION IN SUPPORT OF LIGHT WEIGHT APERTURE ARRAY (LWWA) PROGRAM	12.RD	N66604-16-P-0889			$146
IMPACT POINT PREDICTION RESEARCH FOR SHORT & MEDIUM RANGE THRUSTING PROJECTILES"	12.RD	PO 4440278825	MINISTRY OF DEFENSE (ISRAEL)	PO 4440278825	$77,677
THE EFFECT OF WAKEFULNESS ON AUDITORY CUED VISUAL SEARCH	12.RD	PO10164705	LEIDOS	PO10164705	$58,140
INDUSTRIAL PSYCHOLOGY SUPPORT TO SUBSCREEN MODERNIZATION	12.RD	PO10171583	LEIDOS	P010171583	$21,936
SWITCHED RELUCTANCE MACHINE WITH A REDUCED AUDIBLE NOISE SIGNATURE USING MODEL BASED HARMONIC INJECTION	12.RD	QSI-DSC-15-006	QUALTECH SYSTEMS	QSI-DSC-15-006	$32,767
THERMODYNAMIC MODELING OF A ROTATING DETONATION ENGINE	12.RD	SB01210	INNOVATIVE SCIENTIFIC SOLUTIONS INNOVATIVE SCIENTIFIC SOLUTIONS, INC.	SB01210 SB01210	-$12,176
EFFICIENT CLUTTER SUPPRESSION AND NON LINEAR FILTERING TECHNIQUES FOR TRACKING CLOSELY SPACED OBJECTS IN THE PRESENCE OF DEBRIS	12.RD	SC14-5908-1	TOYON	SC14-5908-1	$107,327
TECHNOLOGIES FOR RARE EARTHS ENRICHMENT OF A NOVEL LOW-COST RAW MATERIAL	12.RD	SC67698-1869-002	PHYSICAL SCIENCES	SC67698-1869-002	$98,548
TRACKING THE UPTAKE, TRANSLOCATION, CYCLING AND METABOLISM OF MUNITIONS COMPOUNDS IN COASTAL MARINE ECOSYSTEMS USING STABLE ISOTOPIC TRACER	12.RD	W912HQ-11-C-0051			$252,511
POROUS SOLID ELECTROLYTES FOR ADVANCED LITHIUM ION BATTERIES	13.RD	2014-14081300014			$69,366
HURRICANE SANDY COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY GRANTS (CDBG-DR)	14.269				$199,270
HURRICANE SANDY DISASTER RELIEF-COASTAL RESILIENCY GRANTS	15.153		THE UNIVERSITY OF RHODE ISLAND	44017/031715/0004251	$6,558
SPORT FISH RESTORATION PROGRAM	15.605				$2,693
WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	15.611				$83,660
STATE WILDLIFE GRANTS	15.634				$87,959
RESEARCH GRANTS (GENERIC)	15.650				$221
HURRICANE SANDY DISASTER RELIEF ACTIVITIES-FWS	15.677		UNIVERSITY OF MAINE	UM-S987	$109,990
HURRICANE SANDY DISASTER RELIEF ACTIVITIES-FWS	15.677				$363,035
ASSISTANCE TO STATE WATER RESOURCES RESEARCH INSTITUTES	15.805				$163,354
U.S. GEOLOGICAL SURVEY - RESEARCH AND DATA COLLECTION	15.808				$74,365
JUVENILE ACCOUNTABILITY BLOCK GRANTS	16.523				$62,635
JUVENILE JUSTICE AND DELINQUENCY PREVENTION_ALLOCATION TO STATES	16.540				$16,750
NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	16.560		UNIVERSITY OF ARIZONA	229334	$53,289
NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	16.560				$221,743
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738				$7,939
MINE HEALTH AND SAFETY GRANTS	17.600				$57,494
AEECA/ESF PD PROGRAMS	19.900		EURASIA FOUNDATION	W16-1002	$1,250
AVIATION RESEARCH GRANTS	20.108				$78,662
AIR TRANSPORTATION CENTERS OF EXCELLENCE	20.109		GEORGIA INSTITUTE OF TECHNOLOGY	RF377-G1	$82,186
HIGHWAY PLANNING AND CONSTRUCTION	20.205				$3,897,914
HIGHWAY TRAINING AND EDUCATION	20.215				$5,500
RAILROAD RESEARCH AND DEVELOPMENT	20.313				$97,948
STATE AND COMMUNITY HIGHWAY SAFETY	20.607				$14,406

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		MASSACHUSETTS INSTITUTE OF TECHNOLOGY MASSACHUSETTS INSTITUTE OF TECHNOLOGY MASSACHUSETTS INSTITUTE OF TECHNOLOGY MASSACHUSETTS INSTITUTE OF TECHNOLOGY MASSACHUSETTS INSTITUTE OF TECHNOLOGY MASSACHUSETTS INSTITUTE OF TECHNOLOGY	5710003188 5710003214 5710003457 5710003459 5710003806 NO. 5710003188	$153,677
UNIVERSITY TRANSPORTATION CENTERS PROGRAM	20.701		NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER NEW ENGLAND UNIVERSITY TRANSPORTATION CENTER	5710003805 5710003807 5710003808 5710003809 SUB NO 5710003808	$351,265
IMPROVED PREDICTION MODELS FOR CRASH TYPES AND CRASH SEVERITIES	20.RD	HR 17-62	NAS/TRANSPORTATION RESEARCH BOARD	HR 17-62	$104,191
DYNAMIC IMPACT FACTORS ON EXISTING LONG-SPAN TRUSS RAILROAD BRIDGES	20.RD	SAFETY-25	NAS/TRANSPORTATION RESEARCH BOARD	SAFETY-25	$15,021
EVALUATING APPLICATION OF FIELD SPECTROSCOPY DEVICES TO FINGERPRINT COMMONLY USED CONSTRUCTION MATERIALS	20.RD	SHRP-R-06(B)	NAS/TRANSPORTATION RESEARCH BOARD	SHRP-R-06(B)	$1,530
SCIENCE	43.001		AMERICAN COLLEGE OF SPORTS MEDICINE BERMUDA BIOLOGICAL STATION FOR RESEARCH SMITHSONIAN INSTITUTION/SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER UNIVERSITY OF FLORIDA UNIVERSITY OF NEW HAMPSHIRE WOODS HOLE OCEANOGRAPHIC INSTITUTION WOODS HOLE OCEANOGRAPHIC INSTITUTION WOODS HOLE OCEANOGRAPHIC INSTITUTION	AG150873 154444UCONN 12SUBC-440-0000256377 UF12067/00097232/UFDSP00010599 15-048 A101127 A101231 A101238	$291,665
SCIENCE	43.001				$1,256,143
AERONAUTICS	43.002		UNIVERSITY OF ILLINOIS	2012-05551-01	$89,554
AERONAUTICS	43.002				$78,509
EXPLORATION	43.003				-$1,151
EDUCATION	43.008		CT SPACE GRANT CONSORTIUM CT SPACE GRANT CONSORTIUM CT SPACE GRANT CONSORTIUM CT SPACE GRANT CONSORTIUM UNIVERSITY OF HARTFORD UNIVERSITY OF HARTFORD UNIVERSITY OF HARTFORD UNIVERSITY OF HARTFORD UNIVERSITY OF HARTFORD UNIVERSITY OF HARTFORD	P830 P835 P936 P962 P-780 P-905 P-938 P-949 PREAWARD SUBAWARD P-946	$63,051
EDUCATION	43.008				$47,988
EDUCATION	43.008		UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT CONSORTIUM UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT CONSORTIUM UNIVERSITY OF HARTFORD, CONNECTICUT SPACE GRANT CONSORTIUM	NNX12AG64H - P530 NNX12AG64H (P-939) NNX12AG64H (P-940)	$22,980
USING RAPIDSCAT OCEAN VECTOR WINDS TO UNDERSTAND THE ORIGIN OF OCEAN TEMPERATURE EXTREMES OFF U.S. COASTS	43.RD	1544398			$7,211
FLEX DROPLET FLAME EXTINGUISHMENT IN MICROGRAVITY	43.RD	NNX08AD13G			$25,726
STTR PHASE II: HYDROGEN-BASED ENERGY CONSERVATION SYSTEM	43.RD	NNX13CS13C	SUSTAINABLE INNOVATIONS	NNX13CS13C	$109,922
PROMOTION OF THE HUMANITIES_RESEARCH	45.161		EAST CAROLINA UNIVERSITY	SUBAWARD # A15-0046-S001	$9,837
PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT	45.163				$17,088
PROMOTION OF HUMANITIES_PUBLIC PROGRAMS	45.164		HARTFORD PUBLIC LIBRARY, CT	AG150150	$35,541
NATIONAL LEADERSHIP GRANTS	45.312		GEORGE MASON UNIVERSITY HARTFORD PUBLIC LIBRARY, CT	E2033501 AG140827	$39,133

Cluster Name/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Federal Expenditures
			ADVANCED ENERGY MATERIALS	AG151041	
			CIENCIA	803210	
			CLEMSON UNIVERSITY	1695-206-2009743	
			UNIVERSITY OF MAINE, MACHIAS	AG150003	
			UNIVERSITY OF NOTRE DAME	202508UC	
ENGINEERING GRANTS	47.041		YALE UNIVERSITY	C13D11528 (D01897)	$192,319
ENGINEERING GRANTS	47.041				$5,253,358
MATHEMATICAL AND PHYSICAL SCIENCES	47.049		YALE UNIVERSITY	C12D11227(D01804)	$179,602
MATHEMATICAL AND PHYSICAL SCIENCES	47.049				$3,467,911
			POMONA COLLEGE		
			UNIVERSITY OF DELAWARE	6053-2015-4	
			WOODS HOLE OCEANOGRAPHIC	35526	
			INSTITUTION	PO# M217258	
GEOSCIENCES	47.050		JAMES MADISON UNIVERSITY	SUB AWARD # S15-235-03	$25,634
GEOSCIENCES	47.050				$1,965,737
			ROCHESTER INSTITUTE OF TECHNOLOGY	31419-02	
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070		WASHINGTON STATE UNIVERSITY	SUBAWARD NO. 123507_003406	$24,296
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	47.070				$2,039,595
			SMITHSONIAN INSTITUTION/SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER	12SUBC440-0000250211	
			UNIVERSITY OF MAINE	UM-S920	
			UNIVERSITY OF PUERTO RICO	2014-05	
			UNIVERSITY OF PUERTO RICO	AG060505	
			UNIVERSITY OF VIRGINIA	GA11020-142299	
BIOLOGICAL SCIENCES	47.074		YALE UNIVERSITY	C14D11804(D01653)	$52,881
BIOLOGICAL SCIENCES	47.074				$3,062,541
			CONNECTICUT CHILDREN'S MEDICAL CENTER	16-179392-02	
			UNIVERSITY OF CHICAGO	FP050648	
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075		UNIVERSITY OF ILLINOIS	2012-06354-01 (A0388)	$120,466
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	47.075				$748,756
			AMERICAN MUSEUM OF NATURAL HISTORY		
			STEVENS INSTITUTE		
			TUFTS UNIVERSITY	SUBAWARD NO 2-2014	
			UNIVERSITY OF MASSACHUSETTS	DUE-1407123	
			UNIVERSITY OF MASSACHUSETTS	DRL-1418163	
			AMHERST	12-006782 B	
			UNIVERSITY OF MASSACHUSETTS,	13-007380 A 00	
			AMHERST	15-008243 A 00	
EDUCATION AND HUMAN RESOURCES	47.076		UNIVERSITY OF VIRGINIA	GA11161 150024	$784,254
EDUCATION AND HUMAN RESOURCES	47.076				$4,299,726
POLAR PROGRAMS	47.078				$94,078
OFFICE OF INTERNATIONAL SCIENCE AND ENGINEERING	47.079				$12,779
OFFICE OF CYBERINFRASTRUCTURE	47.080				$14,413
TRANS-NSF RECOVERY ACT RESEARCH SUPPORT	47.082				$419
OFFICE OF INTEGRATIVE ACTIVITIES	47.083				$18,325
GENOME AMBASSADORS: PROMOTING PUBLIC UNDERSTANDING OF GENOMICS	47.RD	AG131062	CONNECTICUT SCIENCE CENTER	AG131062	$2,347
HEALTHY COMMUNITIES GRANT PROGRAM	66.110		MARTHA'S VINEYARD SHELLFISH GROUP	AG151548	$5,381
LONG ISLAND SOUND PROGRAM	66.437		NATIONAL FISH AND WILDLIFE FOUNDATION	1401.13.039525	$14,856
LONG ISLAND SOUND PROGRAM	66.437				$541,699
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460				$70,062
SCIENCE TO ACHIEVE RESULTS (STAR) RESEARCH PROGRAM	66.509				$44,130
P3 AWARD: NATIONAL STUDENT DESIGN COMPETITION FOR SUSTAINABILITY	66.516				$3,149
PERFORMANCE PARTNERSHIP GRANTS	66.605				$6,412
MANUFACTURING OF ULTRA-EFFICIENT AND ROBUST NANO-ARRAY BASED LEAN NOX TRAPPING DEVICES	66.RD	AG150279	3D ARRAY TECHNOLOGY	AG150279	$33,581
ENHANCEMENT AND TECHNICAL RECOMMENDATIONS FOR THE N-SINK DECISION SUPPORT TOOL	66.RD	CON-15-002 DTS2-3V5	CSS-DYNAMIC	CON-15-002 DTS2-3V5	$23,751
U.S. NUCLEAR REGULATORY COMMISSION SCHOLARSHIP AND FELLOWSHIP PROGRAM	77.008		UNIVERSITY OF HARTFORD	P-591 303203	$43,971
			HIFUNDA	AG120179	
			HIFUNDA	AG130541	
			MARINE BIOLOGICAL LABORATORY	44977	
			MICHIGAN STATE UNIVERSITY	RC102989A	
			PRECISION COMBUSTION	AG160479	
			PROTON ONSITE	PO 12753	
			SUSTAINABLE INNOVATIONS	AG150387	
			UNIVERSITY OF SOUTH CAROLINA	10-1721	
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049		WESTERN MICHIGAN UNIVERSITY	6646-UCONN-1	$483,878
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81.049				$2,428,158

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	***Federal CFDA Number***	***Additional Award Identification***	***Pass-Through Entity Name***	***Pass-Through Entity Identifying Number***	***Federal Expenditures***
UNIVERSITY COAL RESEARCH	81.057		UNIVERSITY OF MASSACHUSETTS, LOWELL	551900000027086	$79,583
UNIVERSITY COAL RESEARCH	81.057				$64,246
CONSERVATION RESEARCH AND DEVELOPMENT	81.086				$690,021
RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	81.087		FUEL CELL ENERGY SOUTH DAKOTA STATE UNIVERSITY UNIVERSITY OF HAWAII	PO 57048 3TA155/YULIA KUZOVKINA-EISCHEN Z975726	$239,281
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089		FUEL CELL ENERGY	PO10005143	$24,635
FOSSIL ENERGY RESEARCH AND DEVELOPMENT	81.089				$277,483
NUCLEAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION	81.121		CLEMSON UNIVERSITY	1740-219-2010311	$79,137
INDUSTRIAL CARBON CAPTURE AND STORAGE APPLICATION	81.134		PRAXAIR	PO 60010996	$70,471
ADVANCED RESEARCH PROJECTS AGENCY-ENERGY	81.135		FUEL CELL ENERGY UNITED TECHNOLOGIES-RESEARCH CENTER	PO 57047-2 PO 2603144	$437,655
EVALUATION OF THE USE OF AN ELECTROCHEMICAL FLOW REACTOR AS A REPLACEMENT OF THE DISTILLATION OF 211 AT TO SIMPLIFY THE AUTOMATED ISOLATION METHOD	81.RD	244236			$43,968
GAS PHASE CHROMIUM CAPTURE FOR SOFC SYSTEMS	81.RD	282107			$30,199
LOAD FORECASTING AT THE DISTRIBUTION LEVEL IN THE FACE OF DISTRIBUTED ENERGY RESOURCES	81.RD	3481-4700194558	ALSTOM GRID	3481-4700194558	$7,227
DEVELOPMENT OF WILLOW BIOMASS CROPS	81.RD	3TR676	SOUTH DAKOTA STATE UNIVERSITY	3TR676	$7,842
ELECTROPRODUCTION WITH NUCLEON AND NUCLEAR TARGETS USING CLAS AND CLAS12	81.RD	6F-30601	CHICAGO ARGONNE	6F-30601	$18,305
DEVELOPMENT OF KINETIC MECHANISMS FOR DIESEL FUEL SURROGATES	81.RD	B617843			$398
SWITCH POLARITY SOLVENT (SPS) MEMBRANE STUDIES	81.RD	CONTRACT 00141830			$32,465
GRADUATE RESEARCH SERVICES-ANDREY KIM	81.RD	PO 14-P0041	JEFFERSON SCIENCE ASSOCIATES	PO 14-P0041	$37,809
EVALUATING ALUMINA FORMING AUSTENITIC STEELS FOR SOLID OXIDE FUEL CELL POWER SYSTEM BALANCE OF PLANT	81.RD	PO 2601309	UNITED TECHNOLOGIES-RESEARCH CENTER	PO 2601309	-$14,000
SUBSEA HIGH VOLTAGE DIRECT CURRENT CONNECTORS FOR ENVIRONMENTALLY SAFE AND RELIABLE POWERING OF UDW SUBSEA PROCESSING	81.RD	PO# 400218130	GENERAL ELECTRIC COMPANY	PO# 400218130	$143,494
CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	84.048				$14,379
FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	84.116		DREXEL UNIVERSITY	213031-3661	$6,653
REHABILITATION SERVICES_VOCATIONAL REHABILITATION GRANTS TO STATES	84.126				$12,625
SPECIAL EDUCATION_PRESCHOOL GRANTS	84.173				$93,657
SCHOOL SAFETY NATIONAL ACTIVITIES	84.184				$110,559
GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED	84.200				$945,885
JAVITS GIFTED AND TALENTED STUDENTS EDUCATION	84.206				$443,367
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305		MICHIGAN STATE UNIVERSITY OHIO STATE UNIVERSITY SRI INTERNATIONAL TEXAS A&M UNIVERSITY	61-1708UC 60046504 51-001267 02-S140264	$195,299
EDUCATION RESEARCH, DEVELOPMENT AND DISSEMINATION	84.305				$2,744,614
RESEARCH IN SPECIAL EDUCATION	84.324		UNIVERSITY OF MARYLAND, COLLEGE PARK UNIVERSITY OF TENNESSEE	Z2104001 A12-0612-S003-A03	$194,810
RESEARCH IN SPECIAL EDUCATION	84.324				$790,958
SPECIAL EDUCATION - PERSONNEL DEVELOPMENT TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.325				$994,847
SPECIAL EDUCATION TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	84.326		AMERICAN INSTITUTES FOR RESEARCH UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL	313000102 5103430	$22,207
SPECIAL EDUCATION_EDUCATIONAL TECHNOLOGY MEDIA AND MATERIALS FOR INDIVIDUALS WITH DISABILITIES	84.327		OHIO STATE UNIVERSITY	60036894/PO#RF01370554	$23,614
MATHEMATICS AND SCIENCE PARTNERSHIPS	84.366				$96,540
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367		NATIONAL WRITING PROJECT CORPORATION NATIONAL WRITING PROJECT CORPORATION	92-CT01-SEED2016 AGREEMENT 92-CT01-SEED2012	$11,318
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	84.367				$71,549
SCHOOL IMPROVEMENT GRANTS, RECOVERY ACT	84.388				$108,256
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART B_GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044				$54,529
TRAINING IN GENERAL, PEDIATRIC, AND PUBLIC HEALTH DENTISTRY	93.059				$281,007
PUBLIC HEALTH EMERGENCY PREPAREDNESS	93.069				$48,736
FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT REGULATORY RESEARCH	93.077		HARVARD UNIVERSITY	114869-5053043	$2,418
FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT REGULATORY RESEARCH	93.077				$1,809,772
HEALTHY MARRIAGE PROMOTION AND RESPONSIBLE FATHERHOOD GRANTS	93.086		VILLAGE FOR CHILDREN AND FAMILIES	AG160335	$20,929

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	***Federal CFDA Number***	***Additional Award Identification***	***Pass-Through Entity Name***	***Pass-Through Entity Identifying Number***	***Federal Expenditures***
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092		THE VILLAGE FOR FAMILIES & CHILDREN INC.	90AP2669/06	$229,479
AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092				$17,346
HHS PROGRAMS FOR DISASTER RELIEF APPROPRIATIONS ACT - NON CONSTRUCTION	93.095				$104,154
FOOD AND DRUG ADMINISTRATION - RESEARCH	93.103		NATIONAL INSTITUTE OF PHARMACEUTICAL TECHNOLOGY AND EDUCATION NATIONAL INSTITUTE OF PHARMACEUTICAL TECHNOLOGY AND EDUCATION	NIPTE-U01-UC-2015-001 NIPTE-U01-UC-2016-001	$50,631
FOOD AND DRUG ADMINISTRATION - RESEARCH	93.103				$1,399,925
AREA HEALTH EDUCATION CENTERS	93.107				$367,623
MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110		FAVOR, INC. MOUNT SINAI SCH MED NYU HOSP CTR MOUNT SINAI SCH MED NYU HOSP CTR MOUNT SINAI SCH MED NYU HOSP CTR ORGANIZATION OF TERATOLOGY INFORMATION SERVICES ORGANIZATION OF TERATOLOGY INFORMATION SERVICES	(BLANK) 0253-6541-4609 0253-6542-4609 0253-6544-4609 1UG4MC27861-01 5UG4MC27861-02	$80,530
ENVIRONMENTAL HEALTH	93.113		CIENCIA CIENCIA DARTMOUTH COLLEGE PENNSYLVANIA STATE UNIVERSITY UNIVERSITY OF KANSAS, MEDICAL CENTER RESEARCH INSTITUTE UNIVERSITY OF MINNESOTA UNIVERSITY OF WASHINGTON	751504-1-UCONN 753103-UCONN SUBAWARD NO. 1076 UCTES021762 QK850572 P004067101 UWSC8485 *(PO765736)	$654,327
ENVIRONMENTAL HEALTH	93.113				$1,052,887
PREVENTIVE MEDICINE AND PUBLIC HEALTH RESIDENCY TRAINING PROGRAM, INTEGRATIVE MEDICINE PROGRAM, AND NATIONAL CENTER FOR INTEGRATIVE PRIMARY HEALTHCARE	93.117		GRIFFIN HOSPITAL	D33HP26994	$17,804
ORAL DISEASES AND DISORDERS RESEARCH	93.121		NEW YORK UNIVERSITY REGENTS OF THE UNIVERSITY OF CALIFORNIA LOS ANGELES THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY D/B/A CAROLINAS THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY D/B/A CAROLINAS THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA UNIVERSITY OF CALIFORNIA, LOS ANGELES UNIVERSITY OF ROCHESTER	F7530-01 1350 G SB824 2000203699 14-050S1 551082 1350 G RD915 413332-G	$374,644
ORAL DISEASES AND DISORDERS RESEARCH	93.121				$4,152,776
NIEHS SUPERFUND HAZARDOUS SUBSTANCES-BASIC RESEARCH & EDUCATION	93.143		DARTMOUTH COLLEGE	R154	$115,380
HIV-RELATED TRAINING AND TECHNICAL ASSISTANCE	93.145		UNIVERSITY OF MASSACHUSETTS UNIVERSITY OF MASSACHUSETTS	WA001218317/ RFS2015021 WA00359206/ OSP2016094	$111,642
COORDINATED SERVICES AND ACCESS TO RESEARCH FOR WOMEN, INFANTS, CHILDREN, AND YOUTH	93.153				$360,698
HUMAN GENOME RESEARCH	93.172				$2,778,169
RESEARCH RELATED TO DEAFNESS AND COMMUNICATION DISORDERS	93.173		DREXEL UNIVERSITY STANFORD UNIVERSITY	232584-3684 26366270-50588-B	$21,904
RESEARCH RELATED TO DEAFNESS AND COMMUNICATION DISORDERS	93.173				$1,018,742
RESEARCH AND TRAINING IN COMPLEMENTARY AND INTEGRATIVE HEALTH	93.213		MASSACHUSETTS GENERAL HOSPITAL	223108	$133,041
RESEARCH AND TRAINING IN COMPLEMENTARY AND INTEGRATIVE HEALTH	93.213				$662,112
NATIONAL CENTER ON SLEEP DISORDERS RESEARCH	93.233				$114,955
POLICY RESEARCH AND EVALUATIONS GRANTS	93.239		INSTITUTE FOR RESEARCH ON POVERTY	546K980	$1,637

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
			CHILDREN'S CTR AT SUNY BROOKLYN,		
			INC.		
			DUKE UNIVERSITY		
			NORTHWESTERN UNIVERSITY		
			NORTHWESTERN UNIVERSITY	54246PRJ:1087883	
			PALO ALTO VETERANS INSTITUTE FOR	2031801	
			RESEARCH	60036522	
			UNIVERSITY OF CALIFORNIA, SAN	60042322	
			FRANCISCO	CLO0001-07	
			UNIVERSITY OF CALIFORNIA, SAN	9371SC	
			FRANCISCO	9397SC	
			VERITAS HEALTH SOLUTIONS, LLC	2R44MH085350-02	
			YALE UNIVERSITY	M14A1168 (A09551)	
MENTAL HEALTH RESEARCH GRANTS	93.242		YALE UNIVERSITY	M16A12393(A09550)	$469,576
MENTAL HEALTH RESEARCH GRANTS	93.242				$4,515,081
			STANFORD UNIVERSITY	61138664-121865	
			THE JOHNS HOPKINS UNIVERSITY	2002285000	
			THE JOHNS HOPKINS UNIVERSITY	2002286234	
			THE JOHNS HOPKINS UNIVERSITY	2002392365	
MENTAL HEALTH RESEARCH GRANTS	93.242		THE JOHNS HOPKINS UNIVERSITY	2002554852	$106,626
			COMMUNITY MENTAL HEALTH		
			AFFILIATES INC.		
			COMMUNITY MENTAL HEALTH	H79SM0599584-03	
			AFFILIATES INC.	H79SM0599584-04	
			JUSTICE RESOURCE INSTITUTE INC.	U79SM061283-04	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF			JUSTICE RESOURCE INSTITUTE INC.	U79SM0678283-01	
REGIONAL AND NATIONAL SIGNIFICANCE	93.243		RESEARCH TRIANGLE INSTITUTE	11-312-0210700	$22,830
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				$2,110,713
POISON CENTER SUPPORT AND ENHANCEMENT GRANT PROGRAM	93.253				$194,254
			NORTHEASTERN UNIVERSITY	500326-78051	
			UNIVERSITY OF MASSACHUSETTS	L000250484	
			UNIVERSITY OF MASSACHUSETTS	L000250485	
			UNIVERSITY OF MASSACHUSETTS	L000251953	
			UNIVERSITY OF MASSACHUSETTS	L000251979	
			UNIVERSITY OF MASSACHUSETTS	L000425151	
			UNIVERSITY OF MASSACHUSETTS	L000425152	
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		UNIVERSITY OF MASSACHUSETTS	L000425155	$654,581
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262				$198,783
			UNIVERSITY OF MASSACHUSETTS AT		
			LOWELL		
			UNIVERSITY OF MASSACHUSETTS,		
			LOWELL	S51130000030773	
			UNIVERSITY OF MASSACHUSETTS,	S51130000027434	
			LOWELL	S51130000030773	
OCCUPATIONAL SAFETY AND HEALTH PROGRAM	93.262		VIRIDIAN HEALTH MANAGEMENT	200-2011-42034	$95,150
			CHILDREN'S CTR AT SUNY BROOKLYN,		
			INC.		
			CHILDREN'S CTR AT SUNY BROOKLYN,		
			INC.	65685/1009189	
			MIRIAM HOSPITAL	69157/1009189	
			SUNY RESEARCH FOUNDATION	710-9926	
			THE RESEARCH FOUNDATION OF	74258-01	
ALCOHOL RESEARCH PROGRAMS	93.273		STATE UNIVERSITY OF NEW YORK	72372/1009189	$630,369
ALCOHOL RESEARCH PROGRAMS	93.273				$5,304,224
			DUKE UNIVERSITY		
			MEDICAL UNIVERSITY OF SOUTH		
			CAROLINA	2034089	
			UNIVERSITY OF IOWA	10-090	
			UNIVERSITY OF TEXAS MEDICAL	PREAWARD	
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		BRANCH	11-028	$133,967
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279				$5,257,078
			YALE UNIVERSITY	M14A11821/A09724	
			YALE UNIVERSITY	M10A10351/A08308	
			YALE UNIVERSITY	M12A11188/A08462	
			YALE UNIVERSITY	M14A11821/A09724	
			YALE UNIVERSITY	M15A11968/A10051	
			YALE UNIVERSITY	M15A11968/A10464	
DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS	93.279		YALE UNIVERSITY	PREAWARD	$697,013
MENTAL HEALTH RESEARCH CAREER/SCIENTIST DEVELOPMENT AWARDS	93.281				$36,977
MENTAL HEALTH NATIONAL RESEARCH SERVICE AWARDS FOR RESEARCH TRAINING	93.282				$297,670
CENTERS FOR DISEASE CONTROL, PREVENTION-INVESTIGATIONS AND TECHNICAL ASSIST	93.283		ASSOCIATION FOR PREVENTION, TEACHING AND RESEARCH	15-23-IPE-03	$2,942
CENTERS FOR DISEASE CONTROL, PREVENTION-INVESTIGATIONS AND TECHNICAL ASSIST	93.283				$96,084

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
			NANOPROBES INCORPORATED	1 R43EB015845-01	
			PHYSICAL SCIENCES	SC61233-1820	
DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL			PHYSICAL SCIENCES	SC62048-1827	
INNOVATIONS TO IMPROVE HUMAN HEALTH	93.286		UNIVERSITY OF ARIZONA	317682	$125,648
DISCOVERY AND APPLIED RESEARCH FOR TECHNOLOGICAL					
INNOVATIONS TO IMPROVE HUMAN HEALTH	93.286				$945,454
			CITY OF HARTFORD	2014-01-5449-M	
			CITY OF HARTFORD	2016-35-U1	
TEENAGE PREGNANCY PREVENTION PROGRAM	93.297		CITY OF HARTFORD	2016-35-U2	$25,821
MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH	93.307		YALE UNIVERSITY	M11A11032/A08176	$73,426
			THE JACKSON LABORATORY	TBI PO205401	
TRANS-NIH RESEARCH SUPPORT	93.310		UNIVERSITY OF TEXAS AT EL PASO	226141170-07	$32,678
TRANS-NIH RESEARCH SUPPORT	93.310				$965,365
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES	93.323				$101,237
			CIENCIA	743101-UCONN	
			WASHINGTON STATE UNIVERSITY	119573-G003331	
RESEARCH INFRASTRUCTURE PROGRAMS	93.351		YALE UNIVERSITY	M13A11654/A09242	$256,574
ADVANCED EDUCATION NURSING TRAINEESHIPS	93.358				$346,209
NURSE EDUCATION, PRACTICE QUALITY AND RETENTION GRANTS	93.359				$37,214
			UNIVERSITY OF PITTSBURGH		
			UNIVERSITY OF WISCONSIN,	0029591 (127125-2)	
NURSING RESEARCH	93.361		MILWAUKEE	153405530	$140,431
NURSING RESEARCH	93.361				$887,096
NATIONAL CENTER FOR RESEARCH RESOURCES	93.389				$4,058
			BROWN UNIVERSITY	808	
			COLUMBIA UNIVERSITY	4 (GG008335)	
			PHYSICAL SCIENCES	SC68508-1890	
CANCER CAUSE AND PREVENTION RESEARCH	93.393		UNIVERSITY OF HAWAII	KA0063	$145,001
CANCER CAUSE AND PREVENTION RESEARCH	93.393				$881,470
			BROWN UNIVERSITY		
			BROWN UNIVERSITY	770	
			UNIVERSITY OF CALIFORNIA, SAN	771	
			DIEGO	54734388	
CANCER DETECTION AND DIAGNOSIS RESEARCH	93.394		UNIVERSITY OF UTAH	10036972-01	$96,632
CANCER DETECTION AND DIAGNOSIS RESEARCH	93.394				$5,354
			CALIFORNIA INSTITUTE OF		
			TECHNOLOGY		
			NEW YORK UNIVERSITY		
			NRG ONCOLOGY FOUNDATION, INC.		
			PHYSICAL SCIENCES	CIT 21B 1088933	
			UNIVERSITY OF ARIZONA	13A10000008101	
			FOUNDATION	27469-121	
			UNIVERSITY OF CALIFORNIA, SAN	SC64916-1847	
			FRANCISCO	Y560264	
			UNIVERSITY OF NORTH CAROLINA,	8762SC	
CANCER TREATMENT RESEARCH	93.395		CHAPEL HILL	5101332	$294,046
CANCER TREATMENT RESEARCH	93.395				$1,209,193
CANCER BIOLOGY RESEARCH	93.396				$1,321,452
			UNIVERSITY OF CALIFORNIA, SAN		
CANCER CENTERS SUPPORT GRANTS	93.397		FRANCISCO	9374SC	$2,988
CANCER RESEARCH MANPOWER	93.398				$118,325
FOOD SAFETY AND SECURITY MONITORING PROJECT	93.448				$290,607
AFFORDABLE CARE ACT (ACA) PRIMARY CARE RESIDENCY EXPANSION					
PROGRAM	93.510				$470,311
THE AFFORDABLE CARE ACT: BUILDING EPIDEMIOLOGY, LABORATORY,					
AND HEALTH INFORMATION SYSTEMS CAPACITY IN THE EPIDEMIOLOGY					
AND LABORATORY CAPACITY FOR INFECTIOUS DISEASE (ELC) AND					
EMERGING INFECTIONS PROGRAM (EIP) COOPERATIVE AGREEMENTS;					
PPHF	93.521				$5,517
BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE					
POPULATION HEALTH THROUGH NATIONAL NON-PROFIT					
ORGANIZATIONS - FINANCED IN PART BY PREVENTION AND PUBLIC					
HEALTH FUNDS	93.524				$15,804
ABANDONED INFANTS	93.551				$63,288
PROMOTING SAFE AND STABLE FAMILIES	93.556				$298,216
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558				-$1,628
STATE COURT IMPROVEMENT PROGRAM	93.586				$9,609
			FRIENDS OF CHILDREN TRUST FUND		
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590		INC.	052UCH-CTF-01	$41,704
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590				$137,157
			SAN FRANCISCO PUBLIC HEALTH		
HEALTH CARE INNOVATION AWARDS (HCIA)	93.610		FOUNDATION	AG161235	$11,991
ACA-STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND					
TESTING ASSISTANCE	93.624				$679,839
AFFORDABLE CARE ACT: TESTING EXPERIENCE AND FUNCTIONAL					
ASSESSMENT TOOLS	93.627				$289,730

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SUMMARY OF PROGRAM CLUSTERS
Year Ended 6/30/2016

Cluster Name/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Federal Expenditures
UNIVERSITY CENTERS FOR EXCELLENCE IN DEVELOPMENTAL DISABILITIES EDUCATION, RESEARCH, AND SERVICE	93.632				$424,847
ACA-TRANSFORMING CLINICAL PRACTICE INITIATIVE: PRACTICE TRANSFORMATION NETWORKS (PTNS)	93.638		UNIVERSITY OF MASSACHUSETTS	WA00366279	$271,158
CHILD ABUSE AND NEGLECT DISCRETIONARY ACTIVITIES	93.670		CONNECTION	AG130109	$202,047
TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	93.701				-$6,792
ADVANCE INTEROPERABLE HEALTH INFORMATION TECHNOLOGY SERVICES TO SUPPORT HEALTH INFORMATION EXCHANGE	93.719				-$1,208
STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE AND STROKE (PPHF)	93.757				$82,470
MEDICAL ASSISTANCE PROGRAM	93.778				-$77,471
			BROWN UNIVERSITY		
			CONNECTICUT CHILDREN'S MEDICAL CENTER	PREAWARD	
			NANOPROBES INCORPORATED	15-179399-01	
			THE JOHNS HOPKINS UNIVERSITY	1R43HL117473 01	
			THE PENNSYLVANIA STATE	2002870152	
			UNIVERSITY	5275 UCHC DHHS 2311	
			UNIVERSITY OF GEORGIA	RR376-352/4945956	
CARDIOVASCULAR DISEASES RESEARCH	93.837		WORCESTER POLYTECHNIC INSTITUTE	16-210860-01	$271,109
CARDIOVASCULAR DISEASES RESEARCH	93.837				$917,983
			DUKE UNIVERSITY	2033968	
			DUKE UNIVERSITY	2034035	
LUNG DISEASES RESEARCH	93.838		UNIVERSITY OF IOWA	1001469952	$32,684
LUNG DISEASES RESEARCH	93.838				$471,532
			THE JACKSON LABORATORY		
			THE REGENTS OF THE UNIVERSITY OF	201997	
			MICHIGAN	3002095783	
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	93.846		UNIVERSITY OF KANSAS	QW854830	$16,735
ARTHRITIS, MUSCULOSKELETAL AND SKIN DISEASES RESEARCH	93.846				$4,180,186
			BIORASIS		
			CIENCIA	AG150112	
			CIENCIA	733102-UCONN	
			DREXEL UNIVERSITY	733103-1-UCONN	
			MIRIAM HOSPITAL	232510	
			RUSH UNIVERSITY MEDICAL CENTER	710-9820	
			UNIVERSITY OF MELBOURNE	5R01DK089394-05	
			UNIVERSITY OF MICHIGAN	TA 19370_UC	
			UNIVERSITY OF WISCONSIN	3003573024	
			VIRGINIA COMMONWEALTH	361K594	
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847		UNIVERSITY	PD303771-SC106551	$168,227
DIABETES, DIGESTIVE, AND KIDNEY DISEASES EXTRAMURAL RESEARCH	93.847				$4,424,591
EXTRAMURAL RESEARCH PROGRAMS IN THE NEUROSCIENCES AND NEUROLOGICAL DISORDERS	93.853				$2,620,765
			NOVASTERILIS		
			OREGON HEALTH & SCIENCE	1R43AI112166-01A1	
			UNIVERSITY	9006862	
			RUTGERS, THE STATE UNIVERSITY	8172	
			TRUSTEES OF DARTMOUTH COLLEGE	R63	
			YALE UNIVERSITY	M16A12356/A10521	
ALLERGY AND INFECTIOUS DISEASES RESEARCH	93.855		MICROBIOTIX	2 R44 AI100332-03A1	$235,366
ALLERGY AND INFECTIOUS DISEASES RESEARCH	93.855				$10,100,975
MICROBIOLOGY AND INFECTIOUS DISEASES RESEARCH	93.856				$1,523
			CELL AND MOLECULAR TISSUE		
			ENGINEERING, LLC		
			CIENCIA		
			DUKE UNIVERSITY		
			NORTHWESTERN UNIVERSITY		
			REGENTS OF THE UNIVERSITY OF		
			MINNESOTA	1R43GM103116-01	
			UNIVERSITY OF ARIZONA	723205	
			FOUNDATION	14-NIH-1110	
			UNIVERSITY OF NORTH CAROLINA,	60029188UC	
			CHAPEL HILL	N003002801	
			UNIVERSITY OF WASHINGTON	72285	
			VIRGINIA POLYTECHNIC INSTITUTE	SUBAWARD UNC # 5-32099	
			AND STATE UNIVERSITY	738392	
			VIRGINIA POLYTECHNIC INSTITUTE	431519-19801	
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		AND STATE UNIVERSITY	431745-19213	$247,479
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859				$7,047,159
			WORCESTER POLYTECHNIC INSTITUTE	15-210780-00	
			WORCESTER POLYTECHNIC INSTITUTE	16-210890-00	
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859		YALE UNIVERSITY	C16A12295/A08889	$128,867

