

**Federal Single Audit  
and  
State Single Audit**

**of the**

**Town of Fairfield, Connecticut**

**Year Ended June 30, 2014**

# Town of Fairfield, Connecticut

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**Federal  
Single  
Audit**

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Town of Fairfield, Connecticut

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	State Project Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Education:			
Child Nutrition - Cluster:			
School Breakfast Program	10.553	12060-20508-82079-170005	\$ 19,935
National School Lunch Program - Cash	10.555	12060-20560-82079-170005	460,415
National School Lunch Program - Commodities	10.555	12060-20560-82079-170005	<u>132,004</u>
Total U.S. Department of Agriculture			<u>612,354</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Community Development Block Grants/Entitlement Grants	14.218		<u>552,863</u>
<u>U.S. Department of Justice</u>			
Passed through Office for Victims of Crimes Services:			
Antiterrorism Emergency Reserve	16.321		17,407
Passed through State Office of Policy and Management:			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Program	16.580		10,959
Police Video Equipment Technology Grant	16.738		<u>21,090</u>
Total U.S. Department of Justice			<u>49,456</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction:			
Intersection Project		50-214	555,670
Harbor Road Bridge		50-196	1,042,102
Merrit Street Bridge			45,170
Valley Road Bridge			<u>67,696</u>
Total Highway Planning and Construction	20.205		1,710,638
Passed through State Department of Transportation:			
State and Community Highway Safety	20.600		11,772
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		<u>84,828</u>
Total U.S. Department of Transportation			<u>1,807,238</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Title I - Grants to Local Educational Agencies		12060-20679-82070-2013-170002	101,509
Title I - Grants to Local Educational Agencies		12060-20679-82070-2014-170002	<u>242,755</u>
Total Title I - Grants to Local Educational Agencies	84.010		<u>344,264</u>
Special Education - Cluster:			
Special Education - Grants to States (IDEA, Part B)		12060-20977-82032-2013-170002	276,720
Special Education - Grants to States (IDEA, Part B)		12060-20977-82032-2014-170002	<u>1,912,283</u>
Total Special Education - Grants to States (IDEA, Part B)	84.027		<u>2,189,003</u>
Special Education - Preschool Grants (IDEA Preschool)		12060-20983-82032-2013-170002	38,816
Special Education - Preschool Grants (IDEA Preschool)		12060-20983-82032-2014-170002	<u>32,938</u>
Total Special Education - Preschool Grants (IDEA Preschool)	84.173		<u>71,754</u>
Total Special Education - Cluster			<u>2,260,757</u>

(Continued)

Town of Fairfield, Connecticut

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	State Project Number	Expenditures
<u>U.S. Department of Education (Continued)</u>			
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	12060-20742-84010-2014-17002	\$ 62,611
English Language Acquisition State Grants (Title III, Part A)		12060-20868-82075-2013-170002	3,207
English Language Acquisition State Grants (Title III, Part A)		12060-20868-82076-2014-170002	4,255
English Language Acquisition State Grants (Title III, Part A)		12060-20868-82075-2014-170002	27,113
Total English Language Acquisition State Grants (Title III, Part A)	84.365		34,575
Improving Teacher Quality State Grants (Title II, Part A)		12060-20858-84131-2013-170002	13,787
Improving Teacher Quality State Grants (Title II, Part A)		12060-20858-84131-2014-170002	133,512
Total Improving Teacher Quality State Grants (Title II, Part A)	84.367		147,299
Total U.S. Department of Education			2,849,506
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Health:			
Public Health Emergency Preparedness	93.069		55,655
Immunization Cooperative Agreements - Commodities	93.268		5,472
Preventative Health and Health Services Block Grant	93.991		5,126
Total U.S. Department of Health and Human Services			66,253
<u>U.S. Department of Homeland Security</u>			
Passed through State Department of Emergency Management			
Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		873,754
Homeland Security Grant Program	97.067		50,000
Passed through State of Connecticut Military Department:			
Emergency Management Performance Grants	97.042		27,019
Total U.S. Department of Homeland Security			950,773
Total Federal Awards			\$ 6,888,443

(Concluded)

See Notes to Schedule of Expenditures of Federal Awards

## Town of Fairfield, Connecticut

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

**1. Significant accounting policies**

The accounting policies of the Town of Fairfield, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to Federal awards:

Basis of Presentation

The accompanying schedule of expenditures of Federal awards is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**2. Noncash Federal awards**

The Town received and expended \$132,004 of USDA donated commodities under the Federal Food Distribution Program, and \$5,472 of vaccines under the Immunization Grants program.

