

# City of Stamford, Connecticut

Report to the Board of Finance  
December 30, 2023





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December 30, 2023

Board of Finance  
City of Stamford, Connecticut  
Stamford, Connecticut

Attention: Richard Freedman, Chairman

We are pleased to present this report related to our audit of the basic financial statements of City of Stamford, Connecticut (the City) as of and for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

This report is intended solely for the information and use of the Board of Finance and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City.

*RSM US LLP*

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## REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

### Our Responsibilities With Regard to the Financial Statement and Compliance Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated August 10, 2022. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated November 15, 2022, regarding the planned scope and timing of our audit and identified significant risks.

Changes to the risks identified were as follows:

Risk Name	Risk Description
Intergovernmental Revenue	Intergovernmental revenues received by the City which is subject to eligibility requirements of the entity as well as eligibility requirements of the expenditures that allow revenue to be recognized.

### Accounting Policies and Practices

#### Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

#### Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Company. The following is a description of significant accounting policies or their application that were either initially selected or changed during the year:

- GASB Statement No. 87, Leases, was implemented by the City for the fiscal year ending June 30, 2022. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leases asset. In addition, the City must report the (1) amortization expenses for using the lease asses over the shorted of a term of the lease or the useful life of the underlying asset, (2) interest expenses on the lease liability and (3) note disclosures about the lease. A government entity that is a lessor must recognize (1) lease receivable and (2) deferred inflow of resources representing future rental income. The Statement provides exception from the single approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This Statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-

lease components embedded in lease contracts (such as service agreements), and leases with related parties.

### **Significant Accounting Policies**

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Significant Unusual Transactions**

We did not identify any significant unusual transactions.

### **Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

## **Audit Adjustments and Uncorrected Misstatements**

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the City are shown in the attached list of Recorded Audit Adjustments.

Uncorrected misstatements are summarized in the attached list of Uncorrected Misstatements. Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

## **Departure From the Auditor's Standard Report**

### **Emphasis of Matter**

As discussed in Note 13 to the financial statements, the governmental activities net position as of July 1, 2021 has been restated to correct misstatements related to the mold remediation liability and capital asset balances including depreciation expense. Also, as discussed in Note 13 to the financial statements, the other grants fund balance as of July 1, 2021 has been restated to correct an error in revenue recognition. Our opinions are not modified with respect to these matters.

## **Other Information Included in Annual Reports**

Our responsibility for other information included in annual reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the City's required supplementary information as listed in table of contents of the basic financial statements. We did not identify material inconsistencies with the audited financial statements. Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Observations About the Audit Process

### Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.

### Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### Significant Issues Discussed With Management

The following is a description of significant issues arising from the audit that were [discussed] [the subject of correspondence with management:

- As discussed in Note 13 of the financial statements, the City restated its beginning net position to correct misstatements related to the mold remediation liability and construction in progress and related depreciation. The City also restated its beginning fund balance of the capital projects and other grant fund due to errors in accounts receivable, unavailable revenue and unearned revenue. Our opinions are not modified with respect to these matters.

### Significant Difficulties Encountered in Performing the Audit

The following is a description of significant difficulties we encountered relative to the availability of sufficient, appropriate audit evidence and in dealing with management during the audit of the basic financial statements as of and for the year ended June 30, 2022:

- The trial balances provided for audit were not complete, reconciled and ready for audit. During the course of the audit, over 125 adjusting journal entries, prepared by management, were made to the original trial balances, as a result of issues identified by RSM.

### Difficult or Contentious Matters That Required Consultation

The following is a description of matters that were difficult or contentious that required consultation outside the engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process.

- Restatement of the prior year financial statements

## Shared Responsibilities for Independence

Independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For RSM to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Finance, and RSM each play an important role.

### Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. RSM is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

### **The City's Responsibilities**

- Timely inform RSM, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Changes in the City's structure or the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures, component units, jointly governed cities.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RSM.
- Not entering into arrangements of nonaudit services resulting in RSM being involved in making management decisions on behalf of the City.
- Not entering into relationships resulting in close family members of RSM covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the City.

