

Borough of Matamoras

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OFFICE OF THE
SECRETARY

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March 9, 2019

Kirk, Summa & CO., LLP
One Dansbury Square
East Stroudsburg, PA 18301

This representation letter is provided in connection with your audit of the Annual Audit and Financial Report of the Borough of Matamoras as of December 31, 2018 and for the year then ended, for the purpose of expressing opinions as to whether the Annual Audit and Financial Report are presented fairly, in all material respects, the financial position of the Borough of Matamoras and the results of its operations for the year then ended in conformity with accounting practices prescribed or permitted by the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania.

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 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. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 9, 2019, the following representations made to you during your audit.

Annual Audit and Financial Report

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 12, 2018.
- 2) The Annual Audit and Financial Report referred to above are fairly presented in conformity with accounting practices prescribed or permitted by the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania and include all properly classified funds and account groups of the Borough.
- 3) 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania.

- 7) All events subsequent to the date of the financial statements and for which Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned Annual Audit and Financial Report.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the company's accounts.
- 9) Guarantees, whether written or oral, under which the Borough of Matamoras is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

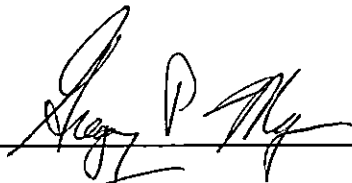
- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the annual audit and financial report, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Borough Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the annual audit and financial report may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's annual audit and financial report communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 20) The Borough has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe 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.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all 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.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you prepared the draft Annual Audit and Financial Report from the Borough's trial balance. 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 the draft Annual Audit and Financial Report.
- 27) The Borough has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Borough has complied with all aspects of contractual agreements that would have a material effect on the Annual Audit and Financial Report in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The Annual Audit and Financial Report properly classify all funds and activities.
- 31) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

Signature: _____



Title: _____