**3. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.

Town of Fairfield, Connecticut

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?       yes   x  none reported

Noncompliance material to financial statements noted?       yes   x  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?       yes   x  no

Significant deficiency(ies) identified?       yes   x  none reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
OMB Circular A-133, Section .510(a)?       yes   x  no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.553/10.555	Child Nutrition Cluster
14.218	Community Development Block Grants/Entitlement Grants
20.205	Highway Planning and Construction
84.010	Title I - Grants to Local Educational Agencies
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?   x  yes       no

II - Financial Statement Findings

None

III - Federal Award Findings and Questioned Costs

None

Independent Auditor's 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*

Board of Finance  
Town of Fairfield, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 29, 2014.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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 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 Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
December 29, 2014

Independent Auditor's Report on Compliance for Each  
Major Federal Program; Report on Internal Control over  
Compliance; and Report on the Schedule of Expenditures  
of Federal Awards Required by OMB Circular A-133

Board of Finance  
Town of Fairfield, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Fairfield, Connecticut's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs for the year ended June 30, 2014. The Town's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Town'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Town'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 Town's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

### Report on Internal Control over Compliance

Management of the Town 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 Town'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 an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Town's internal control over compliance.

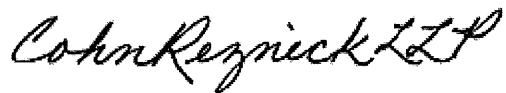
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 29, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 as a whole.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut  
December 29, 2014

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**State Single  
Audit**

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Town of Fairfield, Connecticut

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Expenditures
Department of Education:		
Youth Services Bureau Enhancement	11000-SDE64000-16201	\$ 7,455
Child Nutrition State Matching Grant	11000-SDE64000-16211	26,039
Healthy Foods Initiative	11000-SDE64000-16212	53,295
Adult Education	11000-SDE64000-17030	11,278
Health Services	11000-SDE64000-17034	57,552
School Breakfast	11000-SDE64000-17046	6,113
Youth Services Bureau	11000-SDE64000-17052	28,985
Open Choice	11000-SDE64000-17053	188,055
Magnet Schools	11000-SDE64000-17057	70,200
Department of Emergency Services and Public Protection:		
Telecommunications Fund	12060-DPS32740-35190	133,233
Fire Training Center Grant	11000-DPS32251-16065	66,876
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	19,653
Department of Energy and Environmental Protection:		
Microgrid Design & Installation Grant for Critical Facilities	12052-DEP44720-43531	221,998
Clean Vessel Act Grant Program	12060-DEP43760-20954	10,947
Recreational Boating Safety	12060-DEP44433-21820	300
Department of Housing:		
Incentive Housing Zone	12052-DOH46900-43529	14,386
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004	31,989
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	2,409,013
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	4,074
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	469,508
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	6,000
Property Tax Relief for Veterans	11000-OPM20600-17024	170,335
Municipal Aid Adjustment	11000-OPM20600-17099	48,058
Local Capital Improvement Program	12050-OPM20600-40254	373,921
Municipal Grants-in-Aid	12052-OPM20600-43587	90,990
Small Town Economic Assistance Program (STEAP)	12052-OPM20870-40530	100,000
Department of Public Health:		
Children's Health Initiatives	11000-DPH48500-12126	6,086
Local and District Departments of Health	11000-DPH48500-17009	70,754
Connecticut State Library:		
Grants to Public Libraries	11000-CSL66051-17003	1,264
Connecticard Payments	11000-CSL66051-17010	33,527
Library Services and Technology Act	12060-CSL66055-21031	5,000
Historic Documents Preservation Grant	12060-CSL66094-35150	6,500
Department of Transportation:		
Capital Road Resurfacing and Related Improvements Grant	13033-DOT57273-41386	7,425
Town Aid Roads Grants Transportation Fund	13033-DOT57131-43459	709,719
Roadmap for Connecticut Economic Future	13033-DOT57161-43115	21,777
Total State Financial Assistance Before Exempt Programs		5,482,305