### **Internal Control and Compliance Matters**

We have separately communicated significant deficiencies and material weaknesses in internal control and compliance findings over financial reporting identified during our audit of the basic financial statements and major awards, as required by *Government Auditing Standards* and when applicable, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance) or other Federal audit requirements.

### **Significant Written Communication Between Management and Our Firm**

A copy of a significant written communication between our firm and the management of the City, consisting of the representation letter provided to us by management, is attached as Exhibit A.

## SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the City's June 30, 2022 basic financial statements.

Significant Accounting Estimates	
<b>IBNR/Risk Management</b>	
<b>Accounting policy</b>	The City is self-insured for workers' compensation and heart and hypertension. The accrued liability for claims represents an estimate of the eventual loss on known claims and on claims incurred but not yet reported.
<b>Management's estimation process</b>	The City utilized an actuary to assist in developing the assumptions and estimating the liability for workers' compensation and heart hypertension.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We tested the underlying data and utilized an auditor specialist to review the actuarial estimates and have concluded the estimate appears to be reasonable.
<b>OPEB Plan: Liability and Related Deferred Amounts</b>	
<b>Accounting policy</b>	<p>The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.</p> <p>A deferred outflow of resources related to OPEB results from differences between expected and actual experience, changes in assumptions or other inputs.</p>
<b>Management's estimation process</b>	Management and the actuary determine the appropriateness of the actuarial assumptions to be utilized. The actuary then performs the calculation, which is reviewed and approved by management of the City.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We tested the underlying data and utilized an auditor specialist to review the actuarial estimates and have concluded the estimate appears to be reasonable.



## Significant Accounting Estimates

### Pension Plan: Liability and Related Deferred Amounts

<b>Accounting policy</b>	<p>The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.</p> <p>A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs.</p>
<b>Management's estimation process</b>	<p>Management and the actuary determine the appropriateness of the actuarial assumptions used. The actuary then performs the calculation which is reviewed and approved by management of the City. The amortization period of amounts reported in deferred inflows/outflows is established, fiduciary net position of the Plan is determined, and amounts are reconciled and recorded.</p>
<b>Basis for our conclusion on the reasonableness of the estimate</b>	<p>We tested the underlying data and utilized an auditor specialist to review the actuarial estimates and have concluded the estimate appears to be reasonable.</p>

### Fair Value of Investments

<b>Accounting policy</b>	<p>Investments are valued at fair value and net asset value.</p>
<b>Management's estimation process</b>	<p>Investments are valued by independent pricing services approved by Columbia based on quoted active market transactions for the same securities (Level 1). Pricing techniques (Levels 2 and 3) take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, other data, broker quotes, also present value and other valuation techniques may be used. For alternative investments reported at NAV, the City gets valuation information from the respective fund or sponsor managers.</p>
<b>Basis for our conclusion on the reasonableness of the estimate</b>	<p>We have independently tested the fair value of investments and concluded that fair value as reported is reasonable.</p>

### Collectability of Accounts ad Loans Receivable

<b>Accounting policy</b>	<p>The allowance for doubtful accounts represents those accounts that are deemed uncollectible based upon past collection history and an assessment of the debtor's ability to pay.</p>
<b>Management's estimation process</b>	<p>The City reserves an allowance of receivables related to property taxes.</p>

## Significant Accounting Estimates

	All other receivables are reviewed individually to determine based on time outstanding and past collection history to determine the appropriate allowance.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have tested collection of receivables subsequent to year end and concluded that the allowance for doubtful accounts is reasonable.
<b>Useful Lives</b>	
<b>Accounting policy</b>	The depreciable life of capital assets is established based on management's estimate of the useful lives of the assets.
<b>Management's estimation process</b>	The determination is made at the time the asset is placed into service and involves various judgements and assumptions, including estimated useful life and prior experience.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have audited the underlying data supporting the estimate and reviewed management's methodology which appears properly and consistently applied and have deemed the resulting estimate to be reasonable.
<b>Adoption of GASB 87</b>	
<b>Accounting policy</b>	The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate.
<b>Management's estimation process</b>	The City reviewed lease inventory files provided by their purchasing department, as well as inquired with the legal and office of performance management departments. They also performed a search of their general ledger cash receipts and disbursements to identify any leasing activity. If not directly stated by the lessor, the City will evaluate the appropriate discount rate based upon the term of the lease and typical cost of the borrowing for the City for the period in consultation with the City's Financial Advisor.
<b>Basis for our conclusion on the reasonableness of the estimate</b>	We have reviewed management's process for determining the valuation of lease expenditures and disclosures and believe it to be reasonable.

