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CITY OF BALTIMORE

BRANDON M. SCOTT,  
Mayor



OFFICE OF THE MAYOR

100 Holliday Street, RM 250  
Baltimore, Maryland 21202

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September 11, 2024

SB & Company, LLC  
10200 Grand Central Avenue, Suite 250  
Owings Mills, MD 21117

This representation letter is provided in connection with your audit of City of Baltimore Department of Finance's (Finance) major's major Federal programs as of June 30, 2023, and for the year then ended, for the purpose of expressing an opinion on compliance for major Federal award programs pursuant to the audit requirements 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). We confirm that we are responsible for compliance with requirements applicable to our major Federal award programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of information that, in the 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of this date of this letter.

1. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
2. We are responsible for the preparation and presentation of the schedule of expenditures of Federal awards in accordance with the Uniform Guidance.
3. We believe the schedule of expenditures of Federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
4. As part of your audits, you prepared the draft financial statements and related notes and schedule of expenditures of Federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of Federal awards.
5. The methods of measurement or presentation have not changed from those used in the prior period.
6. We believe the following significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of Federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate.
7. We are responsible for including the auditor's report on the schedule of expenditures of Federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
8. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
9. We have notified you of Federal awards and funding increments that were received before December 26, 2014 (if any), and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
10. We have notified you if we have elected to delay implementation of the procurement sections (317 to 326) of the Uniform Guidance as allowed for three fiscal years after the effective date of the uniform

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guidance. We understand that sections 317 to 326 are allowed to be delayed until fiscal years beginning on or after December 26, 2017 (if electing to delay).

11. When the schedule of expenditures of Federal awards is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the schedule of expenditures of Federal awards no later than the date of issuance by the entity of the schedule of expenditures of Federal awards and the auditor's report thereon.
12. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of Federal awards, expenditures made during the audit period for all awards provided by Federal agencies in the form of grants, Federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
13. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors, regulators, or others.
14. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
15. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
16. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse or waste that you have reported to us.
17. We have a process to track the status of audit findings and recommendations.
18. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
19. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
20. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
21. We have made available to you all Federal awards (including amendments, if any) and any other correspondence relevant to Federal programs and related activities that have taken place with Federal agencies or pass-through entities.
22. We have received no requests from a Federal agency to audit one or more specific programs as a major program.
23. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of Federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
24. We have disclosed to you any communications from Federal 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.

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25. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to Federal program financial reports and claims for advances and reimbursements.
26. Federal 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 (and are prepared on a basis consistent with the schedule of expenditures of Federal awards).
27. The copies of Federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective Federal agency or pass-through entity, as applicable.
28. We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with Federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
29. We have issued management decisions for audit findings that relate to Federal awards we make to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the FAC. Additionally, we have followed-up ensuring that the subrecipients have taken the appropriate and timely action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the Federal award provided to the subrecipient from the pass-through entity.
30. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
31. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance as applicable.
32. We have charged costs to Federal awards in accordance with applicable cost principles.
33. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by Federal awarding agencies and pass-through entities, including all management decisions.
34. We have disclosed to you 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.
35. The reporting package will not contain personally identifiable information.
36. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
37. We have reviewed, approved, and taken responsibility for the schedule of expenditures of Federal awards and related notes and an acknowledgment of the auditor's role in the preparation of this information.
38. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.
39. We have disclosed to you the nature of any 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.

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In addition:

40. We are responsible for understanding and complying with the requirements of Federal statutes, regulations, and the terms and conditions of Federal awards related to each of our Federal programs and have identified and disclosed to you the Federal statutes, regulations, and the terms and conditions of Federal awards that are considered to have a direct and material effect on each major Federal program; and we have complied with these direct and material compliance requirements.
41. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for Federal programs that provide reasonable assurance that we are managing our Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a material effect on our Federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect 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.
42. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
43. We affirm to you that the water loan activity for fiscal year 2022 was 100% state funded.
44. We affirm to you that the Temporary Assistance for Needy Families funding was less than \$3 million for fiscal year 2022.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the schedule of expenditures of Federal awards and through the date of this letter that would require adjustment to or disclosure in the aforementioned schedule of expenditures of Federal awards.

Handwritten signature of Brandon M. Scott in brown ink.

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Brandon Scott  
Mayor

Handwritten signature of Michael Mocksten in blue ink.

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Michael Mocksten  
Director, Department of Finance

Handwritten signature of Yoanna Moisides in blue ink.

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Yoanna Moisides  
Deputy Director, Department of Finance

Handwritten signature of Victoria Raabe in blue ink.

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Victoria Raabe  
Deputy Chief, Bureau of Accounting and Payroll Services