

December 26, 2013

To the Board of Finance
Town of Fairfield, Connecticut

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Fairfield for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, and the State Single Audit Act, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 28, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Fairfield are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Town changed accounting policies related to the presentation of the new financial statement titles and categories of deferred outflows and deferred inflows of resources by adopting Statement of Governmental Accounting Standards (GASB Statement Nos. 63 and 65), Financial Reporting on Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities. Also, the period of availability for property tax was revised from 60 days to 0 days for the fiscal year ending June 30, 2013. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's government wide financial statements were:

Incurred But not Reported

Management's estimate of the incurred but not reported is based upon the amount calculated by the Town's claims processing vendor using actual and historical information. We evaluated certain assumptions used to arrive at the incurred but not reported amount in determining that it is reasonable in relation to the financial statement taken as a whole.

Workers' Compensation Liability

Management's estimate of the workers' compensation liability amount is based upon calculations by the Town's consultant using actual and historical information. We evaluated certain assumptions used to arrive at the workers' compensation liability amount in determining that it is reasonable in relation to the financial statement taken as a whole.

Heart and Hypertension Liability

Management's estimate of the heart and hypertension liability amount is based upon calculations by the Town's consultant using actual and historical information. We evaluated certain assumptions used to arrive at the heart and hypertension liability amount in determining that it is reasonable in relation to the financial statement taken as a whole.

Net Pension Asset

The net pension asset is the cumulative difference between the annual pension cost and the town's contributions to the plan. The annual pension cost is calculated by the Town's Actuary using actuarial assumptions and estimates. We evaluated the assumptions and estimates used to calculate the annual pension cost in determining that the liability is reasonable in relation to the financial statement taken as a whole.

Net Other Postemployment Benefits Obligation

The net other postemployment benefit obligation is the cumulative difference between the annual other post employment benefit cost and the town's contributions to the plan. The annual other postemployment benefit cost is calculated by the Town's actuary using actuarial assumptions and estimates. We evaluated the assumptions and estimates used to calculate the annual other postemployment benefit cost in determining that the liability is reasonable in relation to the financial statement taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 26, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Finance and management of the Town of Fairfield, Connecticut and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "CohnReznick LLP". The signature is written in black ink and is positioned above the printed name of the firm.

CohnReznick LLP

TOWN OF FAIRFIELD, CONNECTICUT

FOR THE YEAR ENDED JUNE 30, 2013

Management's belief that the effects of any uncorrected financial statement misstatements aggregated by CohnReznick LLP during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

**GOVERNMENT WIDE
PASSED ADJUSTING JOURNAL ENTRY**

| PAJE No. | DESCRIPTION OF PROPOSED AJE | ACCOUNT NAME | DEBIT | CREDIT |
|----------|--|--|------------|------------|
| 1 | To adjust Town accrued payroll to actual calculation | Payroll Expense Accrued Payroll | \$ 112,094 | \$ 112,094 |
| 2 | To adjust performance bond liability (for conservation bond difference) to detailed list | Performance Bond Liability Expenditures | 32,661 | 32,661 |

**GENERAL FUND
PASSED ADJUSTING JOURNAL ENTRY**

| PAJE No. | DESCRIPTION OF PROPOSED AJE | ACCOUNT NAME | DEBIT | CREDIT |
|----------|--|--|------------|------------|
| 1 | To adjust Town accrued payroll to actual calculation | Payroll Expense Accrued Payroll | \$ 112,094 | \$ 112,094 |
| 2 | To adjust performance bond liability (for conservation bond difference) to detailed list | Performance Bond Liability Expenditures | 32,661 | 32,661 |