Cluster Name/Program Title	Federal CFDA Number	Additional Award Identification	Pass-Through Entity Name	Pass-Through Entity Identifying Number	Federal Expenditures
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865		BETH ISRAEL DEACONESS MEDICAL CENTER CONNECTICUT CHILDREN'S MEDICAL CENTER DREXEL UNIVERSITY YALE UNIVERSITY	5P01HD057853-04 13-179330-02 232645 M11A12116 (A08340)	$384,060
CHILD HEALTH AND HUMAN DEVELOPMENT EXTRAMURAL RESEARCH	93.865				$3,425,837
AGING RESEARCH	93.866		HEBREW REHAB CTR HEBREW SENIOR LIFE RENSSELAER POLYTECHNIC INST UNIVERSITY OF MARYLAND AT BALTIMORE YALE UNIVERSITY	10.10.92254 A12279 SR00002917 M14Q12053(Q00377)	$493,490
AGING RESEARCH	93.866				$3,921,390
VISION RESEARCH	93.867		LAMBDAVISION	22087577-01	$56,837
VISION RESEARCH	93.867				$1,144,912
MEDICAL LIBRARY ASSISTANCE	93.879				$185,532
GRANTS FOR PRIMARY CARE TRAINING AND ENHANCEMENT	93.884				$9,303
NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	93.889				$93,200
HIV EMERGENCY RELIEF PROJECT GRANTS	93.914		CITY OF HARTFORD CITY OF HARTFORD CONNECTICUT CHILDREN'S MEDICAL CENTER CONNECTICUT CHILDREN'S SPECIALTY GROUP INC.	HHS2012-02R HHS2012-39R 15-179377-01 COH HHS2015-16R 16-185010-01 COH HRSA 2016-17	$58,707
HIV CARE FORMULA GRANTS	93.917		CITY OF HARTFORD	HHS2016-37Q	$45,194
HIV CARE FORMULA GRANTS	93.917				$443,715
HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED	93.940				$356,334
RESEARCH, PREVENTION, AND EDUCATION PROGRAMS ON LYME DISEASE IN U. S.	93.942				$233,371
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	93.945				$266,013
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959				$182,998
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994				$28,969
CONTINUOUS MANUFACTURING OF LIPOSOMAL DRUG FORMULATIONS	93.RD	HHHSF223201310117C			$137,450
EVIDENCE-BASED PRACTICE CENTERS III	93.RD	HHSA 290-2007-10067I			$60
EVIDENCE-BASED PRACTICE CENTERS (EPC) V	93.RD	HHSA290201500012I			$6,554
NIH PAIN CONSORTIUM CENTERS OF EXCELLENCE IN PAIN EDUCATION	93.RD	HHSN271201500087C			$34,924
MULTI-SECTORIAL AGRICULTURAL INTERVENTION TO IMPROVE NUTRITION, HEALTH AND DEVELOPMENTAL OUTCOMES OF HIV-INFECTED AND AFFECTED CHILDREN IN WESTERN KENYA	93.RD	PREAWARD			$36,098
NHANES CHEMOSENSORY DEVELOPMENT AND IMPLEMENTATION PROTOCOL	93.RD	S8056	WESTAT	S8056	$4
HOMELAND SECURITY RESEARCH, DEVELOPMENT, TESTING, EVALUATION, AND DEMONSTRATION OF TECHNOLOGIES RELATED TO NUCLEAR THREAT DETECTION	97.077		YALE UNIVERSITY	C12P11266(P00323)	-$8,872
HOMELAND SECURITY-RELATED SCIENCE, TECH. ENGINEERING AND MATH (HS STEM) CAREER DEVELOPMENT PROGRAM	97.104				$160,628
SECURING HOMELAND TRANSPORTATION SYSTEMS AND INFRASTRUCTURE: TECHNOLOGY FROM UNIVERSITIES TO COMMERCIAL PRODUCTS	97.RD	HSHQDC-15-J-00033			$187,586
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001		OREGON STATE UNIVERSITY VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY	RD011G-E 451066-19213	$188,288
USAID DEVELOPMENT PARTNERSHIPS FOR UNIVERSITY COOPERATION AND DEV.	98.012		AMERICAN COUNCIL ON EDUCATION NORTH CAROLINA STATE UNIVERSITY UNIVERSITY OF GEORGIA UNIVERSITY OF GEORGIA	HED052-9740-ETH-11-01 2014-0316-02 RC299-430/4942366 RC710-059/5054806	$184,574
TOTAL RESEARCH AND DEVELOPMENT PROGRAMS					$157,289,969
SECTION 8 PROJECT-BASED CLUSTER PROGRAMS					
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM (SEE NOTE 1)	14.195				$5,053,563
SECTION 8 MODERATE REHAB SINGLE ROOM OCCUPANCY (SEE NOTE 1)	14.249				$69,467
LOWER INCOME HOUSING ASSISTANCE PROGRAM - SECTION 8 MODERATE REHABILITATION (SEE NOTE 1)	14.856				$95,907
TOTAL SECTION 8 PROJECT-BASED CLUSTER PROGRAMS					$5,218,937
SNAP CLUSTER PROGRAMS					
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SEE NOTE 4)	10.551				$693,212,512

Cluster Name/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Pass-Through Entity Name*	*Pass-Through Entity Identifying Number*	*Federal Expenditures*
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561				$55,874,769
TOTAL SNAP CLUSTER PROGRAMS					$749,087,281
SPECIAL EDUCATION CLUSTER (IDEA) PROGRAMS					
SPECIAL EDUCATION - GRANTS TO STATES	84.027				$126,382,928
SPECIAL EDUCATION - PRESCHOOL GRANTS	84.173				$4,018,574
TOTAL SPECIAL EDUCATION CLUSTER (IDEA) PROGRAMS					$130,401,502
STUDENT FINANCIAL ASSISTANCE PROGRAMS PROGRAMS					
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	84.007				$2,823,411
FEDERAL WORK-STUDY PROGRAM	84.033				$3,058,874
FEDERAL PERKINS LOAN PROGRAM-FEDERAL CAPITAL CONTRIBUTIONS (SEE NOTE 5)	84.038				$31,154,320
FEDERAL PELL GRANT PROGRAM	84.063				$142,587,727
FEDERAL DIRECT STUDENT LOANS (SEE NOTE 5)	84.268				$368,709,782
TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS	84.379				$14,832
NURSE FACULTY LOAN PROGRAM (SEE NOTE 5)	93.264				$1,555,412
HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGE (SEE NOTE 5)	93.342				$928,249
NURSING STUDENT LOANS (SEE NOTE 5)	93.364				$19,571
TOTAL STUDENT FINANCIAL ASSISTANCE PROGRAMS PROGRAMS					$550,852,178
TANF CLUSTER PROGRAMS					
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558				$240,109,296
TOTAL TANF CLUSTER PROGRAMS					$240,109,296
TRANSIT SERVICES PROGRAMS CLUSTER PROGRAMS					
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513				$2,374,914
JOB ACCESS - REVERSE COMMUTE PROGRAM	20.516				$433,453
NEW FREEDOM PROGRAM	20.521				$975,896
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER PROGRAMS					$3,784,263
TRIO CLUSTER PROGRAMS					
TRIO-STUDENT SUPPORT SERVICES	84.042				$598,201
TRIO-TALENT SEARCH	84.044				$592,044
TRIO-UPWARD BOUND	84.047				$256,462
TRIO-MCNAIR POST-BACCALAUREATE ACHIEVEMENT	84.217				$274,768
TOTAL TRIO CLUSTER PROGRAMS					$1,721,475
WIA/WIOA CLUSTER PROGRAMS					
WIA/WIOA ADULT PROGRAM	17.258				$9,341,626
WIA/WIOA YOUTH ACTIVITIES	17.259		NORTHWEST REGIONAL INVESTMENT BOARD NORTHWEST REGIONAL INVESTMENT BOARD NORTHWEST REGIONAL INVESTMENT BOARD NORTHWEST REGIONAL INVESTMENT BOARD	ISY-14-002 ISY-15-001 OSY-14-002 OSY-15-002	$742,280
WIA/WIOA YOUTH ACTIVITIES	17.259				$9,157,853
WIA/WIOA DISLOCATED WORKER FORMULA GRANTS	17.278				$13,050,164
TOTAL WIA/WIOA CLUSTER PROGRAMS					$32,291,923

STATE OF CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL LOAN PROGRAMS
Year Ended 6/30/2016

Federal Grantor/Program Title	*Federal CFDA Number*	*Additional Award Identification*	*Outstanding Balance at 6/30/2016*
DEPARTMENT OF EDUCATION LOAN PROGRAMS			
FEDERAL PERKINS LOAN PROGRAM-FEDERAL CAPITAL CONTRIBUTIONS (SEE NOTE 5)	84.038		$26,509,782
FEDERAL DIRECT STUDENT LOANS (SEE NOTE 5)	84.268		N/A
DEPARTMENT OF HEALTH AND HUMAN SERVICES LOAN PROGRAMS			
NURSE FACULTY LOAN PROGRAM (SEE NOTE 5)	93.264		$1,506,305
HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGE (SEE NOTE 5)	93.342		$803,544
NURSING STUDENT LOANS (SEE NOTE 5)	93.364		$19,571
ARRA - NURSE FACULTY LOAN PROGRAM (SEE NOTE 5)	93.408		$115,965

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Summary of Significant Accounting Policies :

A. Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards includes all federal programs administered by the State of Connecticut except for the portion of the federal programs that are subject to separate audits in compliance with *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

B. Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting, except for the following programs which are presented on the accrual basis of accounting: *Labor Force Statistics* (CFDA #17.002), *Employment Service/Wagner-Peyser Funded Activities* (CFDA #17.207), *Disabled Veterans' Outreach Program* (CFDA #17.801), *Local Veterans' Employment Representative Program* (CFDA #17.804), *Temporary Labor Certification for Foreign Workers* (CFDA #17.273), *Work Opportunity Tax Credit Program (WOTC)* (CFDA #17.271), *Trade Adjustment Assistance* (CFDA #17.245), and the administrative portion of *Unemployment Insurance* (CFDA #17.225). The total expenditures presented for *Supportive Housing for Persons with Disabilities* (CFDA # 14.181), *Section 8 Housing Assistance Payments Program* (CFDA #14.195), *Section 8 Moderate Rehabilitation Single Room Occupancy Program* (CFDA #14.249), *Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation* (CFDA #14.856), and *Section 8 Housing Choice Voucher* (CFDA #14.871) programs represent the net Annual Contributions Contract subsidy received for the state's fiscal year ended June 30, 2016. The net Annual Contribution Contract subsidy for the fiscal year is being reported as the federal awards expended for these programs per Accounting Brief # 10 issued by the Department of Housing and Urban Development's Real Estate Assessment Center. In addition, the grant expenditures for The University of Connecticut Health Center, The University of Connecticut, the Connecticut State Universities and the Connecticut Community Colleges include certain accruals at the grant program level.

C. Basis of Presentation:

The information in this Schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the state's basic financial statements. Federal award programs include expenditures, pass-throughs to non-state agencies (i.e., payments to subrecipients), non-monetary assistance and loan programs. Funds transferred from one state agency to another state agency are not considered federal award expenditures until the funds are expended by the subrecipient state agency.

D. Matching Costs:

Except for the state's share of unemployment insurance, (see Note 6) the non-federal share portion is not included in the Schedule.

Note 2 - 10% De Minimis Cost Rate

No, the auditee did not elected to use the 10% de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) cost.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 3 – Research Programs

Federally funded research programs at the University of Connecticut and its Health Center and Connecticut Agricultural Experiment Station have been reported as discrete items. The major federal departments and agencies providing research assistance have been identified. The research programs at the University and its Health Center are considered one Major Federal Financial Assistance Program for purposes of compliance with the Federal Single Audit Act (Uniform Guidance).

Note 4 – Non-cash Assistance

The state received non-cash federal financial assistance, which are included in the schedule and are as follows:

10.551	Supplemental Nutrition Assistance Program	693,212,512
10.555	National School Lunch Program	14,548,693
10.559	Summer Food Service Program for Children	14,201
39.003	Donation of Federal Surplus Personal Property	65,882
93.053	Nutrition Services Incentive Program *	0
93.268	Immunization Grants	31,671,388
93.283	Centers for Disease Control & Prevention Investigations & Technical Assistance	1,342

* There was no non-cash federal assistance received during the fiscal year.

Note 5 - Federally Funded Student Loan Programs

The summary for the federally funded student loan programs below include both those loans that have continuing compliance requirements and those that do not. They are:

a) Student loan programs with continuing compliance requirement:

CFDA Number	Program Name	Loans Outstanding On June 30, 2016	New Loans Processed
84.038	Federal Perkins Loan Program	$ 26,509,782	$4,150,348
93.264	Nurse Faculty Loan Program	1,506,305	385,910
93.342	Health Professions Student Loans	803,544	322
93.364	Nursing Student Loans	19,571	0
93.408	ARRA-Nurse Faculty Loan Program	115,965	0

b) Other student loan programs that do not have a continuing compliance requirement:

CFDA Number	Program Name	New Loans Processed
84.268	Federal Direct Student Loans	$368,709,782

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 6 - Rebates on the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

The expenditures presented on the schedule for the federal WIC program are presented net of rebates and amounts for penalties and fines.

During the fiscal year the state received $12,664,762 from rebates from infant formula and cereal manufacturers on the sales of formula to participants in the *U.S. Department of Agriculture's WIC program* (CFDA #10.557). The WIC program collected $32,412 in fines and penalties that were subsequently used to increase WIC program benefits to more participants.

Rebate contracts with infant formula manufacturers are authorized by Title 7 Code of Federal Regulations Chapter II Subchapter A, Part 246.16m as a cost containment measure. Under 2 CFR 225, rebates enabled the state to serve more eligible persons with the same federal dollars thereby reducing the federal cost per person.

Note 7 – State Unemployment Insurance Funds

In accordance with the Uniform Guidance Compliance Supplement, State Unemployment Insurance Funds, as well as federal funds, shall be included in the Schedule of Expenditures of Federal Awards with CFDA #17.225. During the fiscal year ended June 30, 2016, the state funds expended from the Federal Unemployment Trust Fund amounted to $677,910,855. The total expenditures from the federal portion equaled $8,493,922. The $70,393,498 in Unemployment Insurance program administrative expenditures was financed by the U.S. Department of Labor.

Note 8 – Child Support Enforcement

During the fiscal year ended June 30, 2016 the Department of Social Services expended a total of $51,079,581 (federal share) to accomplish the goals of the *Child Support Enforcement Program* (CFDA #93.563). The state received $15,161,210 of the total expenditures by withholding a portion of various collections received through the process of implementing the *Child Support Enforcement Program*. The other $35,918,371 of the federal share of expenditures was reimbursed to the state directly from the federal government.

Note 9 – HIV Care Formula Grants

Expenditures reported on the SEFA totaled $5,935,553 for the *HIV Care Formula Grants* (CFDA #93.917). The state also expended $19,496,841 in HIV rebates provided by private pharmaceutical companies. These HIV rebates are authorized by the AIDS Drug Assistance Program (ADAP) manual Section 340B rebate option as a cost savings measure and are not included in the reported SEFA expenditures.

Note 10 – ARRA American Recovery and Reinvestment Act

Under the provisions of the American Recovery and Reinvestment Act of 2009, recovery expenditures were separately identified using the code, “ARRA” along with the CFDA number. During the fiscal year ended June 30, 2016 a grand total of $ 19,920,873 was expended. The total amount includes $19,871,983 in ARRA non-research expenditures as well as $ 48,890 in ARRA research expenditures.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 11 – Refunds of Unspent Funds

When refunds of unspent funds are received by the state from a non-state subrecipient and returned to the federal government for funds reported as expended in a prior SEFA, negative balances may be reported.

Note 12 – Pass-through Awards

The majority of the state's federal assistance is received directly from federal awarding agencies. However, agencies and institutions of the state receive some federal assistance that is passed through a separate entity prior to the receipt by the state. The accompanying Schedule of Expenditures of Federal Awards details indirect federal assistance received from those non-state pass through grantors. These amounts are reported as federal revenue on the state's basic financial statements.

Federal assistance received by the state from non-state pass-through grantors is identified by CFDA Number, Grantor, Grantor ID and Expenditure Amount, and is presented on the accompanying Schedule of Expenditures of Federal Awards.

Schedule of Findings and Questioned Costs

STATE OF CONNECTICUT
STATEWIDE SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2016
INDEX OF SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Status **Page**

STATUS

A. Material instances of non-compliance with federal requirements
B. Significant deficiencies in the internal control process
C. Material weaknesses of the internal control process
D. Known or likely questioned costs which are greater than $25,000 for a type of compliance requirement for a major program
E. Known questioned costs which are greater than $25,000 for a federal program which is not audited as a major program
F. Circumstances resulting in other than an unqualified opinion unless such circumstances are otherwise reported as an audit finding under code A. above
G. Known fraud affecting a federal award
H. Repeat of a prior year finding
I. Instances resulting from audit follow-up procedures that disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding.
J. Material instance of non-compliance with the federal requirements of the major federal program(s) included in the finding that resulted in a qualified opinion on compliance to the particular major federal program(s) that are identified by an asterisk.

STATE OF CONNECTICUT
STATEWIDE SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2016
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiencies identified that are not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.556 and 10.559	Child Nutrition Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.558	Child and Adult Care Food Program (CACFP)
14.269	Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)
14.871	Section 8 Housing Choice Vouchers
17.225	Unemployment Insurance
17.258, 17.259 and 17.278	Workforce Investment Act (WIA) Cluster
20.205 and 20.219	Highway Planning and Construction Cluster
20.319	High Speed Rail
20.933	National Infrastructure Investments
84.007, 84.033, 84.038, 84.063, 84.268 84.379, 93.264, 93.342, 93.364 and 93.408	Student Financial Assistance Cluster
84.419	Preschool Development Grants
93.268	Immunization Cooperative Agreements
93.558	Temporary Assistance for Needy Families
93.575 and 93.596	Child Care Cluster
93.658	Foster Care-Title IV-E
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	Children’s Health Insurance Program
93.775, 93.777 and 93.778	Medicaid Cluster
93.917	HIV Care Formula Grants
N/A	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $28,169,416

Auditee qualified as a low risk auditee? No

SECTION II

FINANCIAL STATEMENT RELATED FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

There were no financial statement related findings required to be reported in accordance with *Government Auditing Standards*.

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SECTION III

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

DEPARTMENT OF SOCIAL SERVICES

2016-001 Eligibility – Social Security Numbers

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Background: The Department of Social Services (DSS) provided us with a detailed listing of fee-for-service benefit payments issued during the fiscal year ended June 30, 2016. This data included client names and social security numbers (SSN). We used audit software to extract all clients who did not have a SSN listed. Clients under the age of 3 were excluded from our review to account for any time delay that would occur while obtaining a SSN for a newborn.

Criteria: Title 42 United States Code Section 1320b-7 requires, as a condition of eligibility, that each individual (including children) requesting Medicaid services furnish their SSN to the state for utilization in the administration of the program. This section also requires the state to use the Income and Eligibility Verification System (IEVS) to verify income eligibility and the amount of eligible benefits using wage information available from sources such as the state agencies administering state unemployment compensation, the Social Security Administration (SSA), and the Internal Revenue Service. These requirements do not apply to non-qualified aliens seeking medical assistance for the treatment of an emergency medical condition.

Title 42 Code of Federal Regulations (CFR) 435.910(f) provides that the state must not deny or delay services to an otherwise eligible applicant pending issuance or verification of the individual's SSN by the SSA.

Title 42 CFR 435.910(g) provides that the state must verify the SSN of each applicant and recipient with SSA to insure that each SSN furnished was issued to that individual and to determine whether any others were issued.

Condition: Our review disclosed that SSN were not entered into the DSS Eligibility Management System (EMS) in 21 of the 25 cases tested. However, 12 of the clients were non-qualified aliens who were allowed to receive emergency medical services without a SSN. Further review of the remaining 9 clients, for whom a SSN was required, disclosed that no SSN was ever obtained for 3 clients and a SSN was provided at the time of application, but was never entered into EMS, for 6 others.

Context: Fee-for-service benefit payments were made on behalf of 938,810 clients totaling $7,520,822,501, of which $4,559,115,929 was received in federal reimbursement. An SSN was not listed for 11,000 clients who received benefits totaling $46,662,714, of which $23,456,391 was received in federal reimbursement. We reviewed 25 client cases to determine whether a SSN was included in EMS. The payments made on behalf of these 25 clients totaled $206,275, of which $103,205 was received in federal reimbursement. Of these 25 clients, there were 10 citizens and 3 qualified aliens. The payments made on behalf of these 13 clients totaled $89,256, of which $44,661 was received in federal reimbursement. The remaining 12 clients were non-qualified aliens.

The sample was not statistically valid.

Questioned Costs: We were unable to determine whether any questioned costs existed.

Effect: Without entering the SSN into EMS, DSS was not able to use the IEVS to verify eligibility using wage information, as required by federal regulations.

Cause: The errors appeared to be oversights by DSS eligibility workers and a contractor hired to enter client data into EMS.

Prior Audit Finding: This was previously reported as finding 2015-001 and in 9 prior audits.

Recommendation: The Department of Social Services should obtain and verify the social security numbers of all applicable Medicaid clients and enter the social security numbers into its Eligibility Management System.

Views of Responsible Officials:

"The Department agrees with this finding. The Department acknowledges the importance of obtaining and verifying accurate social security numbers for all of its Medicaid clients. With the implementation of the Affordable Care Act the Department has undergone changes within its eligibility process that address this issue. The majority of our clients apply online or over the phone through our health insurance market place, Access Health CT. Information obtained from the applicant is verified in real time through the federal data services hub. If any of the information fails the verification process, the client is notified and is provided with ninety (90) days to verify or the application is denied.

The Department's ability to track missing Social Security numbers will be further enhanced with the statewide implementation of ImpaCT, the new, replacement eligibility system. ImpaCT was piloted in the Middletown service area in October 2016 and is expected to be statewide by spring 2017. In preparation for the launch of ImpaCT, the Department began updating missing Social Security numbers in EMS, our legacy eligibility management system."

2016-002 Activities Allowed or Unallowed – Non-qualified Aliens

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Criteria: Title 42 United States Code Section 1396b subsection (v) provides that aliens who meet certain requirements are eligible for Medicaid only if such care and services are necessary for the treatment of an emergency medical condition of the alien and such care and services are not related to an organ transplant procedure. The term emergency medical condition means a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in placing the patient's health in serious jeopardy, serious impairment to bodily functions, or serious dysfunction of any bodily organ or part.

Condition: The Department of Social Services (DSS) issued payments and claimed federal reimbursement for non-emergency medical services that were provided to non-qualified aliens who were not eligible to receive such services.

Context: A review of fee-for-service benefit payments disclosed that a social security number (SSN) was not listed for 11,000 clients who were over 3 years old. Payments were made on behalf of these 11,000 clients totaling $46,662,714, of which $23,456,391 was received in federal reimbursement. Of the 11,000 clients, the total number of non-qualified aliens is indeterminate. We reviewed services provided to 12 non-qualified aliens to determine whether the payments were only for emergency medical services as defined by federal statutes. The 12 non-qualified aliens received benefits totaling $117,019, of which $58,544 was received in federal reimbursement. Non-emergency medical services were provided to 9 out of 12 non-qualified aliens with payments totaling $14,731. The sample was not statistically valid.

Questioned Costs: Questioned costs are computed by applying the applicable federal financial participation rate to the unallowed expenditures. Our review identified questioned costs totaling $7,400.

Effect: DSS received federal reimbursement for expenditures that were not allowable.

Cause: The DSS Eligibility Management System (EMS) or Medicaid Management Information System (MMIS) do not have adequate controls in place to prevent provider payments and federal reimbursement claims for non-emergency medical services provided to non-qualified aliens. If a non-qualified alien received emergency medical services, DSS entered the client into EMS as being Medicaid eligible for the month(s) in which the emergency services were provided. Although this allowed for payment processing to the hospital, this also allowed the client to be eligible for any Medicaid service, including non-emergency services, during the same time period.

Prior Audit Finding: This was previously reported as finding 2015-005 and in 6 prior audits.

Recommendation: The Department of Social Services should establish procedures to ensure that payments made for non-emergency medical services provided to non-qualified aliens are not claimed for federal reimbursement under the Medicaid program. In addition, the Department of Social Services should strengthen internal controls to ensure that each client who received Medicaid services is eligible for the program according to federal statutes.

Views of Responsible Officials:

"The Department agrees with this finding and acknowledges the importance of ensuring payments made for non-emergency medical services provided to non-qualified aliens are not claimed for federal reimbursement under the Medicaid program.

The Department is currently working to replace its legacy eligibility system, EMS, with a new eligibility system, ImpaCT. It is anticipated that ImpaCT will bring improved controls thereby strengthening the Department's internal controls to ensure that each client who received Medicaid services is eligible for the program according to federal statutes.

The Department will review any noted questioned costs to determine if any claim adjustments need to be processed."

2016-003 Eligibility – Determinations

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Criteria: Title 42 Code of Federal Regulations (CFR) 435.916 requires the state to redetermine the eligibility of individuals whose Medicaid eligibility is determined on a basis other than the modified adjusted gross income method at least every 12 months. In addition, the state must have procedures designed to ensure that recipients make timely and accurate reports of any change in circumstances that may affect their eligibility.

Title 42 CFR 435.407 requires the agency to maintain primary evidence of identity and citizenship as part of the recipient's case record.

Title 42 United States Code Section 1320b-7 requires the state to use the Income and Eligibility Verification System to verify eligibility using wage information available from such sources as the state agencies administering state unemployment compensation laws, the Social Security Administration, and the Internal Revenue Service to verify income eligibility and the amount of eligible benefits.

Title 42 CFR 435.1009 provides that federal reimbursement is not available for expenditures related to services provided to individuals under age 65 who are patients in an institution for mental diseases.

Condition: The Department of Social Services (DSS) did not perform required eligibility redeterminations within the previous 12 months of the service periods tested in 2 instances. There was no indication in the DSS Eligibility Management System that a passive renewal redetermination was performed and there was no redetermination form in the client case files. For the same 2 clients, DSS did not complete a New Hires Matched SSN Report (Form W-69). For 1 of these clients, eligibility was affected.

DSS did not obtain or document the identity of 1 client.

DSS did not have a procedure in place to determine whether Medicaid recipients were individuals under age 65 who were patients in an institution for mental diseases.

Context: During the fiscal year ended June 30, 2016, DSS claimed fee-for-service payments totaling $7,521,364,261, of which $4,559,386,809 was received in federal reimbursement. We reviewed 60 benefit payments, totaling $51,948, of which $26,148 was received in federal reimbursement. Redeterminations were not completed within the 12 months prior to the service month tested for 2 clients who received benefits totaling $1,319.

Our sample was not statistically valid.

Questioned Costs: Questioned costs are computed by applying the applicable federal financial participation rate to benefit payments associated with clients who did not receive annual redeterminations. Our review identified questioned costs totaling $659. It is unclear whether questioned costs existed for Medicaid recipients who were under age 65 and were patients in an institution for mental diseases.

Effect: DSS may be providing Medicaid benefits to ineligible individuals. DSS may be claiming federal reimbursement for unallowed expenditures.

Cause: Due to DSS eligibility worker oversight, redeterminations were not completed; W-69 Forms were not processed; and client identity was not documented. We were informed that DSS does not have a procedure to determine Medicaid recipient status with institutions for mental diseases.

Prior Audit Finding: This was previously reported as finding 2015-006 and in 5 prior audits.

Recommendation: The Department of Social Services should ensure that each client who receives Medicaid benefits is eligible, that annual redeterminations are performed in a timely manner, and that each factor of the eligibility decision is supported and documented according to federal requirements.

The Department of Social Services should ensure compliance with Title 42 Code of Federal Regulations 435.1009 by establishing and implementing procedures that determine whether Medicaid recipients are individuals under age 65 who are patients in an institution for mental diseases.

Views of Responsible Officials:

"The Department agrees with this finding. With the successful implementation of ConneCT, a document scanning and workflow system implemented in July 2013, all documents submitted to DSS in support of an application or redetermination are available electronically. This functionality was merged with the new ImpaCT eligibility system which is currently operating as a pilot in the Middletown service center area and will be rolled out statewide in the Spring of 2017. Likewise, with the implementation of the Affordable Care Act (ACA) in 2014 and the implementation of the new eligibility system, DSS shares with the health insurance marketplace, Access Health CT (AHCT), all paper documents submitted to support Medicaid applications are scanned and available electronically as well. In addition, most verifications occur electronically through interfaces with the federal data services hub (FDSH) and other electronic verification sources. We feel these improvements have largely rectified previously reported issues.

With the implementation of the shared system with AHCT, the Department successfully implemented the process of passive renewals as required by the

ACA. Passive renewal allows for the automatic renewal of Medicaid eligibility without immediately requiring new information from the client. The information from the most recent application on file is electronically verified against the FDSH and other sources. If results are the same, clients are renewed without interruption of coverage. If results differ, clients are asked to provide updated information. Currently, HUSKY A (children, parents/caretakers and pregnant women) and HUSKY D (low income adults) clients are renewed this way. It is anticipated that once ImpaCT is rolled out statewide, HUSKY C (Medicaid for the Aged, Blind and Disabled) and Medicare Savings Program clients will be renewed in a similar fashion. This will greatly improve redetermination processing.

Concerning the Department's failure to verify whether Medicaid recipients are individuals under age 65 who are patients in an institution for mental diseases, both EMS and ImpaCT have a residence page that explains where a person resides. Specific codes must be entered to ensure that the correct payment is made. The Department will send reminders to all staff of the importance of verifying residency.

The Department will review any noted questioned costs to determine if any claim adjustments need to be processed."

2016-004 Reporting – Overstatement of Expenditures

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP, 1505CT5ADM, 1605CT5MAP and 1605CT5ADM

Criteria: Title 42 Code of Federal Regulations (CFR) 430.30 provides that the Centers for Medicare and Medicaid Services (CMS) makes quarterly grant awards to the state to cover the federal share of expenditures for services, training, and administration. The amount of the quarterly grant is determined on the basis of information submitted by the state in quarterly estimates, quarterly expenditure reports and other pertinent documents. The state must submit Form CMS-37, Medicaid Program Budget Report State Estimate of Quarterly Grant Awards, 45 days before the beginning of each quarter and Form CMS-64, Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program, not later than 30 days after the end of each quarter to CMS. The Form CMS-64 is the state's accounting of actual recorded expenditures. CMS computes the Medicaid grant award based on the estimate of expenditures for the ensuing quarter and the amounts by which that estimate is increased or decreased because of an underestimate or overestimate for prior quarters. The grant award authorizes the state to draw federal funds as needed to pay the federal share of Medicaid disbursements.

Title 42 CFR Part 433 Subpart A provides for payments to states on the basis of a federal medical assistance percentage (FMAP) for part of their expenditures for services under the approved Medicaid State Plan. The FMAP for allowable expenditures under the Medicaid program varies depending on the type of expenditure. The 50% FMAP is used for the majority of expenditures. Subpart F provides that payments to states are to be reduced or increased to make adjustment for prior overpayments or underpayments.

Title 42 CFR 433.67 provides that the maximum amount of provider-related donations for outstationed eligibility workers that a state may receive without a reduction in federal financial participation (FFP) may not exceed 10% of a state's medical assistance administration costs, excluding the costs of family planning activities. When calculating FFP, CMS will deduct, from a state's quarterly medical assistance expenditures, provider donations for outstationed eligibility workers in excess of such specified limits.

Condition: The Department of Social Services (DSS) overstated net Medicaid expenditures on Form CMS-64 by $3,476,771 and did not report donations for outstationed eligibility workers totaling $325,051.

Context: During the fiscal year ended June 30, 2016, DSS reported Medicaid expenditures totaling $7,715,649,908, of which $4,586,567,592 was received in federal reimbursement. For the quarters ended September 30, 2015 and December 31, 2015, DSS did not report certain recoupment receivables totaling $1,150,649 and $1,108,555, respectively. For the quarter ended June 30, 2016, DSS incorrectly reported third-party liability refunds by $1,217,567.

During the fiscal year ended June 30, 2016, DSS reported Medicaid donations for outstationed eligibility workers totaling $1,226,899. For the quarter ended June 30, 2016, DSS did not report donations for outstationed eligibility workers, totaling $325,051.

Questioned Costs: Questioned costs are computed by applying the applicable FMAP to the unreported and incorrectly reported Medicaid expenditures. Our review identified questioned costs totaling $1,738,386.

Since donation amounts did not exceed 10% of the state's medical assistance administration costs, the non-reporting of donations did not result in questioned costs.

Effect: The federal financial reports prepared for the Medicaid program were not accurately reported. As a result, CMS could be incorrectly computing the grant award which authorizes the state to draw federal funds as needed to pay its federal share of Medicaid disbursements.

Cause: DSS lacked a defined procedure for the reporting of recoupment receivables that resulted from the suspension of payments to providers suspected of committing fraud. The remaining conditions were due to clerical errors that went unnoticed during the supervisory review process.

Prior Audit Finding: This was previously reported as finding 2015-003 for errors regarding donations and refunds.

Recommendation: The Department of Social Services should establish and implement procedures for reporting recoupment receivables for providers suspected of committing fraud and ensure that the claims submitted for federal reimbursement under the Medicaid program are accurately reported.

Views of Responsible Officials:

"The Department agrees with this finding in part. The Department concurs with the finding components related to the incorrectly reported third party liability refunds by $1,217,567 and the information only reporting of outstationed worker expenses. We processed a correction for these two items in our CMS 64 claim submitted for the quarter ending December 31, 2016. We do not concur with the second finding regarding the reporting of certain recoupment receivables totaling $1,150,649 and $1,108,555, for the quarters ended September 30, 2015 and December 31, 2015, respectively. We believe we acted in accordance with CMS direction regarding the distribution and claiming of these recoupments."

Auditors' Concluding Comments:

During the fiscal year ended June 30, 2016, DSS was inconsistent with the reporting treatment of certain recoupment receivables. For the quarters ended September 30, 2015 and December 31, 2015, DSS did not report certain recoupment receivables totaling $1,150,649 and $1,108,555, respectively. For the quarters ended March 31, 2016 and June 30, 2016, DSS reported certain recoupment receivables totaling $1,104,544 and $1,024,780, respectively. DSS did not have established procedures for reporting recoupment receivables for providers suspected of committing fraud. DSS did not provide us with formal documentation from CMS regarding accurate reporting of recoupment receivables.

2016-005 Allowable Costs/Cost Principles – Fee for Service Payments

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Criteria: Title 45 Code of Federal Regulations Part 75, Subpart E, provides that costs should be adequately documented to be allowable under federal awards. Title 42 United States Code 1396a requires that a state Medicaid plan for medical assistance provide for agreements between the state Medicaid agency and every medical provider. The agreement must declare that the medical provider agrees to keep medical service records. The Department of Social Services' (DSS) standard provider enrollment agreement states that the medical provider shall maintain all records for a minimum of 5 years.

Condition: DSS claimed fee-for-service payments for federal reimbursement for client services that were not adequately supported.

Context: During the fiscal year ended June 30, 2016, DSS processed fee-for-service payments totaling $6,299,189,197, of which $3,171,905,293 was received in federal reimbursement. We reviewed 60 fee-for-service payments totaling $37,952, of which $19,180 was received in federal reimbursement. We noted 1 payment of $257 in which the medical provider had no supporting documentation for the services provided. At the time of our review, it was noted that all fee-for-service payments processed for this medical provider for the fiscal year were unsupported. DSS processed fee-for-service payments totaling $786,093 during the fiscal year for this medical provider.

Questioned Costs: Questioned costs are computed by applying the applicable federal financial participation rate to the unallowed expenditures. Our review identified questioned costs totaling $393,046.

Effect: DSS received federal reimbursement for fee-for-service payments that were not allowable.

Cause: We were informed that a medical provider maintained medical service records for only 6 months.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Social Services should recoup any improper payments made to medical providers and refund any corresponding federal reimbursements to the Centers for Medicare and Medicaid Services. The Department of Social Services should establish and implement controls to ensure that fee-for-service payments claimed for federal reimbursement under the Medicaid program are adequately supported.

Views of Responsible Officials:

"The Department agrees with this finding. The Department will reach out to the provider to ensure that proper record retention is established going forward. Additionally, the Department will determine whether there are any improper payments that need to be recouped."

2016-006 Activities Allowed or Unallowed – School Based Child Health Claims

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Criteria: Title 45 Code of Federal Regulations (CFR) Part 75, Subpart E, provides that to be allowable under federal awards, costs should be adequately documented.

Title 20 United States Code Chapter 33, Individuals with Disabilities Education Act (IDEA), authorized federal funding to states for programs that impact Medicaid payment for services provided in schools. Under Part B of IDEA, school districts must prepare an individualized education plan (IEP) for each child, which specifies all special education and related services needed by the child. The Medicaid program will pay for some of the health related services included in the IEP if they are among the services specified in Medicaid law and included in the state's Medicaid Plan.

Title 34 CFR 300.154 requires that school districts obtain written parental consent before accessing a child's or parent's Medicaid benefits for the first time. The consent form must include the personally identifiable information that may be disclosed; the purpose of the disclosure; the agency to which the disclosure will be made; and specify that the parent understands and agrees that the school district may access the child's or parent's Medicaid benefits to pay for SBCH services provided to the child.

The Department of Social Services (DSS) Medicaid State Plan allows for the reimbursement of School Based Child Health (SBCH) services that are provided by or through a local education agency (LEA) to students with special needs pursuant to the IEP. Furthermore, the state plan provides that all bills submitted to DSS for payment must be substantiated by documentation in the eligible student's permanent service record.

The DSS Provider Manual for SBCH service providers states that a permanent service record shall include, but is not limited to:

1. the written evaluation and the results of any diagnostic tests;
2. the diagnosis, in a manner acceptable to the department;
3. the IEP signed by a licensed practitioner of the healing arts; and
4. the actual service delivery record including: the type of service; the date of the service; the units of service; the name and discipline of the person performing services and, for persons affiliated with an organization under contract to the LEA, the name of the organization; the signature of the individual performing the service; and progress notes signed by a licensed or certified allied health professional who performed or supervised the services within the scope of his or her practice under state law.

Condition: DSS claimed SBCH expenditures for federal reimbursement for client services that exceeded the authorized IEP and for client cases that did not have a parental consent form on file.

Context: During the fiscal year ended June 30, 2016 DSS claimed SBCH expenditures totaling $69,300,096, of which $36,445,284 was received in federal reimbursement. We reviewed 60 SBCH expenditures totaling $36,151, of which $18,693 was received in federal reimbursement. We noted 3 expenditures totaling $2,513 that exceeded the authorized services of the IEP. We noted 5 expenditures totaling $2,642 that were not supported by a parental consent form. For these 5 clients, we also noted that without a parental consent form on file, no SBCH service provided to these clients was claimable to the Medicaid program for the fiscal year ended June 30, 2016. These additional exceptions totaled $14,761. The sample was not statistically valid.

Questioned Costs: Questioned costs are computed by applying the applicable federal financial participation rate to the unallowed expenditures. Our review identified questioned costs totaling $9,958.

Effect: DSS received federal reimbursement for SBCH expenditures that were not allowable.

Cause: DSS did not monitor SBCH expenditures for compliance with federal codes and regulations and the Medicaid State Plan.

Prior Audit Finding: This was previously reported as finding 2015-009 and in 3 prior audits.

Recommendation: The Department of Social Services should recoup any improper payments made to Medicaid providers and should establish and implement controls to ensure that School Based Child Health costs claimed for federal reimbursement under the Medicaid program are adequately supported by parental consent forms and Individual Education Plans.

Views of Responsible Officials:

"The Department agrees in part. The Department conducts desk reviews of all submitted School Based Child Health program cost reports. However, the LEAs are responsible to properly document and submit costs that they have all the necessary documentation for support. The Department will determine whether any payments need to be recouped."

