

CITY OF HARTFORD

INTERDEPARTMENTAL MEMORANDUM

Date: March 2, 2018

To: Jane Crowell, Assistant Director for Young Children

From: Joseph Caruso, CPA, Deputy Chief Auditor

Telephone: (860) 757-9955

Subject: Special Review of Audit Reports of School Readiness Organizations

At your request, we have reviewed the independent auditor reports, including financial statements and related notes, and the internal control reports (where provided), you have provided to determine if there's any concerns noted with each organization's current financial standing as it pertains to school readiness grant funding. We do not make any recommendations to the Department of Families, Children, Youth and Recreation (DFCYR) as to how to allocate any of its grant money that it decides to provide for school readiness programs.

1) Capitol Child Development Centers, Inc.:

We do not have any concerns with the financial standing of this organization.

2) Women's League Child Development Center, Inc.

We do not have any concerns with the financial standing of this organization.

3) The Village for Families & Children, Inc. and Subsidiaries

We do not have any concerns with the financial standing of this organization.

4) Capitol Region Education Council (CREC)

We do not have any concerns with the financial standing of this organization.

5) Catholic Charities, Inc. – Archdiocese of Hartford and Subsidiary

We do not have any concerns with the financial standing of this organization.

6) King's Chapel Early Child Care & Education Center, Inc.

This audit report expressed an unqualified opinion, which means the independent auditors don't have any reason to believe this organization has a going concern problem and are expected to remain in business a year from now. However, Internal Audit notes a rather low cash balance on hand which is a little

concerning. We also noted that there are some control deficiencies within this organization that need attention.

In conclusion, these organizations all received clean unqualified audit opinions over its financial statements and internal controls (where provided). As such, they appear to be in good fiscal standing and do not believe there's any financial reason not to continue to do business with them.

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