

November 30, 2021

Borough Council  
Ms. Cindy Foster, Borough Manager  
Borough of Lemoyne  
510 Herman Avenue  
Lemoyne, PA 17043

Dear Borough Council and Ms. Cindy Foster:

We are pleased to confirm our understanding of the services we are to provide for Borough of Lemoyne (Organization) for the year ended December 31, 2021.

## **Audit Scope and Objectives**

We will audit the financial statements of the Organization as presented within the annual audit and financial report (DCED-CLGS 30) (Schedules) required by the Commonwealth of Pennsylvania as of and for the year ended December 31, 2021. In addition, we will also audit the summary financial statement, derived from the Schedules or financial statements, for the years previously described, for the purpose of publication.

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

- Statement of Receipts and Disbursements - Modified Cash Basis - Budget and Actual - General Fund
- Statement of Receipts, Disbursements, and Changes in Fund Balance - Modified Cash Basis - General Fund

The objectives of our audit of the Schedules are to obtain reasonable assurance about whether the Schedules are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your Schedules are fairly presented, in all material respects, in conformity with the accounting practices prescribed by the Pennsylvania Department of Community and Economic Development (DCED), which is a basis of accounting and reporting other than accounting principles generally accepted in the United States of

America (GAAP). As allowed by the DCED, these financial statements are also presented using the modified cash basis of accounting (Schedules basis of accounting). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with accounting standards generally accepted in the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Hereafter in this letter, the term “financial statements” will refer to the schedules and summary financial statement together.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with auditing standards generally accepted in the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the financial statement disclosures (if applicable), and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management

of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion(s). The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories (if applicable), and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, customers, creditors, and financial institutions. We may also request written representations from your attorneys and confirmations from financial institutions as part of the engagement, and they may bill you directly or indirectly through us for responding to this inquiry.

In the event that representation by legal counsel, during the term of this agreement or subsequently, is deemed necessary by Maher Duessel in connection with any aspect of this engagement, fees and expenses for counsel will be reimbursed to the auditor as out-of-pocket expenses. In addition, you shall compensate Maher Duessel for all time we expend in connection with such legal responses at normal and customary hourly rates.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to

prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

The Organization and Maher Duessel agree that any claim arising from this agreement shall be commenced within one year of the date of the auditor's report or the date of the engagement letter if no report has been issued. Maher Duessel's responsibility for any claims, damages or cost shall be limited to the amount of fees paid for the services rendered under this engagement letter.

### **Audit Procedures-Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

### **Other Services**

We will assist in preparing the financial statements (as defined in the audit scope and objectives section above) of the Organization in conformity with the basis of accounting previously defined, based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the basis of accounting described above.

You are responsible for including all informative disclosures (if applicable) that are appropriate for that basis of accounting. Should that basis differ from GAAP, those disclosures (if applicable) will include (1) a description of the basis of accounting, including a summary of significant accounting policies, and how the basis of accounting differs from GAAP; (2) informative disclosures similar to those required by GAAP; and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

With regard to publishing the financial statements on your website (if applicable), you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the website with the original document.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Maher Duessel, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement. With regard to an exempt offering document with which Maher Duessel is not involved, you agree to clearly indicate in the exempt offering document that Maher Duessel is not involved with the contents of such offering document.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

You agree to assume all management responsibilities for the nonattest services we provide as previously defined; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

#### **Engagement Administration and Other**

We understand that your employees will prepare all cash and other confirmations and schedules we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules,

retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

Jennifer L. CruverKibi is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. To ensure that Maher Duessel's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Professional standards require Maher Duessel to establish policies and procedures designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations. It is Maher Duessel's policy that any complaints or allegations should be reported to the managing partner, or any other partner as identified on our website at [www.md-cpas.com](http://www.md-cpas.com).

### **Audit Meetings**

Management will arrange for Maher Duessel to meet with the Organization's Borough Council or an appropriate committee thereof, as requested, in connection with the audit(s). Generally, the meeting can occur in advance of and following the completion of year-end fieldwork for the audit of the Organization's financial statements.

### **Use and Distribution of Reports**

Maher Duessel will provide draft reports to management for review and approval before issuance. Final reports for internal use and external distribution will be delivered to the Organization. The Organization's use and distribution of reports is expected to be limited to (1) filings routinely required by governmental agencies, (2) lenders, and (3) internal use. If the Organization intends to publish or otherwise reproduce the financial statements and make reference to our firm name, the Organization agrees to provide Maher Duessel with printer's proofs or masters for our review and approval prior to printing. The Organization also agrees to provide Maher Duessel with a copy of the final reproduced material for our approval before it is distributed.

### **Reporting**

We will issue a written report upon completion of our audit of the Organization's financial statements which will also address other information in accordance with AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports (if applicable). Our report will be addressed to the governing body of the Organization. Circumstances may arise in

which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

### **Confidentiality**

The audit documentation for this engagement is the property of Maher Duessel and constitutes confidential information. However, we may be requested to make certain audit documentation available to grantor agencies/ and or regulatory bodies pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Maher Duessel personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies. The AICPA requires members who practice public accounting to participate in either a Quality Review or Peer Review practice-monitoring program. Maher Duessel is enrolled in such a program. The Organization grants permission for Maher Duessel to respond fully to inquiries and allow review of working papers in connection with practice monitoring program activities.

### **Fees**

The all-inclusive professional fees for the scope of services will be:

2021      \$ 14,840

The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until



your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

### **Additional Services**

Maher Duessel may provide additional services which can be either non-recurring matters or changes to the scope of recurring services, including matters such as: (1) changes to the body of compliance and other requirements applicable to the Organization; (2) changes in the nature or scope of programs that comprise the reporting entity; (3) changes in the application of accounting principles or the application of new principles; (4) changes to auditing standards of a nature that results in an increase in the audit effort required; (5) management requests for procedures of a nature and extent beyond those necessitated for an audit; (6) consent letters; (7) costs related to required surcharges; and (8) matters of management responsibility (e.g. the condition of records) or other matters beyond Maher Duessel's reasonable control that impair the efficient conduct or expand the scope of effort beyond the audit procedures necessary for the scope of recurring services.

In the event that the Organization requires additional services, the Organization may request that Maher Duessel provide such additional services and pay fees based upon professional hours.

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We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the document, and return it to us.

Sincerely,

Maher Duessel

BY:



Jennifer L. CruverKibi, Partner

The arrangements described above are accepted by the Organization.

BY: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of authorized signer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date