2016-007 Special Tests and Provisions – ADP Risk Analysis and System Security Review

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Background: There are 3 main automatic data processing (ADP) installations used to administer Health and Human Service (HHS) programs at the Department of Social Services (DSS). The Eligibility Management System (EMS) provides automated eligibility determinations for the Medicaid program, issues benefit and service payments to clients and providers, and provides management support for program administration. The Medicaid Management Information System (MMIS) is used to process payments for medical services and provides other critical administrative functions in the operation of the Medicaid program. The Connecticut Child Support Enforcement System (CCSES) is used in the child support enforcement process where child support orders are maintained, billings are established, and collections are recorded.

Criteria: Title 45 Code of Federal Regulations (CFR) 95.621 specifies that state agencies are responsible for the security of all ADP projects under development and operational systems involved in the administration of HHS programs. At a minimum, the requirements shall include establishment of a disaster recovery plan and, as appropriate, policies and procedures to address the physical and data security operating procedures and personnel practices, establishment of contingency plans to meet critical processing needs in the event of short or long-term interruption of service, and emergency preparedness.

Title 45 CFR Part 164 Subpart C provides the security standards for the protection of electronic protected health information (ePHI). Title 45 CFR

164.308 requires an entity to establish and periodically test and revise a business contingency plan and disaster recovery plan for occurrences that may damage systems that contain ePHI. The regulations require an entity to implement procedures to regularly review records of information system activity, such as audit logs, access reports, and security incident tracking reports. Section 164.312 requires an entity to implement hardware, software, and/or procedural mechanisms that record and examine activity in information systems that contain or use ePHI.

Condition: The DSS information technology disaster recovery plan is outdated. DSS did not have a client-based data loss prevention solution for EMS. DSS did not have an audit logging infrastructure in place for CCSES and EMS.

Context: A disaster recovery plan is necessary to protect and recover data and information technology infrastructure in the event of a catastrophic event. A client-based data loss prevention solution is necessary for a business contingency plan in the event that data has been compromised. An audit logging infrastructure is necessary for continuous monitoring and incident response capabilities.

Questioned Costs: There were no questioned costs.

Effect: DSS has reduced assurance that it is prepared for a significant event that could interrupt or halt ADP operations. DSS informed us that electronic protected health information is vulnerable.

Cause: DSS has been focused on other information security project priorities and hindered by low staffing levels and budgetary constraints.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Social Services should update its information technology disaster recovery plan. The Department of Social Services should implement a client based data loss prevention solution and audit logging infrastructure for information technology that contains or processes electronic protected health information.

Views of Responsible Officials:

"The Department agrees with the finding.

- The Department will work with the necessary stakeholders to update the Disaster Recovery Plan and establish a periodic review schedule to ensure it remains up-to-date.
- The Department will conduct a data classification exercise to identify client-side data loss prevention (DLP) policies necessary to prevent HIPAA and other confidential data from unauthorized access, storage or transmission.

- DSS is in the process of upgrading the LogRhythm audit logging product and developing a strategy to address the audit logging infrastructure shortcomings."

2016-008 Special Tests and Provisions – Provider Eligibility

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Criteria: Title 42 Code of Federal Regulations (CFR) 455.414 provides that the state Medicaid agency must revalidate the enrollment of all providers regardless of provider type at least every 5 years. The Department of Social Services (DSS) has developed a Provider Enrollment/Re-enrollment Criteria Matrix that outlines the information each provider is required to submit in order to be an eligible provider in the Medicaid program.

Title 42 CFR 455.432 provides that the state Medicaid agency must conduct pre-enrollment and post-enrollment site visits of providers who are designated as moderate or high categorical risks to the Medicaid program. The purpose of the site visit will be to verify that the information submitted to the state Medicaid agency is accurate and to determine compliance with federal and state enrollment requirements.

Title 42 CFR 455.436 requires the state Medicaid agency to determine the exclusion status of providers and any person with an ownership or control interest, or who is an agent or managing employee of the provider, through routine checks of federal databases, including the List of Excluded Individuals/Entities (LEIE) and the Excluded Parties List System (EPLS). The state Medicaid agency must check the LEIE and EPLS at least once per month.

The Office of Inspector General (OIG) administers the LEIE, which provides information to the public regarding individuals and entities currently excluded from participation in Medicare, Medicaid, and all other federal health care programs. The General Services Administration administers the System for Award Management (SAM), which consolidated EPLS and several other federal websites and databases into 1 system in 2012. SAM contains exclusion actions taken by various federal agencies.

Condition: DSS was unable to provide adequate documentation that pre-enrollment or post-enrollment site visits were performed for 1 medical supply provider who was designated as high categorical risk to the Medicaid program.

DSS did not check the exclusion status of providers and other applicable persons against the SAM.

Context: During the fiscal year ended June 30, 2016, DSS made payments to 5,360 providers. 25 providers were selected to determine whether the required information was obtained to document eligibility to provide services under Medicaid. From this sample of 25, we selected a sample of 15 which were tested to confirm compliance with suspension and debarment requirements. The samples were not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: DSS may be claiming for federal reimbursement payments made to providers who are not properly enrolled, certified, licensed, or otherwise eligible to participate in the Medicaid program.

Cause: The lack of site visits for 1 medical provider appeared to be an oversight.

DSS informed us that it performs monthly checks of providers against the Medicare Exclusion Database (MED), which is maintained by the Centers for Medicare and Medicaid Services. However, we noted that MED only contains the LEIE exclusion actions taken by the OIG. The SAM contains exclusion actions taken by various federal agencies.

Prior Audit Finding: This was previously reported as finding 2015-004 and in 1 prior audit.

Recommendation: The Department of Social Services should establish and implement internal controls to determine the System for Award Management exclusion status of Medicaid providers and should strengthen controls to ensure that providers are enrolled in compliance with Title 42 Code of Federal Regulations Part 455 and the department's Provider Enrollment/Re-enrollment Criteria Matrix.

Views of Responsible Officials:

"The Department agrees with this finding. However, CMS is aware of the current challenges in accessing the SAM database. A state must contract with a third party vendor to run a full file match between the SAM database and the state's provider enrollment file. The Department will evaluate the cost of contracting with a third party vendor. The Department has the option to utilize the federal SAM website to perform individual queries for each enrolled provider and all associated principals. Alternatively, a text file may be printed from the website. The text file can be used to perform a manual match to the provider enrollment file. Both of these manual processes are fiscally and administratively prohibitive. CMS is working with the General Service Administration to resolve the SAM database access issues."

2016-009 Allowable Costs/Cost Principles – Fee for Service Payments

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2013-2014 and 2014-2015
Federal Award Numbers: 1405CT5MAP and 1505CT5MAP

Background: The Department of Social Services (DSS) is designated as the single state agency to administer the Medicaid program in accordance with Title 42 Code of Federal Regulations (CFR) Part 431. Connecticut administered certain aspects of the Medicaid program through a number of state agencies including the Department of Public Health (DPH) as the state survey agency.

Criteria: Title 42 CFR Part 488 requires a survey process of skilled nursing facilities and intermediate care facilities to assess whether the quality of care is adequately provided to clients as intended by law and regulations. The Centers for Medicare and Medicaid Services (CMS) Schedule of Termination Procedures requires the survey agency to send a warning letter and Form CMS-2567 to providers with the identified deficiencies in conditions of participation or conditions for coverage by the tenth business day following the last day of the survey.

Condition: Our review of 20 surveys revealed that DPH did not send a warning letter and Form CMS-2567 within 10 business days to 3 providers. The delays ranged from 6 to 8 business days beyond the 10 business-day requirement.

Context: The audit universe consisted of 231 skilled nursing facilities and 99 intermediate care facilities that received payments totaling $1,190,371,841 and $198,963,109, respectively. We reviewed the survey documentation for 20 providers that consisted of 16 skilled nursing facilities and 4 intermediate care facilities that received payments totaling $88,264,994 and $5,304,295, respectively. Exceptions were noted for 3 intermediate care facilities that received payments totaling $4,525,882. Although DPH did not meet the 10 business-day requirement, these 3 intermediate care facilities were subsequently certified.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Delays in the termination process may cause providers that should be terminated to operate longer than allowed under the Medicaid program and receive payments for which they are not eligible. Delays in the termination process may also prevent the department or the regional office from meeting other deadlines outlined in the schedule of termination procedures.

Cause: DPH informed us that it did not have sufficient personnel to ensure that all surveys were completed in accordance with the schedule of termination procedures.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Public Health should allocate the necessary resources to ensure that surveys of providers and follow-up procedures comply with the requirements of the CMS Schedule of Termination Procedures.

The Department of Social Services and Department of Public Health should work together to ensure that payments are only made to facilities that meet all federal requirements for participation in the Medicaid program.

Views of Responsible Officials:

Response provided by the Department of Public Health:

"The Department of Public Health (DPH) agrees with this finding. On January 25, 2017 all Facility and Licensing and Investigations Section (FLIS) staff will be in-serviced on the Policy and Procedure regarding the timely processing of the statement of deficiencies, CMS Form 2567. The policy requires that should the supervisor who is processing the statement of deficiencies, CMS Form 2567, anticipate that there may be a delay, which exceeds the prescribed 10 days, such supervisor will notify the manager for additional guidance and support. An audit shall be done monthly of 10% of all certification surveys processed in such month to assess compliance with the required time frames, until such time that 100% compliance is identified for 12 consecutive months."

Response provided by the Department of Social Services:

"Although the Department is the lead agency and retains overall responsibility for claiming Medicaid expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department's section of the Federal Single Audit report. It is the Department of Public Health's responsibility to ensure it has controls in place to properly distribute Form CMS-2567 and any related correspondences."

Auditors' Concluding Comments:

As the state's lead agency, designated under 42 CFR Part 431, DSS has the authority to administer or supervise the administration of the Medicaid program. Although the finding was directed jointly towards DPH and DSS, the state's lead Medicaid agency is ultimately responsible for compliance with federal regulations of the Medicaid program and accountable for the proper use of Medicaid funds.

2016-010 Special Tests and Provisions – Long-Term Care Facility Audits

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Background: The Department of Social Services (DSS) contracts with a public accounting firm to perform field audits and desk reviews of long-term care facilities (LTCF).

Criteria: Title 42 Code of Federal Regulations 447.253 requires that the state Medicaid agency pay for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers. The state Medicaid agency must provide for the filing of uniform cost reports for each participating provider. These cost reports are used to establish payment rates. The state Medicaid agency must provide for the periodic audits of financial and statistical records of participating providers. The specific audit requirements should be established by the State Medicaid Plan.

The audit requirements of LTCF are contained on page 23 in Attachment 4.19-D of the state plan. The plan provides that the per diem rate of payment established for LTCF shall be determined by a desk review of the submitted annual report which shall subsequently be verified and authenticated by field audit procedures approved by the United States Department of Health and Human Services. Facilities shall generally be audited on a biennial basis. This audit cycle may be changed based upon audit experience.

Condition: DSS did not perform field audits of all LTCFs on a biennial basis. There were instances in which field audits of some facilities had not been performed in 11 years.

Context: During the fiscal year ended June 30, 2016, the state had 272 LTCF that provided services to Medicaid clients. A public accounting firm performed 48 field audits of LTCF for DSS. We reviewed 15 LTCF field audits and noted that 11 facilities had not been field audited from 4 to 11 years prior.

Questioned Costs: There were no questioned costs.

Effect: DSS is not in compliance with its state plan and has lessened its assurance that appropriate rates are used to pay for LTCF services.

Cause: DSS informed us that there are not enough audit hours available for a public accounting firm to conduct field audits of all LTCF on a biennial basis.

When DSS develops its annual audit plan, DSS selects LTCF to be audited based on the risk of misstatement.

Prior Audit Finding: This was previously reported as finding 2015-002 and in 7 prior audits.

Recommendation: The Department of Social Services should comply with or amend the auditing procedures in the State Medicaid Plan for long-term care facilities.

Views of Responsible Officials:

"The Department does not agree. For long-term care facilities, the department contracts with a national accounting firm to perform audits of long term care providers. With more than 1,200 long term care and boarding home providers, the department is unable to audit every facility on a biennial basis. Facilities are primarily chosen for audit based on the risk of misstatement. The Department operates with limited resources and while it is neither possible nor feasible to conduct a field examination for every facility, the benefit of utilizing the desk review process must be considered when discussing the risk of mispayment. The Department ensures that a desk review is conducted on each facility's cost report annually. During the desk review process the auditors submit requests to providers for additional information to resolve questions which arise from significant risk areas identified, and follow up on prior year findings. These procedures are conducted to mitigate and reduce the risk of mispayment. It is our belief that this process is an efficient use of the resources that are available to the Department."

Auditors' Concluding Comments:

The Department of Social Services current practice of auditing long-term care facilities does not reflect the audit requirements of the State Medicaid Plan. The department should comply with or amend the audit requirements in the state plan for long-term care facilities.

2016-011 Special Tests and Provisions - Controls Over Income and Eligibility Verification System Related to Wage Matches

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Supplemental Nutrition Assistance Program (SNAP) (CFDA 10.551)
Federal Award Agency: United States Department of Agriculture
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: N/A

Criteria: Title 42 United States Code Section 1320b-7 requires that the state have an Income and Eligibility Verification System (IEVS) in effect for the Medicaid, TANF and SNAP programs. The IEVS provides for matches involving the Department of Labor (DOL) wage information, Social Security wage and earning files, and Internal Revenue Services unearned income files.

Condition: The Department of Social Service (DSS) was deficient in reviewing IEVS alerts related to wages for the Medicaid, TANF and SNAP programs.

Context: During the quarter ended September 30, 2015, DSS received 21,724 IEVS alerts related to client wages, employer and unemployment benefits for Medicaid, TANF and SNAP. As of August 14, 2016, DSS had not investigated, resolved or removed 19,586 alerts as appropriate. Each alert is assigned a specific due date generated by the DSS eligibility management system (EMS) that ranged from August 24, 2015 to November 13, 2015.

Our review of 25 alerts generated during the quarter ended September 30, 2015, that had been resolved as of August 14, 2016, disclosed 5 exceptions. Four alerts for Medicaid clients were marked as resolved without properly addressing client wage differences between EMS and the DOL system. One alert for a Medicaid client was marked as resolved without properly updating employer information in EMS.

Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Clients could receive benefits that they are not eligible to receive, since determinations of eligibility and benefit amounts are completed without an adequate review of all available income and eligibility information. In addition, DSS deficiencies in properly correcting EMS information when resolving alerts could result in the alert being regenerated.

Cause: Due to the volume of alerts, the proper review and disposition of them is not taking place in a timely manner.

Prior Audit Finding: This was previously reported as finding 2015-025 and in 19 prior audits.

Recommendation: The Department of Social Services should provide the necessary resources and institute procedures to ensure that all information resulting from eligibility and income matches is used to ensure that correct payments are made to, or on behalf of, eligible clients.

Views of Responsible Officials:

"The Department agrees with this finding. While unprocessed alerts may not affect eligibility or benefit amounts, failure to act on them could potentially lead to errors. The Department will issue a reminder to staff to check for and disposition alerts whenever they take action on a case.

The Department's new ImpaCT eligibility system is expected to facilitate the processing of alerts. ImpaCT deployment began in October 2016. Statewide deployment is expected within 2017."

2016-012 Eligibility – Application Processing

Medical Assistance Program (Medicaid, Title XIX) (CFDA 93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Supplemental Nutrition Assistance Program (SNAP) (CFDA 10.551)
Federal Award Agency: United States Department of Agriculture
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: N/A

Background: Medicaid:

On January 9, 2012, a class-action lawsuit was filed against the Department of Social Services (DSS) on behalf of individuals whose applications for Medicaid benefits had not been processed in a timely manner and/or who had not been provided Medicaid benefits in the time frame required by federal law. The factual allegations contained in the complaint stated that DSS data reporting demonstrated that, as of the date the lawsuit was filed, DSS had failed and continues to systematically fail to process Medicaid applications within the time frame mandated by federal law. On March 28, 2014, DSS entered into a stipulation and order of settlement agreement in which the department agreed to obtain and maintain compliance with the requirements of federal law for the processing of applications and the provision of Medicaid services in a timely manner. Benchmarks were established that designated the percentage of applications that must be timely processed as DSS works towards achieving full compliance with the applicable standards of promptness. Based on the settlement agreement, by April 2015, DSS shall timely process 92% of both long-term and non-long-term care applications.

SNAP:
On March 5, 2012, a class-action lawsuit was filed against DSS on behalf of individuals seeking SNAP (commonly known as food stamps) benefits and to challenge DSS policies and practices of failing or refusing to process applications and provide assistance to eligible applicants on a timely basis. The lawsuit alleged that DSS data reporting demonstrated that DSS had engaged in a continuing and persistent pattern of severe noncompliance with federal regulations requiring the timely processing of SNAP applications. On May 13, 2013, the court granted the plaintiffs' motion for a preliminary injunction to enjoin DSS to process applications and provide SNAP benefits in a timely manner as required by federal regulations. Within 12 months of the injunction, DSS must be in full compliance with all federal requirements to promptly determine eligibility and provide assistance to all eligible households. For purposes of the injunction, DSS is considered in full compliance if it processes 97% of applications.

Criteria:

Medicaid:
Title 42 Code of Federal Regulations (CFR) 435.912 provides that DSS, as the agency responsible for processing applications, determining eligibility, and furnishing Medicaid, must establish time standards for determining eligibility and must inform the applicant of what those standards are. The standards may not exceed 90 days for applicants who apply for Medicaid on the basis of disability and 45 days for all other applicants, except in unusual circumstances.

Section 1505.35 of the DSS Uniform Policy Manual establishes the maximum time standards for processing Medicaid applications as 45 calendar days for applicants applying on the basis of age or blindness and 90 calendar days for applicants applying on the basis of disability.

SNAP:
Title 7 CFR 274.2 provides that each state agency is responsible for timely and accurate issuance of benefits to certified eligible households. All newly certified households, except those that are given expedited service, shall be given an opportunity to participate no later than 30 calendar days following the date the application was filed. For households entitled to expedited service, the state agency shall make benefits available to the household not later than the 7th calendar day following the date of application.

Condition:

During the audited period, based on internal reports, DSS generally was slightly below the benchmark established in the Medicaid settlement agreement regarding the timely processing of Medicaid long-term care applications.

DSS did not meet the benchmark established in the SNAP preliminary injunction regarding the timely processing of SNAP regular and expedited applications.

Context: Our review of DSS data reporting of the timeliness of application processing during our audited period, disclosed that substantial improvements have been made in the processing of Medicaid and SNAP applications since the date the lawsuits were filed. However, delays continue to exist in the processing of Medicaid long-term care and SNAP applications per benchmarks established in the settlement agreements.

Per the DSS November 2016 Medicaid Application Timeliness Summary report, the average number of monthly Medicaid applications received during the audited period (July 2015 through June 2016) totaled 34,072, of which 95% were for non-long-term care and 5% were for long-term care. As of August 2015, the non-long-term care applications, which accounted for most of the Medicaid applications, met the designated 92% timeliness benchmark. The long-term care applications fell slightly short of the 92% timeliness benchmark, averaging 90.4%.

Per the DSS October 2016 (Adjusted) SNAP Application Timeliness report, the combined (regular and expedited) average number of monthly SNAP applications received during our audited period (July 2015 through June 2016) totaled 12,517, of which 55% were regular applications and 45% were expedited. The processing of the combined adjusted regular SNAP applications ranged from 91.9% in July 2015, to a high of 97% in May 2016, with a slight decrease occurring in June 2016. The processing of the combined adjusted expedited SNAP applications ranged from 83.3% in July 2015, to a high of 95.1% in May 2016, with a slight decrease occurring in June 2016.

Questioned Costs: There were no questioned costs.

Effect: DSS is not in compliance with benchmarks related to the timely processing of Medicaid long-term care and SNAP applications per the settlement agreements.

Cause: In certain instances, measurements in accordance with federal regulations for the timely processing of Medicaid long-term care and SNAP applications differ from the standards agreed to in the settlement agreements. Therefore, DSS may be in compliance with federal standards but not in compliance with the standards of the settlement agreements. It is difficult for DSS to capture these complex policy nuances in its internal reports. The Medicaid and Supplemental Nutrition Assistance Programs are complex. DSS has been in the process of replacing its legacy eligibility management system (EMS) with a new system named ImpaCT. The new system should improve the accuracy of information reported. DSS employees have been attending training sessions on ImpaCT, which has caused temporary delays in service. The Middletown DSS office was selected as the pilot office, and the first stage of the rollout took place on October 11, 2016, with other offices planned to follow in 2017. Furthermore, there are spikes in both Medicaid application and renewal volume during the open enrollment periods established by the Affordable Care Act.

Prior Audit Finding: This was previously reported as finding 2015-015, and in 2 prior audits.

Recommendation: The Department of Social Services should continue to implement procedures to ensure timely application processing to meet benchmarks agreed to in the Medicaid and SNAP settlement agreements.

Views of Responsible Officials:
The Department agrees that it should continue to sustain its significant improvement in timely processing and meet settlement benchmarks."

2016-013 Eligibility – Identity Documentation

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Criteria: Title 45 Code of Federal Regulations (CFR) 205.60 provides that the state agency will maintain records necessary for the proper and efficient operation of the Temporary Assistance for Needy Families State Plan, including records regarding applications and the determination of eligibility.

Condition: The Department of Social Services (DSS) did not have the children's identity documentation on file for 1 household.

Context: During the fiscal year ended June 30, 2016, DSS issued 147,048 federal claimable benefit payments, totaling $65,432,310 before adjustments. We reviewed the eligibility of recipients of 40 cash assistance payments totaling $19,367.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: DSS may be providing TANF benefits to ineligible individuals.

Cause: The missing documentation may have been misfiled.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Social Services should strengthen internal controls to ensure that each recipient of cash assistance is eligible for the program and ensure that adequate support is obtained to allow the eligibility management system to make proper eligibility determinations for the Temporary Assistance for Needy Families according to federal regulations, the Temporary Assistance for Needy Families State Plan, and the state's corresponding policies and regulations.

Views of Responsible Officials:

"The Department agrees with this finding. The Department will alert the TANF field staff to insure they follow policies and regulations to document child identity."

2016-014 Special Tests and Provisions – Child Support Non-Cooperation

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Criteria: Title 45 Code of Federal Regulations 264.30 provides that if a state agency administering Temporary Assistance to Needy Families (TANF) determines that an individual is not cooperating with child support requirements, the agency must deduct an amount not less than 25% of the amount of the assistance or deny the individual any assistance.

Section 8540.65 of the Department of Social Services (DSS) Uniform Policy Manual specifies that individuals who request assistance are required to cooperate in securing support from legally liable relatives for all members of the assistance unit unless the assistance unit is exempt or has good cause for not complying with such requirements. If an individual does not cooperate without good cause, the entire assistance unit is ineligible to receive assistance.

Condition: DSS did not process sanction notices in a timely manner.

Context: During the fiscal year ended June 30, 2016, we reviewed 25 sanction notices for non-cooperation with child support requirements. DSS provided a report from the Connecticut Child Support Enforcement System (CCSES) that consisted of 1,257 records that included sanction notices issued and removed.

We selected records for cases in which a sanction notice was issued. At the time of our review, we noted that 5 sanction notices had not been processed for as long as 4 months.

Questioned Costs: There were no questioned costs.

Effect: DSS issued cash assistance benefit payments to recipients who were not compliant with eligibility requirements.

Cause: Sanction requests were not given priority in the statewide queue system that assigns the workflow of client cases.

Prior Audit Finding: This was previously reported as finding 2015-019 and in 1 prior audit.

Recommendation: The Department of Social Services should strengthen internal controls to ensure compliance with Temporary Assistance for Needy Families child support enforcement requirements.

Views of Responsible Officials:

"The Department agrees with this finding. The Department will attempt to enhance communications between program personnel and the Office of Child Support Services. The Department will alert the TANF field staff to insure they follow policies and regulations are followed."

2016-015 Procurement

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Criteria: Title 45 Code of Federal Regulations (CFR) 92.36 provides that when procuring property and services under a federal grant, states will follow the same policies and procedures it uses for procurement from their non-federal funds.

Section 4-70b of the Connecticut General Statutes states that purchase of service (POS) contracts shall be subject to the competitive procurement provisions of Sections 4-212 through 4-219 of the General Statutes. Section 4-216 requires that each POS agreement that is more than $50,000 or a term of more than 1 year shall be based on competitive negotiations or competitive quotations, unless the state agency applies to the Secretary of the Office of Policy and Management for a waiver from such requirement and the secretary grants the waiver in accordance with the guidelines adopted under Section 4-215 of the General Statutes. Section 4-215 states that the services that may qualify for waiver from competitive procurement shall include, but not be limited to, (1) services for which the cost to the state of a competitive selection procedure would outweigh the benefits of such procedure, (2) proprietary services, (3) services to be provided by a contractor mandated by the general statutes or a public or special act, and (4) emergency services.

Title 45 CFR 93.100 states that no federal grant funds may be expended to support lobbying activities.

Public Law 103-227 Part C, Pro-Children Act of 1994, prohibits smoking in any portion of any indoor facility owned or regularly used for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by federal programs whether directly or through state or local governments. The federal Temporary Assistance for Needy Families (TANF) grant award's terms and conditions state that the above language must be included in any subawards that contain provisions for children's services and that all sub-grantees shall certify compliance accordingly.

Condition: Our review of procurement disclosed the following:

1. Three POS contracts did not include the required provisions of the Pro-Children Act of 1994 or the sub-grantee compliance certification.
2. Four POS contracts did not include the provision that bans using funds to support lobbying activities.
3. DSS did not adhere to state procurement policies and procedures for 1 POS contract.

Context: During the fiscal year ended June 30, 2016, DSS made payments for 22 POS contracts totaling $2,194,541. We reviewed 4 DSS POS contracts totaling $454,440. DSS requested a waiver from competitive solicitation for 1 POS contract that has not been obtained through the competitive procurement process since 2008. In the waiver, DSS stated that the reasons for not conducting a competitive procurement process was that DSS was delayed in its procurement plan; the programs were scheduled for certification; and that after the certification process was completed that DSS would put the program out to bid. The POS contract expired on June 30, 2016.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Since POS contracts excluded required clauses and provisions, federal grant funds may be improperly used for lobbying activities and there is decreased assurance that children will be cared for in a smoke-free environment. In addition, DSS may not be receiving services from the most qualified lowest cost vendor when a contract is not competitively procured.

Cause: Program employees who request POS contracts and competitive procurement are not familiar with the terms and conditions of the TANF federal award.

DSS received a waiver from competitive solicitation from the Office of Policy and Management. Therefore, the department did not put the contract through a competitive procurement process. However, DSS should not have submitted a request for waiver since the reasons stated on the waiver did not comply with the General Statutes and were not otherwise substantive.

Prior Audit Finding: This was previously reported as finding 2015-18 and in 1 prior audit.

Recommendation: The Department of Social Services should strengthen procedures to ensure compliance with federal requirements and state regulations regarding the department's procurement responsibilities.

Views of Responsible Officials:

"The Department agrees in part with this finding.

The Department acknowledges that three POS contracts inadvertently omitted the "Pro Children Act of 1994" provisions and four POS contracts did not include the provision that funds are not to be used to support lobbying activities.

The Contract Administration Unit updated procedural emails, expiring contract reports and the internal CIRAS form that includes language related to required contract language such as: "it is imperative that Program Staff include federally required language/policies and procedures (i.e., stated in a Grant Award) when developing/submitting your contract/procurement draft."

The Department continues to disagree with the statement that state procurement policy and procedures were not adhered to. In regards to the contract in question, the Department exercised its statutory right to request a waiver (which was granted) from the Secretary of OPM."

Auditors' Concluding Comments:

While DSS received a waiver, the reason for the waiver did not comply with Connecticut General Statutes Section 4-215 and should not have been granted.

2016-016 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Eligibility Rates and Expenditure Data - Department of Children and Families

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Background: Title 45 Code of Federal Regulations (CFR) 205.100 provides that the Department of Social Services (DSS) has been designated Connecticut's single state agency to administer the TANF program. Connecticut administers certain aspects of the TANF program through a number of state agencies including the Department of Children and Families (DCF).

DSS claims federal reimbursement under TANF for certain in-home and community-based services provided to DCF clients by DCF subrecipients. DCF enters into agreements with these subrecipients and pays them quarterly advances from state appropriations.

The subrecipients determine TANF eligibility for each client they serve and enter the results of the determinations into the DCF Provider Information Exchange (PIE) system. The PIE system is the DCF data and reporting system for community-based programs. At the conclusion of each quarter, DCF provides DSS with summary eligibility rates for each subrecipient and service along with the amounts advanced to the subrecipient during the quarter. DSS uses this information to claim federal reimbursement under TANF. Also, certain expenditures may be claimed by DSS for allowable services provided to DCF clients regardless of their TANF eligibility.

Criteria: Title 45 CFR 75.403(g) requires that costs must be adequately documented to be allowable under federal awards.

Title 45 CFR 265.3 requires that the state file quarterly expenditure data on the state's use of federal TANF funds, state TANF expenditures, and state expenditures of maintenance of effort funds in separate state programs. Title 45 CFR 265.7 requires that the state's quarterly financial reports be complete and accurate, which means that the reported data reflects information available to the state in case records, financial records, and automated data systems; the data are free from computational errors and are internally consistent; and the state reports data on all applicable elements.

Condition: Expenditures for in-home and community-based services claimed under TANF during the fiscal year ended June 30, 2016 appear to be based on inaccurate eligibility rates, as clients who may not have received services during the quarter may have been included in the rates. Furthermore, our review identified instances in which the expenditure data the rates were applied to was overstated.

We also noted that TANF expenditures were overstated for services that were not dependent on a client's TANF eligibility.

Context: All of the TANF eligibility rates are calculated based on data from the PIE system which does not capture the information needed to accurately calculate the rates. DSS informed us during prior audits that episode start and end dates did not represent the actual client service dates. In most cases, the episode start and end dates represented the client's intake and discharge dates from the service/program and did not represent when services were actually provided. DCF has not implemented procedures outside of the system to collect this information. We also identified instances in which the expenditure data for various services, most of which the eligibility statistics were applied, was overstated. Therefore, as eligibility rates calculated were not based on clients who actually received services during the quarter and the expenditure data the statistics were applied to was inaccurate, we did not perform any testing.

Questioned Costs: Questioned costs totaled $14,614,578, which represents the entire amount claimed for services provided by subrecipients. Although a portion of this amount may be allowable, adequate support to the eligibility statistics was not available and we identified instances of inaccurate expenditure data. Therefore, all of the costs claimed are questioned.

In addition to this finding, we question an additional $236,740 of the $10,797,422 claimed for services not dependent on clients' TANF eligibility. These represent unallowable costs as the amount represents an overstatement of expenditures.

Effect: DCF expenditures claimed by DSS under TANF may be overstated based on inaccurate TANF eligibility rates and/or expenditure data.

Cause: The PIE system did not capture the information necessary to accurately calculate TANF eligibility rates, and DCF did not implement procedures outside of the system to collect this information.

The reporting query used to compile the expenditures by service and subrecipient was flawed. DSS informed us that the query was inadvertently modified in calendar year 2014, which sometimes resulted in duplicated expenditure amounts. Due to DCF not comparing the query results to the general ledger, the exceptions went undetected.

DSS claimed DCF TANF expenditures during the fiscal year ended June 30, 2016 with knowledge from prior audit findings that the DCF TANF expenditures were derived from a flawed system. DSS did not confirm with DCF that the system's flaws were resolved prior to submitting the TANF claims for federal reimbursement.

Prior Audit Finding: The condition relating to TANF eligibility statistics was previously reported as finding 2015-021 and in 3 prior audits.

Recommendation: The Department of Children and Families should implement procedures or further enhance the Provider Information Exchange system to obtain the information necessary to calculate the eligibility rates based on actual Temporary Assistance for Needy Families clients served. In addition, the Department of Children and Families should implement procedures to ensure that expenditure data used in the claiming process is accurate.

The Department of Social Services should not claim the Department of Children and Families in-home and community-based services expenditures until the eligibility rates are calculated based on the actual Temporary Assistance for Needy Families clients served and applied to accurate expenditure information. The Department of Social Services should submit prior quarter adjustments for amounts overstated.

Views of Responsible Officials:

Response provided by the Department of Children and Families:

"The Department agrees with this finding. DCF and DSS have re-evaluated the programs eligible for claiming and are in the process of revising the MOA between the agencies that specifies the programs and the reporting requirements. Although fewer programs will be claimed under TANF purpose 1, those programs that are claimed for that purpose will still require more detailed utilization information than is currently available through the Provider Information Exchange (PIE). Due to State budget constraints, further enhancements of the PIE system are not likely to occur in this fiscal year. We also will explore possible methods of obtaining more precise data with DCF program managers and the program providers.

The additional $236,740 that was claimed for payments to EDT providers resulted from an improper edit to the query that generates the report from CORE-CT. The query has been corrected and the query results for each service type are verified against a general ledger report. The Department will verify that DSS enters the necessary adjustment to reduce the total claim for EDT by the $236,740."

Response provided by the Department of Social Services:

"Although the Department is the lead agency and retains overall responsibility for claiming TANF expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department's section of the Federal Single Audit report. It is the Department of Children and Families' responsibility to ensure it has controls in place to ensure that accurate eligibility rates and expenditure data are calculated.

The Department will review any noted questioned costs to determine if any claim adjustments need to be processed."

Auditors' Concluding Comments:

While DSS received a waiver, the reason for the waiver did not comply with Connecticut General Statutes Section 4-215 and should not have been granted.

2016-017 Eligibility

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2013-2014 and 2014-2015
Federal Award Numbers: 1402CTTANF and 1502CTTANF

Background: Title 45 Code of Federal Regulations (CFR) 205.100 provides that the Department of Social Services (DSS) has been designated Connecticut's single state agency to administer the TANF program. Connecticut administers certain aspects of TANF through a number of state agencies including the Department of Correction (DOC).

As part of DOC operations, costs incurred for education and training, addiction services, and residential services programs were determined to be eligible for federal TANF reimbursement.

Criteria: Title 45 CFR 75.303 provides that a non-federal entity must establish and maintain effective internal control over a federal award that provides reasonable assurance that the federal award is managed in compliance with federal statutes, regulations, and the terms and conditions of the award.

Title 45 CFR 265.3 requires that the state file quarterly expenditure data on the state's use of federal TANF funds, state TANF expenditures, and state expenditures of maintenance of effort funds in separate state programs. Title 45 CFR 265.7 requires that the state's quarterly financial reports be complete and accurate, which means that the reported data reflects information available to the state in case records, financial records, and automated data systems; the data are free from computational errors and are internally consistent; and the state reports data on all applicable elements. The instructions for the preparation of the TANF ACF-196 Financial Report require that all amounts reported be actual expenditures or obligations made in accordance with all applicable statutes and regulations.

Title 45 CFR Part 75 Subpart E provides that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with the relative benefits received. Subpart E also requires that to be allowable under federal awards, costs must be adequately documented.

Title 2 CFR Part 200 sets forth the requirements for compensation for personal services and fringe benefits. A cost is allocable to a particular federal award if the services are incurred specifically for the federal award.

Per the Inter-Agency TANF Claiming Procedures Manual, the quarterly expenditure data for education and training services calculated does not include federal funds; these expenditures are limited to General Fund expenditures.

Condition: DOC submitted expenditures that were either ineligible or inadequately supported to DSS to claim on the state's TANF quarterly reports.

1. Employee benefit expenditures that were charged to another federal program were included in the TANF expenditure data for education and training services.
2. Employee timesheets were not signed by the employee or timesheets were signed prior to the end of the pay period.

Context: According to the Inter-Agency TANF Claiming Procedures Manual, DOC uses population reporting to provide DSS with expenditure and eligibility ratio reports that are used to prepare the TANF claim. Ratios of TANF eligible inmates (inmates with dependent children under 19 or over 19 and disabled) over total inmates receiving services are applied to program costs on a quarterly basis. DSS claimed the following expenditures incurred by DOC under TANF for the fiscal year ended June 30, 2016:

Component	Amount
Education and training	$1,710,168
Addiction services	4,328,951
Residential services	17,243,534
Total	$23,282,653

Employee benefit expenditures included in the TANF education and training services that were charged to another federal program totaled $109,556 and $133,207 for the quarters ended March 31, 2016 and June 30, 2016, respectively. After applying the DOC inmate TANF eligibility ratios, DSS claimed $4,913 and $6,337 for TANF federal reimbursement.

We reviewed 40 payroll transactions claimed under the TANF program and disclosed that 2 timesheets were not signed by the employee and 15 timesheets were signed prior to the end of the pay period.

Our sample was not statistically valid.

Questioned Costs: Our review identified known questioned costs of at least $11,250.

Effect: Federal TANF claims may be overstated based on inaccurate quarterly expenditure data reported. In addition, payroll costs that were charged to TANF may not have reflected the time actually worked by the employee. Without accurate and adequate supporting documentation, there is decreased assurance that costs claimed under TANF are allowable.

Cause: DOC financial services management failed to exclude employee benefit expenditures for education and training that were deemed inappropriate to be claimed under TANF.

Timesheets not signed or signed prior to the end of the pay period appears to be an oversight by management.

During the fiscal year, DSS and DOC did not have a formal memorandum of understanding in place detailing the applicable federal program requirements for determining eligible TANF expenditures or outlining the data needed from DOC to accurately determine eligible TANF expenditures.

Prior Audit Finding: This was previously reported as finding 2015-020 and in 4 prior audits.

Recommendation: The Department of Correction should strengthen internal controls to ensure that the amounts claimed under the Temporary Assistance for Needy Families program are accurate and adequately supported.

The Department of Social Services should establish and execute a memorandum of understanding with the Department of Correction to define each agency's responsibilities regarding program administration, expenditure claims, and reporting requirements for the Temporary Assistance for Needy Families program.

Views of Responsible Officials:

Response provided by the Department of Correction:

"The agency agrees with this finding. With regard to DOC internal controls associated with TANF reporting the agency has reviewed its current practices and procedures with regard to TANF data collection and reporting and has worked with the Department of Social Services to ensure that DOC's policies and procedures meet the Department of Social Services' requirements. DOC entered into a Memorandum of Understanding (MOU) with the Department of Social Services on September 28, 2016. This MOU clarifies the responsibilities of both agencies.

Data collection and reporting has been standardized within the department and DOC has documented the agreed upon process and requirements in written procedures which have been distributed to staff and implemented. A copy of the procedures was provided to the APA on January 5, 2017.

The "employee benefit expenditures" charged to another Federal program, inadvertently included in the TANF data, was corrected and a revised quarterly report was forward to DSS.

With regard to the signing of timesheets, unit directors and staff have been reminded of the requirements and the obligation to ensure that procedures are followed."

Response provided by the Department of Social Services:
"Although the Department is the lead agency and retains overall responsibility for claiming TANF expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department's section of the Federal Single Audit report. It is the Department of Corrections' responsibility to have controls in place to ensure amounts claimed under the Temporary Assistance for Needy Families program are accurate and adequately supported.

The Department will review any noted questioned costs to determine if any claim adjustments need to be processed."

Auditors' Concluding Comments:
As the state's lead agency designated under 45 CFR 205.100, DSS has the authority to administer or supervise the administration of the TANF program. Although the finding was jointly directed toward DOC and DSS, the state's lead agency is ultimately accountable for the proper use of the federal TANF funds.

2016-018 Subrecipient Monitoring – Department of Children and Families and the State Department of Education

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Background: Title 45 Code of Federal Regulations (CFR) 205.100 provides that the Department of Social Services (DSS) has been designated Connecticut's single state agency to administer the TANF program including the issuance of policies, rules, and regulations on program matters. Connecticut administers certain aspects of the TANF program through a number of state agencies including the Department of Children and Families (DCF) and the State Department of Education (SDE).

