

# Town of Greenwich, CT

Report to the Audit Committee  
June 30, 2023





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June 30, 2023

Audit Committee  
Town of Greenwich, CT

We are pleased to present this report related to our audit of the basic financial statements of the Town of Greenwich, CT (the Town) 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 Town's financial reporting process.

This report is intended solely for the information and use of the Audit Committee 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 Town.

*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 arrangement letter dated June 13, 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 June 7, 2022 regarding the planned scope and timing of our audit and identified significant risks.

### **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 87, *Leases*

#### **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 Organization 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.

## Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Town's audited basic financial statements 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 Town's required supplementary information as listed in table of contents of the basic financial statements. We did not identify material inconsistencies with the audited basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide use with sufficient evidence to express an opinion or provide any assurance on the required supplementary information.

The introductory and statistical sections, as listed in the table of contents of the Annual Comprehensive Financial Report, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## 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 were informed by management that it obtained the following opinions from CliftonLarsenAllen (CLA), independent accountants, on the application of accounting principles generally accepted in the United States of America:

- GASB 87, *Leases*. CLA provided implementation services for the Lease standard. This included providing schedules to calculate the related journal entries and providing disclosure information.

### Significant Issues Discussed With Management

The following is a description of significant issues arising from the audit that were discussed management:

- Collectability of the Nathaniel Witherell balance due to the General Fund

### Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

### Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

## 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 Audit Committee, 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 control over compliance with independence rules and firm policies.

### The Town's Responsibilities

- Timely inform RSM, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, officers, or person in financial reporting and compliance oversight roles.
  - Changes in the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- 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 Town 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 Town.
- Not entering into relationships resulting in RSM, RSM covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Town.

## 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. This communication is attached as Exhibit A.

## Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Town, including the representation letter provided to us by management, are attached as Exhibit B.

## 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 Town's June 30, 2023 basic financial statements.

### Significant Accounting Estimates

#### IBNR/Risk Management

<b>Accounting policy</b>	The Town 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 Town 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.

#### OPEB Plan: Liability and Related Deferred Amounts

<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 Town.
<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 Town. 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 Town 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> <p>Due to the inherent uncertainty of valuations, estimated values may differ significantly from values that would have been used had a ready market existed for the alternative investment securities, and the differences could be material.</p>

### Collectability of Accounts 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>
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## Significant Accounting Estimates

### Management's estimation process

The Town reserves an allowance for 50% and 75% of receivables related to motor vehicle and personal property respectively. The town excludes real estate uncollected from the analysis as collection rates are high due to the Town's ability to place a tax lien on real estate properties for uncollected taxes.

All other receivables are reviewed individually to determine based on time outstanding and past collection history to determine the appropriate allowance.

### Basis for our conclusion on the reasonableness of the estimate

We have tested collection of receivables subsequent to year end and concluded that the allowance for doubtful accounts is reasonable.

## Pollution Remediation

### Accounting policy

Pollution remediation liability is reported based on third-party contractor estimates upon the existence of a qualifying event.

### Management's estimation process

Management utilizes third-party contractors to estimate the remaining costs to completion for each project.

### Basis for our conclusion on the reasonableness of the estimate

We reviewed documentation to support qualifying events occurred. We confirmed with the third-party contractors the estimates to complete. We deemed the pollution remediation liability reasonable.

## RECORDED AUDIT ADJUSTMENTS

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

General Fund					
Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenue	Expense
To record interest receivable and unavailable revenue	\$ 6,239,124	\$ 6,239,124	\$ -	\$ -	\$ -
To adjust receivables and unavailable revenue for grant award not yet earned.	(162,397)	(162,397)	-	-	-
Total Effect				\$ -	\$ -
Statement of Financial Position Effect	\$ 6,076,727	\$ 6,076,727	\$ -		

Capital Projects Funds					
Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenue	Expense
To adjust unavailable revenue for contribution not meeting the availability criteria.	\$ -	\$ 1,000,000	\$ (1,000,000)	\$ (1,000,000)	\$ -
Total Effect				\$ (1,000,000)	\$ -
Statement of Financial Position Effect	\$ -	\$ 1,000,000	\$ -		

