

**Federal Single Audit
and
State Single Audit**

of the

Town of New Canaan, Connecticut

For the Year Ended June 30, 2018

Town of New Canaan, Connecticut

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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***

**Town Council
Town of New Canaan, 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, the business type activities, each major fund and the aggregate remaining fund information of the Town of New Canaan, 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 13, 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.

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 13, 2018

**Federal
Single
Audit**



**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**

**Town Council
Town of New Canaan, Connecticut**

Report on Compliance for Each Major Federal Program

We have audited the Town of New Canaan, 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.

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.

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.

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, business-type 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 13, 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 13, 2018

Town of New Canaan, 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 Sub- Recipients	Total Expenditures
U.S. Department of Transportation				
Pass-Through programs from				
Connecticut State Department of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction		12062-DOT57161-22108	\$ -	\$ 2,160
Highway Planning and Construction		12062-DOT57191-22108	-	<u>1,620,182</u>
<i>Total Highway Planning and Construction Cluster</i>	20.205		-	<u>1,622,342</u>
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	-	<u>2,366</u>
<i>Total U.S. Department of Transportation</i>			-	<u>1,624,708</u>
U.S. Department of Education				
Direct program				
English Language Acquisition State Grants	84.365	N/A	-	<u>6,472</u>
Pass-Through programs from				
Connecticut State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States		12060-SDE64370-20977-2018	-	767,971
Special Education - Grants to States		12060-SDE64370-20977-2017	-	<u>52,675</u>
Total	84.027		-	820,646
Special Education - Preschool Grants		12060-SDE64370-20983-2018	-	13,940
Special Education - Preschool Grants		12060-SDE64370-20983-2017	-	<u>16,810</u>
Total	84.173		-	<u>30,750</u>
<i>Total Special Education Cluster (IDEA)</i>			-	<u>851,396</u>
Title I Grants to Local Educational Agencies		12060-SDE64370-20679-2018	-	93,877
Title I Grants to Local Educational Agencies		12060-SDE64370-20679-2017	-	<u>11,225</u>
Total	84.010		-	<u>105,102</u>
Career and Technical Education - Basic Grants to States	84.048	12060-SDE64370-20742	-	<u>25,381</u>
Improving Teacher Quality - Nonpublic		12060-SDE64370-20858-2018	-	7,143
Improving Teacher Quality - Nonpublic		12060-SDE64370-20858-2017	-	51
Improving Teacher Quality		12060-SDE64370-20858-2017	-	<u>57,393</u>
Total	84.367		-	<u>64,587</u>
Title IV - Student Support and Academic Enrichment Program	84.424	12060-SDE64370-22854	-	<u>10,000</u>
<i>Total U.S. Department of Education</i>			-	<u>1,062,938</u>
U.S. Department of Health and Human Services				
Pass-Through programs from				
Connecticut Office of Early Childhood				
Social Services Block Grant	93.667	12060-OEC64841-22668	<u>27,154</u>	<u>27,154</u>
U.S. Department of Homeland Security				
Direct programs				
Assistance to Firefighters Grant	97.044	N/A	-	15,978
Pass-Through programs from				
Connecticut Department of Emergency Services and Public Protection				
Emergency Management Performance Grant	97.042	12060-DPS32160-21881	-	<u>30,000</u>
<i>Total U.S. Department of Homeland Security</i>			-	<u>45,978</u>
Total Federal Awards			<u>\$ 27,154</u>	<u>\$ 2,760,778</u>

N/A - Not Applicable

See Notes to Schedule of Expenditures of Federal Awards.

Town of New Canaan, 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 New Canaan, 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, 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.

Town of New Canaan, Connecticut

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

Financial Statement Findings

Prior Year Significant Deficiencies

SD-2017-001 Accurate Financial Reporting

The Finding is not being repeated.

**SD-2016-001 Implementation of the New Accounting Software in the
Town Finance Office**

The Finding is not being repeated.

