

**Federal Single Audit  
and  
State Single Audit**

**of the**

**Town of Fairfield, Connecticut**

**For the Year Ended June 30, 2018**

**Town of Fairfield, Connecticut  
For the Year Ended June 30, 2018**

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**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***

**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 ("Town"), as of and for the year ended June 30, 2018, 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 27, 2018.

**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 Town'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.

**Board of Finance  
Town of Fairfield, Connecticut**

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**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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 27, 2018

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**Federal  
Single  
Audit**

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**Independent Auditors' 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 the Uniform Guidance**

**Board of Finance  
Town of Fairfield, Connecticut**

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Fairfield, Connecticut's ("Town") 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 Town's major federal programs for the year ended June 30, 2018. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' 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 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 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.

**Board of Finance  
Town of Fairfield, Connecticut**

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***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, 2018.

**Other Matters**

The results of our auditing procedures disclosed 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 2018-001 and 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

The Town's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town'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 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 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 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 a 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.

**Board of Finance  
Town of Fairfield, Connecticut**

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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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 27, 2018, 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 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 as a whole.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 27, 2018

Town of Fairfield, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	12060-SDE64370-20508	\$ -	\$ 42,696
National School Lunch Program - Cash	10.555	12060-SDE64370-20560	-	524,500
National School Lunch Program - Commodities	10.555	N/A	-	118,511
Total U.S. Department of Agriculture				685,707
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	378,588
Passed through State Department of Housing:				
CDBG - Disaster Recovery Grants Cluster:				
Hurricane Sandy Community Development Block Grant				
Disaster Recovery Grants		12060-DOH46961-29502	-	420
Disaster Recovery Grants		12060-DOH46961-29501	-	225
Disaster Recovery Grants - Pine Creek Culvert		12060-DOH46961-29520	-	59,045
Disaster Recovery Grants - Riverside Drive		12060-DOH46961-29516	-	214,795
Disaster Recovery Grants - Fairfield Beach		12060-DOH46961-29516	-	15,186
Disaster Recovery Grants - South Benson Pump Station		12060-DOH46961-29516	-	151,528
Disaster Recovery Grants - Downtown Resiliency		12060-DOH46961-29516	-	43,400
Disaster Recovery Grants - WPCF Hardening		12060-DOH46961-29520	-	20,996
Disaster Recovery Grants - WPCF Microgrid		12060-DOH46961-29520	-	919,798
Total CDBG - Disaster Recovery Grants Cluster	14.269		-	1,425,393
Total U.S. Department of Housing and Urban Development				1,803,981
<u>U.S. Department of the Interior</u>				
Passed through State Department of Economic and Community Development:				
Historic Preservation Fund Grants-In-Aid	15.904	12060-ECD46840-21494	-	10,000
<u>U.S. Department of Transportation</u>				
Direct Program:				
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223	N/A	-	10,935
Passed through State Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction		12062-DOT57161-22108	-	228,145
Highway Planning and Construction		12062-DOT57191-22108 50-209	-	121,275
Highway Planning and Construction		12062-DOT57191-22108	-	11,476
Total Highway Planning and Construction Cluster	20.205			360,896
Highway Safety Cluster:				
State and Community Highway Safety	20.600	12062-DOT57513-20559	-	4,248
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	12062-DOT57513-22091	-	177,663
National Priority Safety Programs	20.616	12062-DOT57513-22600	-	52,175
Total Highway Safety Cluster				234,086
Passed through State Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	12060-DPS32251-22825	-	2,400
Total U.S. Department of Transportation				608,317
<u>U.S. Department of Environmental Protection</u>				
Passed through State Department of Environmental Protection:				
Nonpoint Source Implementation Grants	66.460	12060-DEP43720-20871	-	29,450
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	21014-DEP43720-61099	-	64,274
Total U.S. Department of Environmental Protection				93,724

(Continued)