Aggregate Non-Major Funds					
Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Fund Balance	Revenue	Expense
To adjust revenue for unavailable grant award	\$ -	\$ (684,157)	\$ 684,157	\$ 684,157	\$ -
To record interest receivable and unavailable revenue	78,991	78,991	-	-	-
Total Effect				\$ 684,157	\$ -
Statement of Financial Position Effect	\$ 78,991	\$ (605,166)	\$ -		

Governmental Activities					
Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Net Position	Revenue	Expense
To adjust revenue for unavailable grant award	\$ -	\$ (684,157)	\$ 684,157	\$ 684,157	\$ -
To adjust unavailable revenue for contribution not meeting the availability criteria.	-	1,000,000	(1,000,000)	(1,000,000)	-
To correct the TRB on behalf revenue and expense	-	-	-	(47,518,259)	(47,518,259)
To reduce Pollution Remediation Liability by CY expenditures	(11,416,613)	(11,432,077)	15,464	-	(15,464)
Total Effect				\$ (47,834,102)	\$(47,533,723)
Statement of Financial Position Effect	\$ (11,416,613)	\$ (11,116,234)	\$ (984,536)		

## 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.

<b>Governmental Activities</b>					
<b>Description</b>	<b>Effect—Increase (Decrease)</b>				
	<b>Assets</b>	<b>Liabilities</b>	<b>Fund Balance</b>	<b>Revenue</b>	<b>Expense</b>
Reversed opening net position errors	\$ -	\$ -	\$ -	\$ -	\$ -
To adjust amortization expense for bond premiums	-	1,097,328	(1,097,328)	-	1,097,328
To adjust the pollution remediation liability for estimated remaining costs.	-	2,537,125	(2,537,125)	-	2,537,125
<b>Total Effect</b>				<b>\$ -</b>	<b>\$ 3,634,453</b>
Statement of Financial Position Effect	\$ -	\$ 3,634,453	\$ (3,634,453)		

<b>Business-type Activities (Parking Fund)</b>					
<b>Description</b>	<b>Effect—Increase (Decrease)</b>				
	<b>Assets</b>	<b>Liabilities</b>	<b>Net Position</b>	<b>Revenue</b>	<b>Expense</b>
Reversed opening net position errors	\$ -	\$ -	\$ -	\$ (18,098)	\$ -
<b>Total Effect</b>				<b>\$ (18,098)</b>	<b>\$ -</b>
Statement of Financial Position Effect	\$ -	\$ -	\$ -		

## **EXHIBIT A**

### **Internal Control Matters**



RSM US LLP

June 30, 2023

225 Asylum Street, Suite #2300  
Hartford, CT 06103

Management and the Board of Estimate and Taxation  
Town of Greenwich, CT

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In planning and performing our audit of the financial statements of the Town of Greenwich, CT (the Town) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or 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.

We communicated the significant deficiencies and material weaknesses identified during our audit in the federal and state single audit report dated June 30, 2023.

Certain deficiencies in internal control that have been previously communicated to you, in writing, by us or by others within your organization are not repeated herein.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

#### **Fund Deficits**

At June 30, 2022, the Nathaniel Witherell fund had a fund deficit of approximately \$5.3 million. Over-expending special revenue funds will place additional resource requirements on the General Fund. If additional revenue cannot be generated in relation to the funds, General Fund appropriations will be necessary to eliminate the deficit balances.

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#### **Recommendation**

We recommend the Town develop a plan to address the fund deficit.

#### **Unavailable Revenue**

As a result of our procedures, we identified three audit adjustments regarding unavailable revenue. These included an increase of \$6,318,115 for interest receivable, a decrease of \$162,397 for grant receivable and a decrease of \$1,000,000 in intergovernmental revenue. The impact of these adjustments was an increase in receivables and unavailable revenues of \$7,155,718 on a fund level.