## RECORDED AUDIT ADJUSTMENTS

Management corrected the following material misstatements that were identified as a result of our audit procedures.

### Opinion Unit- Governmental Activities

Description	Effect— Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To record impact of mold remediation restatement	\$ -	\$ -	\$ 15,736,823	\$ -	\$ (15,736,823)
To record impact of CIP restatement	-	-	18,469,066	-	(18,469,066)
To record impact of unavailable revenue and unearned restatement	-	-	(3,136,484)	3,136,484	-
To properly record impact of allowance and accounts receivable error	-	(3,274,900)	-	3,274,900	-
Change in net position				<u>\$ 6,411,384</u>	<u>\$ (34,205,889)</u>
Net position effect			<u>\$ (27,794,505)</u>		
	<u>\$ -</u>	<u>\$ (3,274,900)</u>	<u>\$ 3,274,900</u>		

### Opinion Unit: General Fund

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To properly record 60 days	\$ -	\$ 1,433,264	\$ -	\$ (1,433,264)	\$ -
To properly record property tax receivable and related unavailable revenue	596,569,780	(596,569,780)	-	-	-
To properly record interest receivable on property taxes	(1,751,407)	-	-	1,751,407	-
To properly record pooled cash	(350,000)	-	-	350,000	-
To properly record tax overpayments	-	(767,641)	-	767,641	-
To properly record accounts payable	-	(415,435)	-	-	415,435
To properly record OTHRA transfers	-	-	-	-	(5,322,076)
					5,322,076
To properly record transfer for Storm Damage reserve	-	-	(4,012,449)	-	4,012,449
To properly reconcile property taxes to tax collectors schedule	1,676,789	(4,942,340)	-	3,265,551	-
Change in net position				<u>\$ 4,701,335</u>	<u>\$ 4,427,884</u>
Net position effect			<u>\$ 9,129,219</u>		
	<u>\$ 596,145,162</u>	<u>\$ (601,261,932)</u>	<u>\$ 5,116,770</u>		

**Opinion Unit: Capital Projects**

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To properly record accounts payable	\$ -	\$ 1,222,271	\$ -	\$ -	\$ (1,222,271)
To properly record OTHRA transfers	-	-	-	-	(7,935,738)
To properly record AR, unavailable and unearned	(9,056,507)	(12,507,794)	1,136,433	20,427,868	-
Change in net position				<u>\$ 20,427,868</u>	<u>\$ (1,222,271)</u>
Net position effect			<u>\$ 19,205,597</u>		
	<u>\$ (9,056,507)</u>	<u>\$ (11,285,523)</u>	<u>\$ 20,342,030</u>		

**Opinion Unit: Stamford Community Development**

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To record loans receivable and related unavailable revenue	\$ 28,207,923	\$ (28,207,923)	\$ -	\$ -	\$ -
To properly record accounts payable	-	(10,500)	-	-	10,500
To properly record accounts receivable as of year end and related allowance	(3,274,900)	3,274,900	-	-	-
Change in net position				<u>\$ -</u>	<u>\$ 10,500</u>
Net position effect			<u>\$ 10,500</u>		
	<u>\$ 24,933,023</u>	<u>\$ (24,943,523)</u>	<u>\$ 10,500</u>		