See Notes to Schedule of Expenditures of Federal Awards

Town of Fairfield, Connecticut

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Expenditures
<u>U.S. Department of Education</u>				
Passed through State Department of Education:				
Title I - Grants to Local Educational Agencies		12060-SDE64370-20679-2017	\$ -	\$ 97,319
Title I - Grants to Local Educational Agencies		12060-SDE64370-20679-2018	-	267,881
Total Title I - Grants to Local Educational Agencies	84.010			365,200
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)		12060-SDE64370-20977-2017	-	912,418
Special Education - Grants to States (IDEA, Part B)		12060-SDE64370-20977-2018	-	1,579,242
Total Special Education - Grants to States (IDEA, Part B)	84.027			2,491,660
Special Education - Preschool Grants (IDEA Preschool)		12060-SDE64370-20983-2017	-	26,045
Special Education - Preschool Grants (IDEA Preschool)		12060-SDE64370-20983-2018	-	21,372
Total Special Education - Preschool Grants (IDEA Preschool)	84.173			47,417
Total Special Education Cluster (IDEA)				2,539,077
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	12060-SDE64370-20742-2017	-	69,596
English Language Acquisition State Grants (Title III, Part A)		12060-SDE64370-20868-2017	-	1,100
English Language Acquisition State Grants (Title III, Part A)		12060-SDE64370-20868-2018	-	12,983
Total English Language Acquisition State Grants (Title III, Part A)	84.365			14,083
Supporting Effective Instruction State Grants		12060-SDE64370-20858-2017	-	24,997
Supporting Effective Instruction State Grants		12060-SDE64370-20858-2018	-	101,121
Total Supporting Effective Instruction State Grants	84.367			126,118
Total U.S. Department of Education				3,114,074
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Immunization Cooperative Agreements - Commodities	93.268	N/A	-	5,409
Passed through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	12060-DPH48557-22333	-	14,950
Preventive Health and Health Services Block Grant Funded Solely with Prevention and Public Health Funds (PPHF)	93.758	12060-DPH48558-22664	-	34,357
Total U.S. Department of Health and Human Services				54,716
<u>U.S. Department of Homeland Security</u>				
Direct Program:				
Assistance to Firefighters Grant	97.044	N/A	-	84,647
Passed through State Department of Public Safety:				
Hazard Mitigation Grant	97.039	12060-DPS32983-22278	-	200,000
Hazard Mitigation Grant	97.039	12060-DPS32983-22519	-	358,888
Total Hazard Mitigation Grant				558,888
Emergency Management Performance Grants	97.042	12060-DPS32160-21881	-	29,622
Homeland Security Grant Program	97.067	12060-DPS32160-21877	-	46,153
Total U.S. Department of Homeland Security				719,310
Total Federal Awards			\$ -	\$ 7,089,829

N/A - Not applicable or not available.

(Concluded)

See Notes to Schedule of Expenditures of Federal Awards

**Town of Fairfield, Connecticut**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

**1. Basis of presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of Fairfield, Connecticut ("Town") under programs of the federal government. 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").

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, changes in fund balance, or cash flows of the Town.

**2. Summary of significant accounting policies**

A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**3. Noncash federal awards**

The Town received and expended \$118,511 of USDA donated commodities under the National School Lunch program, and \$5,409 of vaccines under the Immunization Cooperative Agreements program.

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**Town of Fairfield, Connecticut**

**Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2018**

Finding 2017-001

Condition:

The Water Pollution Control Facility Micro-grid project was awarded to the vendor without proper bid or bid exception procedures performed in accordance with Town and Federal procurement requirements.

Current status:

The finding has been repeated as Finding 2018-001.

Reason for recurrence:

Contract awarded in prior year.

Finding 2017-002

Condition:

The Water Pollution Control Facility Micro-grid project vendor contract did not include the required wage rate provisions. Upon request, certified payrolls (state) were provided by the vendor.

Current status:

The finding has been repeated as Finding 2018-002.

Reason for recurrence:

Unknown. Certified payrolls were only provided by the vendor upon request.