#### **Recommendation**

We recommend the Town develop procedures to review outstanding receivables at year end to ensure availability criteria has been met.

#### **Pollution Remediation Projects**

We identified that approximately \$11.4 million in pollution remediation project expenses were improperly capitalized. Expenses related to returning an asset to its original use are not capitalizable. These expenses should have been reducing the pollution remediation liability.

#### **Recommendation**

We recommend the Town implement procedures to ensure project costs related to the pollution remediation projects are not considered when reviewing for capital asset additions. Management has specific project codes for the pollution remediation projects. These projects should be identified as not subject to capitalization.

#### **Teachers Retirement Board (TRB) On Behalf Revenue and Expense**

Management recorded the on behalf revenue and expense incorrectly based on the figures to be used for the government-wide reporting. The fund basis reporting was recorded accurately. Due to clerical error, the revenue and expense were overstated by \$47.5 million. There was no impact on the change in net position or ending net position.

#### **Recommendation**

We recommend the Town prepare a schedule to determine the TRB revenue and expense for both the fund balance and the government-wide figures. This schedule should calculate the required adjustments.

This communication is intended solely for the information and use of management, the Board of Estimate and Taxation, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*RSM US LLP*

## **EXHIBIT B**

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



# TOWN OF GREENWICH

## Finance Department

Peter P. Mynarski, Jr., Comptroller

June 30, 2023

RSM US LLP  
225 Asylum Street, Suite 2300  
Hartford, CT 06103

This representation letter is provided in connection with your audit of the basic financial statements of the Town of Greenwich, Connecticut (the Town) as of and for the year ended June 30, 2022 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 June 30, 2023:

### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 13, 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 estimate the self-insurance liability 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: incurred loss development method, case reserve deficiency method, incurred loss development factors and discount rate. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. Appropriate specialized skills or expertise has been applied in making the estimate. 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 Town. We have also appropriately considered alternative assumptions or outcomes through evaluating discount rates. 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 estimate the net pension liability 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: actuarial assumptions including mortality tables and discount rate. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. Appropriate specialized skills or expertise has been applied in making the estimate. 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 Town. We have also appropriately considered alternative assumptions or outcomes through evaluating discount rates. 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 estimate the net OPEB liability 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: actuarial assumptions including mortality tables, healthcare cost trend rates and discount rate. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. Appropriate specialized skills or expertise has been applied in making the estimate. 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 Town. We have also appropriately considered alternative assumptions or outcomes through evaluating discount rates. 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 Town include:
  - a. 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 Town 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 and derivative transactions 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. 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.
19. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
20. 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.
21. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
22. The Town'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.
23. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
24. 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.
25. 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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
  - b. GASB Statement No. 92, *Omnibus 2020*
26. We believe the implementation of the GASB Statements listed below is appropriate:
  - a. GASB Statement No. 87, *Leases* – reported lease receivable, right-of-use asset, lease liability and deferred inflows of resources and additional required disclosures
27. 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 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:**

Description	Governmental Activities				
	Assets	Liabilities	Fund Balance	Revenue	Expense
Reversed opening net position errors	\$ -	\$ -	\$ -	\$ -	\$ -
To adjust amortization expense for bond premiums	-	1,097,328	(1,097,328)	-	1,097,328
To adjust the pollution remediation liability for estimated remaining costs.	-	2,537,125	(2,537,125)	-	2,537,125
<b>Total Effect</b>				<b>\$ -</b>	<b>\$ 3,634,453</b>
Statement of Financial Position Effect	\$ -	\$ 3,634,453	\$ (3,634,453)		

Description	Business-type Activities (Parking Fund)				
	Assets	Liabilities	Net Position	Revenue	Expense
Reversed opening net position errors	\$ -	\$ -	\$ -	\$ (18,098)	\$ -
<b>Total Effect</b>				<b>\$ (18,098)</b>	<b>\$ -</b>
Statement of Financial Position Effect	\$ -	\$ -	\$ -		

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

**Information Provided**

29. 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 Town from whom you determined it necessary to obtain audit evidence.
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

30. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

31. 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.