Town of New Canaan, 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)? yes x no

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

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>	<u>Expenditures</u>
U.S. Department of Transportation: Highway Planning and Construction Cluster Highway Planning and Construction	20.205	\$ 1,622,342

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

Auditee qualified as low-risk auditee? yes x no

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

State Single Audit



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

**Town Council
Town of New Canaan, Connecticut**

Report on Compliance for Each Major State Program

We have audited the Town of New Canaan, 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.

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.

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, business-type 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 13, 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 13, 2018

Town of New Canaan, 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 Energy and Environmental Protection			
Small Town Economic Assistance Program ("STEAP")	12052-DEP43153-40531	\$ -	\$ 6,483
Department of Transportation			
Transit District Grants and Loans Transportation Fund - Bus Operations	12001-DOT57931-12175	31,749	31,749
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	332,065
Total Department of Transportation		<u>31,749</u>	<u>363,814</u>
Department of Emergency Services and Public Protection			
Fire School Training	12060-DPS32251-35180	-	1,395
Enhanced 911 Telecommunication Fund	12060-DPS32741-35190	-	9,595
Total Department of Emergency Services and Public Protection		<u>-</u>	<u>10,990</u>
Department of Justice			
Non-Budgeted Operating Appropriation	34001-JUD95162-40001	-	28,879
Office of Policy and Management			
Reimbursement to Towns - Tax Loss on State Owned Property	11000-OPM20600-17004	-	6,710
Reimbursement of Property Tax - Disability Exemption	11000-OPM20600-17011	-	102
Property Tax Relief for Veterans	11000-OPM20600-17024	-	1,134
Municipal Purposes and Projects	12050-OPM20600-43587	-	200
Total Office of Policy and Management		<u>-</u>	<u>8,146</u>
Office of State Treasurer			
Nitrogen Credit Exchange Program	21016-OTT14230-42407	-	48,673
Office of Early Childhood			
Child Care Services	11000-OEC64841-12520	215,083	215,083
Department of Economic and Community Development			
Transit Oriented Development	17151-ECD46260-43550	-	126,437
Department of Education			
Youth Services Bureau Enhancement	11000-SDE64370-16201	-	5,798
Adult Education	11000-SDE64370-17030	-	45
Health and Welfare - Private School Pupil	11000-SDE64370-17034	-	13,824
Youth Services Bureau	11000-SDE64370-17052	-	14,295
Magnet Schools	11000-SDE64370-17057	-	1,300
Total Department of Education		<u>-</u>	<u>35,262</u>
Total State Financial Assistance before Exempt Programs		<u>246,832</u>	<u>843,767</u>

(continued)

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of New Canaan, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
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
EXEMPT PROGRAMS			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041	\$ -	\$ 357,804
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	1,080,156
Total Department of Education		<u>-</u>	<u>1,437,960</u>
Department of Administrative Services			
School Construction Grants - Interest	13009-DAS27636-40896	-	4,316
School Construction Grants - Principal	13009-DAS27636-40901	-	231,564
School Construction Grants	13010-DAS27635-40901	-	2,716,133
Total Department of Children and Families		<u>-</u>	<u>2,952,013</u>
Office of Policy and Management			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	8,816
Total Exempt Programs		<u>-</u>	<u>4,398,789</u>
Total State Financial Assistance		<u>\$ 246,832</u>	<u>\$ 5,242,556</u> <i>(concluded)</i>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of New Canaan, 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 New Canaan, 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 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.

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)

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Retired</u>	<u>Ending Balance</u>
185-D/C	5/31/2000	2.00%	\$ 12,440,686	\$ 1,405,765	\$ 726,722	\$ 679,043

Town of New Canaan, Connecticut

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

Financial Statement Findings

Prior Year Significant Deficiencies

SD-2017-001 Accurate Financial Reporting

The Finding is not being repeated.

**SD-2016-001 Implementation of the New Accounting Software in the
Town Finance Office**

The Finding is not being repeated.

Town of New Canaan, 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>
Department of Transportation Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	\$ 332,065
Office of Early Childhood Child Care Services	11000-OEC64841-12520	215,083
Department of Economic and Community Development Transit Oriented Development	17151-ECD46260-43550	126,437
Dollar threshold used to distinguish between type A and type B programs:	\$ <u> 100,000</u>	

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None