DSS claims federal reimbursement under TANF for certain in-home and community-based services provided to DCF clients via DCF subrecipients. DCF enters into agreements with these subrecipients and pays them quarterly advances from state appropriations.

The subrecipients determine TANF eligibility for each client that they serve and enter the results of the determinations into the DCF Provider Information Exchange (PIE) system. The PIE system is the DCF data and reporting system for community-based programs. At the conclusion of each quarter, DCF provides DSS with summary eligibility rates for each subrecipient and service along with the amounts advanced to the subrecipient in the quarter. DSS uses this information to claim federal reimbursement under TANF.

As part of the operations of SDE, costs incurred for pregnancy prevention programs were determined to be eligible for federal TANF reimbursement.

Criteria: Title 2 CFR Part 200.331 provides that the pass-through entity shall perform the following for the federal awards it makes:

1. Ensure that every subaward is clearly identified to the subrecipient as a subaward, which includes providing the Catalog of Federal Domestic Assistance (CFDA) number and name, federal award identification number, project description, award date, and name of the federal awarding agency.
2. Advise subrecipients of requirements imposed on them by federal statutes, regulations, and the terms and conditions of the federal award as well as any additional requirements imposed by the pass-through entity.
3. Monitor the activities of the subrecipients as necessary to ensure that the subaward is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward and ensure that performance goals are achieved. This includes reviewing financial and performance reports required by the pass-through entity.
4. Verify that subrecipients, if required, have met the audit requirements for the fiscal year.

Condition: DCF did not communicate to subrecipients the portion of their expenditures that were claimed by DSS under the TANF program.

A review of SDE monitoring procedures disclosed the following:

1. Subawards were not identified to subrecipients as a subaward. The language used by SDE for federal award identification to subrecipients does not clearly identify federal program requirements or specify that funds are being claimed for federal reimbursement under the TANF program. In addition, SDE provided year-end instructions to subrecipients advising them of federal and state auditing requirements, which incorrectly identified these funds as state awards.
2. Subrecipients were not monitored for compliance with TANF laws and regulations.

Context: During the fiscal year ended June 30, 2016, DSS claimed $136,374,496 in expenditures incurred by DCF for various family assistance and services and non-assistance programs. DCF has entered into 52 contracts with subrecipients of which $14,614,578 was claimed for TANF federal reimbursement.

During the fiscal year ended June 30, 2016, DSS claimed $23,523,677 in expenditures incurred by SDE for various pregnancy prevention programs.

Questioned Costs: There were no questioned costs.

Effect: DSS has limited assurance that federal funds are used for allowable activities. Subawards were not included in the subrecipient's Schedule of Expenditures of Federal Awards (SEFA). The amount of expenditures of federal awards reported in the SEFA is a key factor in determining major program coverage. Improper identification of federal expenditures in the SEFA could result in the omission of major federal programs from the federal single audit.

Cause: Although DCF stated in its agreement with subrecipients that a portion of program funding is provided through the TANF program, DCF did not have procedures in place to notify its subrecipients of the amount of their payments that were claimed under the TANF program through DSS.

DSS and SDE have not executed a memorandum of agreement providing written guidance for monitoring subrecipients. SDE treated TANF programs recoverable by DSS as state programs. SDE monitored subrecipients for compliance with state laws and regulations and reviewed state single audit reports for inclusion of program expenditures on the schedule of expenditures of state financial assistance.

Prior Audit Finding: This was previously reported as finding 2015-022 (DCF) and in 3 prior audits, and this was previously reported as finding 2015-024 (SDE).

Recommendation: The Department of Children and Families and the State Department of Education should ensure that subawards claimed under the Temporary Assistance for Needy Families program are reported to the subrecipients and that subrecipients are properly monitored.

The Department of Social Services should establish and execute a memorandum of understanding with the State Department of Education to define each agency's responsibilities regarding program administration, including subrecipient monitoring requirements, for the Temporary Assistance for Needy Families program.

Views of Responsible Officials:

Response provided by the Department of Children and Families:

"The Department agrees with this finding. The Department began receiving the information from DSS on the actual dollar amounts claimed for each specific provider on November 21, 2016. This information on subawards for FFY16 and the 1st quarter of FFY17 will be posted by the Department's Office for Research and Evaluation beginning on March 1, 2017, and quarterly thereafter. Providers will be notified of the availability and purpose of this information prior to that date and will receive reminders of the data's availability each quarter thereafter."

Response provided by the State Department of Education:

"The Department agrees with this finding. SDE and DSS have agreed on the terms of the MOA stated in the Cause section of this finding and previously recommended. The MOA is currently in the process of being reviewed and executed and will be effective July 1, 2017 for the next fiscal year. We anticipate that the appropriate action will be taken internally to properly notify the subrecipients of all TANF related funds of this situation in the OPM Compliance Supplement in its next release."

Response provided by the Department of Social Services:

"Although the Department of Social Services is the lead agency and retains overall responsibility for claiming TANF expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department of Social Services section of the Federal Single Audit report. It is DCF's and SDE's responsibility to ensure it has controls in place to properly monitor its subrecipients."

Auditors' Concluding Comments:

As the state's lead agency designated under 45 CFR 205.100, DSS has the authority to administer or supervise the administration of the TANF program. Although the finding was jointly directed toward DCF, SDE and DSS, the state's lead agency is ultimately accountable for the proper use of the federal TANF funds.

2016-019 Subrecipient Monitoring

Temporary Assistance for Needy Families (TANF) (CFDA 93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1602CTTANF

Social Services Block Grant (SSBG) (CFDA 93.667)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1501CTSOSR and 1601CTSOSR

Criteria: Title 2 Code of Federal Regulations (CFR) 200.331 provides that a pass-through entity shall perform the following for the federal awards it makes:

1. Ensure that every subaward is clearly identified to the subrecipient as a subaward, which includes providing Catalog of Federal Domestic Assistance (CFDA) number and name, federal award identification number, project description, award date, and name of federal awarding agency.
2. Advise subrecipients of requirements imposed on them by federal statutes, regulations, and the terms and conditions of the federal award as well as any additional requirements imposed by the pass-through entity.
3. Monitor the activities of the subrecipients as necessary to ensure that the subaward is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward and ensure that performance goals are achieved. This includes reviewing financial and performance reports required by the pass-through entity.

Title 2 CFR 200.331 provides that a pass-through entity is responsible for ensuring that an applicant for a sub-award has provided its unique entity identifier (referred to as the Dun and Bradstreet Data Universal Numbering System [DUNS] number) as part of its subaward application or prior to award.

Condition: Our review of DSS monitoring procedures disclosed the following:

1. DSS did not clearly identify in 3 subrecipient contracts that the subawards were TANF program expenditures that were claimed under the Fatherhood Initiative Program (FIP). In addition, DSS did not obtain unique entity identifiers from these 3 subrecipients.
2. DSS did not perform site visits for 2 SSBG subrecipients as provided for in the contracts.

DSS did not have documentation on hand to indicate that SSBG subrecipient performance and financial reports were being adequately monitored. DSS did not have program reports on hand for 9 subrecipients.

Context: During the fiscal year ended June 30, 2016, DSS entered into 22 contracts with subrecipients of the TANF program and 62 contracts with subrecipients of the SSBG program. We reviewed 18 subrecipients including 6 TANF program subrecipients and 12 SSBG program subrecipients, of which 2 were TANF funded.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: There is reduced assurance that federal funds are used for allowable activities of the TANF and SSBG programs.

Cause: The TANF subaward information and unique entity identifiers were lacking due to administrative oversight.

Prior Audit Finding: This was previously reported as finding 2015-027 and in 10 prior audits for the TANF program and 11 prior audits for the SSBG program.

Recommendation: The Department of Social Services should implement procedures to ensure compliance with its responsibility as a pass-through entity and proper monitoring of subrecipients.

Views of Responsible Officials:

"The Department agrees in part with this finding. The Department will ensure that on-site visits are performed and all performance and financial reports are adequately monitored in accordance with contract stipulations.

The three Fatherhood Initiative Program (FIP) subrecipient contracts that were identified in this audit sample under TANF are funded by State SIDs and the subawards were not TANF program expenditures that were claimed under the Fatherhood Initiative. The Fatherhood Initiative utilizes State maintenance of effort (MOE) funds and there are no federal reimbursements. Since there are no federal reimbursements for the expenditures using State commingled MOE funds, DSS is not required to report the contractual agreements nor obtain unique entity identifiers from these three subrecipients funded by commingled State MOE funds and therefore we are in compliance."

Auditors' Concluding Comments:

The Fatherhood Initiative Program (FIP) subrecipient contracts were claimed as commingled maintenance of effort expenditures, as reported on the ACF-196R Financial Report. Per the Administration for Children and Families TANF Funding Guide, the TANF program's authoritative literature, states may spend their MOE funds as commingled with federal funds and expended in the TANF program. These expenditures claimed as commingled are subject to federal funding restrictions, TANF requirements, and MOE limitations. As such, the federal requirements should be identified in the subrecipient contracts and the unique entity identifiers for the subrecipients should be obtained.

2016-020 Cash Management – Subrecipient Cash Balances

Social Services Block Grant (SSBG) (CFDA 93.667)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1501CTSOSR and 1601CTSOSR

Criteria: Title 31 Code of Federal Regulations 205.33 provides that states should exercise sound cash management when transferring funds to subrecipients.

Condition: The Department of Social Services (DSS) does not have a process in place to effectively monitor the actual cash balances of its subrecipients in order to limit advances to what is needed.

Context: DSS provided SSBG funding to 62 subrecipients during the fiscal year ended June 30, 2016. Our review of 12 subrecipient financial reports disclosed that 7 had cash on hand for the selected reporting period that exceeded their average weekly disbursements from $3,193 to $516,581.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Subrecipients could have cash on hand on various occasions throughout the year that exceed their average weekly disbursements.

Cause: The timing and amount of funds transferred quarterly by DSS are not based on actual cash outlays but rather on financial reports received for the previous quarter. The department does not have the staffing in place to monitor the actual cash balances of its subrecipients and to process payments more frequently than quarterly.

Prior Audit Finding: This was previously reported as finding 2015-030 and in the 10 prior audit reports.

Recommendation: The Department of Social Services should establish controls to ensure that sound cash management is being used for advances made to subrecipients of the Social Services Block Grant program.

Views of Responsible Officials:

"The Department agrees with this finding. The Office of Community Services does not have the staffing in place to review reports and process payments on a weekly basis to ensure that cash on hand does not exceed the average weekly disbursements. The Department has developed internal controls in which a subrecipient is not advanced cash unless financial and program reports are on file to ensure that expenditures have been incurred. There would also be a burden to the subrecipients if weekly submittal of reports is required."

2016-021 Allowable Costs/Cost Principles – Temporary Assistance for Needy Families Transfers – Department of Children and Families

Social Services Block Grant (SSBG) (CFDA 93.667)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1501CTSOSR and 1601CTSOSR

Background: The Department of Social Services (DSS) is designated as the principal state agency for the allocation and administration of the Social Services Block Grant (SSBG) program in the State of Connecticut. SSBG funds support the programs of several state agencies in addition to DSS.

The state may transfer up to 10% of its Temporary Assistance for Needy Families (TANF) funds for a given fiscal year to carry out programs under the SSBG. DSS allocated TANF funds via the Social Services Block Grant Allocation Plan to the Department of Children and Families (DCF) for the residential treatment service category. DCF designated clients placed in Short Term Assessment and Respite (STAR) homes would meet the residential treatment service category.

Criteria: Title 42 United States Code Section 1397a(a)(1) and (2)(A) provides that a state is entitled to payment each fiscal year in an amount equal to its allotment to be used for services that include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the intellectually disabled, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts.

Title 45 Code of Federal Regulations Part 96 Appendix A states that residential treatment services provide short-term residential care and comprehensive treatment and services for children or adults whose problems are so severe or are such that they cannot be cared for at home or in foster care and need the specialized services provided by specialized facilities.

Condition: The Department of Children and Families did not expend $698,427 of SSBG funds for allowable services.

Context: DSS allocated $3,209,614 of SSBG funds to DCF for residential treatment services. DCF expended the SSBG funds on behalf of STAR program clients for allowable services that totaled $2,511,187. The remaining amount of $698,427 was claimed under another federal program.

Questioned Costs: Our review identified questioned costs totaling $698,427.

Effect: There is limited assurance that federal funds are used for allowable activities.

Cause: Although DCF identified the STAR program for use of SSBG funds, DCF did not monitor expenditures to ensure that SSBG program requirements were met.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Children and Families should seek guidance from the Department of Social Services and implement procedures to ensure that Temporary Assistance for Needy Families funds transferred to the Social Services Block Grant are used for allowable programs and services.

The Department of Social Services should provide additional guidance to the Department of Children and Families to ensure that SSBG funds are used according to federal regulations and the DSS Social Services Block Grant Allocation Plan.

Views of Responsible Officials:

Response provided by the Department of Children and Families:

"The Department agrees with this finding. The utilization of the STAR program decreased in FFY 16 as compared to FFY15 by approximately 30%. The Department has decreased its overall expenditures for this service by 20%. Therefore, the need to maintain statewide availability of STAR beds has caused the daily rate for this service to increase. The Department will recalculate the rate for the period beginning October 1, 2015. If the expenditures for the eligible program clients at the new rate still total less than the $3,209,614 received, the Department will contact DSS to develop a plan to return the amount that was underspent."

Response provided by the Department of Social Services:

"Although the Department of Social Services is the lead agency and retains overall responsibility for claiming SSBG expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department of Social Services section of the Federal Single Audit report. It is the other agencies responsibility to ensure that they have adequate controls in place to incur expenditures for allowed services.

The Department will review any noted questioned costs to determine if any claim adjustments need to be processed."

Auditors' Concluding Comments:

As the state's lead agency designated under 45 CFR 205.100, DSS has the authority to administer or supervise the administration of the TANF program. Although the finding was jointly directed toward DCF and DSS, the state's lead agency is ultimately accountable for the proper use of the federal TANF funds.

2016-022 Earmarking – Temporary Assistance for Needy Families Transfers – Department of Housing and the Office of Early Childhood

Social Services Block Grant (SSBG) (CFDA 93.667)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1501CTSOSR and 1601CTSOSR

Background: The Department of Social Services (DSS) is designated as the principal state agency for the allocation and administration of the Social Services Block Grant (SSBG) program in the State of Connecticut. SSBG funds support the programs of several state agencies in addition to DSS.

The state may transfer up to 10% of its Temporary Assistance for Needy Families (TANF) funds for a given federal fiscal year to carry out programs under SSBG. DSS allocated TANF funds under the Social Services Block Grant Allocation Plan to the Department of Housing (DOH) for the administration of programs for homeless individuals and the Office of Early Childhood (OEC) for child day care services.

Criteria: Title 42 United State Code Section 604(d)(3)(A) and 9902(2) provide that the state shall use all of the amount transferred into SSBG from TANF only for programs and services to children or their families whose income is less than 200% of the official poverty guideline as revised annually by the United States Department of Health and Human Services.

The OEC requires child day care providers to submit monthly program status reports (PSR) and accompanying enrollee roster report (PSR-E) on financial and enrollment data.

Condition: DOH and OEC did not have procedures in place to provide reasonable assurance that all TANF funds expended on behalf of the SSBG program were used for programs and services to children or their families whose income was less than 200% of the official poverty guideline.

OEC provided child day care providers with a PSR template that contained incorrect SSBG family income eligibility guidelines. The income levels on the PSR template were lower than those issued by the United States Department of Health and Human Services. In addition, OEC did not routinely perform on-site visits of child day care providers to review income eligibility of enrolled families.

Context: During the fiscal year ended June 30, 2016, DOH and OEC expended $5,404,500 and $16,343,553, respectively, in TANF funds to carry out SSBG programs. DOH provided 36 subrecipients with $5,229,329 of TANF funds. We reviewed 9 subrecipients that were provided $1,015,059 of TANF funds and noted that DOH did not inform 3 subrecipients at the time of the subaward that the funds passed through were TANF funds expended on behalf of the SSBG program. The 3 subrecipients were provided $193,928 of TANF funds.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: TANF funds transferred to the SSBG program could have been expended for programs and services that were not allowed. We could not, however, determine the amount of funds that might have been improperly used.

Some families may have been denied child day care services because the income levels stated within the OEC PSR form were understated.

Cause: Some contracts did not include language notifying subrecipients that funds provided were TANF funds that were transferred into SSBG and could only be used for programs and services for children or their families whose income was less than 200% of the official poverty guideline. As old contracts expire, the departments will issue contracts that include the necessary information.

Due to a lack of staff, OEC did not perform routine on-site visits to monitor the eligibility of enrolled families. The PSR form was not updated due to staffing changes.

Prior Audit Finding: This was previously reported as finding 2015-031 and in 1 prior audit.

Recommendation: The Department of Housing and the Office of Early Childhood should establish and implement procedures to ensure that Temporary Assistance for Needy Families funds transferred to the Social Service Block Grant are used for programs and services for children or their families whose income is less than 200% of the official poverty guideline.

The Office of Early Childhood should implement procedures for on-site visits at the child day care centers to verify family income. The Office of Early Childhood should verify that the annual family income eligibility levels are correct on the program status report per the official poverty guidelines as provided by the United States Department of Health and Human Services.

The Department of Social Services should provide additional guidance to the Department of Housing and the Office of Early Childhood to ensure that Temporary Assistance for Needy Families funds transferred to the Social Services Block Grant funds are used according to federal regulations and the DSS Social Services Block Grant Allocation Plan.

Views of Responsible Officials:

Response provided by the Department of Housing:

"The Department of Housing agrees with this finding. The Department has already implemented significant changes relative to this finding. DOH has reformed their current homeless programs to be in full compliance with both state and federal regulations. Specifically, DOH has rebid all homeless shelter services. DOH has identified in their contracts the amount of funding in the contract coming from TANF funds and new contract language clearly states that all agencies receiving TANF funds must comply with the federal regulation that all recipients of TANF funds have incomes that are below 200% of the federal poverty level. The monitoring tool used for all providers receiving TANF funds documents that all participants are in compliance with the poverty level criteria upon review of individual files. As providers execute these new agreements, they are subject to the corrected requirements."

Response provided by the Office of Early Childhood:

"During FFY 2017, the Office of Early Childhood will implement a new monthly Program Status Report (PSR) that will require subrecipients to document that those children and families funded with SSBG funds meet income requirements. The new PSR includes reporting for each individual child and family that documents their eligibility for state and/or federal funds, as well as a calculator to ensure that a threshold of families qualifying for federal funds are commensurate with the level of federal funding received. In addition, a process for ongoing subrecipient monitoring will be established."

Response provided by the Department of Social Services:
"Although the Department of Social Services is the lead agency and retains overall responsibility for claiming SSBG expenditures for the State of Connecticut, this finding should not be listed as a finding under the Department of Social Services section of the Federal Single Audit report. It is the other agencies responsibility to ensure that they have adequate controls in place to incur expenditures for allowed services."

Auditors' Concluding Comments:
As the state's lead agency designated under 45 CFR 205.100, DSS has the authority to administer or supervise the administration of the TANF program. Although the finding was jointly directed toward DOH, OEC and DSS, the state's lead agency is ultimately accountable for the proper use of the federal TANF funds. Additionally, as the principal state agency for the SSBG program, DSS is ultimately accountable for the proper use of the funds provided to other state agencies.

2016-023 Subrecipient Monitoring – Department of Housing, Department of Mental Health and Addiction Services, and the Office of Early Childhood

Social Services Block Grant (SSBG) (CFDA 93.667)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1501CTSOSR and 1601CTSOSR

Background: The Department of Social Services (DSS) is designated as the principal state agency for the allocation and administration of the Social Services Block Grant (SSBG) program in the State of Connecticut. SSBG funds support the programs of several state agencies in addition to DSS.

The state may transfer up to 10% of its Temporary Assistance for Needy Families (TANF) funds for a given federal fiscal year to carry out programs under the SSBG program.

The Department of Housing (DOH) is responsible for administering programs for homeless individuals, including emergency shelter services, transitional housing services, on-site social services for available permanent housing, and for the prevention of homelessness.

The Department of Mental Health and Addiction Services (DMHAS) is responsible for administering mental health program services and addiction program services as rendered through private non-profit providers.

The Office of Early Childhood (OEC) is responsible for administering child day care services.

Criteria: Title 45 Code of Federal Regulations (CFR) 96.31 provides that SSBG grantees and subgrantees are responsible for obtaining audits in accordance with the Office of Management and Budget Uniform Guidance, and that grantees shall determine whether subgrantees: (1) have met the audit requirements of the act, and (2) spent federal assistance funds provided in accordance with applicable laws and regulations.

Title 2 CFR 200.331 provides that a pass-through entity shall perform the following for the federal awards it makes:

1. Ensure that every subaward is clearly identified to the subrecipient as a subaward, which includes providing the Catalog of Federal Domestic Assistance (CFDA) number and name, federal award identification number, project description, award date, and name of the federal awarding agency.
2. Advise subrecipients of requirements imposed on them by federal statutes, regulations, and the terms and conditions of the federal award, as well as any additional requirements imposed by the pass-through entity.
3. Monitor the activities of subrecipients as necessary to ensure that the subaward is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward and ensure that performance goals are achieved. This includes reviewing financial and performance reports required by the pass-through entity.
4. Verify that subrecipients have met the audit requirements for the fiscal year.

Title 2 CFR 200.331 provides that a pass-through entity is responsible for ensuring that an applicant for a sub-award has provided its unique entity identifier (referred to as the Dun and Bradstreet Data Universal Numbering System [DUNS]) as part of its subaward application or prior to award.

DMHAS purchase of service contracts with private providers require the performance of each contractor to be evaluated through on-site reviews at least annually.

Condition: Our review of DOH, DMHAS and OEC procedures related to subrecipient monitoring disclosed the following:

<u>Award Information:</u>

1. DOH did not provide 3 subrecipients with all the required federal award information and did not advise the subrecipients of all requirements

imposed on them by federal statutes, regulations, and the terms and conditions of the federal award.

2. OEC used a contract template that did not contain all the required federal award information.

Monitoring Activities:

1. DOH did not have documentation on hand to indicate that performance and financial reports were being adequately monitored. DOH did not have performance reports on hand for 4 subrecipients, nor did it have financial reports on hand for 3 subrecipients.
2. DMHAS did not complete annual on-site reviews for 3 subrecipients.
3. OEC performed on-site monitoring only when an issue or concern was brought to their attention. Procedures were inadequate to ensure sufficient monitoring of all subrecipients.
4. OEC did not determine why SSBG expenditures reported on the subrecipients' Schedule of Expenditures of Federal Awards (SEFA) varied from the amounts provided to the subrecipients.

Audit Requirements:

1. DOH and OEC did not have procedures in place to review audit reports received by subrecipients to ensure that all audit requirements were met.
2. DMHAS did not perform timely reviews of 9 subrecipient audit reports.

Unique Entity Identifier:

DOH did not obtain unique entity identifiers from 2 subrecipients.

Context: During the fiscal year ended June 30, 2016, DOH claimed SSBG expenditures that totaled $11,875,914. DOH provided 43 subrecipients with $11,700,744 of SSBG funds to administer various programs for homeless individuals. We reviewed 9 of these subrecipients that were provided $2,434,545 of SSBG funds.

During the fiscal year ended June 30, 2016, DMHAS claimed SSBG expenditures that totaled $1,824,050. DMHAS entered into 20 contracts with subrecipients that received SSBG funds. We reviewed 10 subrecipient contracts to determine the adequacy of DMHAS' subrecipient monitoring.

During the fiscal year ended June 30, 2016, OEC claimed SSBG expenditures that totaled $16,343,553. OEC entered into contracts with 51 subrecipients that received SSBG funds. We reviewed 15 subrecipients, of which 8 were required to have a federal single audit performed.

The samples were not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: There is limited assurance that federal funds are used for allowable activities of the SSBG program.

Subrecipients were not clearly informed that subawards were provided through the SSBG program so amounts were not correctly included in the subrecipient's SEFA and/or audit reports. Improper identification of federal expenditures in the SEFA could result in the omission of major federal programs from the federal single audit.

Cause: DOH and OEC did not have adequate policies and procedures in place. DMHAS and OEC experienced staffing shortages.

DSS did not adequately provide other agencies with guidance regarding their responsibilities for monitoring subrecipients that receive SSBG funds.

Prior Audit Finding: This was previously reported as finding 2015-032 (DOH) and 2015-033 (OEC), and in 1 prior audit.

Recommendation: The Department of Housing and the Office of Early Childhood should establish and implement procedures and the Department of Mental Health and Addiction Services should follow established procedures to comply with Title 2 Code of Federal Regulations 200.331 concerning its responsibilities as a pass-through entity and to ensure that subrecipients are properly monitored.

The Department of Social Services should establish and execute a memorandum of understanding with the Department of Mental Health and Addiction Services to define each agency's responsibilities regarding program administration, including subrecipient monitoring requirements, for the Social Services Block Grant program.

The Department of Social Services should provide additional guidance to the Department of Housing and the Office of Early Childhood for monitoring subrecipients to ensure that Social Services Block Grant funds are used according to federal regulations and the DSS Social Services Block Grant Allocation Plan.

Views of Responsible Officials:

Response provided by the Department of Housing:

"The Department of Housing agrees with this finding. The Department has already implemented significant changes relative to this finding. DOH has reformed their current homeless programs to be in full compliance with both state and federal regulations. Specifically, DOH has rebid all homeless shelter services. DOH has identified in their contracts the amount of funding in the contract coming from federal sources and new contract language clearly states that all agencies receiving such funds must comply with all federal regulations. As providers execute these new agreements, they are subject to the corrected requirements."

Response provided by the Department of Mental Health and Addiction Services:
"The DMHAS has assigned audit review to two contract staff on a part time basis pending approval of a new position for the Contract Unit. The additional staff resources will assure DMHAS will meet its monitoring responsibility of Federal SSBG funds going forward. In addition, the department's division which oversees its housing providers will ensure timeliness of required site monitoring visits as required per the Social Services Block Grant."

Response provided by the Office of Early Childhood:
"The on-site monitoring system is being developed as follows:

Compliance Monitoring ensures that state funds provided to programs are utilized according to their intended purpose and that services are delivered in compliance with requirements. The two parts of monitoring, implemented by a team of OEC ECE staff, review contractor and subcontractor documentation and observe the on-site operations of administrative and programmatic implementation according to state requirements. The component areas that are reviewed include:

- Licensing
- Contract monitoring
- Subcontractor monitoring
- NAEYC Accreditation
- Head Start approval
- Registry/Staff Qualifications Compliance
- Reporting
- Fiscal
- Classroom implementation

A protocol guides the monitoring system and a form is utilized to ensure that monitoring visits are implemented consistently so that similar data is gathered across contractors and subcontractors. The data informs OEC's efforts to provide guidance to contractors and subcontractors, policy development and implementation, and technical assistance needs."

Response provided by the Department of Social Services:
"Although the Department of Social Services is the lead agency and retains overall responsibility for claiming SSBG expenditures for the State of Connecticut, this finding should not be listed as a finding under the

Department of Social Services section of the Federal Single Audit report. It is DOH's, DMHAS's, and OEC's responsibility to ensure it has controls in place to properly monitor its subrecipients."

Auditors' Concluding Comments:

As the principal state agency for the SSBG program, DSS is ultimately accountable for the proper use of the funds provided to other state agencies.

DEPARTMENT OF TRANSPORTATION

2016-100 Activities Allowed or Unallowed – Costs Not Properly Approved in Advance

Highway Planning and Construction (CFDA 20.205)
Federal Award Agency: United States Department of Transportation (Federal Highway Administration (FHWA))
Award Years: Various
State Project Number: DOT0173401CN

Criteria: Title 23 Code of Federal Regulations (CFR) 635.124 contains requirements pertaining to the eligibility for federal-aid participation in contract claim awards and settlements made by a state to a federal-aid contractor. The Federal Highway Administration (FHWA) must be made aware by the state department of transportation of the details of claims at an early stage so that coordination of efforts can be satisfactorily accomplished and that claims arising on projects should be processed in accordance with the state's approved Stewardship Plan. When requesting federal participation, the state department of transportation shall set forth, in writing, the legal and contractual basis for the claim along with the cost data and other facts supporting the award or settlement.

The Connecticut Department of Transportation's (CTDOT) approved Stewardship and Oversight Implementation Manual requires specific project actions including the FHWA approval of the eligibility of all claims after a request is received from CTDOT. Furthermore, FHWA issued standard operating procedures (SOP) for the review and determination of eligibility of federal participation in claims in accordance with 23 CFR 635. The SOP requires CTDOT to indicate in writing the basis for claims and to submit cost data and other facts that would support the award or settlement. FHWA will respond in writing and the claim approval will document the amount eligible or not eligible for payment to the contractor.

Title 23 United States Code (USC) Section 120 sets the federal share allowed for federal highway projects. The state is generally required to pay a portion of the project costs. Portions vary according to the type of funds authorized and are stated in project agreements.

Condition: Our review disclosed a contract claim settlement payment, in the amount of $76,000, pertaining to a federal-aid project for which CTDOT billed FHWA and was reimbursed $60,800, (80% federal participation per the federal-aid project agreement.) However, CTDOT did not obtain advanced FHWA approval for federal participation in the costs. It should be noted that during

January 2017, CTDOT requested and received FHWA approval for federal participation in the claim. However, the approval occurred subsequent to the exception being identified by the Auditors of Public Accounts and over 8 months after CTDOT had already billed FHWA for federal reimbursement of the costs in May 2016.

Context: During the fiscal year ended June 30, 2016, we identified contract claim settlement costs, totaling $3,534,378, related to 2 FHWA federal-aid projects which resulted in federal reimbursement totaling $3,173,341. Both projects were reviewed for compliance with federal requirements.

Our sample was not statistically valid.

Questioned Costs: Questioned costs were $60,800.

Effect: CTDOT billed contract claim settlement costs to the federal government without proper advanced authorization from FHWA confirming that the costs were eligible for federal reimbursement.

Cause: CTDOT issued payment to the contractor under a contract claim settlement agreement and subsequently billed FHWA without regard to the requirement that federal participation in such costs must be approved in advance.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Connecticut Department of Transportation should obtain advanced formal approval by the Federal Highway Administration for federal participation in contract claim awards and settlements.

Views of Responsible Officials:

"Prior approval of participation is not required by the CFR or the Stewardship and Oversight Agreement. Approval is required, however, as agreed between the Office of Construction and Local FHWA office at the conclusion of the claim process. In an effort to avoid recurring administrative costs in both offices required to spread sheet journal (SSJ) funds from 100 % state funding to federally participating at the end of the claim process and in the spirit of the Stewardship and Oversight agreement, the project charges are applied as participating and if the FHWA disagrees with certain charges after the final request for participation is submitted, the department will SSJ the funds from participating to 100 % state funding.

To reiterate and expand on the previous response, the costs reviewed and referenced in the audit report are costs paid by the department to resolve a claim: (1) the participation in these costs are governed by Title 23 – Chapter I - Subpart G – Part 635 Subpart A – 635.124 – Participation in contract claim awards and settlements; (2) this subpart of the CFR does not require prior approval of charges or cost; (3) as part of our normal practice and in compliance with the 2015 Stewardship & Oversight Implementation Manual, agreed to by the Federal Highway Administration and the Connecticut Department of Transportation, the Office of Construction meets the requirements of Title 23 – Chapter I - Subpart G – Part 635- Subpart A – 635.124, when federal participation is being pursued by the department. This is accomplished by communication after the receipt and during the analysis of the claim between the Office of Construction and the Connecticut Division of FHWA. The communication is finalized by a letter requesting federal participation in the claim settlement costs and related administrative costs; (4) in the case of project DOT0173401CN, the final request for participation by the Office of Construction to the FHWA was delayed due to organizational and staffing changes, but was requested January 6, 2017. FHWA approval was received January 11, 2017. Although the request was later than normal prior approval is not required."

Auditors' Concluding Comments:

The Auditors of Public Accounts does not dispute the department's processes or communications in place with FHWA related to the particular contract claim. However, 23 CFR 635.124, together with the Stewardship and Oversight Implementation Manual and the FHWA Standard Operating Procedures for contact claims, do specifically require CTDOT to request in writing federal participation in contract claim awards and settlements to allow for FHWA to approve the eligibility of the claims. As previously indicated, FHWA was billed for the contract claim payments in May 2016 and the request for federal participation in the claim settlement and related administrative costs was delayed until January 2017, which was nearly 8 months later. Furthermore, in the approval letter for federal participation, FHWA acknowledged the oversight by CTDOT and indicated that the approval should have occurred around the time that the actual payment was made.

2016-101 Allowable Costs/Cost Principles – Improper Payment

High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants (CFDA 20.319)
Federal Award Agency: Department of Transportation (Federal Railroad Administration (FRA))
Award Years: Various
Federal Award Numbers: FR-HSR-0125-12-01-00

Criteria: Title 2 Code of Federal Regulations (CFR) 200.403 provides that in order to be allowable under federal awards, costs must be necessary and reasonable for the performance of the federal award.

Title 2 CFR 200.53 defines an improper payment as any payment that should not have been made or that was made in an incorrect amount, such as overpayments and underpayments, under statutory, contractual, administrative, or other legally applicable requirements.

Condition: The Connecticut Department of Transportation (CTDOT) made an $18,000 overpayment to a contractor under a High-Speed Intercity Passenger Rail Program (HSIPR) project, for which $8,281 was received in federal reimbursement. It should be noted that CTDOT took the corrective action necessary to recoup the overpayment from the contractor subsequent to the exception being identified by the Auditors of Public Accounts.

Context: During the fiscal year ended June 30, 2016, CTDOT made non-payroll expenditures related to HSIPR projects totaling $101,808,012, for which $53,841,773 was received in federal reimbursement. We randomly selected 25 transactions totaling $5,189,902, for which $2,356,958 was received in federal reimbursement.

This appears to be an isolated exception since the overpayment was due to a data entry error of the invoice amount into the accounting system and established controls require voucher approval by another individual. Furthermore, no other instances of improper payments were noted during our testing.

Our sample was not statistically valid.

Questioned Costs: Questioned costs were $8,281.

Effect: The overpayment resulted in $8,281 in unallowed costs.

Cause: The overpayment was due to a clerical error. Furthermore, the controls in place to prevent or detect improper payments from occurring were ineffective in this instance.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Connecticut Department of Transportation should improve internal controls that prevent and detect improper payments and ensure that only allowable costs are billed to the federal government.

Views of Responsible Officials:

"The department agrees with this finding. As stated in the finding, this was an isolated incident that occurred despite established controls that require the voucher approver to validate the invoice amount to the voucher amount entered by another individual in the accounting system.

To strengthen the existing internal control, the voucher approvers will be reminded of the importance of complying with the existing internal control procedure identified above. In addition, staff entering receivers and vouchers in the system will be reminded of the importance of verifying their entry to the hard copy invoice."

DEPARTMENT OF LABOR

2016-150 Cash Management – Drawdowns

Unemployment Insurance (UI) (CFDA 17.225)
Federal Award Agency: United States Department of Labor
Award Years: Federal Fiscal Year 2014-2015
Federal Award Number: UI26385SZ0

Criteria: Title 31 Code of Federal Regulations Part 205, which implement the Cash Management Improvement Act of 1990 (CMIA), as amended (Pub. L. No. 101-453; 31 USC 6501 et seq.), require state recipients to enter into agreements that prescribe specific methods of drawing down federal funds (funding techniques) for selected large programs. The CMIA requires that the Department of Labor use the prorated draw method for the Unemployment Insurance Program.

Condition: A cumulative error in the prorated drawdown process was noted for Grant Award UI26385SZ0. Funds were overdrawn by up to $553,833 between March and May 2016.

Context: The review covered 6 drawdowns consisting of 30 transactions. The condition appears to be an isolated incident limited to the time period in which a temporary personnel change occurred.

Questioned Costs: There were no questioned costs.

Effect: There is a potential for an interest liability to the federal government when cash is drawn too far in advance of the anticipated need.

Cause: The Department of Labor informed us that the condition was caused by an error in the reconciliation process. This appears to be due to a temporary change in personnel responsible for preparing the prorated drawdown calculations.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Labor should ensure that responsibilities are adequately distributed in order to avoid being overly reliant on 1 individual for vital business functions.

Views of Responsible Officials:

"We agree with this finding. The Department of Labor agrees that Grant Award UI26385SZ0 was overdrawn during the period covering March 31, 2016 through May 13, 2016 due to a cumulative error in reconciliation;

however, the amount represented is a cumulative total and does not represent the amount overdrawn per pay period. The following are the overdrawn amounts by pay period date:

3/31/2016	**$ (101,996.23)**
4/15/2016	**$ (73,861.21)**
4/28/2016	**$ (309,486.58)**
5/13/2016	**$ (68,486.58)**
5/27/2016	**$ (2.71)**

The Department will be cross training employees and establishing procedures in order to have multiple employees assigned to the same tasks, thereby eliminating the reliance of one employee with vital business functions. The anticipated completion date for this task is by fiscal year end."

2016-151 Reporting – ETA 227

Unemployment Insurance (UI) (CFDA 17.225)
Federal Award Agency: United States Department of Labor
Award Years: Not Applicable
Federal Award Number: Not Applicable

Criteria: The Unemployment Insurance (UI) Reports Handbook No. 401, 4th Edition, Section IV, General Reporting Instructions for the ETA 227 Overpayment Detection and Recovery Activities, states that applicable data on the ETA 227 report should be traceable to the data regarding overpayments and recoveries in the state's financial accounting system. The item-by-item instructions state that for Section A, Overpayments Established, total non-fraud overpayments (line 103) includes all overpayments classified as non-fraud (lines 104 through 108) and Section C, Recovery/Reconciliation, waived overpayments (line 308) includes overpayments reported in Section A that were waived under state law. The instructions also state that for Section E, Aging of Benefit Overpayment Accounts, the sum of Total Accounts Receivable (line 507) must equal the sum Outstanding at the End of Period (line 313).

The U.S. Department of Labor Unemployment Insurance Program Letter (UIPL) No. 02-12 requires states to impose a monetary penalty on claimants whose fraudulent acts resulted in overpayments.

According to UIPL 11-09, states should report federal additional compensation (FAC) overpayments (established and recovered) in the comments section of the ETA 227 report as "FAC Established = $$$" and "FAC Collected = $$$".

Condition: Our review of the ETA 227 Overpayment Detection and Recovery Activity Reports for the quarter ended March 31, 2016 identified erroneous and unsupported amounts in sections C and E.

Context: Prior audits of the ETA 227 Overpayment Detection and Recovery Activity reports have disclosed internal control deficiencies for over 10 consecutive years.

Our current review of the ETA 227 Overpayment Detection and Recovery Activity Reports for the quarter ended March 31, 2016 identified the following:

- The amounts reported in Section C Recovery/Reconciliation for Additions (line 310) and Subtractions (line 311) were unsupported for regular UI, Federal Employees (UCFE) and military employees (UCX), Extended Benefits (EB), Emergency Unemployment Compensation (EUC), and Temporary Emergency Unemployment Compensation (TEUC). The department maintains receivables for a minimum of 8 years. However, as the department can only report receivables on ETA 227 that are within the most recent 8 quarters, the department uses “additions” and “subtractions” to make the appropriate adjustments in Section C.
- The supporting data received for UI and EUC Receivables Removed at End of Period (line 312) contained information from multiple periods outside of our review and therefore is considered unreliable. Furthermore, it appears that portions of the submitted ETA 227 reconciled to this incorrect supporting data.
- UI, EUC, and TEUC Outstanding at the End of Period (line 313) were unable to be reconciled as line 313 is a summary figure that includes lines 310, 311, and 312.
- The supporting data received for UI Aging of Benefit Overpayments (lines 501, 502, 503, 504, 505 and 506) contained information from multiple periods outside of our review and therefore is considered unreliable.
- The supporting data received for UI and EUC Receivables Recovered for Other States (line 321) categorized all amounts into the fraud category. However, the submitted ETA 227 line 321 separated the amounts between fraud and non-fraud.
- EUC and TEUC Recovered – Total (line 302) was unsupported by $739,117.
- The language used to report the FAC Overpayments, "28 FAC payments were received totaling $1443", does not include the amount of FAC overpayments that were established as required by UIPL 11-09.