**Town of Fairfield, Connecticut**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified opinion

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 auditors' report issued on compliance  
for major programs: Unmodified opinion

Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR Section 200.516(a)?   x  yes       no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.269	CDBG – Disaster Recovery Grants Cluster
84.027 / 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between  
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   x  yes       no

II - Findings - Financial Statement Audit

None

**Town of Fairfield, Connecticut**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2018**

III - Findings and Questioned Costs - Major Federal Award Programs Audit

**2018-001** Procurement – Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) – 14.269

Passed through – State Department of Housing

**Condition**

The Water Pollution Control Facility Micro-grid project was awarded to the vendor without proper bid or bid exception procedures performed in accordance with Town and Federal procurement requirements.

**Criteria**

Town and Federal procurement regulations require that procurement transactions are conducted in a manner providing full and open competition.

**Questioned costs**

There were no questioned costs.

**Context**

The deficiency occurred in the awarding process.

**Effect**

Bidding procedures were not properly followed in the awarding of the contract.

**Cause**

There were only two potential vendors for the project and one vendor was not available. Sole source vendor procurement procedures were not followed.

**Recommendation**

We recommend that the Town implement procedures to ensure that all contract are awarded in accordance with the Towns purchasing policy, including sole source awards.

**Views of responsible officials and planned corrective actions**

The Town concurs with the finding and will review current procedures to ensure compliance with the Town and federal awards purchasing policy.

**Town of Fairfield, Connecticut**

**Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2018**

III - Findings and Questioned Costs - Major Federal Award Programs Audit (Continued)

**2018-002** Procurement – Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR) – 14.269

Passed through – State Department of Housing

**Condition**

The Water Pollution Control Facility Micro-grid project vendor contract did not include the required wage rate provisions.

**Criteria**

The grant award and Federal regulations require that construction contracts include a provision that the contractor or subcontractor comply with the Federal wage rate requirements.

**Questioned costs**

There were no questioned costs.

**Context**

The deficiency occurred in the development and signing of the vendor contract. Certified payrolls were not sent to the Town as they were available. The certified payrolls were only provided by the vendor when requested.

**Effect**

The contract did not include the requirement that the vendor pay prevailing wages as required by the grant award and federal regulations. However, the vendor provided certified payrolls upon request that indicated that the Connecticut State Department of Labor prevailing wage rates were paid.

**Cause**

The provision was omitted from the contract.

**Recommendation**

We recommend the Town implement additional procedures or checklists to include an additional review of vendor contracts that are for projects being funded with federal awards to ensure that they include are in compliance with the grant award.

**Views of responsible officials and planned corrective actions**

The Town concurs with the finding and will review current procedures to ensure compliance with the Town and federal awards vendor contract requirements.

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# **State Single Audit**

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

**Board of Finance  
Town of Fairfield, Connecticut**

**Report on Compliance for Each Major State Program**

We have audited the Town of Fairfield, Connecticut's ("Town") 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, 2018. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the 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.

**Board of Finance  
Town of Fairfield, Connecticut**

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***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, 2018.

**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.

**Board of Finance  
Town of Fairfield, Connecticut**

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**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, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 27, 2018, 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.