**Opinion Unit: Aggregate Nonmajor**

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To properly record unavailable revenue for grants	\$ (19,971)	\$ 1,725,918	\$ -	\$ (1,705,947)	\$ -
To properly record accounts payable	-	230,942	-	-	(230,942)
To properly record grants receivable	(2,768,507)	2,768,507	-	-	-
To properly record ARPA revenue recognition	(1,500,000)	1,500,000	-	-	-
To record restatement due to prior year unearned revenue error	-	-	(2,640,172)	2,640,172	-
To record EG brennan and WPCA transfer in balances and related debt principal/interest	-	-	-	(826,216)	826,216
To properly record unavailable revenue, restatement for error and revenue associated with CARES act and other grants	-	1,451,133	(1,873,712)	422,579	-
To properly record member capital equity adjustment	-	-	116,287	-	(116,287)
To properly record OTHRA transfers	-	-	-	(2,246,638)	267,381
	-	-	-	(3,223,950)	5,203,207
To properly record investment income and unrealized gains/losses after reconciliation	3,944,392	-	-	29,407,464	-
	(3,944,392)	-	-	(29,407,464)	-
To properly record pooled cash	350,000	(350,000)	-	-	-
Change in net position				<u>\$ (4,940,000)</u>	<u>\$ 5,949,575</u>
Net position effect			<u>\$ 1,009,575</u>		
	<u>\$ (3,938,478)</u>	<u>\$ 7,326,500</u>	<u>\$ (3,388,022)</u>		

**Opinion Unit- Discretely Presented Component Unit**

Description	Effect— Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
To properly reconcile due to/from City	\$ 132,844	\$ -	\$ -	\$ -	\$ (132,844)
To properly record net position	-	-	(35,836)	-	35,836
Change in net position				<u>\$ -</u>	<u>\$ (132,844)</u>
Net position effect			<u>\$ (132,844)</u>		
	<u>\$ 132,844</u>	<u>\$ -</u>	<u>\$ (168,680)</u>		

## UNCORRECTED MISSTATEMENTS

We identified the following uncorrected misstatements that management has concluded are not, individually or in the aggregate, material to the basic financial statements. We agree with management's conclusion in that regard.

### Opinion Unit- Governmental Activities

Description	Effect— Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To properly record revenue based on tax reconciliation	-	-	3,622,385	(3,622,385)	-
To properly record accounts payable in proper period and projected errors	-	747,733	-	-	(747,733)
To properly record expenses in proper period and projected misstatement	-	-	19,775	-	(19,775)
Change in net position				<u>\$ (3,622,385)</u>	<u>\$ (767,508)</u>
Net position effect			<u>\$ (4,389,893)</u>		
	<u>\$ -</u>	<u>\$ 747,733</u>	<u>\$ (747,733)</u>		

### Opinion Unit: General Fund

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To properly record revenue based on tax reconciliation	-	-	3,622,385	(3,622,385)	-
To properly record accounts payable in proper period and projected errors	-	747,733	-	-	(747,733)
Change in net position				<u>\$ (3,622,385)</u>	<u>\$ (747,733)</u>
Net position effect			<u>\$ (4,370,118)</u>		
	<u>\$ -</u>	<u>\$ 747,733</u>	<u>\$ (747,733)</u>		

### Opinion Unit: Urban Redevelopment Commission

Description	Effect—Debit (Credit)				
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To properly record expenses in proper period and projected misstatement	-	-	19,775	-	(19,775)
Change in net position				<u>\$ -</u>	<u>\$ (19,775)</u>
Net position effect			<u>\$ (19,775)</u>		
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

## **EXHIBIT A**

### **Significant Written Communication Between Management and Our Firm**

Mayor  
CAROLINE SIMMONS



DIRECTOR OF ADMINISTRATION  
BENJAMIN BARNES

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**CITY OF STAMFORD**  
**OFFICE OF ADMINISTRATION**  
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December 30, 2023

RSM US LLP  
225 Asylum St. Suite #2300  
Hartford CT, 06103

This representation letter is provided in connection with your audit of the basic financial statements of City of Stamford, Connecticut (the City) as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of December 30, 2023:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 10, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. The methods, assumptions and data used to measure the self-insurance liabilities are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate: the City utilizes the services of various actuaries to assist in developing risk reserves for each of these liabilities. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. The assumptions listed above properly reflect our intent and ability to carry out the specific courses of actions previously communicated to you on behalf of the City. We have also appropriately considered alternative assumptions or outcomes. Appropriate specialized skills or expertise has been applied in making the estimate. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.



