

January 22, 2018

To the City Council and School Board
City of Saco, Maine

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saco, Maine for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our meeting with the Mayor on May 25, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter dated May 24, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City of Saco, Maine's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the City of Saco, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City of Saco, Maine's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the City of Saco, Maine's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City of Saco, Maine's compliance with those requirements.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Saco, Maine are described in the notes to the financial statements. The City of Saco, Maine, adopted Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures* in 2017. No other new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Saco, Maine's financial statements were:

- Management's estimate of depreciation expense which is based on estimated useful lives of assets.
- Management's estimate of the allowance for doubtful accounts for ambulance receivables, which is based on collectability and historical bad debt.
- Management's estimate of the other post employment benefits and net pension liabilities, which are based on actuarially determined information.

We evaluated the key factors and assumptions used to develop these estimates to determine that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, some of which were considered material to the audit. See attached Combined Journal Entries Report – School and Combined Journal Entries Report – City.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated January 22, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the City's accounting for infrastructure capital assets using the modified approach, the schedule of the City's proportionate share of the net pension liability, schedule of contributions, and the schedule of funding progress for the retiree healthcare plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements, which accompany the financial statements but are not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

This information is intended solely for the information and use of the City Council, School Board, and management of the City of Saco, Maine and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive style with a large initial 'R'.

Client: **SacoCity - Saco, City of**
 Engagement: **2017 AU - Saco, City of**
 Period Ending: **6/30/2017**
 Trial Balance: **b - School GASB Fund Trial Balance**
 Workpaper:
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
		AA-11.1		
To record additional amount due to TA to close out the tuition contract.				
1000-1200-1000-55630-990	Tuition paid to private schools		643,154.77	
1000-0000-0000-24210-000	Accounts Payable			643,154.77
Total			643,154.77	643,154.77
Adjusting Journal Entries JE # 2				
		C-05		
To reverse preschool AR, incorrectly recorded.				
To record additional AR for Local Entitlement and Title II to cover summer salaries.				
2470-0000-0000-11530-000	Accounts Receivables		7,542.96	
2510-0000-0000-44563-000	Pre-School Handicapped		11,260.68	
2700-0000-0000-11530-000	Accounts Receivables		8,800.00	
2470-0000-0000-44562-000	IDEA, Loc/. Entitlement			7,542.96
2510-0000-0000-11530-000	Accounts Receivables			11,260.68
2700-0000-0000-44520-000	Title IIA Imp Teach Qlty State Grants PD			8,800.00
Total			27,603.64	27,603.64

Client: **SacoCity - Saco, City of**
 Engagement: **2017 AU - Saco, City of**
 Period Ending: **6/30/2017**
 Trial Balance: **a - City GASB Fund Trial Balance 2016**
 Workpaper: **d - Combined Journal Entries Report - City**
 Fund Level: **All**
 Index: **All**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
		ZZ		
To adjust fund balance to actual. Client did not post our prior year AJE #1 and #2. Also, 2016 revenue control and appropriation control accounts to not close to fund balance.				
00-0000-13000 -00-00-	Undesignated Fund Balance		45,700.11	
-5401-500281-86-02-	Liability Insurance		15,443.31	
02-510 -500910-88-00-	CAPITAL IMPROVEMENT PROJECTS		7,444.50	
00-0000-13510 -00-00-	Appropriation Control			37,231.93
01-0000-300101-50-00-	Taxes Committed			23,911.49
02-510 -13000 -00-00-	Undesignated Fund Balance			7,444.50
Total			68,587.92	68,587.92
Adjusting Journal Entries JE # 2				
		F-11		
To record current year depreciation in the waste water fund				
0 -0000-500404-90-00-	DEPR EXP		269,123.00	
00-0000-11780 -00-00-	Accumulated Depreciation			269,123.00
Total			269,123.00	269,123.00
Adjusting Journal Entries JE # 3				
		AA		
To move retainage out of AP and into retainage payable account.				
00-0000-12000 -00-00-	Accounts Payable		8,175.00	
00-0000-12010 -00-00-	Contract Retainage			8,175.00
Total			8,175.00	8,175.00
Adjusting Journal Entries JE # 4				
		F-11		
To capitalize amounts in the waste water fund				
00-0000-11710 -00-00-	Equipment		13,197.75	
00-0000-11730 -00-00-	Buildings		103,963.00	
00-0000-11740 -00-00-	Infrastructure		22,806.25	
01-7003-500317-98-02-	Minor Equipment			13,197.75
2-0000-500910-98-03-051	PUMP STATION UPGRADES			103,963.00
2-0000-500910-98-03-051	CSO PROJECT			22,806.25
Total			139,967.00	139,967.00
Adjusting Journal Entries JE # 5				
		AA		
To reverse client entry to unclaimed property as the entry was recorded twice.				
00-0000-12000 -00-00-	Accounts Payable		12,712.11	
-5404-500403-86-02-	BANK/COLLECTION/OVERSHORT			12,712.11
Total			12,712.11	12,712.11
Adjusting Journal Entries JE # 6				
		C-08		
To record change in ambulance allowance and AR				
10-0000-11109 -00-00-	AMBULANCE- ALLOW FOR UNCOLLECT		22,712.82	
10-0000-11106 -00-00-	ACCTS REC - AMBULANCE			22,712.82
Total			22,712.82	22,712.82
Adjusting Journal Entries JE # 7				
		HH-4		
To adjust cash and due to/from school for accurate outstanding check listings as of June 30,				
00-0000-11001 -00-00-	Checking		841,194.91	
00-0000-11405 -00-00-	Due from School General Ed			841,194.91
Total			841,194.91	841,194.91
Adjusting Journal Entries JE # 8				
		CC		
To adjust accrued compensated absences in the waste water fund to actual.				
00-0000-500286-98-01-	Deferred Compensation		3,506.80	
00-0000-12300 -00-00-	Accrued Compensated Absences			3,506.80
Total			3,506.80	3,506.80
Adjusting Journal Entries JE # 9				
		10.1		
To record a payable for the remaining TIF reimbursement due back to Maine Molecular per TIF agreement				
0 -5101-500400-90-00-	CHINBURG EXPENSE		35,092.72	
047-00 -5101-12000-00-0	Accounts Payable			35,092.72
Total			35,092.72	35,092.72
Adjusting Journal Entries JE # 10				
		GG-01		
To adjust deferred property tax to actual				
00-0000-12600 -00-00-	Deferred Property Taxes		170,017.29	
-0000-500428-80-02-	Contracted Services			170,017.29
Total			170,017.29	170,017.29
Adjusting Journal Entries JE # 11				
		A-010		
To adjust Trust accounts to actual @ 6/30/17				