Questioned Costs: There were no questioned costs.

Effect: When reports are not properly prepared, the state's integrity efforts cannot be effectively assessed.

Cause: The cause appears to be due to a combination of accounting and software errors. Furthermore, the Information Technology Department provided support for the incorrect quarter.

Prior Audit Finding: The finding regarding the variances found on the ETA 227 was previously reported as 2015-151.

The findings regarding the FAC language has not been previously reported.

Recommendation: The Department of Labor should strengthen internal controls to ensure that amounts reported on the ETA 227 are accurate, complete and supported.

Views of Responsible Officials:

"CTDOL agrees with most findings and the recommendation to strengthen internal controls pertaining to the integrity of the UI program.

The IRS data controls require CTDOL to protect their data in accordance with the Treasury Offset Program, Safeguards. Therefore, CTDOL is not allowed to disclose certain information important to an internal audit.

The FAC established for the subject quarter was zero (no activity), which is the reason it was not reported on the remarks section; only FAC recovery had activity and reported as such.

It is noted that some of the (supporting) data provided to the state auditors was incorrect, and this will be remedied by having the UI Director review the information with the State Auditor prior to formatting for the audit."

2016-152 Performance Reporting – Trade Activity Participant Report (TAPR)

Unemployment Insurance (UI) (CFDA 17.225)
Federal Award Agency: United States Department of Labor
Award Years: Not Applicable
Federal Award Number: Not Applicable

Criteria: Training and Employment Guidance Letter (TEGL) No. 6-09 Change Number 2 includes the TAPR Data Preparation and Reporting Handbook, which includes important reporting and record-keeping instructions for use by all cooperating state agencies administering the Trade Adjustment Assistance Program (TAA) and related programs financially assisted by the U.S. Department of Labor. The handbook establishes a standardized set of data elements, definitions, and specifications that shall be used to describe the characteristics, activities, and outcomes of TAA participants.

The TAA Handbook, Section III, Part C – One Stop Services and Activities, tracks quarterly and cumulative accrued TAA training expenditures, as well as trade readjustment allowance (TRA) data including benefit durations and costs paid on a quarterly and cumulative basis.

Condition: Our review of the quarter ended June 30, 2016 TAPR identified multiple data elements reported incorrectly.

Context: The quarter ended June 30, 2016 training expenditures data element was understated by $39,543 when compared to the ETA-9130 financial reports prepared for the same quarter.

For 3 claimants listed on the TAPR, the department incorrectly recorded prior wages as 0 when wages totaling $174,467 were recorded in IBM and the Research Unit's database.

Questioned Costs: There were no questioned costs.

Effect: When incorrect information is reported, the administration of the TAA program cannot be effectively evaluated.

Cause: The department has not established a process to accurately extract, calculate, and report current TAA training expenditure data.

Prior Audit Finding: The finding regarding the variance between the training expenditure data element and the ETA-9130 was previously reported as 2015-152.

The findings regarding the incorrectly recorded prior wages have not been previously recorded.

Recommendation: The Department of Labor should strengthen internal controls over the preparation of the Trade Activity Participation Report.

Views of Responsible Officials:

"We agree with this finding. Since the senior financial staff person responsible for the TAA program retired as of July 1, we are speculating that the difference is a result of the June de-obligation amount ($23K) did not get reflected in the 9130 in time for submission. This would have put us within tolerance. We will need to work closely with new financial staff to identify potential discrepancies before reporting submissions.

For three claimants listed on the TAPR, the department incorrectly recorded prior wages as zero when wages totaling $174,467 were recorded in IBM and the Research Unit's database."

2016-153 Special Tests and Provisions – Match with FUTA Tax Returns

Unemployment Insurance (UI) (CFDA 17.225)
Federal Award Agency: United States Department of Labor
Award Year: Not Applicable
Federal Award Number: Not Applicable

Criteria: States are required to annually certify, for each taxpayer, the total amount of contributions required to be paid under the state law for the calendar year and the amounts and dates of such payments in order for the taxpayer to be allowed the credit against the Federal Unemployment Tax Administration (FUTA) tax (26 Code of Federal Regulations 31.3302(a)-3(a)). In order to accomplish this certification, states annually perform a match of employer tax payments with credit claimed for these payments on the employer's FUTA tax return (Internal Revenue Service (IRS) form 940).

The IRS provides FUTA Certification Data in October for the last completed tax year and the states are required to provide the FUTA match by January 31st.

Condition: Our review of 15 certified employer records disclosed that 1 FUTA match did not agree. The certification was overstated by $25 due to a late filing penalty recorded in the IBM system.

Context: The IBM system automatically applies a $25 late filing fee for all quarterly tax and wage reports posted after the due date. Reports that are filed on the last day of the month typically don't post until the next day. As a result, a penalty is automatically assessed and credited back at a later date due to timely filing. The IRS certification process does not appear to recognize the coding associated with the penalty credits, and therefore, the certification is overstated by the credit amount.

Our sample was not statistically valid.

Questioned Costs: Our review identified questioned costs totaling $25.

Effect: Overstated certifications may result in excess FUTA credit.

Cause: The programming which extracts data from the IBM system to create the FUTA Certification Data file does not appear to recognize coding for penalties/credits.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Labor should update programming used to extract data from the IBM system to create the Federal Unemployment Tax Administration Certification Data File in order to recognize all relevant data.

Views of Responsible Officials:

"The Connecticut Department of Labor (CTDOL) agrees with this finding. Annually, the IRS provides FUTA certification data to CTDOL and, through an automated process, CTDOL attempts to match our records of employer tax payments with payments an employer has claimed on their IRS 940 FUTA tax form. Due to an error in the automated program, CTDOL has reported certain payments initially applied to late filing fees that are subsequently removed, as timely contributions.

The CTDOL agrees with this finding. The UI Tax Division will submit a request to the Information Technology Division to review and correct the error in the automated FUTA Certification program identified above.

While the exact completion date depends on existing Agency automation initiatives, it is anticipated that the automated FUTA Certification program will be corrected prior to the next IRS annual submission in October 2017."

2016-154 Special Tests and Provisions – UI Benefit Overpayments

Unemployment Insurance (UI) (CFDA 17.225)
Federal Award Agency: United States Department of Labor
Award Years: Not Applicable
Federal Award Number: Not Applicable

Criteria: Pub. L. No. 112-40, enacted on October 21, 2011, and effective October 21, 2013, amended sections 303(a) and 453A of the Social Security Act and sections 3303, 3304, and 3309 of the Federal Unemployment Tax Act (FUTA) to improve program integrity and reduce overpayments. States are (1) required to impose a monetary penalty (not less than 15%) on claimants whose fraudulent acts resulted in overpayments, and (2) States are prohibited from providing relief from charges to an employer's UC account when overpayments are the result of the employer's failure to respond timely or adequately to a request for information. States may continue to waive recovery of overpayments in certain situations and must continue to offer the individual a fair hearing prior to recovery.

Section 31-273(a)(1) of the Connecticut General Statutes requires that any person who, through error, has received any sum of benefits under this chapter while any condition for the receipt of benefits imposed by this chapter was not fulfilled in his case, or has received a greater amount of benefits than was due him under this chapter, shall be charged with an overpayment of a sum equal to the amount so overpaid to him, provided such error has been discovered and brought to his attention within 1 year of the date of receipt of such benefits.

Section 31-273(b)(1) of the Connecticut General Statutes requires that any person who, by reason of fraud, willful misrepresentation or willful nondisclosure by such person or by another of material fact, has received any sum as benefits under this chapter while any condition for the receipt of benefits imposed by this chapter was not fulfilled in such person's case, or has received a greater amount of benefits than was due such person under this chapter, shall be charged with an overpayment and shall be liable to repay to the administrator of the Unemployment Compensation Fund a sum equal to the amount so overpaid to such person.

Condition: Our review of 15 positive cross-match results identified 2 instances in which overpayments were not detected by the department and 2 potential overpayments that were not investigated further because the Certification of Earnings (UC-1124) letters were not returned by the employer.

Our review of extended unemployment compensation (EUC) identified 1 instance in which an overpayment was not detected by the department.

Our review of eligibility revealed that 1potential overpayment was not investigated because the department's cross-match failed to detect and subsequently issue an UC-1124 for 1 individual.

Context: A UC-1124 was returned from an employer that documented wages earned from 10/4/15-11/14/15 totaling $459.63. Benefits were received during this time period totaling $1,314. The department failed to detect the overpaid wages.

A UC-1124 was returned showing wages from 6/5/16-6/25/16 totaling $288.63. Benefits were collected from 6/5/16-6/25/16 totaling $1,077. The department failed to detect the overpaid wages.

Two possible overpayments were not investigated because the UC-1124 requests were not returned by the employer. No documentation was noted regarding further follow-up with the employer on the UC-1124 request. According to the Program and Services Coordinator, a follow-up notice is sent to employers 45 days after the UC-1124 is sent. However, the Benefit Payment Control Unit does not follow up with the employer beyond that regarding unreturned UC-1124 requests.

Our review of EUC revealed that a UC-1124 was returned from an employer that documented wages earned from 9/18/11 through 10/29/11 as well as 11/19/11 with wages totaling $3,895. Benefits were collected during this time period totaling $3,518. Deductions for wages during this time period totaled $241 which is $3,654 less than actual wages earned. While an overpayment was established for wages earned through September 17, 2011, the department failed to detect the overpaid wages.

Our review of eligibility revealed that in 1 instance, the department's cross match failed to detect and subsequently issue a UC-1124 for 1 individual who simultaneously collected benefits and earned wages for more than 5 weeks.

Our samples were not statistically valid.

Questioned Costs: Our review identified questioned costs totaling $5,909.

Effect: Overpayment of unemployment compensation may not be recovered if employers fail to respond to UC-1124 letters. In addition, the department may not receive penalty and interest charges assessed on fraudulent overpayments.

Unreliable cross-match information hinders the department’s ability to accurately assess potential overpayments of unemployment compensation.

Cause: The department does not follow up on potential overpayments detected through cross match if the employer does not return the UC-1124 letter. Furthermore the department does not actively track outstanding UC-1124 letters.

The Department of Corrections does not verify the Social Security information of inmates.

Prior Audit Finding: The finding regarding the department failing to detect overpayments had not been previously reported.

The finding regarding potential overpayments not being investigated if the UC-1124 letters are not returned by the employer or in the correct format was previously reported as finding 2015-154.

The finding regarding results from the prisoner cross match has not been previously reported.

Recommendation: The Department of Labor should strengthen internal controls to ensure that all potential overpayments are investigated.

Views of Responsible Officials:

"CTDOL agrees with this condition.

There will always be a certain percentage of employers unwilling to respond to the agency's cross-matches, for various known reasons. To correct such finding, additional personnel would be required to select non-responses and take additional action. At this time, BPC personnel are limited due to reduced UI funding, but this continues to be a situation for resolution.

The case which failed to produce a cross-match (UC-1124) is unknown, but based on the available information one should have been generated to the subject employer. The subject employer was a 'base period' employer and noticed about the unemployment benefits paid to their employee during the weeks in question (Form UC-54Q). The employer has accepted the unemployment insurance liability for such weeks without protest."

2016-155 Activities Allowed or Unallowed – Contracts

Workforce Innovation and Opportunity Act (WIOA)
WIOA Adult Program (CFDA 17.258)
WIOA Youth Activities (CFDA 17.259)
WIOA Dislocated Workers (CFDA 17.278)
Federal Award Agency: United States Department of Labor
Award Years: Federal Fiscal Years 2013-2014, 2014-2015, and 2015-2016
Federal Award Numbers: AA-24083-13-55-A-9, AA-25344-14-55-A-9, and AA-26770-15-55-A-9

Background: The Department of Labor enters into contracts with Workforce Development Boards (WDB), previously known as Workforce Investment Boards, for the award of Workforce Innovation and Opportunity Award (WIOA) funds. The Workforce Innovation and Opportunity Act amended the Workforce Investment Act (WIA). Grants awarded on or after December 26, 2014 are deemed WIOA, grants awarded prior to December 26, 2014 are classified as WIA. Each contract must include a purpose, implementation plan, and budget along with requirements, terms, conditions, assurances, and certifications. Contracts are normally signed by the WDB, the Commissioner of the Department of Labor, the Business Management Unit of the Department of Labor, and the Attorney General.

Criteria: Title 20 Code of Federal Regulations (CFR) 667.200 requires that each state receiving funds must follow the common rule "Uniform Administrative

Requirements for Grants and Cooperative Agreements to State and Local Governments" which is codified at 29 CFR Part 97. The guidance in 2 CFR Part 225 includes factors affecting whether costs are allowable. Costs charged to federal awards must be adequately documented in order to be considered allowable.

Sound business practice dictates that contracts be properly completed and fully executed prior to the start of services.

Condition: As noted in prior audits, contracts with the WDB have not been executed in a timely manner.

Context: Five contracts with WDB were signed approximately 28 days to more than 5 months after the contract service period began.

Questioned Costs: There were no questioned costs.

Effect: Without an executed contract in place, the department could make payments for expenditures that may be for activities that are not allowable.

Cause: The department did not promptly process contracts with the WDB.

Prior Audit Finding: This was previously reported as finding 2015-155.

Recommendation: The Department of Labor should strengthen internal controls by ensuring that contracts are properly completed and fully executed prior to the contract period start date.

Views of Responsible Officials:

"We agree with this finding. The CTDOL submits the attached Contract Management Policy which will be included in the overall WIOA Policy manual to be released in January of 2017.

The policy provides a guideline for contract processing in addition to clearly indicating that no monies will be disbursed until contracts are signed and finalized. There are some instances beyond the control of the WIOA Administration which would preclude CTDOL from making a final July 1 deadline."

2016-156 Cash Management – Subrecipient Cash Balances

Workforce Investment Act (WIA) Adult Program (CFDA 17.258)
WIOA Youth Activities (CFDA 17.259)
WIOA Dislocated Workers (CFDA 17.278)

Federal Award Agency: Department of Labor
Award Years: Program Year 2015, Federal Fiscal Year 2016
Federal Award Number: AA-26770-15-55-A-9

Criteria: Title 31 Code of Federal Regulations 205.33 provides that states should exercise sound cash management in fund transfers to sub-grantees. Disbursements must be in accordance with immediate cash requirements.

Condition: The Department of Labor (DOL) provides the majority of its Workforce Innovation and Opportunity Act (WIOA) funds to 5 Workforce Development Boards (WDB). Our review of the WDB quarterly financial reports identified that 7 cash advances, totaling $1,127,663, were made in excess of immediate cash needs.

The department does not have procedures in place to ensure that interest earned on excess cash advanced to sub-grantees is being reported to DOL by the sub-grantees.

Context: Our review of the 4 quarterly financial statements of the Workforce Development Boards noted that payments exceeded immediate cash needs. For 2 of the WDB involving 11 payments, the cash on hand amounts varied by approximately $5,000 to $284,000 and the number of weeks cash on hand was overdrawn varied between 2 to 13 weeks. In total, these 5 Workforce Development Boards received 89 cash drawdowns totaling $31,553,814 in fiscal year ended June 30, 2016.

Questioned Costs: There were no questioned costs.

Effect: The federal government incurs interest costs when money is advanced to sub-grantees before they need the money to support expenditures.

Cause: The department did not have adequate procedures in place to ensure compliance with federal cash management requirements.

Prior Audit Finding: This was previously reported in essence as finding 2015-0156.

Recommendation: The Department of Labor should further strengthen internal controls to ensure that sound cash management is being used for advances made to sub-grantees for the Workforce Innovation and Improvement Act.

Views of Responsible Officials:

"We agree with this finding. The Department of Labor needs to review and revise the WIA Administration Unit Administrative Policy 13-10 "WIA Cash-on-Hand". The Administrative Policy establishes the cash management requirements for the Workforce Investment Boards to be paid in advance.

CTDOL will need to work with state monitors to confirm that daily cash balances are reviewed to ensure that funds being advanced are only for the minimum amounts needed.

We are also in the process of reviewing the Workforce Development Boards banking information to see if they are in compliance with 2 CFR 200.305(b)(8) which lists the conditions that need to be met for advance payments not to be maintained in interest-bearing accounts. The anticipated completion date for this review is late spring 2017."

2016-157 Subrecipient Monitoring

Workforce Innovation and Opportunity Act (WIOA)
WIOA Adult Program (CFDA 17.258)
WIOA Youth Activities (CFDA 17.259)
WIOA Dislocated Workers (CFDA 17.278)
Federal Award Agency: United States Department of Labor
Award Years: Federal Fiscal Years 2013-2014, 2014-2015, and 2015-2016
Federal Award Numbers: AA-24083-13-55-A-9, AA-25344-14-55-A-9, and AA-26770-15-55-A-9

Criteria: In accordance with Title 2 Code of Federal Regulations (CFR) 200.331, a pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Monitoring includes reviewing financial and performance reports required by the pass-through entity, following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award, and issuing a management decision for audit findings required by 2 CFR 200.521.

Condition: Our review of subrecipient monitoring disclosed that the Department of Labor does not perform desk reviews of independent audit reports to ensure that subrecipients take appropriate and timely action on all deficiencies identified.

Context: The Department of Labor does not perform desk reviews of independent audit reports to ensure that the 5 Workforce Development Board subrecipients take appropriate and timely action on all deficiencies identified. Management does not issue decisions for audit findings pertaining to federal awards.

Questioned Costs: There were no questioned costs.

Effect: Federal awards may be provided to subrecipients for purposes unauthorized by the terms and condition of the subaward and federal statutes and regulations.

Cause: Desk reviews were not performed due to decreased staffing levels.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Labor should strengthen internal controls to ensure that desk reviews are performed in compliance with federal requirements associated with subrecipient monitoring.

Views of Responsible Officials:

"We agree with this finding. The Department of Labor will establish policies and procedures to ensure that all sub-recipient desk reviews include a complete review of the state single audit requirements. The reviews will be completed in a timely manner to comply with federal and state requirements. Any review that outlines specific findings or reported funds received that do not agree with our records, DOL will submit a letter to the sub-recipient asking for a plan of corrective action. Standard management correspondence will be created as part of our policies and procedures to correspond to all sub-recipients verifying that the receipt of state single audit review has been completed. The anticipated completion date in instituting this policy will be by the end of Federal Fiscal Year 2017."

DEPARTMENT OF PUBLIC HEALTH

2016-200 Eligibility – WIC System Data Integrity and Validation

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA 10.557)
Federal Award Agency: United States Department of Agriculture
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: 15154CT700W1003 and 16164CT700W1003

Background: The Department of Public Health converted to the new CT-WIC system from the former Statewide WIC Information System (SWIS) during the audited period.

Criteria: 7 Code of Federal Regulations 246.7(c) states that to qualify for the program, infants, children and pregnant, postpartum and breastfeeding women must provide proof of residency and meet income and nutritional risk criteria.

The CT WIC State Plan identifies the procedures to be followed by local WIC agencies, criteria to be met by participants, and the documentation required for an individual to be certified and receive program benefits.

To be certified for participation in WIC, individuals must meet categorical, residential, and income requirements. The local WIC agency is responsible for documenting this information in CT-WIC.

To be income eligible, an applicant's household unit shall be at or below 185% of federal poverty guidelines. Applicants may be automatically income eligible for WIC benefits if they are current recipients of the Supplemental Nutrition Assistance Program (SNAP), Temporary Family Assistance Program (TFA), or HUSKY A/Medicaid.

Condition: We obtained data from CT-WIC for participants who were active in the system during the fiscal year under review. Based on the established eligibility criteria, we analyzed participant data to identify CT-WIC records that did not support WIC eligibility. As a result, we identified:

Income Eligibility:

- We identified 4 active family IDs with incomes above the 185% poverty level guidelines for their family size.
- We also identified 197 adjunctively eligible active participant records in CT-WIC as of January 20, 2017, with atypical Medicaid numbers (e.g. the Medicaid number of 999999999).

Residential Eligibility:

- We identified 54 family IDs with self-declared residency that received benefits exceeding the maximum time allowed by 30 to 323 days. We also identified 42 family IDs receiving benefits without a proof of address code (which is not an acceptable response) as required to determine WIC eligibility.

Context: Of the 54,596 active participants during the fiscal year, 4 had a data error for income eligibility. Out of 37,711 active family IDs in CT-WIC, we identified 96 family IDs receiving benefits for which they were ineligible due to the lack of verification of their residential eligibility.

Questioned Costs: We were unable to readily determine specific questioned costs due to difficulties encountered with the department's WIC system conversion during the audited period.

Effect: The participant records to support eligibility for participation in the CT-WIC system are not complete. Ineligible participants may not be properly excluded.

Cause: The Department of Public Health switched over to CT-WIC during the audit period; therefore some of these issues could be attributed to the conversion. However, these exceptions were not discovered during review of the conversion. As a result, CT-WIC does not contain all the data necessary to ensure participant eligibility.

Prior Audit Finding: This condition was also relevant to the former SWIS and previously reported as finding 2015-201, Subrecipient Monitoring – WIC System Data Integrity and Validation.

Recommendation: The Department of Public Health should establish a systematic review process to ensure that data contained in CT-WIC accurately and adequately supports participant eligibility as defined in the CT WIC State Plan.

Views of Responsible Officials:

"The Department of Public Health (DPH) agrees in part with this finding. Four active families were identified by the auditor with income over the maximum that redeemed benefits using the EBT transaction file and were not adjunctively income eligible. CT-WIC has a system in place to prevent WIC participants with incomes above the 185% poverty level guidelines for their respective family size from receiving WIC benefits. When a family proves to be over income, a validation appears on the screen which will disallow the family from participating in WIC and from receiving WIC benefits. This validation was demonstrated to the auditor. We will reinforce WIC policies pertaining to income eligibility and the use of the Income Information screen within CT-WIC with local agency staff.

The Program has determined that CT-WIC currently has 197 active participants who are marked as having a verified Medicaid account but whose Medicaid number, as entered, is invalid or missing. A valid Medicaid Number is always a 9-digit number and may begin with “00” and “10”. 88 of the numbers begin with “1000”. These numbers have proven to be valid Medicaid numbers. 66 of them are all “9”s, which in our legacy system was reserved to mean “unknown”. At this time, the Program is currently working with the developers and will be submitting a request for a system change in the next planned release to fix the amount of numbers entered for a Medicaid number to 9 digits only and to have a validation in place to disallow atypical Medicaid numbers such as “999999999” within CT-WIC. The next release is currently not scheduled, but expected to be completed by June 2017. We will reinforce the importance of entering accurate Medicaid numbers in CT-WIC with local agency staff. This will be done by providing staff training at the June 2017 Local Agency Statewide meeting. The audit findings will be reviewed along with the process of verifying Medicaid eligibility and documenting eligibility in CT-WIC appropriately. These issues will be monitored by local agencies when they conduct the required quarterly chart audit reviews and by State Program Monitors during bi-annual reviews.

The Program identified 54 families in CT-WIC who have Proof of Residency set as “Self-declared” but received benefits for more than 30 days. The 54 family ID’s who self-declared their residency but received benefits for more than the maximum time allowed occurred in CT-WIC prior to January 6, 2017. A bug was identified in the system which did not stop users from issuing more than one month of benefits to participants. A fix was provided by the developers, tested by State staff and was put in place in CT-WIC on January 6, 2017 to resolve this issue.

On January 27, 2017, the auditors provided a listing of 131 families identified with a proof of address code which was “null”. The Program identified 112 of the 131 families had proof of residency documented in SWIS, but this data field disappeared when they were converted to CT-WIC. The Program will be investigating the reason why 19 out of the 131 families did not have proof of residency documented. These conditions will be monitored over the next few months to identify the exceptions that the system may not be handling. The Program will request an enhancement to CT-WIC to disallow benefit issuance when the proof of residency field is blank. It is expected that this enhancement will be in place by June 2017.”

2016-201 Special Test - WIC Enforcement Actions

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA 10.557)
Federal Award Agency: United States Department of Agriculture
Award Year: Federal Fiscal Year 2015- 2016
Federal Award Number: 16164CT700W1003

Background: As a requirement of the CT WIC State Plan, the Department of Public Health must perform compliance buys. Compliance buys are test purchases made at WIC-approved stores to identify instances of noncompliance. Activities such as overcharging, postdating checks or providing non-WIC approved food items are documented during the compliance buys. A compliance investigation typically consists of 2 or more compliance buys in order to establish a trend of vendor behavior.

Criteria: Title 7 Code of Federal Regulations (CFR) 246.12(j)(4) indicates that the state agency must conduct compliance investigations of a minimum of 5% of the number of vendors authorized by the state agency as of October 1 of each fiscal year. The state agency must conduct compliance investigations on all high-risk vendors up to the 5% minimum. A compliance investigation of a high-risk vendor may be considered complete when the state agency determines that a sufficient number of compliance buys have been conducted to provide evidence of program noncompliance, when 2 compliance buys have been conducted in which no program violations are found, or when an inventory audit has been completed.

Title 7 CFR 246.12(k)(2) states, "When the State agency determines the vendor has committed a vendor violation that affects the payment to the vendor, the State agency must delay payment or establish a claim. Such vendor violations may be detected through compliance investigations."

Condition: We noted that of the 687 authorized WIC vendors as of October 1, 2015, 48 were designated as high-risk by the department. Of those 48, we noted that only 3 were subjected to completed compliance investigations within the federal fiscal year.

From the list of compliance investigations conducted by the department, we reviewed a selection of 10 WIC vendors. Eight of the vendors had completed compliance investigations within the federal fiscal year, and 2 were ongoing. Of the 8 compliance investigations completed, 4 had federal mandatory sanctions that were not acted upon by the department with enforcement letters of disqualification until 6 months after the compliance investigations were completed.

Context: Of 48 of the 687 authorized WIC vendors that were designated as high-risk as of October 1, 2015, only 3 were subject to a compliance investigation within the federal fiscal period. This is well below the required 5% identified within the federal regulation.

Our sample was not statistically valid.

The lack of timeliness in the department enforcing sanctions on authorized WIC vendors appears to be a recurring issue.

Questioned Costs: There were no questioned costs.

Effect: The absence of required compliance investigations on designated high-risk WIC vendors increases the risk that they may continue to operate with undetected and possibly serious programmatic violations.

Vendors with violations identified as a result of completed compliance investigations, have not been disqualified from participation in the WIC program in a timely manner. As a result, there is an increased risk that violations may continue.

Cause: The corrective actions planned by the department in response to our prior audit recommendation were not entirely sufficient to prevent those conditions.

Prior Audit Finding: This was, in part, previously reported as a finding 2015-203 Special Test – WIC Enforcement Actions.

Recommendation: The Department of Public Health should conduct compliance investigations on all high-risk WIC vendors and take timely enforcement action when appropriate. The department should conduct compliance investigations on at least 5% of approved vendors as required by federal regulations.

Views of Responsible Officials:

"The Department of Public Health (DPH) disagrees with this finding. At the time of the initial request on 11/18/16, the TIP report (The Integrity Profile report due on February 1 of each year) had not yet been compiled for the previous fiscal year. Preliminary data for October 1, 2015 from the end of last year's TIP report was provided on 11/22/16 for the list of high risk vendors and was updated on 12/22/16. The risk status can change throughout the year depending on new complaints received, vendors passing investigations, etc. The FFY16 TIP report is now completed and is a reliable source of information available for the auditors review.

The Connecticut WIC Program had a final total of 56 high risk vendors in FY16. Of those 56 vendors, 19 are ongoing investigations. As the provided TIP Data Dictionary instructs, investigations could take up to two years to complete. In response to the Condition and Context sections of the audit report, the number of completed investigations was not 3, but rather 37 vendors had completed compliance investigations during FFY16.

For the auditor's review, 10 vendors were selected out of the 56 vendors that were investigated between October 1, 2015 and September 30, 2016. The audit report correctly states, "eight of these had completed investigations within the federal fiscal year…" The report states that four out of the eight were acted upon six months after the investigation was completed. The Department is in compliance with the Federal Regulations, as enforcement actions were taken. The regulations do not state a timeline and does not mandate a period of time between the completion of an investigation and when action must be taken.

In response to the Effect section of the audit report, as noted above, there is not an absence of required compliance investigations on designated high risk WIC vendors leading to an increased risk that they will continue to violate program rules. Of the 37 completed compliance investigations, 14 vendors were disqualified, 1 received a civil money penalty, 5 received fines, 9 received a warning and 8 had no violations. The majority of the 19 ongoing investigations that continued into the next federal fiscal year have been completed in the first quarter of FFY17. Completed investigations that passed and the actions taken if violations did occur will be reported in the FY17 TIP report.

The number of authorized vendors that the Connecticut WIC Program had as of October 1, 2015 was 706, however 19 were farmers that do not get reported in the TIP report. The number that USDA will use to calculate the 5% minimum of completed investigations will be based on the number of authorized vendors from the TIP report, which is 687. Based on information provided by the auditor on January 27, 2017, this number will be modified in the report.

USDA concurred that to count towards the 5%, investigations had to be completed within the federal fiscal period; however, there is not a regulation stating that they needed to begin in that same fiscal year or that the 5% is based on the vendors identified as high risk on October 1 each year. We believe that the Program is in compliance with the regulations for completion of investigations. In response to the Recommendation, the Department has met the minimum 5% requirement in FFY16 by completing 37 compliance investigations plus an additional inventory audit, for a total of 5.53%."

Auditors' Concluding Comments:

In order to comply with 7 CFR 246.12(j)(4) of the Code of Federal Regulations, investigations should be conducted on those vendors identified as high-risk at the beginning of the federal fiscal period(in this case, October 1, 2015). The department did not meet the 5% requirement as only 3 of the 48 WIC vendors identified as high-risk were investigated during the period.

The separate review of completed investigations did not regard whether they were high-risk vendors. It was performed to determine if proper and timely enforcement action took place on investigations that were conducted. For the 4 completed investigations in which we noted that enforcement action did not occur until 6 months after the last compliance buy was conducted, USDA-FNS concurred with us that that time frame was not reasonable.

2016-202 Cash Management – Accounting and Use of Federal and Rebate Expenditures

HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B) (CFDA 93.917)
Federal Award Agency: United States Department of Health and Human Services
Award Years: April 1, 2015 to March 31, 2016 and April 1, 2016 to March 31, 2017
Federal Award Numbers: X07HA00022-25 and X07HA00022-26-03

Background: In accordance with a memorandum of agreement (MOA) between the Department of Social Services (DSS) and the Department of Public Health (DPH), procedures have been outlined for receiving and transferring federal funds from DPH to DSS to fund the Connecticut AIDS Drug Assistance Program (CADAP). CADAP is the state's program designed to assist Connecticut residents living with HIV/AIDS to pay for federally-approved HIV drugs and drugs which treat HIV disease-related conditions. In accordance with Section 6 – Payment of the MOA, the payments made by DPH to DSS can consist of rebate funds and/or federal funds.

Criteria: Title 45 Code of Federal Regulations (CFR) 75.305(b)(5) provides that to the extent available, the non-federal entity must disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash drawdowns.

Title 31 CFR 205.33 provides guidance for programs not covered in the treasury agreement, and specifies that funds transferred to a state must be limited to the minimum amounts needed by the state.

Condition: DPH did not expend all available rebates prior to drawing down federal funds. As of October 19, 2016, the department maintained a separate account with a balance of $22,537,808 in CADAP rebates earned prior to March 31,

2014. These rebates were not utilized prior to drawing federal funds. The total federal funds drawn from April 1, 2015 through March 31, 2016 totaled $4,552,060.

In addition, we noted that DSS cannot clearly demonstrate that rebate monies received from DPH for CADAP costs are used prior to the receipt of federal funding.

Context: It was noted that federal draws occurred without utilizing the existing rebate monies available. A similar issue was found in the previous audit.

The $22 million transferred to DSS by DPH during the fiscal year included both rebate monies and federal funding. However, DSS appeared to account for both types as federal funding.

Questioned Costs: Our review identified $4,552,060 which was apparently drawn down unnecessarily.

Effect: DPH drew down federal funding sooner than it was permitted.

The inability to determine the source of the funds transferred from DPH prevents DSS from determining if the rebates are spent prior to federal funds.

Cause: DPH insists that it received verbal approval from the Health Resources and Services Administration (HRSA) under the U.S. Department of Health and Human Services (HHS) to maintain a separate account for CADAP rebates received prior to March 31, 2014 and to use such in accordance with an Excess Rebate Spending Plan. In addition, it was further indicated that these rebates should not be considered in determining when federal draws should be made for the current period. We were unable to verify this approval.

DSS does not differentiate in accounting between the rebate monies and federal funding received from DPH. It is all recorded as federal funding in 1 account.

Prior Audit Finding: This was, in part, previously reported as finding 2015-204, Cash Management – Expenditure of Rebates.

Recommendation: The Department of Public Health should ensure that available rebates are utilized prior to drawing and charging federal funds in accordance with federal regulations.

The Department of Social Services should establish a separate accounting for the rebate monies received from the Department of Public Health to ensure that they are spent prior to any federal funding.

Views of Responsible Officials:

"The Department of Public Health (DPH) disagrees with this finding. In October 2014, CT Department of Public Health was permitted by HRSA to spend down the rebate balance of $22m accumulated prior to April 1, 2014 under a separate spending plan that is not subject to the Title 45 Code of Federal Regulations (CFR) Section 75.305(b)(5) that provides that to the extent available, the non-Federal entity must disburse funds available from program income, rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments, until exhausted. Per HRSA, the rebate expenditure guidelines have been allowed to become effective beginning with the start of the current Ryan White federal grant, X07HA00022, period April 1, 2014. The spending plan includes activities such as HIV Core medical and support services in the communities that Ryan White Part B serves. The plan must be in accordance with HIV care and support services identified in the Statewide Comprehensive Statement of Needs (Unmet needs survey) including health outcomes related to viral load suppression. According to the directive, HRSA required that the spending plan regarding the said balance be submitted to them by December 18, 2014. DPH complied with this submission requirement and is currently working with HRSA on an updated spending plan."

Auditors' Concluding Comments:

The absence of documented HRSA authorization on the arrangement to spend down the $22 million in rebate funds, and the fact that it directly does not comply with federal regulations or guidance on the HRSA website, we cannot deem this to be acceptable.

2016-203 Subrecipient Monitoring – Financial and Program Compliance Review

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA 10.557)
Federal Award Agency: United States Department of Agriculture
Award Year: Federal Fiscal Year 2014- 2015 and 2015-2016
Federal Award Number: 15154CT700W1003 and 16164CT700W1003

HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B) (CFDA 93.917)
Federal Award Agency: United States Department of Health and Human Services
Award Years: April 1, 2015 to March 31, 2016 and April 1, 2016 to March 31, 2017
Federal Award Numbers: X07HA00022-25 and X07HA00022-26-03

Criteria: Title 31 United States Code Section 7502(f)(2) states that "Each pass-through entity shall… (C) Review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to federal awards provided to the subrecipient by the pass-through entity…”

The Department of Public Health collects and reviews the audits of subrecipients conducted in accordance with Title 2 Code of Federal Regulations section 200 in order to determine if prompt and appropriate corrective action has taken place by the subrecipient for any audit findings.

Condition: In our examination of the department’s files for subrecipient audits, we noted that, as of November 2016, there was no review of the audits (fiscal year 2015) on file for 11 local WIC agencies and 7 HIV subrecipients.

Context: The condition has been an issue in the past. It has been exacerbated with the loss of key staff in the unit responsible for such monitoring.

Questioned Costs: There were no questioned costs.

Effect: The department did not review for possible audit findings and assess whether prompt or appropriate corrective action had taken place.

Cause: The department has indicated that staffing issues contributed to the condition.

Prior Audit Finding: This issue was previously reported as a finding 2015-206 Subrecipient Monitoring.

Recommendation: The Department of Public Health should ensure that subrecipient audits are effectively monitored, promptly reviewed for applicable audit findings, and meet the requirements of the applicable federal requirements.

Views of Responsible Officials:

“The Department of Public Health (DPH) agrees with this finding. Due to staffing vacancies there was no qualified individual available to perform the reviews. Although there was an informal review of audit reports performed by the Chief of Contracts and also of findings forwarded by OPM, along with corrective action plans, there was no formal reconciliation/review with accompanying documentation performed.

An Associate Accountant, responsible for this activity, was hired on December 9, 2016 and is currently undergoing training to conduct the required activities. It is expected that another month of training will be required to allow the newly hired individual to become productive with the audit reviews. The individual will then begin working through the backlog of audits with the expectation that it will take approximately six months bring the reviews current.”

DEPARTMENT OF CHILDREN AND FAMILIES

2016-250 Allowable Costs/Cost Principles, Reporting and Special Tests and Provisions –Payment Rate Setting and Application

Foster Care – Title IV-E (CFDA #93.658)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTFOST and 1602CTFOST

Background: The Department of Children and Families (DCF) is responsible for administering the Title IV-E Foster Care Program and establishing payment rates for maintenance, administrative and other services costs. The department maintains a case management and payment system called LINK. Payments through the system are made from the DCF Board and Care Account on behalf of placed children. Workers at 14 area offices are primarily responsible for establishing placement (foster or adoptive homes, institutions, child placing agency approved homes) of children in the system. Maintenance payments are automatically sent out monthly based on a child's placement information. All payments are associated with service codes, each of which is designated as IV-E reimbursable or non-reimbursable. Service codes are grouped into program categories for claim purposes and only those designated as foster care are claimed for federal reimbursement under that program.

Certain service codes were established to support the Therapeutic Foster Care Program and to allow for child-specific rates to be entered into the DCF LINK payment system. Therapeutic foster care provides additional social, emotional, or psychological support to the foster family. The rates paid are all-inclusive. They contain the maintenance payment for the foster family, administrative costs, and support or other services deemed necessary as documented in the child's care plan.

Criteria: Title 2 Code of Federal Regulations (CFR) 200.403(b), (d) and (g) requires that costs must conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items, be accorded consistent treatment and must be adequately documented to be allowable under federal awards.

Funds may be expended for foster care maintenance payments on behalf of eligible children. Title 42 United States Code (USC) Section 675(4)(A) defines the term "foster care maintenance payments" as payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. Title 42 USC Section 672(b) requires that foster care maintenance payments shall be limited so as to include in such payments only those items which are included in the term "foster care maintenance payments" as defined in Section 675(4).

Title 45 CFR 1356.60(a)(1)(i) and (2) states that federal financial participation (FFP) is available at the rate of the federal medical assistance percentage (FMAP) for allowable costs in expenditures for foster care maintenance payments. Title 45 CFR 1356.60(c) states that FFP is available at the rate of 50% for administrative expenditures necessary for the proper and efficient administration of the Title IV-E plan. Title 45 CFR 1356.60(c)(3) states that allowable administrative costs do not include the costs of social services provided to the child, the child's family or foster family which provide counseling or treatment to ameliorate or remedy personal problems, behaviors or home conditions.

Title 45 CFR 201.5(a)(3) requires that the state submit a quarterly statement of expenditures. The submission of the Form CB-496, Title IV E Programs Quarterly Financial Report (CB-496) to the federal Administration of Children and Families (ACF) is required for the state to receive federal reimbursement for Foster Care Program expenditures. The quarterly maintenance payments, along with the administrative and training costs allocated to the program in accordance with the approved cost allocation plan, are reported on separate lines of the CB-496 in accordance with the report's instructions. Maintenance payments are federally reimbursed at the applicable state's FMAP as published annually in the Federal Register by the Department of Health and Human Services. Connecticut's FMAP was 50% during the state fiscal year ended June 30, 2016. Administrative costs are federally reimbursed at the FFP rate of 50%.