6. The methods, assumptions and data used to measure the City's net OPEB liability and related OPEB amounts, are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate: The methods used in the measurement process, including the related assumptions and/or models used in determining the estimate are described in the actuary report. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. The assumptions listed above accurately reflect our intent and ability to carry out the specific courses of actions previously communicated to you on behalf of the City. We have also appropriately considered alternative assumptions or outcomes. Appropriate specialized skills or expertise has been applied in making the estimate. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
7. The methods, assumptions and data used to measure the City's pension plans' net pension liability and related pension amounts are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate: The methods used in the measurement process, including the related assumptions and/or models used in determining the estimate are described in the actuary report. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. The assumptions listed above accurately reflect our intent and ability to carry out the specific courses of actions previously communicated to you on behalf of the City. We have also appropriately considered alternative assumptions or outcomes. Appropriate specialized skills or expertise has been applied in making the estimate. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
8. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the City include:
  - a. Those with component units for which the City is accountable.
  - b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
9. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
10. [The City followed either its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or followed paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
11. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

12. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
13. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
14. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
15. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.
16. Provisions for uncollectible receivables have been properly identified and recorded.
17. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
18. The City properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
19. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
20. Revenues are appropriately classified in the statement of activities within program revenues, and general revenues.]
21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
22. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
23. [The City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
24. The City disclosed the names of entities with which it has a tax abatement agreement, the total gross amount of taxes abated during the period, the specific taxes that were abated and whether any commitments other than to reduce taxes were made as part of any tax abatement agreement as required by GASB Statement No. 77, *Tax Abatement Disclosures*.
25. The City disclosed tax abatements entered into by other governments that affect its revenues, including the names of the governments that entered into the agreements, the specified taxes being abated, and the gross dollar amount of taxes abated during the period, as required by GASB Statement No. 77.
26. We agree with the restatements of the previously issued financial statements discussed in Note 13. In that regard:

- The restatements correct errors in those financial statements.
- We were not aware of the errors when those financial statements were issued.
- We are not aware of any other errors in those financial statements.
- The restatement did not cause or cure a debt covenant violation in the restated year or current year.
- The restatement did not cause or cure any noncompliance related matters in the restated year or current year.

We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and independent auditor's report.

27. The City has accounted for the liability for mold remediation in accordance with GASB Statement No. 49, *accounting and financial reporting for pollution remediation obligations*.

28. The following specific representation has been drafted for when nonaudit services have been performed as part of the audit.

[In the audit engagement letter dated August 10, 2022 we requested that you perform the following nonaudit services in connection with your audit:

- a. Draft the financial statements; and
- b. Draft the auditee portion of the data collection form.

With respect to these services:

- a. We have made all management decisions and performed all management functions;
- b. We assigned an appropriate individual to oversee the services;
- c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
- d. We have accepted responsibility for the results of the services; and
- e. We have accepted responsibility for all significant judgments and decisions that were made.

29. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.

30. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. We have disclosed all instances of identified or suspected noncompliance with grant agreements whose effects should be considered by management when preparing the financial statements.

31. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2022, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:

- a. GASB Statement No. 87, *Leases*]

32. We have informed you of all uncorrected misstatements.

As of and for the year ended June 30, 2022, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the opinion units of the basic financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

**Opinion Unit- Governmental Activities**

Description	Effect— Debit (Credit)				
	Assets and		Net position	Revenue	Expenditure
Deferred Outflows	Liabilities and Deferred Inflows				
Reversed opening fund balance misstatements	\$ -	\$ -		\$ -	
To properly record revenue based on tax reconciliation	-	-	3,622,385	(3,622,385)	-
To properly record accounts payable in proper period and projected errors	-	747,733	-	-	(747,733)
To properly record expenses in proper period and projected misstatement	-	-	19,775	-	(19,775)
Change in net position				\$ (3,622,385)	\$ (767,508)
Net position effect			\$ (4,389,893)		
	\$ -	\$ 747,733	\$ (747,733)		

**Opinion Unit: General Fund**

Description	Effect—Debit (Credit)				
	Assets and		Net position	Revenue	Expenditure
Deferred Outflows	Liabilities and Deferred Inflows				
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To properly record revenue based on tax reconciliation	-	-	3,622,385	(3,622,385)	-
To properly record accounts payable in proper period and projected errors	-	747,733	-	-	(747,733)
Change in net position				\$ (3,622,385)	\$ (747,733)
Net position effect			\$ (4,370,118)		
	\$ -	\$ 747,733	\$ (747,733)		