00-0000-11050 -00-00- Trust Fund Investments		38,364.29	
00-0000-500850-00-02- Admin Exp		3,935.49	
00-0000-500852-00-03- Des Exp		15,556.42	
00-0000-11001 -00-00- Checking			2,386.74
00-0000-300710-58-00- Misc Fees			28,706.27
00-0000-300750-58-00- Int Earn			26,763.19
Total		57,856.20	57,856.20
Adjusting Journal Entries JE # 12	A-008		
To record current year activity for the Lucia Kimbal Health Trust			
80-0000-11063 -00-00- Kimball Health Cash		88,289.05	
80-0000-500400-96-00- LKD HEALTH		45,394.12	
80-0000-11101 -00-00- A/R- Due from Kimball Health			5,850.73
80-0000-11700 -00-00- Land- Trust Funds			5,321.36
80-0000-300750-58-00- Int Earn			3,107.44
80-0000-300800-58-00- Gain on the Sale of land			119,403.64
Total		133,683.17	133,683.17
Adjusting Journal Entries JE # 13			
To adjust cash and fund balance for unreconciled variances			
00-0000-13510 -00-00- Appropriation Control		37,231.93	
00-0000-11001 -00-00- Checking			29,849.50
07-0000-300757-58-00- Miscellaneous Unclass Revenues			7,382.43
Total		37,231.93	37,231.93
Adjusting Journal Entries JE # 14	PBC		
To record irrigation credit for 2017			
00-0000-400511-56-00- Sewer User Fees		69,231.24	
00-0000-11290 -00-00- Waste Water A/R - Current			69,231.24
Total		69,231.24	69,231.24
Total Adjusting Journal Entries		1,869,092.11	1,869,092.11
Total All Journal Entries		1,869,092.11	1,869,092.11



CITY OF SACO, MAINE

Administration

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January 22, 2018

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of the City of Saco, Maine, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to 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).

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 January 22, 2018, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 24, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial

information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

- 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, including those measured at fair value, 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 U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) 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 financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - 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 City Council and School Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involve
 - 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.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
- 16) 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.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.

- 22) 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.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 25) 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.
- 26) 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.
- 27) 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.
- 28) 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.
- 29) 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.
- 30) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the schedule of expenditures of federal awards.

- 31) The City 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.
- 32) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 35) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) 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.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) 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.
- 40) 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.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

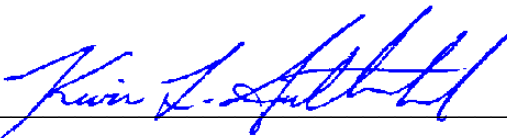
- 44) The City meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 45) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 46) We are following our 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. That policy determines the fund balance classifications for financial reporting purposes.
- 47) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 48) With respect to the schedule of expenditures of federal awards, combining and individual fund financial statements and statistical section:
- a. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards, combining and individual fund financial statements and statistical section in accordance with accounting principles generally accepted in the United States of America, and we believe the schedule of expenditures of federal awards, combining and individual fund financial statements and statistical section, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the schedule of expenditures of federal awards, combining and individual fund financial statements and statistical section have not changed from those used in prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the schedule of expenditures of federal awards, combining and individual fund financial statements and statistical section are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

49) With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the 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), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied 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 requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g. We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j. We have disclosed 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.
- k. 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.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, if applicable.
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. 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.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

- p. There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We have charged costs to federal awards in accordance with applicable cost principles.
- u. 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.
- v. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x. We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.



Signed



Signed