Condition: As a follow-up to our prior audit finding, we performed an analysis of the rates associated with payments claimed for federal reimbursement as maintenance costs in the fiscal year ended June 30, 2016. Our analysis identified $12,293,034 claimed as maintenance payments which included identifiable administrative costs contained in the per diem rates, totaling $6,665,971 ($3,332,985 federal share). These costs were incorrectly claimed as maintenance payments on the CB-496 as illustrated in the table in the context section below.

Context: DCF claimed $43,274,617 ($21,637,309 federal share) as maintenance payments for the Title IV-E Foster Care Program in the fiscal year ended June 30, 2016. Our review of the maintenance payments identified 11 service codes related to therapeutic foster care, representing $19,637,204 ($9,818,602 federal share) claimed, which contain multiple cost components as previously described in the background section. We were unable to determine all of the administrative costs that were incorrectly claimed as maintenance payments. However, in 4 of the 11 service codes, we identified certain per diem rates that contained a standard administrative cost component as summarized in the table below:

Service Code Description and Per Diem Rate Most Commonly Paid	Total Claimed in SFY16 at these Rates as Maintenance Payments on Behalf of IV-E Eligible Children	Known Administrative Component of Applicable Rate of $68.68/$70.80* Per Day
Relative/Special Study/Therapeutic Foster Care Wrap $134.33 $134.65*	$11,258,838	$5,763,933
CPA Provider Payment $68.68 $70.80*	$1,034,196	$902,038
Incorrectly reported		**$6,665,971**
Total	**$12,293,034**	

**Rate increased during the 2016 fiscal year.*

Questioned Costs: There were no questioned costs.

Effect: DCF is not properly identifying and claiming certain costs of the Title IV E Foster Care Program. As demonstrated above, the maintenance costs reported to ACF on the CB-496 are overstated and the administrative costs are understated. Although the current FMAP and FFP percentages are the same for maintenance and administrative costs, any future changes in the percentages would result in an understatement or overstatement of amounts claimed as federal program costs.

Cause: The department's payment and claiming systems were not designed to accurately identify the various components of certain per diem rates to ensure proper federal claiming of maintenance and administrative costs.

Prior Audit Finding: This was previously reported as part of finding 2015-251.

Recommendation: The Department of Children and Families should establish or strengthen internal controls to ensure that all costs are consistently treated and properly claimed for federal reimbursement as maintenance or administrative costs in accordance with federal requirements.

Views of Responsible Officials:

"The Department agrees with this finding. Because the LINK computer system is not capable of identifying and reporting payment components, we are building this capability into a new CCWIS system currently under development. The payments to Therapeutic Foster Care providers are split as indicated by the table above; however portions of those provider payments are used to insure needed services, such as transportation, are available so that the placement will be maintained. Since the FMAP and FFP are the same percentage, it has not seemed critical to separate these payments in the manner described. The Department will adjust the claim to apportion the payments between maintenance and administrative pools as described until the CCWIS system can provide more specific reporting on payment components."

2016-251 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Allocation of Costs

Foster Care – Title IV-E (CFDA #93.658)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTFOST and 1602CTFOST

Adoption Assistance – Title IV-E (CFDA #93.659)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTADPT and 1602CTADPT

Medical Assistance Program (Medicaid, Title XIX) (CFDA #93.778)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1505CT5MAP and 1605CT5MAP

Temporary Assistance for Needy Families (TANF, Title IV-A) (CFDA #93.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Numbers: 1502CTTANF and 1601CTTANF

Background: The administrative costs incurred in operating the Department of Children and Families (DCF) are allocable to federal and state programs in accordance with benefits received, as specified in the DCF federally approved cost allocation plan (CAP). Each expenditure transaction is assigned an expenditure code. The state's accounting system accumulates expenditures by expenditure code and generates the reports used by DCF to record expenditures in the various cost pools. The costs accumulated in the cost pools are allocated to federal and state programs as specified in the CAP. Costs are allocated to programs based on the allocation basis assigned to the respective cost pools. For instance, certain central office administrative expenditures for divisions that have department-wide responsibilities, such as the legal division, are allocated to all of the cost pools based on staff distribution percentages. For departments with functions that relate to a specific federal or state program, such as the licensing unit, costs claimed are based on the allocation basis assigned to the respective cost pools.

On January 1, 2016, as a result of a class action lawsuit State Employees Bargaining Agent Coalition (SEBAC) versus John G. Rowland (Rowland), certain state employees received damages in the form of personal leave and/or vacation hours. In order to differentiate these payments from normal personal leave and vacation hours, these additional leave hours were charged to a separate expenditure account.

Criteria: Title 2 Code of Federal Regulations (CFR) 200.403(b) states that costs must conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amounts of cost items. Title 2 CFR 200.441 provides that costs resulting from non-federal entity violations of federal or state laws and regulations are unallowable.

Title 45 CFR 95.517 provides that a state must claim federal financial participation for costs associated with a program only in accordance with its approved cost allocation plan.

Title 2 CFR 200.405 states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with the relative benefits received.

Condition: Our review of the department's allocation of costs for 2 quarters in the fiscal year ended June 30, 2016 found that:

1. Unallowed costs were inappropriately allocated to various federal programs.
2. Allocation of certain payroll and fringe benefit costs were inappropriately allocated to department-wide cost pools.
3. Incorrect distribution of costs resulted due to errors in staff allocation and expenditure calculations.

Context: DCF appears to have not assessed the ramifications of certain changes or situations on the cost allocation process as follows:

1. Unallowed personal and vacation leave charges, totaling $41,178 ($20,788 federal share), resulting from the SEBAC vs. Rowland settlement, were inappropriately allocated to the federal Foster Care, Adoption Assistance, Medicaid and TANF programs in the quarter ended March 31, 2016.
2. As of the fiscal year ended June 30, 2011, payroll and related fringe benefit costs for the licensing unit, which directly relate to the administration of the Foster Care Program, were inappropriately included with the costs of the legal division, which had department-wide responsibility. This resulted in the inappropriate distribution of costs to additional federal and state programs.

Regarding the last condition, the department's process of allocating costs includes various manual calculations with the potential for isolated misstatements.

Questioned Costs: We question the following unallowed costs for the reporting quarter ended March 31, 2016:

Program Title	**CFDA #**	**Questioned Costs**	**Federal Share**
Title IV-E - Foster Care	93.658	$ 13,287	$ 6,702
Title IV-E - Adoption Assistance	93.659	8,126	4,204
Title XIX - Medicaid	93.778	1,450	725
Title IV-A - TANF	93.558	18,315	9,157
	Total	$ 41,178	$ 20,788

After bringing this condition to the department's attention, the federal claim for the quarter ended June 30, 2016 was adjusted to deduct these unallowed costs.

Effect: For the first condition, federal reimbursement was received for unallowed costs.

Regarding the remaining conditions, there were inequitable distributions of costs to federal and state programs. The errors do not have a significant effect on the gross expenditures made under the federal programs.

Cause: DCF was not vigilant in assessing the importance of state or departmental changes or situations in relation to the allocation of costs.

Staff allocation and expenditure misstatements occurred as the result of errors in the manual calculation and manipulation of data.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Children and Families should improve internal controls over its cost allocation process to ensure that only allowable costs are claimed for federal reimbursement and are properly allocated in accordance with the approved cost allocation plan.

Views of Responsible Officials:

"The Department agrees with this finding. In the June 2016 quarter ending claim, a retro adjustment was made for funds coded to the unallowed SEBAC vs. Rowland settlement, for the March 2016 quarter ending. The appropriate salary, fringe and any other amounts coded for the SEBAC vs. Rowland settlement were removed from the claimable cost pools to which they were originally allocated and re-allocated to the non-claimable cost pool 'Other'.

Going forward, starting with the quarter ending June 2016, the department has removed any SEBAC vs. Rowland coded amounts from claimable cost pools and reallocates them to the non-claimable cost pool 'Other'. These funds are monitored each quarter, through Trial Balance Reporting, allocated appropriately, and no longer included in claimable cost pools.

Regarding the allocation of costs for the licensing unit, in the September 2016 quarter ending claim, payroll and related fringe benefit amounts for the Licensing Unit employees were separated from the Legal Division (91118) and allocated to Admin. Law & Policy (91161). This was done by verifying the Licensing Unit employees and using CORE-CT reporting for salary amounts. Fringe related benefits were determined by using the fringe benefit % for the Legal Division within the Comparative Trial Balance.

This process was also performed retroactively for the 7 prior quarters (June 2016-Dec 2014). Payroll and related fringe benefit amounts for the Licensing Unit employees were removed from the Legal Division (91118) and allocated to Admin. Law & Policy (91161), Cost Pool After Adjustment sheets were revised, and Administrative & Training Computation sheets for each of the 7 quarters were restated.

In the December 2016 quarter ending claim, the Agency Staff Count Allocation was also adjusted. Licensing Staff employees were moved from the Legal Division (91118) and reallocated to Admin. Law & Policy (91161).

This process was also performed retroactively for the 7 prior quarters (Sept 2016-Mar 2015). Using the Staff Count Allocation reports received from our Fiscal Department, Licensing Staff employees were moved from the Legal Division (91118) and reallocated to Admin. Law & Policy (91161). Cost

Pool After Adjustment sheets were revised, and Administrative & Training Computation sheets for each of the 7 quarters were restated.

Starting with the claim for the quarter ending December 2016, the Licensing Unit payroll, related fringe benefit amounts, and staff count allocation from the Legal Division (91118) are reallocated to Admin. Law & Policy (91161)."

DEPARTMENT OF EDUCATION

2016-300 Eligibility

Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556, and 10.559)
Federal Award Agency: United States Department of Agriculture
Award Years: Federal Fiscal Years 2015 and 2016
Federal Award Number: 20154CT300300 and 20164CT300300

Background: The State Department of Education (SDE), via its Child Nutrition Unit, acts as the administering state agency and enters into agreements with subrecipient organizations for local level program operation, and the delivery of program benefits and services to eligible children. At the local level, a school food authority is the entity with which the administering agency makes an agreement for the operation of the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP) in 1 or more schools. The state also acts as a school food authority administering the child nutrition programs at the following state agencies:

- SDE, via the Connecticut Technical High School System (CTHSS)
- Department of Children and Families (DCF)
- Department of Corrections (DOC)
- Judicial Department, via juvenile detention centers

Expenditures for these state agencies for the NSLP (CFDA 10.555) and SBP (CFDA 10.553) totaled $3,890,495 during the audit period. CTHSS determines eligibility for students enrolled at the technical high schools and received over $2.5 million in NSLP and SBP claims during our audit period.

Testing for eligibility of individuals was only performed at CTHSS. Eligibility was not tested at the other state agencies because the children at those agencies are considered legal wards of the state and are, therefore, categorically eligible to receive free meals.

During the 2015-2016 school year, CTHSS maintained child nutrition data using software purchased from a vendor. The software package included products to track eligibility of students and point of service transactions.

Criteria: Title 7 Code of Federal Regulations (CFR) 210.7(c) states in order to be entitled to reimbursement, "each school food authority shall ensure that Claims for Reimbursement are limited to the number of free, reduced price and paid lunches and meal supplements that are served to children eligible for free, reduced price and paid lunches and meals supplements, respectively, for each day of operation."

Title 7 CFR 210.15 requires that records be maintained to comply with program requirements and that the records should at least include "documentation of participation data in support of the Claim for Reimbursement and data used in the claims review process."

Title 7 CFR 201.23(c) requires school food authorities to retain records for 3 years after submission of the final claim for the fiscal year.

Condition: CTHSS did not retain records documenting participation data by school in support of the claims for the 2015-2016 school year.

Context: We selected 25 applications for eligibility out of 1,986 participants. CTHSS staff was unable to retrieve participation data supporting any of the claims for all of the students in the system.

Questioned Costs: All claims for reimbursement submitted by CTHSS during the 2015-2016 school year totaled $2,596,116.

Program	CFDA #	Award Number	Questioned Costs
School Breakfast Program	10.553	20154CT300300	$155,952
		20164CT300300	$347,400
		Total	**$503,352**
National School Lunch Program	10.555	20154CT300300	$673,803
		20164CT300300	$1,418,961
		Total	**$2,092,764**

Effect: Questioned costs may be assessed against CTHSS by SDE, potentially requiring repayment of all claims for the 2015-2016 school year and withholding of payments in future periods. This amount would have to be returned to the federal government.

Cause: CTHSS upgraded its software used for tracking participation data in the Child Nutrition Program for the 2016-2017 school year. The participation data file at the school level for the previous school year did not archive properly and is not available from any other source. Furthermore, the program used previously is no longer supported by the software vendor.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The State Department of Education's Connecticut Technical High School System should implement policies and procedures to ensure documentation of participation data in support of the claim for reimbursement and data used in the claims review process is retained for the required periods.

Views of Responsible Officials:

"We agree with this finding. The new software platform provides for archiving of prior year records – including student participation date – as part of the closeout/rollover process. This data will be archived on a secure network server and available for review for three years as required by Title 7 CFR 201.23(c).

The CTHSS Nutrition and School Meals Unit will be consolidating its existing policies and procedures into a manual that will include a policy on the retention of records and procedures for the closeout/rollover process."

2016-301 Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP)

Child Nutrition Cluster – (CFDA 10.553, 10.555, 10.556 and 10.559)
Federal Award Agency – United States Department of Agriculture
Award Years – Federal Fiscal Years 2015 and 2016
Federal Award Numbers – 20154CT300300 and 20164CT300300

Background: The State Department of Education (SDE), via its Child Nutrition Unit, acts as the administering state agency and enters into agreements with subrecipient organizations for local level program operation and the delivery of program benefits and services to eligible children. At the local level, a school food authority is the entity with which the administering agency makes an agreement for the operation of the National School Lunch Program (NSLP) and/or School Breakfast Program (SBP) in 1 or more schools. The state also acts as a school food authority administering the child nutrition programs at the following state agencies:

- SDE, via the Connecticut Technical High School System (CTHSS)
- Department of Children and Families (DCF)
- Department of Corrections (DOC)
- Judicial Department, via juvenile detention centers

Expenditures for these state agencies for the NSLP (CFDA 10.555) and SBP (CFDA 10.553) and totaled $3,890,495 during the audit period. CTHSS determines eligibility for students enrolled at the technical high schools and received over $2.5 million in NSLP and SBP claims during our audit period.

Testing for eligibility of individuals was only performed at CTHSS. Eligibility was not tested at the other state agencies because the children at those agencies are considered legal wards of the state and are, therefore, categorically eligible to receive free meals.

During the 2015-2016 school year, CTHSS maintained child nutrition data using software purchased from a vendor. The software package included products to track eligibility of students and point of service transactions.

Criteria: Title 7 CFR Part 245.6a(e), 6a(f) and 6a(j) require the following:

- Verification of the initial eligibility determination shall be made by an employee other than the initial reviewer for all applications selected for verification;
- The local educational agency (LEA) shall make at least 1 attempt to contact any household that provides incomplete or ambiguous responses, or does not respond to a verification request, and
- If verification activities result in a reduction or termination of benefits, the LEA must advise the household of the change, the reason for the change, their right to and the process for an appeal, and their right to reapply at any time during the school year.

Condition: There was an inappropriate segregation of duties when confirming the accuracy of the initial eligibility determination. Documentation was not on file to confirm that CTHSS made an effort to follow-up with households when attempts for initial verification failed to prove eligibility or to document that CTHSS notified households whose benefits were reduced or terminated as a result of the application verification process.

Context: CTHSS was required to verify 47 applications for the 2015-2016 school year. We selected a sample of 10 applications. Our review disclosed the following:

- Confirmation of the household's initial eligibility was performed by the same staff member who made the initial eligibility determination for 8 out of 10 applications. Eligibility for the other 2 applications was made by the system as they were electronically submitted. However, this condition is considered systemic as the majority of applications are not submitted electronically. Our review did not identify any instances in which the initial eligibility determination was incorrect.
- Follow-up attempts were required for 7 of the 10 applications. There was no supporting documentation that a follow-up attempt was made. Given the exception percentage rate, this condition is considered systemic.
- Notification of reduction or termination of benefits was required for all 10 applications. There was no supporting documentation that 8 households having benefits reduced or terminated were notified. Given the exception percentage rate, this condition is considered systemic.

Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Errors in the initial eligibility process may not be detected. Households are not given a second opportunity to comply with the application verification requirements prior to their eligibility status being reduced or terminated, which could result in the loss of benefits for eligible households. Households are not properly notified of the right to appeal the verification determination or informed that they have the opportunity to reapply when benefits are terminated.

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Cause: The CTHSS Central Office, Child Nutrition Division, consists of only 1 employee.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The State Department of Education's Connecticut Technical High School System should implement policies and procedures to ensure an appropriate segregation of duties and that households are properly notified of the application verification process and the right to appeal or reapply in circumstances where benefits are reduced or terminated.

Views of Responsible Officials:

"We agree with this finding. The Superintendent of the Connecticut Technical High School System is currently reviewing the district's central office structure and will assign additional staff support to this function to ensure an adequate separation of duties.

The reassignment of staff support to this function will enable the district to provide proper notification (including the appeal process) to verified households and allow for required follow up for non-responders.

In addition, the district is pursuing additional food service staff to appropriately support the program and ensure compliance with the various nutritional and technical requirements of the national school lunch and breakfast program."

2016-302 Period of Performance

Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556 and 10.559)
Federal Award Agency: United States Department of Agriculture
Award Year: Federal Fiscal Year 2015
Federal Award Number: 20154CT300300

Criteria: Title 2 Code of Federal Regulations 200.343(b) states "unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award."

Condition: The SDE did not liquidate all obligations incurred under the federal award within 90 calendar days after the end date of the period of performance.

Context: The period of performance end date was September 30, 2015. There were 685 payments totaling $18,020,270 for the federal award year 2015. Our review of all of these payments found 7 payments, totaling $38,764, were made more than 90 days after the end of the period of performance.

Questioned Costs: Questioned costs were $38,764.

Effect: SDE may be required to return the questioned costs to the federal government.

Cause: There is a delay between the time claims are approved and the payment is made to the school food authority because SDE uses 1 system to process claims and adjustments, and another system to make payments.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The State Department of Education should implement policies and procedures to ensure obligations incurred under federal awards are liquidated within 90 calendar days after the end date of the period of performances.

Views of Responsible Officials:

"We disagree with this finding. Payments to grantees beyond the liquidation period of this grant are approved and authorized by the federal granting agency. These are known as Post Closeout payments and occur regularly due to local audits, SDE field reviews and other circumstances beyond the control of the agency. Requests were made to the federal granting agency to issue a revised GAD (Grant Award Documents) to ensure that funds are available for the drawdown to the state for such payments."

2016-303 Reporting - Special Reporting

Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556 and 10.559)
Federal Award Agency: United States Department of Agriculture
Award Year: Federal Fiscal Years 2015 and 2016
Federal Award Numbers: 20154CT300300 and 20164CT300300

Background: SDE purchased software to assist in the administration of the Child Nutrition Cluster. This software is used to generate the Report of School Program Operations (FNS-10) and supporting information, as well as other administrative tasks. The vendor's website states that this software is used by several other states.

Criteria: Title 7 Code of Federal Regulations 210.5 requires that the FNS-10 report be submitted monthly to the Food and Nutrition Service (FNS) Division.

Instructions for the FNS-10 define the reporting of "Average Daily Meals (ADM) as the number of meals served on an average day during the month being reported." The instructions also state that the reporting office may use any valid method to determine the number of average daily meals as long as the results are similar to those obtained in the instructions provided by FNS.

Condition: The method used to calculate ADM on the FNS-10 is not valid as it does not provide a result similar to the result obtained in the method prescribed by FNS.

Context: The software is programmed to calculate the ADM field at the sponsor level by dividing the aggregate of meals served at all sites by the highest number of operating days of any site under the sponsor. The amount for each sponsor is then aggregated into the amount reported on the FNS-10.

To calculate ADM using the method prescribed by FNS requires the number of operating days reported by each site for the claim month. As a report containing this information was not available, we requested that the vendor generate the report on our behalf. We used the information provided in conjunction with data readily available in the system to test Line 5a-Total Lunches served in the NSLP on the FNS-10.

We reviewed FNS-10 reports for the October 2015 and January 2016 claim months. We found the ADM calculation for Line 5a-Total lunches served in the NSLP was understated compared to the method prescribed by FNS by 3,472 and 10,673 meals per day, respectively. The ADM reported to FNS for October 2015 and January 2016 was 268,971 and 255,513 meals per day respectively.

Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: The method used to calculate ADM will result in an understated amount which may cause FNS to project state agency operational levels below actual operational levels during the fiscal year.

Cause: SDE relied on the software to calculate ADM for the report. The vendor indicated that this is the method used by the system for all states.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The State Department of Education should report Average Daily Meals using a valid method as prescribed by the United States Department of Agriculture's Food and Nutrition Service.

Views of Responsible Officials:

"We agree with this finding. The federal granting agency is aware of this issue and is working with the software vendor to make the corrective action required to make the reporting accurate."

2016-304 Subrecipient Monitoring

Child and Adult Care Food Program (CACFP) (CFDA 10.558)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2015 and 2016
Federal Award Numbers: 20154CT300330 and 20164CT300330

Child Nutrition Cluster (CFDA 10.553, 10.555, 10.556 and 10.559)
Federal Award Agency: United States Department of Agriculture
Award Year: Federal Fiscal Years 2015 and 2016
Federal Award Numbers: 20154CT300300 and 20164CT300300

Criteria: Title 2 Code of Federal Regulations (CFR) 200.331 and Title 7 CFR 3052.405(d) require pass-through entities to monitor their subrecipient activities to ensure that federal awards are used for authorized purposes and in compliance with laws, regulations, and provisions of contracts or grant agreements. Pass-through entities must also verify that subrecipients have met the audit requirements for the fiscal year.

Condition: Our review disclosed SDE did not have procedures in place to reconcile the amounts reported on its subreceipients' Schedules of Expenditures of Federal Awards (SEFA) with SDE disbursement records.

Context: Our review of 10 subrecipients of the Child and Adult Care Food Program found that 5 did not require an audit. The other 5 had variances in the amounts reported on their SEFA as compared to the amounts recorded on the state's financial records.

Our review of 10 subrecipients for the Child Nutrition Cluster did not reveal any significant variances.

Our sample was not statistically valid

Questioned Costs: There were no questioned costs.

Effect: SDE did not fully meet its responsibility for monitoring subrecipients that received federal funds. The SEFA is a key factor in determining major program coverage. Improper identification of federal expenditures on the SEFA could result in the omission of major federal programs from the federal single audit and as a result subrecipients may not meet the single audit reporting requirements.

Cause: SDE compares amounts recorded in its Grant Management System with amounts in audit reports because subrecipients report their expenditures of prepayment grants to SDE in that system. Subrecipients of the federal funding in this finding receive the funds on a reimbursement basis and are not reporting their expenditures in the Grants Management System.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The State Department of Education should develop and implement procedures to comply with federal laws concerning its responsibility as a pass-through entity to ensure that subrecipients are properly reporting their expenditures in their Schedule of Expenditures of Federal Awards by reconciling these amounts with the state's accounting system.

Views of Responsible Officials:

"We agree with this finding. SDE will develop a procedure that will reconcile a sample of SEFA data with the state financial records for Child Nutrition subrecipients. Unlike those programs that file financial reports under the prepayment grant system, the Child Nutrition payments are already validated annually at the time of closeout to ensure that the reimbursement payments to subgrantees matches the allowable amount calculated in the Colyar system. For that purpose, a statistical sample will be selected annually for review. Further, any providers that are not subject to Federal Single Audit will be exempt from this review."

DEPARTMENT OF ADMINISTRATIVE SERVICES

2016-450 Allowable Cost/Cost Principles – Billing Rate Development

Statewide Cost Allocation Plan (SWCAP)
Federal Cognizant Agency: Department of Health and Human Services
Awards Years: Federal Fiscal Years 2014-2015 and 2015-2016

Background: The General Services Revolving Fund (GSRF) is an internal service fund used primarily to account for the revenues and expenditures related to fleet operations billed to other state agencies. The Department of Administrative Services recovers the purchase price and cost to prepare and maintain state vehicles from each state agency. Those recoveries include an offset for the expected salvage value for the vehicle. The remaining costs are recovered over the life of the vehicle using a cost recovery rate that is part of an approved schedule of rates included in Section II of the approved Statewide Cost Allocation Plan (SWCAP) for the fiscal year ended June 30, 2016.

The Technical Services Revolving Fund (TSRF) is used to account for some of the revenues and expenditures related to the operations of the agency's telecommunication and data processing operations furnished and billed to other state agencies. A significant portion of the telecommunication and data processing expenditures are administered through the General Fund. The revenues and expenditures reported in these funds are listed in Section II of the approved Statewide Cost Allocation Plan (SWCAP) for the fiscal year ended June 30, 2016.

Criteria: The Department of Administrative Services (DAS) accounts for billed central services through a variety of funds and operations. Title 2 Code of Federal Regulations (CFR) Part 225 Appendix C (B)(1) defines billed central services as, "central services that are billed to benefitted agencies and/or programs on an individual fee-for-service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits."

Title 2 CFR Part 225 Appendix A (B)(4) defines a central service cost allocation plan as "documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies, The costs of these services may be allocated or billed to users."

Since federally-supported awards are administered by the individual operating agencies that are supported by central services reported in the central services cost allocation plan, Title 2 CFR Part 225 Appendix C (A)(1) requires that, “all costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.”

Title 2 CFR Part 225 Appendix C (G)(4) states that “billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue and the allowable costs.”

Condition: In the GSRF, we reviewed the development of the billed rates for fleet vehicles and the application of the billing rates approved in the SWCAP.

During our examination of the application of the billed rates approved in the SWCAP, we tested twenty vehicles that were billed out for June 2016 at rates that match the approved rates in the SWCAP. However, the department did not make the proper adjustment to billed rates. A formula was used to update the billed rates for state vehicles in BizNet, the proprietary software DAS used to manage fleet vehicles.

In the TSRF, DAS recorded $1,941,869 in revenue from a 10% charge that is added to vendor invoices for telecommunication services such as physical phone lines, wireless services, and internet access. A review of the Section II costs outlined in the SWCAP did not identify the 10% rate charged to state agencies. The department could not provide justification or approval for this 10 % charge.

During our review of the allocation methodology for statewide technological services, we found that DAS recorded $339,481 in revenue based on a memorandum of understanding (MOU) executed in 2003 between the Department of Information Technology (DOIT) (now the DAS Bureau of Enterprise Systems and Technology) and the Department of Labor (DOL). The MOU includes a clause that requires an amendment be executed within 60 days after a transfer of staff in January 2004. The amendment was expected to address, among other items, “the establishment of management controls and cost accounting measures, which will ensure that all administrative funds supported by DOL’s federal grants, will only be expended under this Memorandum of Understanding for activities which are proper and lawful under each grant.” Also, in Appendix A of the MOU, the 2 parties agreed to the provision of 110 million of instructions per second (MIPS), which is considered a measure of processor speed. However, the allocation of software and hardware costs for fiscal year 2016 is based on the provision of 225 MIPS. We asked DAS for a copy of any amendments to the

MOU executed within the past 12 years. The department was unable to provide us with any.

Context: This is a systemic issue. We had the same recommendation pertaining to the department's SWCAP for the 2013-2014 fiscal year. The department has implemented changes in policy during the 2015-2016 fiscal year that won't impact the SWCAP until the 2017-2018 fiscal year.

Questioned Costs: The questioned costs could not be identified because the costs ultimately charged to federal programs could not be readily determined.

Effect: Without adequate evidence of identifying, accumulating, and allocating costs sufficient to support established billing rates, billed costs may not be allowed costs for federal programs. The total effect on federal awards is dependent upon how each affected agency pays for central services.

In the absence of adequate internal controls over system changes, when changes in accounting estimates occur, such as changes in depreciable life or salvage value, the department cannot ensure that the GSRF recovers the entire allowed costs for the provision of fleet vehicles.

Cause: In regards to the telecommunication rate, DAS stated that it has applied the 10% rate to vendor invoices for telecommunication services for several years, and the basis for applying the 10% rate has not been evaluated by the department.

Under Public Act 11-51, DOIT was merged with DAS effective July 1, 2011. After DAS became responsible for the MOU, the cause of the absence of an executed amendment updating the management controls, cost accounting measures, and provision of services, is unknown.

Prior Audit Finding: This was previously reported as finding 2015-450 Allowable Costs/Cost Principles – Billing Rate Development.

Recommendation: The Department of Administrative Services should modify its existing rate setting procedures that establish billed rates for central services to include procedures necessary to ensure compliance with federal regulations. We noted that management is taking steps towards modifying existing rates, but the new rates will not impact the SWCAP until the 2017-2018 fiscal year.

Views of Responsible Officials:

"We agree that DAS should modify our existing rates setting procedures that establish billed rates for central services to include procedures necessary to ensure compliance with federal regulations during the scope of this audit."

2016-451 Allowable Cost/Cost Principles – Reconciliation of Revenue to Actual Allowable Costs

Statewide Cost Allocation Plan (SWCAP)
Federal Cognizant Agency: Department of Health and Human Services
Awards Years: Federal Fiscal Years 2014-2015 and 2015-2016

Criteria: Title 2 Code of Federal Regulations (CFR) Part 225 Appendix C (B)(1) defines billed central services as, "central services that are billed to benefitted agencies and/or programs on an individual fee-for-service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits."

Title 2 CFR Part 225 Appendix C (G)(1) requires that each "billed central service activity must separately account for all revenues (including imputed revenues) generated by the service, expenses incurred to furnish the service, and profit/loss."

Title 2 CFR Part 225 Appendix C (G)(1) states that, "billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue and the allowable costs."

Condition: The Department of Administrative Services (DAS) disclosed that it has not adjusted billed rates after reconciling the revenue from its billed central services to the actual costs of providing those services.

Context: This is a systemic issue at the department. We have repeated the same recommendations pertaining to the department's SWCAP since the 2008-2009 fiscal year. We noted that the department is implementing an over/under position for the 2017-2018 SWCAP calculations.

Questioned Costs: The questioned costs cannot be determined because the department did not adjust its billing rates to actual cost.

Effect: Without making an adjustment to billed rates for central services following the reconciliation process, the department is not in compliance with federal regulations and may not prevent recurring over recovery of actual costs for the provision of central services.

Cause: The department did not implement the federal compliance requirement to adjust billed rates for central services. This process must occur at least annually.

Prior Audit Finding: This was previously reported as finding 2015-451 Allowable Cost/Cost Principles – Reconciliation of Revenue to Actual Allowable Costs.

Recommendation: The Department of Administrative Services should perform reconciliations for all billed central services by comparing revenue to actual allowable costs and adjust billed rates for central services according to this reconciliation. This would ensure a full recovery of actual allowable costs of central services and prevent a recurring over recovery of actual allowable costs of central services.

Views of Responsible Officials:

"We agree that DAS should perform reconciliations for all billed central services by comparing revenue to actual allowable costs and adjust billed rates for central services according to the reconciliation during the scope of this audit."

UNIVERSITY OF CONNECTICUT

2016-500 Period of Performance (University of Connecticut)

Federal Award Agency: Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2016
Research and Development Programs:
Global AIDS (CFDA # 93.067)
Account #5253790 – "CAPRISA-CHIP Collaboration" – Pass-through award from The Centre for the AIDS Programme of Research in South Africa, project period November 1, 2009 through October 31, 2016 under prime award 5U2GPS001350-02 from the Department of Health and Human Services National Center for HIV, Viral Hepatitis, STDS and TB Prevention, project period September 30, 2008 through September 29, 2014.
Family Smoking Prevention and Tobacco Control Act Regulatory Research (CFDA # 93.077)
Account #5618020 – "Counter-Irritation by Menthol: Molecular Targets and Role in Airway Disease" – Pass-through award M13A11538 (A09237) from Yale University, budget period January 1, 2013 through December 31, 2013 under prime award 3R01HL105635-03S1 from the Department of Health and Human Services National Institutes of Health National Heart, Lung, and Blood Institute, project period January 1, 2011 through December 31, 2014.

Criteria: Per Title 2 Code of Federal Regulations 200.309 (January 1, 2014), "A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity."

Condition: As of June 30, 2011, account 5253790 had a cash balance of $62,982. No disbursements were made from the account during the next 5 years; the cash balance of account 5253790 remained at $62,982 as of June 30, 2016. Though the period of performance of the pass-through award has been extended on an annual basis through October 31, 2016 by the pass-through entity, documentation on file indicates that it is likely that the period of performance of the prime award has elapsed.

Costs of $17,091 were transferred out of account 5618020 during the 2014-2015 fiscal year leaving an end-of-year cash balance of $17,091 as of June 30, 2015. Though the period of performance for this pass-through award ended December 31, 2013, the funds were not returned to the grantor. The cash balance of account 5618020 remained at $17,091 as of January 12, 2017.

Context: The condition is an isolated instance. We reviewed all 21 federal accounts (research and development and other) with average daily cash balances of $10,000 or more during the 2015-2016 fiscal year. The Schedule of Expenditures of Federal Awards reflects activity in 1,649 University of Connecticut federal accounts; in some instances multiple accounts may be maintained for the same award. The sampling was not a statistically valid sample.

Questioned Costs: There were no questioned costs.

Effect: It appears that the University of Connecticut is retaining federal funds that cannot be expended as the related periods of performance have elapsed.

Cause: We were not able to determine why these funds were not returned.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The University of Connecticut should return funds to grantors held beyond the period of performance.

Views of Responsible Officials:

"Management concurs with the recommendation and has contacted both pass through entities to initiate the refund. To note further the condition for referenced account 5253790, the University had requested and received the appropriate approvals and modification documents from the pass-through entity to extend the project and balance of funds through October 31, 2016. It was recently learned that the pass through entity did not have the authority to approve extensions of the project past October 31, 2014."

2016-501 Reporting (University of Connecticut)

Federal Award Agency: Department of Agriculture
Award Year: State Fiscal Year Ended June 30, 2016
Research and Development Programs:
Biotechnology Risk Assessment Research (CFDA # 10.219)
Account # 5613410 – "Perennial Grasses for Bioenergy: Pollen Aerobiology, Biocontainment, and Plant Genetics" – 2011-33522-30817 issued by the Department of Agriculture National Institute of Food and Agriculture, project period September 1, 2011 through August 31, 2015
Agriculture and Food Research Initiative (AFRI) (CFDA # 10.310)
Account # 5611100 – "Generation and Characterization of Completely Reprogrammed Bovine Naive Induced Pluripotent Stem Cells" – 2013-67012-21003 issued by the Department of Agriculture National Institute of Food and Agriculture, project period September 1, 2013 through August 31, 2015

Account # 5614770 – "Bioactivity of Astaxanthin in the Prevention of Hepatic Inflammation" – 2012-67018-19290 issued by the Department of Agriculture National Institute of Food and Agriculture, project period February 1, 2012 through January 31, 2016

Criteria: Title 2 Code of Federal Regulations 200.327 requires the submission of federal financial reports in the manner specified by the Office of Management and Budget.

Condition: We noted clerical errors on federal financial reports submitted for 3 Department of Agriculture National Institute of Food and Agriculture awards (2012-67018-19290, 2013-67012-21003 and 2011-33522-30817) that would have been detected and corrected had the reports been subject to review by a supervisor or other higher level staff prior to submission.

Context: The clerical errors were deemed to be isolated instances, as all of the reports in question were prepared within 1 team in the grant management area and 2 of the 3 reports were prepared by the same individual. We found no problems with reports prepared by other teams in the grant management area.

However, the grants management area does not have a formal process in place requiring a review be performed by a supervisor or other higher level staff prior to submission. As this control deficiency could potentially affect all reports submitted it is a systemic problem.

We reviewed federal financial reports filed for 10 federal research and development awards. The Schedule of Expenditures of Federal Awards reflects activity in 1,265 University of Connecticut federal research and development accounts; in some instances multiple accounts may be maintained for the same award. The sampling was not a statistically valid sample.

Questioned Costs: There were no questioned costs.

Effect: Inaccuracies on federal financial reports may affect the decision making of financial report users.

Cause: The reports were not subject to review by a supervisor or other higher level staff prior to submission.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The University of Connecticut should ensure that all federal financial reports are subject to review by a supervisor or other higher level staff prior to submission. Copies of the report should be signed by the reviewer to document approval and maintained on file.

Views of Responsible Officials:

"Management concurs with the recommendation. In each of the reports identified in the finding, none of the reports resulted in a disadvantage to the government. However to improve our internal control structure, Sponsored Program Services has implemented a secondary review and approval of all federal financial reports within the central office."

WESTERN CONNECTICUT STATE UNIVERSITY

2016-600 Allowable Costs/Cost Principles – Time and Effort Reporting Records

Research and Development Programs: Centers for Disease Control and Prevention_ Investigations and Technical Assistance (CFDA 93.283)
Federal Award Agency: United States Department of Health and Human Services
Award Year: State Fiscal Year Ended June 30, 2016
Federal Award Number: 5U50CK000195-04

Criteria: As presented in Title 2 Code of Federal Regulations Part 200 (formerly OMB Circular A-21), "Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated."

Condition: We noted 7 instances totaling $3,834 during the audited period in which the university did not complete time and effort reports providing after-the-fact certification that part-time employees worked on the Centers for Disease Control and Prevention_Investigations and Technical Assistance program (CFDA 93.283).

Context: We tested 14 payroll transactions totaling $7,450 for part-time employees charged to the Centers for Disease Control and Prevention_Investigations and Technical Assistance program (CFDA 93.283) during the audited year. Our testing disclosed 7 instances totaling $3,834 in which the university did not complete time and effort reports providing after-the-fact certification that the employees worked on the program.

According to university accounting records, part-time employee payroll expenditures charged to this program totaled $19,987 during the fiscal year ended June 30, 2016.

Our sample was not statistically valid.

Questioned Costs: Questioned costs amount to $3,834 and consist of 7 part-time employee payroll payments charged to the Centers for Disease Control and Prevention_Investigations and Technical Assistance program (CFDA 93.283) that were not supported by time and effort reports.

Effect: The university's internal controls were weakened. In some instances, there was noncompliance with the time and effort reporting system in place for part-time employee payroll costs charged to this federal program. As such, the university lacks supporting documentation to confirm that certain part-time employee salaries and wages were appropriately charged to the program. In turn, the university and federal grantors lack assurance that such charges are accurate and allowable.

Cause: The university informed us that it implemented a time and effort reporting system for part-time employees in January 2016, but did not follow up to determine whether grant-funded employees were complying with the system.

Prior to January 2016, the university incorrectly viewed this grant, which passed through to the university from the state Department of Public Health, as a state program rather than a federal program. Therefore, no time and effort reporting system was in place.

Prior Audit Finding: A similar condition was previously reported as finding 2015-602.

Recommendation: Western Connecticut State University should take steps to ensure that it properly executes its time and effort reporting system for federal programs to which part-time employee payroll costs are charged.

Views of Responsible Officials:

"We agree with this finding. The Fiscal Affairs Office will be more proactive in following up with the principal investigators of all federal grants to ensure all time and effort reports are completed."

FEDERAL STUDENT FINANCIAL ASSISTANCE - DEPARTMENTS OF EDUCATION AND HIGHER EDUCATION – STATEWIDE

Federal Student Financial Assistance awards were made individually to the following institutions during the fiscal year ended June 30, 2016:

Institution	Office of Post-Secondary Education (OPE) ID
University of Connecticut	00141700
University of Connecticut School of Medicine	00141700
University of Connecticut School of Dental Medicine	00141700
Central Connecticut State University	00137800
Eastern Connecticut State University	00142500
Southern Connecticut State University	00140600
Western Connecticut State University	00138000
Charter Oak State College	03234300
Asnuntuck Community College	01115000
Capital Community College	00763500
Gateway Community College	00803700
Housatonic Community College	00451300
Manchester Community College	00139200
Middlesex Community College	00803800
Naugatuck Valley Community College	00698200
Northwestern Connecticut Community College	00139800
Norwalk Community College	00139900
Quinebaug Valley Community College	01053000
Three Rivers Community College	00976500
Tunxis Community College	00976400
A.I. Prince Technical High School	00982200
Bristol Technical Education Center	00927700
Bullard-Havens Technical High School	01149600
Eli Whitney Technical High School	00730000
Howell Cheney Technical High School	02245300
Norwich Technical High School	01184300
Platt Technical High School	02565000
Vinal Technical High School	01169700
W.F. Kaynor Technical High School	02300000
Windham Technical High School	00731100

2016-650 Cash Management

Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations (CFR) 668.162(b)(3) states that an institution must disburse the funds requested as soon as administratively feasible but no later than 3 business days following the date the institution received the funds.