32. 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.

33. We have no knowledge of allegations of fraud or suspected fraud affecting the Town'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.
34. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
35. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
36. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
37. We have disclosed to you the identity of all of the Town's related parties and all the related-party relationships and transactions of which we are aware.
38. 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 Town's ability to record, process, summarize and report financial data.
39. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
40. We have made you aware, to the best of our knowledge and belief, of any nonaudit services that the Town or any of our affiliates has engaged RSM US LLP or any of its associated entities to perform.
41. We agree with the findings of the specialist in evaluating the incurred but not reported claims (IBNR) and have adequately considered the qualifications of the specialist 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 specialist with respect to the value 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 specialist.
42. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated OPEB Plan benefits are appropriate in the circumstances. 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 Plan's actuary.
43. We believe that the information obtained from the audited financial statements of and other participant information provided by State of Connecticut Municipal Employee Plan, the State of Connecticut Teachers' Retirement Board for pension and OPEB are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plans or

their auditors 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 Plans or their auditors.

44. We believe implementation of the GASB Statements listed below is appropriate: GASB Statement No. 87, *Leases* – As discussed in Note 2 to the basic financial statements, the Town adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*.
45. 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**

46. 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.
47. With respect to management's discussion and analysis, pension and OPEB schedules and budgetary schedules presented as required by GASB 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.

### **Compliance Considerations**

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

48. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
49. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

50. 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.
51. 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.
52. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
53. 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.
54. Has a process to track the status of audit findings and recommendations.
55. 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.
56. Has identified for the auditor any investigations or legal proceedings that have been initiated with respect to the period under audit.
57. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
58. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

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 Compliance Supplement issued by the State of Connecticut Office of Policy and Management, we confirm:

59. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and Compliance Supplement issued by the State of Connecticut Office of Policy and Management.
60. 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.
61. 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.
62. 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

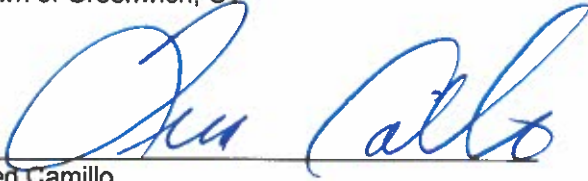
schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and Compliance Supplement issued by the State of Connecticut Office of Policy and Management; asserts that methods of measurement or presentation have not changed from 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.

63. 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.
64. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance and Compliance Supplement issued by the State of Connecticut Office of Policy and Management compliance audit.
65. 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.
66. 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.
67. 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.
68. Management believes that the auditee has complied with the direct and material compliance requirements except for noncompliance it has disclosed to the auditor.
69. 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.
70. Management has disclosed to the auditor any 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.
71. 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.
72. 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 Compliance Supplement issued by the State of Connecticut Office of Policy and Management.
73. 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.

74. 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.
75. 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.
76. 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.
77. 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.
78. 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.
79. 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, except as noted in the Schedule of Findings and Questioned Costs.
80. Management has charged costs to federal and state awards in accordance with applicable cost principles.
81. 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 Compliance Supplement issued by the State of Connecticut Office of Policy and Management.
82. The reporting package does not contain protected personally identifiable information.
83. Management has accurately completed the appropriate sections of the data collection form.



Town of Greenwich, CT

A handwritten signature in blue ink, appearing to read "Fred Camillo", written over a horizontal line.

Fred Camillo,  
First Selectman

A handwritten signature in blue ink, appearing to read "Peter Mynarski", written over a horizontal line.

Peter Mynarski,  
Comptroller

## **EXHIBIT C**

### **Recent Accounting Pronouncements**

## RECENT ACCOUNTING PRONOUNCEMENTS

The accounting pronouncements detailed in Note 19 have been issued as of June 30, 2023, but are not yet effective and may affect the future financial reporting by the Town.