*PKF O'Connor Davies, LLP*

Wethersfield, Connecticut  
December 27, 2018

**Town of Fairfield, Connecticut**

**Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Youth Services Bureau Enhancement	11000-SDE64370-16201	\$ -	\$ 7,004
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	27,073
Healthy Foods Initiative	11000-SDE64370-16212	-	51,492
Adult Education	11000-SDE64370-17030	-	1,346
Health Services	11000-SDE64370-17034	-	35,810
School Breakfast	11000-SDE64370-17046	-	11,576
Youth Services Bureau	11000-SDE64370-17052	-	24,569
Open Choice	11000-SDE64370-17053	-	201,623
Magnet Schools	11000-SDE64370-17057	-	42,900
Department of Emergency Services and Public Protection:			
School Security Competitive Grant Program	12052-DPS32183-43546	-	76,637
Asset Forfeiture	12060-DPS32155-35142	-	19,637
Telecommunications Fund	12060-DPS32741-35190	-	136,704
Department of Energy and Environmental Protection:			
Regional Green House Gas	12060-DEP44165-35402	-	4,300
Flood Control and Beach Erosion	12052-DEP43740-43171	-	27,000
Protected Open Space and Watershed Land Acquisition Grant Program	12052-DEP43153-43144	-	83,750
Office of Policy and Management:			
Payment in Lieu of Taxes (PILOT) on State Owned Property	11000-OPM20600-17004	-	125
Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	-	1,071,381
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	3,274
Property Tax Relief for Veterans	11000-OPM20600-17024	-	134,072
Local Capital Improvement Program	12050-OPM20600-40254	-	687,048
Municipal Grants-in-Aid	12052-OPM20600-43587	-	96,747
Department of Public Health:			
X-Ray Screening and Tuberculosis Care	12004-DPH48500-16112	-	1,542
Local and District Departments of Health	11000-DPH48558-17009	-	72,597
Connecticut State Library:			
Connecticard Payments	11000-CSL66051-17010	-	20,948
Historic Documents Preservation Grant	12060-CSL66094-35150	-	5,000
Department of Transportation:			
Town Aid Roads/Grants Transportation Fund	12052-DOT57131-43455	-	715,731
Total State Financial Assistance Before Exempt Programs			<u>3,559,886</u>

(Continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

**Town of Fairfield, Connecticut**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2018**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core CT Number</u>	<u>Passed through to Subrecipients</u>	<u>Total Expenditures</u>
<u>Exempt Programs:</u>			
Department of Education:			
Education Cost Sharing	11000-SDE64370-17041	\$ -	\$ 947,571
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	3,937,444
Department of Administrative Services:			
School Construction Projects - Interest	13009-DAS27636-40896	-	6,113
School Construction Projects - Principal	13010-DAS27636-40901	-	411,074
School Construction Projects - Principal	13010-DAS27635-40901	-	483,371
Office of Policy and Management:			
Municipal Stabilization Grant	11000-OPM20600-17104	-	80,932
Mashantucket Pequot/Mohegan Fund Grant	12009-OPM20600-17005	-	276,419
Total Exempt Programs		<u>                    </u>	<u>6,142,924</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 9,702,810</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 For the Year Ended June 30, 2018

#### 1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of Fairfield, Connecticut ("Town"), under programs of the State of Connecticut. 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.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

#### 2. Summary of significant accounting policies

The accounting policies of the Town 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 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 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.

**Town of Fairfield, Connecticut**

**Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018**

**3. 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:

Department of Energy and Environmental Protection:

Clean Water Funds: (21014-OTT14230-40001)

Grant ID	Issue Date	Interest Rate	Original Amount	Balance July 1, 2017	Retired	Balance June 30, 2018
CWF 399D	07/31/99	2.0%	\$ 2,280,106	\$ 123,507	\$ 114,005	\$ 9,502
CWF 245C	07/01/98	2.0%	830,224	5,918	5,918	-
CWF 399C	06/30/03	2.0%	29,436,399	8,538,603	1,611,906	6,926,697
				<u>\$ 8,668,028</u>	<u>\$ 1,731,829</u>	<u>\$ 6,936,199</u>

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

There were no prior year audit findings or questioned costs.

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**Town of Fairfield, Connecticut**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified opinion

Internal control over financial reporting:  
 Material weakness(es) identified?       yes   x  no  
 Significant deficiency(ies) identified?       yes   x  none reported

Noncompliance material to financial statements noted?       yes   x  no

State Financial Assistance

Internal control over major programs:  
 Material weakness(es) identified?       yes   x  no  
 Significant deficiency(ies) identified?       yes   x  none reported

Type of auditors' opinion issued on compliance  
 for major programs: Unmodified opinion

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>
Office of Policy Management Payment in Lieu of Taxes (PILOT) on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 1,071,381
Local Capital Improvement Program	12050-OPM20600-40254	687,048
Department of Transportation Town Aid Roads/Grants Transportation Fund	12062-DOT57131-43455	715,731

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