Title 34 CFR 668.166(b) states that an institution may maintain an amount of excess cash for up to 7 days as long as the amount does not exceed 1% of the total amount of funds the institution drew down in the prior award year. The institution must immediately return any amount of cash over the 1% tolerance and any amount remaining in its account after the 7 day tolerance period to the Secretary of the United States Department of Education.

Condition: During our review of cash management at Central Connecticut State University (CCSU), we noted that due to a Federal Direct Student Loans (Direct Loan) drawdown made on June 15, 2016, excess cash of between $203,691 and $314,135 was on hand for 23 calendar days from June 15, 2016 through July 7, 2016 (Award #P268K160064).

During our review of cash management at Northwestern Connecticut Community College (NWCC), we noted the following exceptions:

- Due to federal Pell Grant Program (Pell) adjustments made on December 7, 2015, excess cash of $258 was on hand for 30 calendar days from December 7, 2015 through January 6, 2016 (Award #P063P141220).
- Due to a Pell adjustment made on June 21, 2016 and a refund made on June 25, 2016, excess cash of between $1,439 and $5,223 was on hand for 16 calendar days from June 21, 2016 through July 7, 2016 (Award #P063P151220).
- Due to a Direct Loan drawdown made on September 29, 2015, excess cash of between $17,993 and $41,008 was on hand for 30 calendar days from September 29, 2015 through October 29, 2015 (Award #P268K161220).

Context: *CCSU:* The condition is an isolated instance. We reviewed all the university’s drawdowns for the Direct Loan program during the audited period and only noted the above instance on non-compliance. The total net drawdowns for the Direct Loan program through June 30, 2016, were $55,571,487.

NWCC: We reviewed all the college's drawdowns for the Pell and Direct Loan programs during the audited period and noted the above instances of non-compliance. The total net drawdowns for the Pell and Direct Loan programs through June 30, 2016, were $1,671,870 and $167,967, respectively.

Questioned Costs: *CCSU and NWCC:* There were no questioned costs.

Effect: These institutions were not in compliance with federal regulations governing cash management.

Cause: *CCSU:* We were informed that the condition occurred because the university made a posting error to the incorrect fund, which resulted in a drawdown for an amount greater than needed.

NWCC: The college did not follow established cash management procedures.

Prior Audit Finding: *CCSU and NWCC:* This was previously reported as finding 2015-650.

Recommendation: Central Connecticut State University and Northwestern Connecticut Community College should comply with the cash management provisions stipulated in Title 34 Code of Federal Regulations 668.166(b) by ensuring that federal cash drawdowns do not exceed the amounts necessary for immediate disbursement, and that any excess cash is returned within the timeframe established in the regulations.

Views of Responsible Officials:
CCSU: "We agree with this finding."

NWCC: "We agree with this finding."

2016-651 Student Eligibility

Federal Perkins Loan – Federal Capital Contributions (CFDA 84.038)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations (CFR) 685.200(a)(1) states that a borrower is eligible to receive federal Direct Student Loans (Direct Loan), if the student is enrolled or accepted on at least a half-time basis in a school that participates in the Direct Loan program.

Title 34 CFR 668.164(b)(3) stipulates that an institution may disburse Title IV, Higher Education Act program funds to a student or parent for a payment period only if the student is enrolled for classes for that payment period and is eligible to receive those funds.

Condition: From a sample of 10 students who were selected for Return of Title IV Funds testing at Central Connecticut State University (CCSU), we noted that the university made a post-withdrawal disbursement of Direct Loan funds to an ineligible student. Upon our discovery, the university returned the funds to the Direct Loan program.

Context: Direct Loan funds were originated and disbursed to 6,787 students during the audited period. The condition appears to be an isolated instance. Our selection in this test, and other areas of testing did not disclose any other ineligible awards. The sample was not statistically valid.

Questioned Costs: Direct Loan (CFDA 84.268) $1,006. These funds were returned by the university on October 4, 2016.

Effect: The university disbursed funds to an ineligible student. Upon our discovery, the university rescinded the ineligible Direct Loan award.

Cause: We were informed that the condition occurred when an individual who originated and disbursed the loan did not confirm that the student was enrolled at the university.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: Central Connecticut State University should only award and disburse federal Direct Student Loans to eligible students that are enrolled at the university at the time of disbursement.

Views of Responsible Officials:
"We agree with this finding."

2016-652 Student Eligibility - Federal Supplemental Educational Opportunity Grants

Federal Supplemental Educational Opportunity Grants (CFDA 84.007)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: We compared the list of all students that received a Federal Supplemental Educational Opportunity Grant (FSEOG) to those students who also received a federal Pell Grant (Pell). We had identified a number of students that were ineligible to receive FSEOG, because these students did not receive a federal Pell Grant in the same award year.

Criteria: Title 34 Code of Federal Regulations 676.10 establishes the particular eligibility requirements for a student to receive FSEOG. One of these requirements is that an institution shall select students with the lowest Expected Family Contribution (EFC) who will also receive Pell in that year.

Condition: During our review of eligibility at Southern Connecticut State University (SCSU), we noted that 3 out of 728 students received FSEOG awards that they were not eligible for because they did not also receive a Pell award in the same award year.

During our review of eligibility at Quinebaug Valley Community College (QVCC), we noted certain students who demonstrated Pell eligibility, with the lowest EFC, were not awarded FSEOG funds. We found FSEOG funds totaling $10,958 were awarded to students with a greater than zero EFC.

Context: *SCSU:* This condition does not appear to be a systemic issue during our audit period. We reviewed all 728 FSEOG awards totaling $344,125.

QVCC: This condition appears to be a systemic issue during our audit period. We reviewed all 413 FSEOG awards totaling $48,705 and noted 95 instances where students with a greater than zero EFC were awarded these funds over students with greater need.

Questioned Costs: *SCSU:* FSEOG (CFDA 84.007) - $1,250. This was the amount disbursed to 3 students that were not eligible. These funds were returned by the university on August 26, 2016.

QVCC: There were no questioned costs.

Effect: *SCSU:* These students' total FSEOG awards were $1,250. Upon our discovery, the university rescinded the ineligible FSEOG awards.

QVCC: The policy of the college for awarding FSEOG was not in compliance with federal regulations.

Cause: *SCSU*: The university's automated system allowed FSEOG to be disbursed to students who were not disbursed a federal Pell Grant.

QVCC: The college's automated selection criteria used to award FSEOG did not always package these funds to students with the lowest EFC.

Prior Audit Finding: *SCSU and QVCC:* This was previously reported as finding 2015-653.

Recommendation: Southern Connecticut State University and Quinebaug Valley Community College should award and disburse Federal Supplemental Educational Opportunity Grants in accordance with the requirements stipulated in Title 34 Code of Federal Regulations 676.10.

Views of Responsible Officials:

SCSU: "We agree with this finding."

QVCC: "We agree with this finding."

2016-653 Special Tests - Verification

Federal Supplemental Educational Opportunity Grants (CFDA 84.007)
Federal Work-Study Program (CFDA 84.033)
Federal Perkins Loan – Federal Capital Contributions (CFDA 84.038)
Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations (CFR) 668.53 requires an institution to establish policies for verifying information contained in a student aid population.

Title 34 CFR 668.56 requires that an institution must verify all Free Applications for Federal Student Aid that have been selected for verification.

Items requiring verification include household size, number of household members who are in college, Supplemental Nutrition Assistance Program benefits received, child support paid, adjusted gross income, U.S. income taxes paid, education credits, Individual Retirement Account deductions, tax exempt interest, and certain types of untaxed income and benefits. The financial aid office verifies student and parental income and household data by comparing financial data found on tax-related documents to data found on the Institutional Student Information Report (ISIR). Furthermore, it confirms household data and other untaxed income items found on the verification worksheet to data found on the ISIR.

Condition: From 10 students selected for verification testing at Eastern Connecticut State University, we noted the following:

- One instance was noted in which the amount of income tax paid on the parent's tax return transcript did not agree with the reported amount on the ISIR.

- One instance was noted in which the amount of child support received by the parent as reported on the verification worksheet did not agree with the reported amount on the ISIR.

Context: While the noted conditions do not appear to be a systemic issue, it does appear to be a reoccurring condition. The university reported 963 students that were selected for verification during the audit period. Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: The university was not in compliance with verification requirements.

In both instances identified, the students' Expected Family Contribution amount and awards were affected. The underpayments of the federal Pell Grant awards were an aggregate of $800. Upon our discovery, the university disbursed institutional funds to these students.

Cause: We were informed that the conditions were the result of human error by the employees in the financial aid office that verified each of the student's files.

Prior Audit Finding: This was previously reported as finding 2015-656.

Recommendation: Eastern Connecticut State University should implement procedures to ensure compliance with the federal regulations pertaining to verification. The university should consider implementing a supervisory or peer review of completed verifications to help ensure the accuracy of those verifications.

Views of Responsible Officials:
"We agree with this finding."

2016-654 Special Tests - Return of Title IV Funds

Federal Supplemental Educational Opportunity Grants (CFDA 84.007)
Federal Perkins Loan – Federal Capital Contributions (CFDA 84.038)
Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution.

Per Dear Colleague Letter GEN-04-03, if a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least 1 course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn. There is an exception if the institution can document that the student completed the period.

Condition: From a sample of 5 students who were selected for Return of Title IV Funds testing at Eastern Connecticut State University (ECSU), we noted the following:

- In 4 instances, the university did not complete a Return of Title IV Funds calculation in a timely manner, which prohibited the return of funds within the timeliness requirements of the federal regulations. Delays ranged from 7 to 31 days.
- In 1 instance, the university incorrectly performed a Return of Title IV Funds calculation. As a result, the university returned $2,166 less in federal Pell Grant (Pell) program funds and $4,084 less in federal Direct Student Loans (Direct Loan) program funds than required. Upon our discovery, the university returned and disbursed the funds to the Pell and Direct Loan programs.

During our review at ECSU for students who received Title IV aid and did not have any passing grades in the academic year, we noted 5 instances in which the university did not follow its unofficial withdrawal procedures for determining whether a Title IV recipient, who began attendance during a period, completed the period or should be treated as a withdrawal. Upon our discovery, the university applied its procedures and performed Return of Title IV Fund calculations and returned an aggregate of $886 to Pell and $5,199 to Direct Loan programs.

From a sample of 5 students who were selected for Return of Title IV Funds testing at Southern Connecticut State University (SCSU), we noted 1 instance in which the university did not complete a Return of Title IV Funds calculation in a timely manner, which prohibited the return of funds within the timeliness requirements of the federal regulations. The delay was 61 days.

From a sample of 10 students who were selected for Return of Title IV Funds testing at Western Connecticut State University (WCSU), we noted 1 instance in which the calculation for the summer payment period was not completed in a timely manner. The delay in completing the calculation prohibited the disbursement of Pell funds within the timeliness requirements of the federal regulations. The delay was 40 days.

From a sample of 10 students who were selected for Return of Title IV Funds testing at Middlesex Community College (MXCC), we noted the following:

- In 2 instances, the college did not complete a Return of Title IV Funds calculation in a timely manner, which prohibited the return of funds within the timeliness requirements of the federal regulations. Delays noted were 11 and 16 days.

- In 1 instance, an erroneous Return of Title IV Funds calculation resulted in an excess disbursement to the student of $51. Upon our discovery, the amount was repaid to the Pell program.
- In 1 instance, the college did not perform a post-withdrawal disbursement of Pell funds totaling $420. Upon our discovery, the college disbursed institutional funds to this student.

Context: *ECSU:* The university performed 104 withdrawal calculations during the audited period. Our sample was not statistically valid.

The university also identified a total of 124 Title IV aid recipients with non-passing grades during the fall and spring semesters. From our full review of this list, we identified 5 students that were unofficially withdrawn.

The conditions noted appear to be systemic issues.

SCSU: The university provided us with a list of 91 Return of Title IV Funds calculations during the audited period. Our sample was not statistically valid. The condition does not appear to be systemic issue.

WCSU: It appears that the university performed a total of 152 Return of Title IV Funds calculations during the audited period. There were a total of 9 calculations performed during the summer payment period. The sample of 10 students included 2 students that withdrew in the summer payment period. Our sample was not statistically valid.

MXCC: The college identified 129 students that withdrew from the college during the audited period that may have required a Return of Title IV Funds calculation. Our sample was not statistically valid.

Questioned Costs: *ECSU:* Pell (CFDA 84.063) - $3,052. Total Pell funds identified in our testing that were required to be returned. Upon notification, the university returned $3,052 to the Pell program.

Direct Loan (CFDA 84.268) - $9,283. Total Direct Loan funds identified in our testing that were required to be returned. Upon notification, the university returned $9,283 to the Direct Loan program.

MXCC: Pell (CFDA 84.063) - $51. This represents the amount of Pell funds that the college disbursed in the incorrect Return of Title IV Funds calculation. Upon notification, the college returned $51 to the Pell program.

SCSU and WCSU: There were no questioned costs.

Effect: These institutions were not in compliance with the federal regulations governing the Return of Title IV Funds and delayed or erroneous payments were initially made as a result.

Cause: *ECSU:* In the first condition, delays in performing the Return of Title IV Funds calculation attributed to the delay in returning the funds.

In the second condition, the university calculated a Return of Title IV Funds calculation rather than returning all funds for a student that was never in attendance.

In the third condition, the university inconsistently applied their unofficial withdrawal procedures.

SCSU: The Office of Financial Aid and Scholarships did not determine that the student officially withdrew until the end of the summer session when the grades were reported, which prohibited the funds from being disbursed in a timely manner.

WCSU: The Office of Financial Aid and Student Employment did not determine that the student officially withdrew until the end of the summer session when the grades were reported.

MXCC: Established policies and procedures were not followed.

In the first condition, delays in performing the Return of Title IV Funds calculation attributed to the delay in returning the funds.

In the second condition, the college used the incorrect number of calendar days and the inaccurate amount of federal funds to be disbursed in the Return of Title IV Funds calculation.

In the third condition, the college processed multiple changes to the student's record, which affected the accuracy of the Return of Title IV Funds calculation performed.

Prior Audit Finding: *ECSU, SCSU and WCSU:* This was previously reported as finding 2015-657.

MXCC: This finding has not been previously reported.

Recommendation: The state universities and Middlesex Community College should review its procedures to ensure compliance with the federal regulations contained in Title 34 Code of Federal Regulations 668.22 governing the treatment of Title IV funds when a student withdraws.

Views of Responsible Officials:

ECSU: "We agree with this finding."

SCSU: "We agree with this finding."

WCSU: "We agree with this finding."

MXCC: "We agree with this finding. Middlesex CC returned Direct Loan funds 11 days late and paid a post-withdrawal disbursement 16 days late. The Return of Title IV funds calculation that resulted in a $51 overpayment was the result of a manual procedure that was not properly executed. The post-withdrawal disbursement had originally not been made due to a college Presidential Waiver that deleted the student's academic record."

2016-655 Special Tests - Return of Title IV Funds – Policy Issue

Federal Supplemental Educational Opportunity Grants (CFDA 84.007)
Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations 668.22 provides guidance regarding the treatment of Title IV funds when a student withdraws from an institution.

Condition: Middlesex Community College's consumer information posted on the college website was not consistent with federal regulations. The policy of the college states that withdrawal during the first 2 weeks of any semester without adding courses will lose financial aid for those classes. The federal regulations state that a student begins earning Title IV funds on his or her first date of attendance.

Context: The condition appears to be a systemic issue. The college identified 129 students that had withdrawn from the college during the audited period that may have required a Return of Title IV Funds calculation. We are unable to determine how many students had all their federal aid removed because they withdrew during the first 2 weeks of the semester during the audited period.

Questioned Costs: There were no questioned costs.

Effect: The college was not in compliance with the federal regulations governing the Return of Title IV Funds.

Cause: The Return of Title IV Funds calculation methodology for this college was not consistent with the federal regulations.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: Middlesex Community College should review and update the consumer information published on its website to ensure compliance with the federal regulations contained in Title 34 Code of Federal Regulations 668.22, governing the treatment of Title IV funds when a student withdraws. In addition, the college should ensure that any students who earned Title IV funds have received the amount of those funds.

Views of Responsible Officials:

"We agree with this finding. Middlesex CC has lacked the ability to identify students who have completely dropped from classes during the first two weeks of the semester, for the purpose of calculating a Return to Title IV Funds calculation. It was the policy of the Connecticut Board of Regents System Office; and therefore the college, to base financial aid eligibility upon the frozen enrollment census data which followed the completion of the add/drop period."

2016-656 Special Tests - Enrollment Reporting

Federal Perkins Loans – Federal Capital Contributions (CFDA 84.038)
Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: The National Student Loan Data System (NSLDS) is the United States Department of Education's central database for federal student aid disbursed under Title IV of the Higher Education Act of 1965, as amended. Among other things, NSLDS monitors the programs of attendance and the enrollment status of Title IV aid recipients.

Criteria: Title 34 Code of Federal Regulations 685.309(b)(2), requires changes in enrollment to less-than-half-time, graduated, or withdrawn, must be reported within 30 days. However, if a roster file is expected within 60 days, the data may be provided on that roster file.

The NSLDS Enrollment Reporting Guide outlines the specific enrollment reporting requirements, including the valid enrollment status codes that each institution must use when reporting enrollment changes. A school must correctly report students who have completed a program as "graduated" and not as "withdrawn".

Condition: We selected 10 students that separated from the University of Connecticut (UCONN). We noted 1 instance in which a student's change in enrollment status was not reported in a timely manner. In this instance, the student was academically dismissed from the university on June 3, 2016 and was subsequently reported as withdrawn to the NSLDS on September 6, 2016. The delay was 35 days.

From a sample of 10 students that separated from Central Connecticut State University (CCSU), we noted 1 instance in which the student's enrollment information, as reported to the NSLDS, was not accurate. In this instance, the student's effective withdrawal date was incorrectly reported and the student's enrollment status was never updated to reflect the student's graduation.

From a sample of 10 students that separated from Eastern Connecticut State University (ECSU), we noted 2 instances in which the student's enrollment information, as reported to the NSLDS, was not accurate. In these instances, the students' effective withdrawal dates were incorrectly reported.

From a sample of 10 students that separated from Middlesex Community College (MXCC), we noted the following:

- Two instances in which student enrollment information, as reported to the NSLDS, was not accurate. In both instances, the student enrollment status was never updated to reflect the students' graduation.
- One instance in which student enrollment information, as reported to the NSLDS, was not reported in a timely manner. The student graduated from the institution on January 6, 2016 and was subsequently reported as graduated to the NSLDS on June 15, 2016.

Context: *UCONN:* This condition appears to be an isolated incident. The university reported 3,278 students that separated during the 2015-2016 award year. We were unable to determine how many of those students were academically dismissed. Three of the 10 students were academically dismissed. Our sample was not statistically valid.

CCSU: While the noted condition appears to be a systemic issue, it does not appear to affect the entire population of graduated students (1,053 students graduated during the 2015-2016 award year). This specific condition appears to be isolated to those students for which there was a delay between the last semester attended and the degree being awarded. Our sample included 5 students for which a degree had been awarded. Our sample was not statistically valid.

ECSU: Based upon the university's response the condition noted does not appear to be a systemic issue. The university reported 757 students that separated during the 2015-2016 award year. Our sample contained a total of 10 students, 5 of which had a status of withdrawn. Our sample was not statistically valid.

MXCC: While the noted condition appears to be a systemic issue, it does not appear to affect the entire population of graduated students (439 students graduated during the 2015-2016 award year). This specific condition appears to be isolated to those students for which there was a delay between the student's last semester attended and the degree being awarded. Our sample of 10 students included 5 who had been awarded a degree. Our sample was not statistically valid.

Questioned Costs: *UCONN, CCSU, ECSU and MXCC:* There were no questioned costs.

Effect: Enrollment information was not provided to the NSLDS for certain students in a timely and/or accurate manner.

Cause: *UCONN:* We were informed that the university's enrollment reporting service provider was provided the enrollment information but it did not get reported to the NSLDS.

CCSU: Procedures for reporting enrollment changes when there is a break in enrollment between the last semester attended and the time a degree is awarded were not established.

ECSU: Established procedures for reporting enrollment changes were not followed.

A member of the registrar's staff incorrectly withdrew these students. This mistake created an enrollment record for the subsequent semester of attendance that was transmitted to the NSLDS.
MXCC: In the first 2 instances, we were informed that the college's enrollment reporting service provider was provided the enrollment information but it did not get reported to the NSLDS.

In the second condition, we were informed that the fall 2015 semester was the first time the college offered a fall graduation. It appears when the college submitted its 2015-2016 award year enrollment schedule with its service provider, they inadvertently did not include the degree verify file for the graduation that occurred subsequent to the fall 2015 semester.

Prior Audit Finding: *UCONN and MXCC:* This finding has not been previously reported.

CCSU and ECSU: This was previously reported as finding 2015-658.

Recommendation: The University of Connecticut, Central Connecticut State University, Eastern Connecticut State University, and Middlesex Community College should implement procedures to ensure that enrollment status changes are accurately and timely submitted to the National Student Loan Data System in accordance with federal regulations.

Views of Responsible Officials:

UCONN: "We agree with this finding. After being made aware of the one student issue, which is attributed to human error, steps were taken to update the student's status in the National Student Clearinghouse (NSC). UConn staff reviewed the entire dismissed student population statuses in NSC and reaffirmed internal procedures. This internal review of students and procedures was completed on September 19, 2016. See the separate corrective action plan."

CCSU: "We agree with this finding. See the separate corrective action plan."

ECSU: "We agree with this finding. See the separate corrective action plan."

MXCC: "We agree with this finding. Middlesex CC believed that once the file was sent to our third-party service provider for processing that it was the service providers responsibly to report all information to the NSLDS. See the separate corrective action plan."

2016-657 Special Tests - Student Loan Repayments

Federal Perkins Loan – Federal Capital Contributions (CFDA 84.038)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations (CFR) 674.31(b)(2) states that repayment begins 9 months after the borrower ceases to be at least a half-time regular student at the institution.

Title 34 CFR 674.42(b) requires an institution to conduct exit counseling with the borrower either in person, by audiovisual presentation, or electronically, shortly before the student ceases to be enrolled on at least a half-time basis. If a borrower withdraws without the institution's prior knowledge or fails to complete an exit counseling session, the institution must provide the exit counseling material to the borrower within 30 days.

The 2015-2016 Federal Student Aid (FSA) Handbook states that a Perkins borrower is entitled to an initial grace period of 9 consecutive months after dropping below half-time enrollment. If the borrower returns to school on at least a half-time basis before the 9 months has elapsed, the initial grace period has not been used. The borrower is entitled to a full initial grace period of 9 consecutive months from the date that he or she graduates, withdraws or drops below half-time enrollment again.

The FSA Handbook further states that a grace period is always day specific, an initial grace period begins on the day after the day the borrower drops below half-time enrollment.

Condition: We selected 10 borrowers at the University of Connecticut (UCONN) who entered repayment during the audited period and noted the following:

- In 3 instances in which the university was aware that the borrower was graduating, exit counseling was not conducted before the end of the semester. The exit counseling was initiated between 39 and 55 days after the end of the semester.
- In 7 instances, the university reported the incorrect separation date to its third party service provider. In all 7 instances, the separation dates reported were 1 day later than the actual separation dates.

From a sample of 10 borrowers at Central Connecticut State University (CCSU) who entered repayment during the audited period, we noted the following:

- In 7 instances in which the university was aware that the borrower was graduating, exit counseling was not initiated before the end of the semester. The exit counseling was initiated between 25 and 169 days after the end of the semester.
- In 9 instances, the borrower's separation date was reported incorrectly to the service provider. In 5 of these instances, there were delays to the repayment process of between 5 and 101 days.

From a sample of 10 borrowers at Eastern Connecticut State University (ECSU) who entered repayment during the audited period, we noted the following:

- In 1 instance in which the University was aware that the borrower was graduating, exit counseling was initiated 7 days after the end of the semester.
- In 3 instances, the borrower's separation date was reported incorrectly to the service provider, which caused the grace period to be incorrect. In 2 of these instances, there were delays to the repayment process of 22 and 219 days. In the other instance, the borrower was put into repayment status 145 days early.

From a sample of 10 borrowers at Southern Connecticut State University (SCSU) who entered repayment during the audited period, we noted 10 instances in which the university reported the incorrect separation date to its third-party service provider, which caused the grace period to be incorrect. The delays ranged from 14 to 114 days late.

Context: *UCONN:* The first condition appears to be isolated to graduate students and students who applied for graduation late. The second condition appears to be systemic because it was university policy to report the student's withdrawal date as the end of the commencement weekend, instead of the last day of the semester. The university reported 932 students that entered repayment during the audit period. Our sample was not statistically valid.

CCSU: Based on discussions with university staff and a review of their policies and procedures, these findings appear to be systemic. The university reported 289 students that entered repayment during the audit period. Our sample was not statistically valid.

ECSU: Based on discussions with university personnel and a review of the policies and procedures, these conditions appear to be isolated instances. The university reported 153 students that entered repayment during the audit period. Our sample was not statistically valid.

SCSU: Based on discussions with university personnel and review of the policies and procedures, this condition at that period of time, appears to be systemic. The university had 116 students enter repayment during the audited period. Our sample was not statistically valid.

Questioned Costs: *UCONN, CCSU, ECSU and SCSU:* There were no questioned costs.

Effect: These institutions were not in compliance with the federal due diligence requirements designed to promote timely and responsible repayment of loans.

Cause: *UCONN:* The university's procedures are not in compliance with federal regulations governing repayment and exit counseling.

University procedures during our audited period were to send an anticipated graduation list to its service provider 4 weeks into the semester, when the deadline for students to apply for graduation had passed. In 1 instance, a borrower submitted the application to graduate after the list was sent to its service provider. In 2 other instances, the students were graduate level students and they were not on the university's anticipated graduate list. The university informed us that it modified its procedures and added graduate students to the listing beginning with the fall 2015.

In addition, the university policy for reporting the separation date to its service provider for graduated students was to report the date as the end of the commencement weekend, instead of the last day of the semester.

CCSU: The university's process for capturing potential graduates includes generating a pending graduation list prior to the end of each semester. In 6 of the 7 instances, the pending graduation report was not generated. In the other instance, the student was incorrectly included on the report.

In the second condition, 6 of the 9 instances were a result of the actual separation date being rounded to the first of the following month, a prior policy of the university's service provider. Two of the remaining 3 instances, were based on incorrect information provided by the university's enrollment service provider. The last instance was the result of a clerical error when reporting the separation date.

ECSU: In the first condition, the student graduated and had not been identified until after the semester ended.

In the second condition, there were 2 instances in which the university inadvertently reported the incorrect separation date to its service provider. The university informed us that the other instance noted in the second condition was the result of an error in which the university's service provider did not accept attempts to correct the student's separation date.

SCSU: Procedures at the time were to not utilize the borrower's actual separation date but instead use the first of the following month as the separation date. After our prior audit found similar instances, the university amended its procedures in November 2015. The instances noted all had separation dates prior to the amended procedures being implemented.

Prior Audit Finding: *UCONN, CCSU, ECSU and SCSU:* This was previously reported as finding 2015-659.

Recommendation: The University of Connecticut and state universities should ensure that policies and procedures regarding Perkins Loan repayments and exit counseling are in compliance with the federal regulations.

Views of Responsible Officials:

UCONN: "We agree with this finding."

CCSU: "We agree with this finding."

ECSU: "We agree with this finding."

SCSU: "We agree with this finding. In compliance with Title 34 CFR 674 the university has amended its procedures to ensure that the separation date is reported as the day immediately following the last date of at least half-time enrollment, to ensure that the initial grace period and subsequent repayment dates are calculated properly. Per the 2015-2016 FSA Handbook, volume 6, chapter 4, page 6-128, lenders/schools are able to establish standard repayment dates following the conclusion of the grace period (i.e. the first of the subsequent month). Our third party servicer, University Accounting Services, does set the first repayment date as the 1st of the subsequent month following the expiration of the grace period."

2016-658 Special Tests - Student Loan Repayments - Default

Federal Perkins Loan – Federal Capital Contributions (CFDA 84.038)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations 674.42(c) requires that an institution must contact a federal Perkins Loan borrower with a 9 month grace period at the 90-day, 150-day and 240-day point of the grace period.

The 2015-2016 Federal Student Aid Handbook states that a grace period is always day specific. An initial grace period begins on the day after the day the borrower drops below half-time enrollment.

Condition: We selected 10 borrowers at the University of Connecticut whose loan went into default during the audited period and noted the following:

- Five instances in which required contact letters were not sent to the borrower. We noted 3 instances in which the 90-day contact letter, and 2 instances in which the 150-day contact letter was not sent.
- Six instances in which 1 or more of the required grace letters were not sent in a timely manner. These grace letters were mailed 3 to 4 days late.

Context: The first condition appears to be isolated to those students who unofficially withdrew from the university. In these instances, the university was unaware of the separation until after the contact letters were due. The second condition appears to be systemic because it was the third party servicer's policy to send the grace contact letters on the tenth day of the month following the student's separation. The university provided us a report of 86 borrowers whose loan went into default during the audited period. Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: The university was not in compliance with the federal due diligence requirements designed to minimize repayment defaults.

Cause: Regarding the lack of contact letters, it appears the university became aware that these students separated after the grace letters were due. Therefore, the third-party service provider did not send the letters.

The third-party service provider's policy is to send the grace contact letters on the tenth day of the month following the student's separation.

Prior Audit Finding: This was previously reported as finding 2015-660.

Recommendation: The University of Connecticut should ensure that policies and procedures regarding Perkins Loans due diligence requirements are being performed in accordance with federal regulations.

Views of Responsible Officials:
"We agree with this finding."

2016-659 Special Tests - Federal Work-Study Agreements

Federal Work-Study Program (CFDA 84.033)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Criteria: Title 34 Code of Federal Regulations 675.20 states that if an institution wants to have its students employed under the Federal Work-Study Program (FWS) by a federal, state or local public agency, or a private nonprofit or for-profit organization, it shall enter into a written agreement with that agency or organization.

Condition: We selected 16 off-campus FWS agreements for testing at the University of Connecticut. We noted 1 instance in which the FWS agreement on file was executed after students began employment with the off-campus agency.

Context: This condition is an isolated incident. We reviewed all off-campus agreements that employed university students on file. When we selected our sample, there was not an agreement on file to review for the agency in question.

Questioned Costs: Federal Work-Study Program (CFDA 84.033) - $19,110. This represents the amount paid to all 9 students employed by the same off-campus employer.

Effect: Nine students were paid FWS funds prior to the execution of a written agreement that stipulated the work conditions required by the federal regulations.

Cause: We were informed that this was an administrative oversight. The Office of Financial Aid Services believed that the entity that employed the students was administered by another agency under a valid FWS written agreement.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The University of Connecticut should ensure that students employed under the Federal-Work Study Program have the required written agreement executed and on file prior to the commencement of employment.

Views of Responsible Officials:
"We agree with this finding."

2016-660 Special Tests - Borrower Data Transmission and Reconciliation

Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: When disbursing federal Direct Student Loans (Direct Loan) funds, entities must report certain disbursement records through the Common Origination and Disbursement (COD) System.

Criteria: Title 34 Code of Federal Regulations 685.102(b) requires schools to perform the following functions as described in the *Direct Loan School Guide:* create a loan origination record, transmit the record to the servicer, receive funds electronically, disburse funds, create a disbursement record, transmit the disbursement record to the servicer, and reconcile on a monthly basis.

Condition: During our review of Eastern Connecticut State University (ECSU) records supporting the monthly Direct Loan reconciliations, we noted that the university did not maintain sufficient evidence to identify the reason and resolution for positive/negative balances of ending cash for the months of August, November, January and February.

During our review of Middlesex Community College (MXCC) records supporting the monthly Direct Loan reconciliation, we noted the following:

- There was no evidence to support that a monthly Direct Loan reconciliation was performed for the months of October and November.
- The college did not perform a timely reconciliation for the month of April. The reconciliations for the months of April and May were both performed at the same time on June 21, 2016.

Context: *ECSU:* Based on the exception percentage, we believe this finding is systemic. Our sample consisted of all 11 months requiring a Direct Loan reconciliation to be performed. The university disbursed $27,640,691 in Direct Loan funds during the audited period.

MXCC: Based on the exception percentage, we believe this finding is systemic. Our sample consisted of all 9 months requiring a Direct Loan reconciliation to be performed. The college disbursed $797,550 in Direct Loan funds during the audited period.

Questioned Costs: *ECSU and MXCC:* There were no questioned costs.

Effect: These institutions were not in full compliance with the federal regulations governing the Direct Loan program.

ECSU: The absence of sufficient evidence to support a monthly reconciliation lessens the assurance that the reconciliation is complete and accurate.

Cause: *ECSU:* The university did not follow established procedures.

MXCC: The college informed us that during these months it was experiencing problems with a software update that may have attributed to the reconciliations not being performed.

Prior Audit Finding: *ECSU:* This was previously reported as finding 2015-661.

MXCC: This finding has not been previously reported.

Recommendation: Eastern Connecticut State University and Middlesex Community College should strengthen internal controls over the Direct Loan reconciliation process and ensure that the monthly reconciliations performed are completed, sufficiently documented and conducted timely.

Views of Responsible Officials:
ECSU: “We agree with this finding.”

MXCC: “We agree with this finding. Middlesex CC did not perform a Direct Loan reconciliation for the months of October and November due to problems experienced with a software update that caused the reconciliation reports to read incorrectly. The April reconciliation was performed one month late”

2016-661 Special Tests - Institutional Eligibility

Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: Per the 2015-2016 Federal Student Aid Handbook, to participate in the Federal Student Aid programs, a school must apply and receive approval from the United States Department of Education (USDOE). The Sixth-Year diploma is not a degree, but is generally recognized as an academic credential beyond the master's degree. In general, a school's eligible non-degree programs are specifically named on the Eligibility and Certification Approval Report. Per Office of Management and Budget Form No. 1845-0012, Application for Approval to Participate in Federal Student Financial Aid Programs, Section E, an institution is required to provide information for each educational program that it is requesting to be eligible to participate in federal student financial aid programs that will be provided as of the date of the application or that will be provided during the current award year.

Criteria: Per Title 34 Code of Federal Regulations 668.14(a)(1), an institution may participate in any Title IV, Higher Education Act (HEA) program, other than the Leveraging Educational Assistance Partnership and National Early Intervention Scholarship and Partnership programs, only if the institution enters into a written program participation agreement (PPA) with the Secretary of Education. A PPA conditions the initial and continued participation of an eligible institution in any Title IV, HEA program upon compliance with the provisions of this part, the individual program regulations, and any additional conditions specified in the PPA that the Secretary requires the institution to meet.

Condition: The University of Connecticut (UCONN) did not include its Sixth-Year Graduate Certificate programs, for which federal aid was offered and disbursed, on its application to participate in the federal student financial aid programs. The PPA for UConn, effective October 7, 2014 to June 30, 2017, did not include these Sixth-Year programs until January 14, 2016.

Context: This condition appears to be isolated to the fall 2015 semester.

Immediately after this condition was disclosed in the Statewide Single Audit covering the fiscal year ended June 30, 2014, the university began working with the USDOE to formally add the programs to their PPA. The Sixth-Year Graduate Certificate programs were approved for Title IV eligibility and added to the university's PPA in January 2016.

Questioned Costs: Direct Loan (CFDA 84.268) - $450,429. This was the amount disbursed to 48 students enrolled in the Sixth-Year programs not approved on the PPA.

Effect: The university offered federal aid to students enrolled in Sixth-Year Graduate Certificate programs that were not included on the university's PPA.

Cause: The university continued to follow its procedures for students enrolled in Sixth-Year Graduate Certificate programs and package these students as 2nd Master's Degree students.

Prior Audit Finding: This was previously reported as finding 2015-662.

Recommendation: The University of Connecticut should only disburse financial aid to programs listed on the approved Program Participation Agreement. The university should work with the United States Department of Education regarding the resolution of any questioned costs associated with the federal student aid amounts disbursed for eligible non-degree programs in the fall 2015 term prior to the approval of these programs on January 14, 2016.

Views of Responsible Officials:
"We agree with this finding."

2016-662 Special Tests - Written Arrangements

Federal Supplemental Educational Opportunity Grants (CFDA 84.007)
Federal Work-Study Program (CFDA 84.033)
Federal Perkins Loan Program – Federal Capital Contributions (CFDA 84.038)
Federal Pell Grant Program (CFDA 84.063)
Federal Direct Student Loans (CFDA 84.268)
Federal Award Agency: United States Department of Education
Award Year: 2015-2016

Background: If an enrolled student is unable to complete required classes at the host institution, an approved consortium agreement may be used to allow the student to take the required course(s) at another eligible institution and retain financial aid.

Criteria: Title 34 Code of Federal Regulations 668.5(d)(3) states the institution that calculates and disburses a student's Title IV, Higher Education Act program assistance must take into account all the hours for which the student enrolls at each institution that apply to the student's degree or certificate when determining the student's enrollment status and cost of attendance.

Condition: During our review of 15 consortium agreements at the University of Connecticut, we noted 7 instances in which a student's incorrect enrollment status was reported to the National Student Loan Data System (NSLDS).

Context: This appears to have been primarily isolated to the 7 students with applicable consortium credits who were enrolled in the fall 2015 semester. Our sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: Inaccurate enrollment information was sent to the NSLDS.

Cause: The university informed us that its enrollment reporting service provider did not update the NSLDS with enrollment information when it was submitted by the university.

Prior Audit Finding: This was previously reported as finding 2015-663.

Recommendation: The University of Connecticut should ensure that enrollment information reported to the National Student Loan Data System for students with consortium credits is timely and accurate in accordance with federal regulations.

Views of Responsible Officials:
"We agree with this finding."

DEPARTMENT OF HOUSING

2016-725 Allowable Costs/Cost Principles – Housing Assistance Payments

Section 8 Housing Choice Vouchers (CFDA #14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Background: The federal Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers (HCV) program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. Public housing agencies (PHA) authorized to administer the program locally make housing assistance payments (HAP) directly to landlords, on behalf of eligible families, for the lease of suitable rental housing that meets program requirements.

In Connecticut, the state Department of Housing (DOH) is designated as the PHA and administers the program statewide with a contracted vendor.

Criteria: Title 2 Code of Federal Regulations (CFR) 200.403 provides that in order to be allowable under federal awards, costs must be necessary and reasonable for the performance of the federal award and must be adequately documented.

Title 24 CFR Part 5 Subpart F provides HUD Section 8 public housing program requirements for determining family income and calculating tenant rent payments. If the cost of utilities is not included in the tenant's rent, the PHA uses a schedule of utility allowances to determine the amount an assisted family needs to cover the cost of utilities.

Title 24 CFR Part 982 Subpart K describes program requirements concerning the HAP and rent to owner under the HUD Section 8 HCV program.

- Section 982.503 requires the PHA to adopt a payment standard schedule that establishes voucher payment standard amounts for each fair market rent area in the PHA jurisdiction.
- Section 982.505 provides that the PHA shall pay a monthly HAP on behalf of the family that is equal to the lesser of either the payment standard for the family or the gross rent, minus the total tenant payment. The payment standard in place on the effective date of the HAP contract remains in place for the duration of the contract term unless the PHA increases or decreases its payment standard. If a payment standard is increased, the higher payment standard is first used in calculating the HAP at the time of the family's regular reexamination. If the PHA lowers its payment standards, the payment standard in effect on the effective date of the HAP contract will remain in

effect until the family moves to another unit, has a change in its family size or composition, or until the second annual reexamination after the PHA decreases its payment standard. Decreases in the payment standard due to changes in family size or composition are effective as of the next regular reexamination following the change.