**Opinion Unit: Urban Redevelopment Commission**

Effect—Debit (Credit)

RSM US LLP  
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Description	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net position	Revenue	Expenditure
Reversed opening fund balance misstatements	\$ -	\$ -	\$ -	\$ -	\$ -
To proerly record expenses in proper period and projected misstatement	-	-	19,775	-	(19,775)
Change in net position				\$ -	\$ (19,775)
Net position effect			\$ (19,775)		
	\$ -	\$ -	\$ -		

33. We have requested an unsecured electronic copy of the auditor's report and basic financial statements and agree that the auditor's report and basic financial statements will not be modified in any manner.

**Information Provided**

34. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the directors and committees of directors, and the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
35. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.
36. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
37. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
38. We have no knowledge of allegations of fraud or suspected fraud affecting the City's basic financial statements involving:
- a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the basic financial statements.
39. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
40. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
41. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

42. We have disclosed to you the identity of all of the City's related parties and all the related-party relationships and transactions of which we are aware.
43. We have informed you of all deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
44. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
45. It is our responsibility to inform you of all current and potential affiliates of the City as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests [AA] in, and other relationships with, affiliates of the City may create threats to independence. We have:
  - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
  - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the City's financial statements as a whole, (ii) the level of influence the City has over an entity's financial reporting process or (iii) the level of control or influence the City or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the City and RSM US LLP to identify and eliminate potential impermissible services and relationships between RSM US LLP or its associated entities and those potential affiliates, prior to the effective dates.
  - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the City or any of our affiliates has engaged RSM US LLP or any of its associated entities to perform.
46. We agree with the findings of the specialists in evaluating self-insured risks, pension and OPEB obligations and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
47. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated Plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the actuary with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan's actuary.
48. We believe that the information obtained from the audited financial statements of and other participant information provided by State of Connecticut Teacher's Retirement Board for pension and OPEB is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the plan or its auditor.
49. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.



### Supplementary Information

50. With respect to supplementary information presented in relation to the basic financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
  - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
51. [With respect management's discussion and analysis, budgetary comparison information, and the schedules for Pension and OPEB benefit plans presented as required by accounting principles generally accepted in the United States of America to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
  - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.

### Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

52. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
53. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
54. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

55. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
56. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
57. Has taken timely and appropriate steps to remedy identified or suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that the auditor reports.
58. Has a process to track the status of audit findings and recommendations.
59. Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
60. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
61. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Connecticut State Single Audit Act, we confirm:

62. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and the Connecticut State Single Audit Act.
63. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal and state programs.
64. Management is responsible for the design, implementation, and maintenance, and has designed, implemented and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that the auditee is managing federal awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state award that could have a material effect on its federal and state programs.
65. Management is responsible for the preparation of the schedule of expenditures of federal and state awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and the Connecticut State Single Audit Act asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes have been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.
66. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal and state awards and the auditor's report thereon.

67. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance and the Connecticut State Single Audit Act compliance audit.
68. Management has identified and disclosed to the auditor the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program.
69. Management has made available all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal and state agencies or pass-through entities.
70. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards or stated that there was no such noncompliance.
71. Management believes that the auditee has complied with the direct and material compliance requirements except for noncompliance it has disclosed to the auditor.
72. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
73. Management [is aware of no communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
74. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
75. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance and the Connecticut State Single Audit Act.
76. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
77. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
78. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.
79. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect the entity's system of internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

80. [Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
81. The copies of federal and state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
82. Management has monitored subrecipients, as necessary, to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
83. [Management has issued management decisions for audit findings that relate to federal and state awards it makes to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the FAC. Additionally, management has followed up to ensure that the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews and other means that pertain to the federal and state award provided to the subrecipient from the pass-through entity.
84. Management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the auditee's own books and records.
85. Management has charged costs to federal and state awards in accordance with applicable cost principles.
86. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance and the Connecticut State Single Audit Act.
87. The reporting package does not contain protected personally identifiable information.
88. Management has accurately completed the appropriate sections of the data collection form.

City of Stamford, Connecticut



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Caroline Simmons,  
Mayor



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Benjamin Barnes,  
Director of Administration



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David Yanik,  
Controller