(Continued)

Town of Fairfield, Connecticut

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Expenditures
<u>Exempt Programs:</u>		
Department of Education:		
Public School Transportation	11000-SDE64000-17027	\$ 31,559
Education Cost Sharing	11000-SDE64000-17041	3,584,813
Excess Costs Student Based and Equity	11000-SDE64000-17047	2,784,068
Nonpublic School Transportation	11000-SDE64000-17049	12,890
Department of Construction Services		
School Construction Projects - Interest	13009-DCS28000-40896	36,251
School Construction Projects - Principal	13010-DCS28000-40901	1,492,397
Office of Policy and Management:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	285,875
Municipal Video Competition	12060-OPM20600-35362	65,999
Municipal Revenue Sharing	12060-OPM20600-35458	294,566
Total Exempt Programs		<u>8,588,418</u>
Grand Total State Financial Assistance		<u>\$ 14,070,723</u>

(Concluded)

See Notes to Schedule of Expenditures of State Financial Assistance

**Town of Fairfield, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2014**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Fairfield, Connecticut, under programs of the State of Connecticut for the fiscal year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, finance, public safety, public works, health and welfare, culture and recreation and education.

**1. Summary of significant accounting policies**

The accounting policies of the Town of Fairfield, Connecticut, conform to accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

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

**2. Loan program**

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2014:

Department of Energy and Environmental Protection:

Clean Water Funds: (21014-OTT14230-40001)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2013	Retired	Balance June 30, 2014
CWF 245D	10/01/96	2.0%	\$ 334,689	\$ 34,290	\$ 14,695	\$ 19,595
CWF 355C	12/31/96	2.0%	1,574,814	236,223	78,741	157,482
CWF 399D	07/31/99	2.0%	2,280,106	579,530	114,005	465,525
CWF 245C	07/01/98	2.0%	830,224	172,966	41,511	131,455
CWF 399C	07/30/03	2.0%	29,436,399	14,673,560	1,488,076	13,185,484
				<u>\$ 15,696,569</u>	<u>\$ 1,737,028</u>	<u>\$ 13,959,541</u>

**3. Prior year findings and questioned costs**

There were no prior year audit findings or questioned costs.



**Town of Fairfield, Connecticut**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?     yes   x  no  
 Significant deficiency(ies) identified?     yes   x  none reported

Noncompliance material to financial statements noted?     yes   x  no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?     yes   x  no  
 Significant deficiency(ies) identified?     yes   x  none reported

Type of auditor's report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with Section 4-236-24  
of the Regulations of the State Single Audit Act?     yes   x  no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core -CT Number</u>	<u>Expenditures</u>
<u>Department of Energy and Environmental Protection:</u>		
Microgrid Design & Installation Grant for Critical Facilities	12052-DEP44720-43531	\$ 221,998
<u>Office of Policy and Management:</u>		
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	2,409,013
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	469,508
Local Capital Improvement Program	12050-OPM20600-40254	373,921
Small Town Economic Assistance Program (STEAP)	12052-OPM20870-40530	100,000
Dollar Threshold used to distinguish between type A and type B programs:		\$ 200,000

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None

Independent Auditor's 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*

Board of Finance  
Town of Fairfield, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 29, 2014.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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 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 Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
December 29, 2014

Independent Auditor's Report on Compliance for Each Major  
State Program; Report on Internal Control over Compliance;  
and Report on the Schedule of Expenditures of State  
Financial Assistance Required by the State Single Audit Act

Board of Finance  
Town of Fairfield, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Fairfield, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2014. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

### *Opinion on Each Major State Program*

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

### Report on Internal Control over Compliance

Management of the Town 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 Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Fairfield, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Town's basic financial statements. We have issued our report thereon dated December 29, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Hartford, Connecticut  
December 29, 2014