- Section 982.516 requires the PHA to conduct a reexamination of family income and composition at least annually and to obtain and document in the tenant file third-party verifications of reported family annual income, the value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income. The PHA must make appropriate adjustments in the HAP at the effective date of a reexamination.
- Section 982.517 requires the PHA to maintain a utility allowance schedule for all tenant-paid utilities, which must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. The PHA must review its schedule each year and must revise its allowances for a utility category, as necessary. At reexamination, the PHA must use the current utility allowance schedule.

Condition: Our review of HAP transactions noted the following:

- In 4 cases, the current payment standard schedule was not used. In 1 case, this resulted in a HAP overpayment of $81 for the tested benefit month, in another case this resulted in a HAP underpayment of $51 for the tested benefit month, and in 2 cases there was no financial impact to the error. Further review noted overpayments totaling $891 and underpayments totaling $612 during the audited period.
- In 2 cases, miscalculated wages included in family income resulted in HAP overpayments totaling $57 for the tested benefit months. Further review noted overpayments totaling $456 during the audited period.
- In 1 case, the use of a utility allowance not based on the current schedule resulted in a utility allowance reimbursement underpayment of $41 for the tested benefit month. Further review noted underpayments totaling $410 during the audited period.

Context: A total of 84,621 HAP transactions totaling $76,416,755 were made under the Section 8 HCV program during the fiscal year ended June 30, 2016. We selected 60 HAP transactions totaling $45,317.

The sample was not statistically valid.

Questioned Costs: Errors resulted in questioned costs totaling $138 for the tested benefit months. Further review noted questioned costs totaling $1,347 during the audited period.

Effect: There is lessened assurance that HAP and utility allowance reimbursements are being calculated correctly.

Cause: Errors were made due to clerical mistakes and inadequate oversight by the PHA and its contracted vendor.

Prior Audit Finding: This finding was reported during the previous audit as finding 2015-725 and was also reported in our 2014 audit.

Recommendation: The Department of Housing and its contracted vendor should ensure that housing assistance payments are properly calculated and based on amounts that are supported by third-party verifications and current payment standard and utility allowance schedules.

Views of Responsible Officials:

"The Department of Housing agrees with this finding in part. The errors were made due to clerical errors, but to state that inadequate oversight by the department and its contracted vendor is a factual misstatement. The department and its contracted vendor have implemented a detailed quality control process designed to identify and correct these human errors. The errors identified represent 0.3% of the $45,317 in transactions tested, or 99.7% accuracy."

2016-726 Activities Allowed or Unallowed and Allowable Costs/Cost Principles – Unallocable Costs

Section 8 Housing Choice Vouchers (CFDA #14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Criteria: Title 2 Code of Federal Regulations (CFR) 200.405 provides that a cost is allocable to a particular federal award if the goods or services involved are chargeable to that federal award in accordance with relative benefits received. Any cost allocable to a particular federal award may not be charged to other federal awards to overcome fund deficiencies, avoid restrictions imposed by federal statutes, regulations, or terms and conditions of the federal awards, or for other reasons.

Condition: Section 8 Housing Choice Vouchers (HCV) program funds were used to support other federal programs.

Context: Expenditures totaling $764,954 were charged to the Section 8 HCV program that benefited other federal programs. Of this amount, $727,630 was later returned to the Section 8 HCV program when federal reimbursement was received for the expenditures by the programs that benefitted.

Questioned Costs: Our review identified questioned costs totaling $37,324. This amount represents funds that were used for other federal programs that were not returned before the end of the fiscal year.

Effect: The department was not in compliance with 2 CFR 200.405. In addition, since unallowable costs were charged to the Section 8 HCV program there were less funds available to administer the program.

Cause: Section 8 HCV funds were used for expenditures for other federal programs because federal funds for those programs were not available at the time the expenditures were made.

Prior Audit Finding: This finding was reported during the previous audit as finding 2015-726.

Recommendation: The Department of Housing should ensure that all expenses charged to the Section 8 Housing Choice Vouchers program are allocable to the federal program.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. This process was inherited with the program when it was first transferred from the department of Social Service. The department has already implemented significant changes relative to this finding. Additional staff have been brought on by the department. They have been properly trained in the necessary processes and systems, and internal controls have been strengthened to eliminate these problems. This practice has been discontinued, and only expenses chargeable to the Section 8 Housing Choice Voucher program are allocated to this federal program."

2016-727 Allowable Costs/Cost Principles – Payroll Costs

Section 8 Housing Choice Vouchers (CFDA #14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Background: The federal Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers (HCV) program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. Public housing agencies (PHA) authorized to administer the programs locally make housing assistance payments directly to landlords, on behalf of eligible families, for the lease of suitable rental housing that meets program requirements. Funds may also be used for administrative fees to support the program.

In Connecticut, the state Department of Housing (DOH) is designated as the PHA.

Criteria: Title 2 Code of Federal Regulations (CFR) Part 200.405 provides that a cost is allocable to a particular federal award if the goods or services involved are chargeable to that federal award in accordance with relative benefits received.

Title 24 CFR 982.151 provides that HUD agrees to make payments to the PHA for housing assistance payments to owners and for the administrative fee. The PHA agrees to administer the program in accordance with HUD regulations and requirements.

Title 24 CFR 982.152 provides that PHA administrative fees may only be used to cover costs incurred to perform administrative responsibilities for the program in accordance with HUD regulations and requirements.

Condition: Our review disclosed that payroll and fringe benefit costs were not charged to the Section 8 HCV program in accordance with relative benefits received.

Context: During the fiscal year ended June 30, 2016, $418,863 was charged to the Section 8 HCV program for the payroll and fringe benefit expenditures of 3 employees. Our review disclosed that these employees worked on other federal and state programs besides the Section 8 HCV program.

Questioned Costs: We could not determine the amount of time employees worked on programs other than the Section 8 HCV program. Therefore, we could not determine the amount of questioned costs.

Effect: Payroll and fringe benefit costs charged to the Section 8 HCV program may not reflect the time actually worked by the employees and would result in unallowable costs being charged to the program.

Cause: The department did not consider that employees charged to the Section 8 HCV program worked on other programs in addition to the Section 8 HCV program.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should ensure that payroll and fringe benefit expenditures claimed under the Section 8 Housing Choice Voucher program are allocated to benefiting programs in accordance with Title 2 Code of Federal Regulations 200.405.

Views of Responsible Officials:

"The Department of Housing agrees with this finding in part. Although it appears that the department did not consider that employees charged to the Section 8 HCV program worked on other programs in addition to the Section 8 HCV program, the department also excluded eligible staff costs of at least four (4) additional staff who worked on the Section 8 HCV program. In order to better address this issue, the department is finalizing the implementation of a centralized work distribution process using the state's primary financial management system; Core-CT. Once implemented, all staff will have the ability to better document actual time worked on the various programs administered by the department, and in particular those federal programs that allow the direct allocation of administrative costs."

2016-728 Special Tests and Provisions – Housing Quality Standards Enforcement

Section 8 Housing Choice Vouchers (CFDA 14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Background: The federal Department of Housing and Urban Development's Section 8 Housing Choice Vouchers (HCV) program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. Public housing agencies (PHA) authorized to administer the program locally make housing assistance payments directly to landlords, on behalf of eligible families, for the lease of suitable rental housing that meets program requirements.

In Connecticut, the state Department of Housing (DOH) is designated as the PHA and administers the program statewide with a contracted vendor.

Criteria: Title 24 Code of Federal Regulations (CFR) 982.404(a) provides that the PHA must not make any housing assistance payments for a dwelling unit that fails to meet the housing quality standards (HQS), unless the owner of the unit corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within 24 hours. For other defects, the owner must correct the defect within 30 calendar days (or any PHA-approved extension). The PHA must take prompt and vigorous action to enforce the owner obligations. PHA remedies for such breach of the HQS include termination, suspension, or reduction of housing assistance payments and termination of the HAP contract.

In order to determine if the unit meets the HQS, 24 CFR 982.405(a) provides that the PHA must inspect the unit leased to a family prior to the initial term of the lease, at least annually during assisted occupancy, and at other times as needed.

Condition: We reviewed 60 cases to determine whether HQS inspections were conducted at least annually and noted 6 that were not completed on time. These inspections were completed between 1 and 43 days late.

Of the 60 inspections reviewed, 26 of the rental properties failed the initial HQS inspection. Our review disclosed 1 case in which the noted defects were not corrected within the required time period and the PHA did not suspend housing assistance payments until the defects were corrected.

Context: During the fiscal year ended June 30, 2016 the PHA contracted vendor performed 12,504 HQS inspections on rental properties, 4,114 of which failed the initial inspection. We reviewed 60 of the HQS inspections.

The sample was not statistically valid.

Questioned Costs: Our review identified questioned costs totaling $786.

Effect: The error resulted in a landlord being overpaid for rental property that failed to meet the HQS. Furthermore, by not conducting inspections within the appropriate timeframe, the PHA cannot ensure that the rental properties are decent, safe, and sanitary.

Cause: The department contracts with a vendor who is responsible for ensuring compliance with housing quality standards and the suspension of housing assistance payments. For the instances of noncompliance identified, the vendor did not properly perform its contractual duties.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing and its contracted vendor should ensure that housing quality standards inspections are completed on time and payments are suspended if identified defects are not corrected within the required time period.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. The department identified this as an issue prior to review, and has worked with the contracted vendor to increase capacity with regard to both initial HQS inspections, as well as annual HQS re-inspections. Further, internal processes of the contracted vendor have been streamlined to better insure that payments are suspended if identified defects are not corrected within the required timeframes."

2016-729 Reporting – Financial Assessment Subsystem for Public Housing

Section 8 Housing Choice Vouchers (CFDA #14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Background: The federal Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers (HCV) program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. Public housing agencies (PHA) authorized to administer the programs locally make housing assistance payments directly to landlords, on behalf of eligible families, for the lease of suitable rental housing that meets program requirements.

In Connecticut, the state Department of Housing (DOH) is designated as the PHA and administers the program statewide with a contracted vendor.

Criteria: Title 24 Code of Federal Regulations 5.801 requires PHA's to submit financial information, prepared in accordance with Generally Accepted Accounting Principles annually, no later than 60 days after the end of the fiscal year. Financial information should be submitted through the HUD Financial Assessment Subsystem for Public Housing (FASS-PH).

Condition: Our review disclosed that DOH has not submitted required financial information for the fiscal years ended June 30, 2015 or 2016.

Context: The submission for the fiscal year ended June 30, 2015 was initially delayed due to issues with the 2014 submission that DOH was working with HUD to resolve. Until the prior year's submission has been approved by HUD, the department is unable to submit current financial information. However, the 2014 submission was approved by HUD in March 2016 and the department still has not submitted 2015 data.

Questioned Costs: There were no questioned costs.

Effect: Financial information submitted through the FASS-PH is used by HUD to monitor and oversee the Section 8 HCV program. Without timely information, HUD may not have the information necessary to make informed decisions about the program.

Cause: The department has not devoted the resources necessary to finalize the financial information for the fiscal year ended June 30, 2015 that is required to be submitted.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should submit required financial information to the Department of Housing and Urban Development in a timely manner in accordance with Title 24 Code of Federal Regulations 5.801.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. The department has already implemented significant changes relative to this finding. Additional staff have been brought on by the department. They have been properly trained in the necessary processes and systems, and internal controls have been strengthened to ensure timely filing of the necessary information. However, we continue to experience technical issues with the electronic filing of this information into the federal system. Several telephone calls and email exchanges have occurred between staff and the proper federal technical assistance provider, but these technical issues continue to be unresolved. We are committed to resolving this filing as soon as possible."

2016-730 Cash Management – Interest

Section 8 Housing Choice Vouchers (CFDA #14.871)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: ACC CT 901 VO

Background: The federal Department of Housing and Urban Development's (HUD) Section 8 Housing Choice Vouchers (HCV) program provides rental assistance to help very low-income families afford decent, safe, and sanitary rental housing. Public housing agencies (PHA) authorized to administer the programs locally make housing assistance payments (HAP) directly to landlords, on behalf of eligible families, for the lease of suitable rental housing that meets program requirements. Funds may also be used for administrative fees to support the program.

In Connecticut, the state Department of Housing (DOH) is designated as the PHA and administers the program statewide with a contracted vendor.

Criteria: Office of Public and Indian Housing, Real Estate Assessment Center Accounting Brief #19 provides that interest earned on invested HAP funds held by the PHA should be returned to the U.S. Treasury.

U.S. Department of Housing and Urban Development Notice PIH 2015-17 that was issued on October 6, 2015 provides that as of January 1, 2014, the PHA may retain up to $500 in interest earned on HAP investments during the calendar year, but those funds shall be recorded and reported as administrative revenue flowing to the PHA's administrative fee reserve.

Condition: DOH has not established adequate internal controls to ensure that interest amounts in excess of $500 are annually returned to the U.S. Treasury.

Context: DOH did not determine the total amount of interest earned on its HAP investments. Without this information, the department would not know how much interest income, if any, should be returned to the U.S. Treasury.

Questioned Costs: There were no questioned costs.

Effect: DOH may be failing to return interest income that is due to the U.S. Treasury.

Cause: DOH contracts with a vendor who is responsible for determining the interest earned on the department's HAP investments. The vendor is behind on determining the amount of interest associated with the Section 8 HCV program.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing and its contracted vendor should ensure that interest earned on housing assistance payment investments is tracked and amounts in excess of $500 are returned to the U.S. Treasury.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. The department has already implemented significant changes relative to this finding. In addition to ensuring that interest earned information is reported on quarterly financial statements prepared by the contracted vendor, the intention is to include and report this information in the Voucher Management System (VMS) on a monthly basis beginning with the second quarter of calendar 2017."

2016-731 Allowable Costs / Cost Principles – Improper Benefit Calculations

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)

Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Background: The Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) program provides disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

The Department of Housing (DOH) funded the rehabilitation, reconstruction, or mitigation measures for owner-occupied homes, scattered-site properties, and multi-family houses. Scattered-site properties are non-owner occupied 1 to 4 unit rental properties. For homeowners who used personal funds or were under contract to repair storm damage within 1 year of Hurricane Sandy, DOH reimbursed for eligible home repairs. Funding was also provided for infrastructure and planning projects that would help improve the resiliency of infrastructure and public facilities and provide mitigation measures.

Criteria: Title 2 Code of Federal Regulations 200.403 provides that in order to be allowable under federal awards, costs must be necessary and reasonable for the performance of the federal award and must be adequately documented.

76 Federal Register 221 (November 16, 2011) page 71061 provides that the Stafford Act directs administrators of federal assistance to ensure that no person, business concern, or other entity will receive duplicative assistance and imposes liability to the extent such assistance duplicates benefits available to the person for the same purpose from another source. Because assistance to each person varies widely based on individual insurance coverage and eligibility for federal funding, grantees cannot comply with the Stafford Act without completing a duplication of benefits analysis specific to each applicant.

The DOH Owner Occupied Rehabilitation and Rebuilding Program Policies and Procedures guide provides that to ensure that projects do not result in a duplication of benefits, DOH requires that any unspent third-party duplication of benefits funds be placed in an escrow account and that an escrow agreement be executed.

The DOH escrow agreement with homeowners provides that any third- party funds shall be advanced from the escrow account for the payment of the costs of the project prior to the making of any advances. An exception to this policy is made if the escrow funds are being held for a specific purpose.

The DOH Owner Occupied Rehabilitation and Rebuilding Program Policies and Procedures guide provides that no changes in the scope of work write-up will be considered valid without an approved change order. All contractors will be paid on a reimbursement basis not to exceed the construction contract amount and approved change orders.

The DOH Program Guide for Planning for Mitigation and Resiliency Projects provides that upon satisfactory completion of work and sign-off by DOH staff, program funds are issued to the applicant.

Condition: Our review of owner-occupied homes and scattered-site properties projects disclosed the following:

- For 8 projects, the duplications of benefits analysis prepared by DOH contained improper or unsupported amounts. This resulted in DOH making overpayments totaling $9,179 for 6 projects and underpayments totaling $570 for 2 projects.
- For 2 projects, escrow funds were not used in a timely manner and were not used prior to CDBG-DR funds. In both cases, escrow funds were not being held for a specific purpose and should have been used prior to CDBG-DR funds. Ultimately, all escrow funds were used.
- For 1 project, the amount paid to the contractor exceeded the approved change order by $54. This error was corrected in a subsequent payment.

Our review of planning projects disclosed the following:

- For 1 project, the amount paid by DOH exceeded the amount owed, based on the percentage of work that was completed, by $72,800. DOH corrected this error in the next payment made for the project.

Context: During the fiscal year ended June 30, 2016, DOH funded 202 projects totaling $16,567,627 for owner-occupied homes and scattered-site properties and 12 planning projects totaling $1,477,123. We reviewed payments associated with 21 owner-occupied homes and scattered-site properties projects totaling $1,890,894 and 3 planning projects totaling $548,402.

Our samples were not statistically valid.

Questioned Costs: Our review identified questioned costs totaling $9,179. However, $691 of these questioned costs was previously identified in a Department of Housing and Urban Development Office of Inspector General audit and was returned by the homeowner.

Effect: There is lessened assurance that Hurricane Sandy CDBG-DR financial assistance is being correctly calculated and paid and that available escrow funds are being used prior to CDBG-DR funds.

Cause: The errors noted were the result of an oversight by staff and an inadequate supervisory review process.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should strengthen its internal controls to ensure that Hurricane Sandy Community Development Block Grant Disaster Recovery Grants program expenditures are necessary, reasonable, adequately supported, and correctly calculated.

Views of Responsible Officials:

"The Department of Housing agrees with this finding in part. As part of the department's internal compliance review process, most of these errors had been identified and were being resolved at the time of the review. The department has and continues to strengthen its internal controls through the implementation of an additional compliance review and the assignment of additional staff relative to reimbursement review."

2016-732 Inadequate Internal Controls over Earmarking

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Background: The Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) program provides disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

The Department of Housing (DOH) funded the rehabilitation, reconstruction, or mitigation measures for owner-occupied homes, scattered-site properties, and multi-family houses. Scattered-site properties are non-owner occupied 1 to 4 unit rental properties. Funding was also provided for infrastructure and planning projects that would help improve the resiliency of infrastructure and public facilities and provide mitigation measures.

Criteria: 78 Federal Register 43 (March 5, 2013) page 14330 provides that in Connecticut 80% of Hurricane Sandy CDBG-DR funds received must be expended in the most impacted and distressed counties, which are considered Fairfield and New Haven counties.

78 Federal Register 43 (March 5, 2013) page 14340 provides that 50% of Hurricane Sandy CDBG-DR funds must benefit low and moderate income persons.

Title 24 Code of Federal Regulations 570.3 provides that for the purpose of determining whether a family or household is low and moderate income, grantees must estimate the annual income by projecting the prevailing rate of income of each person at the time assistance is provided.

Condition: Our review disclosed that DOH does not have adequate internal controls in place to ensure that expenditures are properly coded as being for the most impacted and distressed counties or being for low and moderate income persons.

Context: During the fiscal year ended June 30, 2016, DOH funded 202 projects totaling $16,567,627 for owner-occupied homes and scattered-site properties. We reviewed 21 projects, totaling $2,567,916, to determine if expenditures were being properly coded as being for the most impacted and distressed counties or being for low and moderate income persons. The sample was not statistically valid. Our review disclosed the following:

- For 1 project, $6,000 of expenditures was improperly coded as being in a most impacted and distressed county.
- For 1 project, $27,119 of expenditures was improperly coded as being for a low and moderate income person.
- For 4 projects totaling $259,455, the department did not obtain income documentation to estimate the homeowner’s annual income at the time assistance was provided. These expenditures were coded as being for low and moderate income persons, but without up-to-date income documentation we could not determine if they were properly coded.

During the fiscal year ended June 30, 2016, DOH made payments totaling $4,398,902 to 7 architectural, engineering, and construction management (AECM) firms for work associated with various Hurricane Sandy CDBG-DR projects. We reviewed payments, totaling $1,209,955, made to 3 firms. Our review disclosed that DOH failed to code payments, totaling $145,768, as being for low and moderate income persons.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: While the errors noted do not appear to impact DOH compliance with earmarking requirements, a lack of internal controls increases the risk that earmarking requirements may not be met or an improper amount is reported as being expended towards the requirement.

Cause: The coding errors for owner-occupied homes and scattered-site properties are due to clerical errors. In addition, while DOH did obtain income documentation from homeowners at the time of application, there was often a substantial period of time between when the application was received and when financial assistance was provided. The department did not obtain updated documentation. In 1 case, DOH did obtain a tax return for a project during the subsequent fiscal year to support that the homeowner was low and moderate income, but no supporting documentation was available at the time assistance was provided. Furthermore, payments made to AECM firms were not properly allocated and coded due to time constraints. The department intended to make an adjusting entry at a later date to reclassify expenditures, but the adjustment was never made.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should strengthen internal controls to ensure that compliance with earmarking requirements is being properly tracked. In addition, the department should verify that adequate income documentation is on hand at the time financial assistance is provided to ensure that expenditures meet earmarking requirements.

Views of Responsible Officials:

"The Department of Housing agrees with this finding in part. The department operates under the policy of applicant self-certification and base documentation at the time of application and project start. All information related to national objective, income verification, location, and eligibility are reviewed at the project closeout as part of the department's internal compliance review process. The department has and continues to strengthen its internal controls through the implementation of this additional compliance review and the assignment of additional staff relative to this review and data adjustment."

2016-733 Suspension and Debarment - Inadequate Procedures

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Background: The Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) program provides disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

The Department of Housing (DOH) funded the rehabilitation, reconstruction, or mitigation measures for owner-occupied homes, scattered-site properties, and multi-family houses. Scattered-site properties are non-owner occupied 1 to 4 unit rental properties. For homeowners who used personal funds or were under contract to repair storm damage within 1 year of Hurricane Sandy, DOH provided reimbursement for eligible home repairs. Funding was also provided for infrastructure and planning projects that would help improve the resiliency of infrastructure and public facilities and provide mitigation measures.

Criteria: Title 2 Code of Federal Regulations Part 180 prohibits non-federal entities from contracting with or making subawards under covered transactions to participants that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include those procurement contracts for goods and services that are expected to equal or exceed $25,000 or meet certain other specified criteria.

A principal is defined as an officer, director, owner, partner, principal investigator, or other person with an entity, with management or supervisory responsibilities related to a covered transaction.

States must verify that participants and principals are not suspended or debarred or otherwise excluded by checking the System for Award Management (SAM) Exclusions, collecting a certification from the person, or adding a clause or condition to the covered transaction with that person. SAM Exclusions is a United States Government system that is available to the public with the most current information about persons who are suspended, debarred, or otherwise excluded from covered transactions.

The DOH Owner Occupied Reimbursement Program Step by Step Process Guide provides that in order for work to be eligible for reimbursement, the contractor must not be on the federal or state debarment lists.

Condition: Our review disclosed the following:

- DOH did not determine whether contractors providing goods or services or their principals have been excluded from participating in federal programs for 7 reimbursement projects and 2 planning projects. Further review determined that DOH did not determine whether contractors or their principals have been excluded from participating in federal programs for any reimbursement projects.

- Adequate documentation was not available to support whether DOH determined whether contractors or their principals have been excluded from participating in federal programs for 1 owner-occupied rehabilitation project.

Context: During the fiscal year ended June 30, 2016, DOH funded 12 planning projects and 202 projects for owner-occupied homes and scattered-site properties, 97 of which were at least partially reimbursements. We reviewed 3 planning projects and 21 owner-occupied homes and scattered-site properties for compliance with the suspension and debarment requirements.

The sample was not statistically valid.

Questioned Costs: There were no questioned costs.

Effect: DOH has lessened assurance that contractors providing goods and services or their principals have not been suspended, debarred, or otherwise excluded from federal programs.

Cause: DOH does not have adequate procedures in place to verify that contractors providing goods or services or their principals are not suspended, debarred or otherwise excluded from federal programs. For planning projects, it appears only the state debarment list, but not the SAM Exclusions, were verified. For reimbursement projects, DOH has not implemented its procedures to verify that contractors are not on the federal or state debarment lists in accordance with its Owner Occupied Reimbursement Program Step by Step Process Guide.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should develop procedures as specified in the federal regulations that ensure that all contractors and their principals are not suspended, debarred, or otherwise excluded from federal programs.

Views of Responsible Officials:

"The Department of Housing agrees with this finding in part. The department believes that adequate procedures specified in the federal regulations for all components of the Housing activities under CDBG-DR are in place, however acknowledges that staff did not fully implement these procedures prior to the review. In part, this was due to inadequate staff availability, as well as uncontrollable staff absences. Since the time of the review, the department has and continues to fully implement these procedures, and continues to verify eligibility of prior transactions through our revised compliance review."

2016-734 Reporting of Program Income

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Background: The Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) program provides disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

The Disaster Recovery Grant Reporting (DRGR) system was developed by the Department of Housing and Urban Development's (HUD) Office of Community Planning and Development for the CDBG-DR program. The DRGR system is used by HUD staff to review grant-funded activities, prepare reports to Congress and other interested parties, and monitor program compliance.

Criteria: 78 Federal Register 43 (March 5, 2013) page 14338 provides that Hurricane Sandy CDBG-DR grantees must use the DRGR system to draw grant funds for each activity. Grantees must also use the DRGR system to track program income receipts, disbursements, and revolving loan funds. The DRGR system requires grantees to use program income before drawing additional grant funds, and ensures that program income retained by 1 organization will not affect grant draw requests for other organizations.

Condition: Program income receipts and disbursements were not properly tracked in the DRGR system.

Context: The department reported $151,002 of program income receipts and $131,793 of disbursements during the fiscal year ended June 30, 2016. Our review disclosed an additional $30,000 of program income that was not reported in the DRGR system. In addition, $49,209 of program income disbursements was not reported in the DRGR system.

Questioned Costs: There were no questioned costs. Grant funds were not drawn down before program income receipts were used.

Effect: A lack of internal controls over tracking program income receipts increases the risk that grant funds are drawn down before program income receipts are used. In addition, information used by HUD to monitor program compliance is inaccurate.

Cause: The errors noted were the result of an oversight by staff and a lack of a supervisory review process.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should establish internal controls to ensure that program income receipts and disbursements are being properly tracked in the Department of Housing and Urban Development's Disaster Recovery Grant Reporting system.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. The department acknowledges that staff did not properly implement program income tracking adequately. This was in part due to inadequate staff availability, as well as uncontrollable staff absences. Since the time of the review, the department has fully implemented procedures to ensure proper tracking of program income in both CORE-CT and DRGR."

2016-735 Reporting – SF-425 Report

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Criteria: Federal Financial Reports (SF-425) to report cash transactions are required to be submitted on a quarterly basis to the Department of Housing and Urban Development (HUD) no later than 30 days after the end of each reporting period. Instructions for the preparation of the SF-425 report require the recipient to enter cumulative amounts of cash receipts and disbursements from the inception of the award through the end date of the reporting period on the report. In addition, the amount of cash on hand reported should be a positive balance.

Condition: Our review disclosed the following:

1. DOH did not submit the SF-425 Federal Financial Reports for the quarters ending March 31, 2016 and June 30, 2016.

2. Our review of the SF-425 for the quarter ending December 31, 2015, disclosed the following:

   a. Cash receipts were overstated by $4,512,464
   b. Cash disbursements were overstated by $545,337
   c. Cash on hand was understated by $378

Context: The department did not prepare 2 of the 4 SF-425 Federal Financial Reports that were due during the fiscal year. In addition, our review disclosed that the amounts reported on the SF-425 Federal Financial Report for the quarter ended December 31, 2015 were inaccurate. Cumulative cash receipts were reported as $35,741,166, cumulative cash disbursements were reported as $35,741,544 and cash on hand was reported as ($378). The correct amount of cumulative cash receipts, cumulative cash disbursements, and cash on hand was $31,228,702, $35,196,207, and $0, respectively.

Questioned Costs: There were no questioned costs.

Effect: SF-425 Federal Financial Reports did not accurately reflect the financial status of the department. In addition, without receiving financial reports in a timely manner, HUD may not be able to adequately monitor the program.

Cause: Amounts reported were cumulative as of the date the report was prepared rather than as of the end of the reporting period. This error went unnoticed during the supervisory review process. In addition, not all reports were submitted, because the staff person responsible for preparing the reports left and no 1 else was assigned to prepare the report.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Department of Housing should strengthen internal controls to ensure that the amounts reported on federal financial reports are accurate and reports are submitted by the federal deadline.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. This continues to be an issue, due to staff turnover, reconciliation between the Department of Housing and the Business Office of the Department of Economic and Community Development, and issues associated with accessing the federal DRGR system. The department is committed to addressing this issue, and recognizes the importance of doing so."

2016-736 Special Tests and Provisions – Environmental Reviews

Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) (CFDA 14.269)
Federal Award Agency: United States Department of Housing and Urban Development
Award Years: Federal Fiscal Years 2014-2015 and 2015-2016
Federal Award Number: B-13-DS-09-0001

Background: The Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) program provides disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

The Department of Housing (DOH) funded the rehabilitation, reconstruction, or mitigation measures for owner-occupied homes, scattered-site properties, and multi-family houses. Scattered-site properties are non-owner occupied 1 to 4 unit rental properties. For homeowners who used personal funds or were under contract to repair storm damage within 1 year of Hurricane Sandy, DOH provided reimbursement for eligible home repairs. Funding was also provided for infrastructure and planning projects that would help improve the resiliency of infrastructure and public facilities and provide mitigation measures.

Criteria: Title 24 Code of Federal Regulations (CFR) 50.3(i)(1) provides that it is the policy of the Department of Housing and Urban Development (HUD) that all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.

Title 24 CFR 58.4(b) designates states as recipients for purposes of directly undertaking a state project and must assume the environmental review responsibilities for the state's activities and those of any non-governmental entity that may participate in the project.

Title 24 CFR 58.38 provides that the responsible entity must maintain a written record of the environmental review undertaken under this part for each project. This document will be designated the Environmental Review Record (ERR) and shall be available for public review.

Condition: Environmental reviews were not always conducted in accordance with federal requirements for Hurricane Sandy CDBG-DR projects.

Context:	During the fiscal year ended June 30, 2016, the department funded the rehabilitation, reconstruction, or mitigation measures for 202 owner-occupied homes and scattered-site properties. We reviewed the environmental reviews conducted for 21 of these properties and found that the ERR for 5 of the projects was incomplete. There was inadequate documentation of the results of the mold and asbestos inspections for all 5 projects and there was inadequate documentation of the results of the lead inspection for 1 project. In addition, radon testing should have been performed on 4 of the projects but was not. Our sample was not statistically valid.
Questioned Costs:	There were no questioned costs.
Effect:	There is lessened assurance that all environmental hazards were appropriately identified and addressed.
Cause:	The department contracted with 7 companies to perform the environmental reviews. The errors noted appear to be the result of the department not clearly communicating the requirements to all contractors. In addition, the department's review process did not identify the incomplete environmental reviews.
Prior Audit Finding:	This finding has not been previously reported.
Recommendation:	The Department of Housing should establish internal controls to ensure that environmental reviews are performed and adequately documented for all Hurricane Sandy Community Development Block Grant Disaster Recovery Grants program projects.

Views of Responsible Officials:

"The Department of Housing agrees with this finding. All contractors have been reminded of the Environmental Review requirements, and such reviews are more closely monitored and screened for completeness. The contractor responsible for this error has been reassigned and no longer processes reimbursement applications."

OFFICE OF EARLY CHILDHOOD

2016-775 Reporting – ACF-696

Child Care and Development Block Grant (CCDBG) (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
Federal Award Agency: United States Department of Health and Human Services
Award Year: Federal Fiscal Year 2016
Federal Award Number: G1601CTCCDF

Criteria: Each state is required to file a quarterly ACF-696, Child Care and Development Fund Financial Report in accordance with 2 Code of Federal Regulations 200.327 and 200.328, and the Federal Office of Child Care's website instructions. The instructions for completion of ACF-696 require "states to spend a specified amount of non-federal funds on child care in order to claim federal match from the Matching Fund. The state's maintenance of effort must be expended on allowable services or activities as described in the approved State plan as appropriate, that meets the goals and purposes of the CCDBG Act. The same expenditure may not be counted as both state match and state maintenance of effort."

Condition: Quarterly ACF-696 reports contain errors for the amount reported as maintenance of effort.

Context: We selected 2 ACF-696 reports for the quarter ended December 31, 2015 and March 31, 2016. Maintenance of effort was understated by $3,804,840 and $10,143,301 in the respective reports. These errors were corrected with the submission of the final ACF-696 report for the quarter ended September 30, 2016. This appears to be a systemic problem as this was reported in our previous report.

Questioned Costs: There were no questioned costs.

Effect: Quarterly reports are not accurate as maintenance of effort is understated.

Cause: OEC uses a formula driven spreadsheet to assist in the calculation of the amounts on the ACF-696 report. The standard formula embedded in the spreadsheet included a state matching amount that was also included in the federal award. The federal award amount was already included as another line item in the report. The spreadsheet calculations resulted in maintenance of effort being understated.

Prior Audit Finding: This was previously reported as finding 2015-775. In that finding, maintenance of effort was overstated and the portion of discretionary funds categorized as quality activities was understated. Direct services was overstated by the same amount.

Recommendation: The Office of Early Childhood should establish and implement procedures to ensure that the information used to prepare each quarterly ACF-696, Child Care and Development Fund Financial Report, is prepared accurately. The final report should undergo supervisory review prior to submission.

Views of Responsible Officials:

"The Office of Early Childhood (OEC) has reviewed the findings noted in the audit report and agrees with them. The OEC has implemented the required changes in the most recent quarterly ACF-696 report.

In the previous audit, section 2015-775, the MOE reported in the previous audit was not caused by the OEC but by the federal lead agency due to a one-time allotment of funding that was being miscalculated when entering the information into the ACF-696. This situation required the federal lead agency to reformat the year end ACF-696 to allow these funds to be reported accurately."

2016-776 Special Tests and Provisions – Health and Safety Requirements and Criminal Background Checks

Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2015 and 2016
Federal Award Numbers: 1501CTCCDF and 1601CTCCDF

Criteria: Title 45 Code of Federal Regulations (CFR) section 98.40 requires the lead agency to certify that procedures are in effect (e.g., monitoring and enforcement) to ensure that providers serving children who receive subsidies comply with all applicable health and safety requirements. This includes verifying and documenting that childcare providers (unless they meet an exception e.g., family members who are caregivers or individuals who object to immunization on certain grounds) serving children who receive subsidies meet requirements pertaining to prevention and control of infectious diseases, building and physical premises safety, and basic health and safety training for providers (45 CFR section 98.41).

Section 19a-80(c) of the Connecticut General Statutes states that "The commissioner of Early Childhood, within available appropriations, shall require each prospective employee of a child day care center or group day care home in a position requiring the provisions of care to a child to submit to state and national criminal history record checks. The criminal history records checks required pursuant to this subsection shall be conducted in accordance with Section 29-17a. The commissioner shall also request a check of the state child abuse registry established pursuant to Section 17a-101k…"

Condition: Our previous Statewide Single Audit noted deficiencies in the processing of background checks for daycare providers. Our current review of OEC background check procedures for childcare providers disclosed that providers with criminal backgrounds that would make them ineligible to provide services under the Child Care and Development Fund Program are not being detected in a timely manner.

Context: OEC procedures allow prospective daycare providers to begin employment after submitting background check documentation, but prior to the completion of their background check. This is a systemic problem as it applies to all providers undergoing background checks.

Questioned Costs: There were no questioned costs.

Effect: The current procedure is flawed because it allows ineligible persons to provide childcare prior to the completion of a background check. The lack of timely processing of employee background checks could result in individuals with disqualifying criminal histories working in childcare settings for a significant duration before being completely vetted.

Cause: OEC does not have a unified monitoring and enforcement system capable of ensuring that all employees entering Connecticut's childcare system are identified, have received background checks, and had follow-up action in all instances in which a background check revealed legal matters of concern.

The office relies on a process that does not provide management with real-time feedback of background check activity. The OEC Child Day Care Unit uses several different systems for tracking and documenting its follow-up activities with respect to background checks.

In the absence of real-time feedback of background check activity, individuals with dangerous charges or whose conviction could result in disqualification, may not be identified or may not be identified in a timely manner for follow-up.

Prior Audit Finding: This was previously reported as finding 2015-776.

Recommendation: The Office of Early Childhood should adopt a pre-certification or licensing process for prospective employees of childcare providers.

Views of Responsible Officials:

"We agree with this finding. The Office of Early Childhood has proposed legislation to address this finding. That proposed legislation can be found in H. R. 7035. Specifically, the proposed language reads "[n]o such prospective employee shall have unsupervised access to children in the child care center or group child care home until such comprehensive background is completed and the Commissioner of Early Childhood permits such prospective employee to work in such child care center or group child care home." In addition, the Office of Early Childhood is in the process of acquiring a new background check system that would provide center directors with real-time information about the status of their employees' background checks."

2016-777 Compliance with Federal Encryption Requirements and Access Privileges

Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
Federal Award Agency: United States Department of Health and Human Services
Award Years: Federal Fiscal Years 2015 and 2016
Federal Award Numbers: 1501CTCCDF and 1601CTCCDF

Criteria: Any noncriminal justice agency receiving access to either the FBI Criminal Justice Information System (CJIS) or the National Identity Services (NIS) system shall enter into a signed written agreement with the appropriate signatory authority of the authorized agency providing access. The written agreement shall specify which systems (CJIS or NIS) and services the agency will have access to and the FBI CJIS Division policies the agency must adhere to.

Condition: A memorandum of understanding (MOU) between OEC and the Department of Emergency Services and Public Protection (DESPP) does not exist.

Context: The FBI CJIS Division has established audit programs to evaluate compliance with policy requirements associated with access to CJIS systems and information. This National Identity Services (NIS) audit assesses compliance with standards, federal laws and regulations associated with the use, dissemination, and security of national criminal history record information (CHRI); National Crime Prevention and Privacy Compact rules and procedures, and the CJIS Security Policy. The NIS audit is performed every 3 years and includes entities that receive CHRI for criminal justice purposes.

The May 2015, NIS Audit Report of the OEC Unlicensed Provider Unit identified 10 areas of concern requiring corrective measures. OEC was out of compliance in the areas of system administration and dissemination. Areas of concern were noted for reason fingerprinted & purpose codes, applicant notification and record challenge, and security.

OEC provided responses to the federal findings. During our prior audit, we reviewed the findings, responses, and corrective action and determined OEC adequately addressed 8 of the 10 findings. Subsequent to the last audit, OEC has addressed an additional finding regarding establishing encryption tools in accordance with the CJIS policy to ensure the security and confidentiality of records and to protect against any anticipated threats or hazards to their security of integrity.

OEC has still not complied with having a MOU with DESPP.

Questioned Costs: There were no questioned costs.

Effect: The lack of a written agreement may allow the user entity to grant unauthorized access to or use of the system in a manner that conflicts with the FBI CJIS Division policies.

Cause: OEC has 1 staff attorney and is relying on DESPP to help prepare the MOU.

Prior Audit Finding: This was previously reported as finding 2015-777.

Recommendation: The Office of Early Childhood should develop a memorandum of understanding with the Department of Emergency Services and Public Protection specifying the systems and services that the Office of Early Childhood will have access to and policies and procedures of the FBI Criminal Justice Information Services Division that must be followed.

Views of Responsible Officials:

"We agree with this finding. The draft Memorandum of Understanding was, until recently, being reviewed by the auditor for the Department of Emergency Services and Public Protection. Staff of the Office of Early Childhood is now in the process of reviewing and editing the Memorandum of Understanding."