

City Of Lee's Summit, Missouri



Presentation Of Results Of Annual Audit
And Required Communications



for the year ended
June 30, 2019

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Auditor Communications

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

We have audited the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2019. Our audit was performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and presented in accordance with accounting principles generally accepted in the United States of America. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used by the City and the significant estimates made by the City's management as well as evaluated the overall financial statement presentation.

Auditing Standards require the auditor to ensure that those charged with corporate governance receive additional information regarding the scope and results of the audit that may assist the governing body in overseeing the financial reporting and disclosure process for which management is responsible. The following section describes matters which are required to be reported to you.

This information is intended solely for the use of the Honorable Mayor, Members of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties

RubinBrown LLP

December 19, 2019

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, <i>Government Auditing Standards</i> and Uniform Guidance</p> <p>Our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with our assistance are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and that the City complied in all material respects with the applicable compliance requirements of its major federal programs. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.</p> <p>Professional standards also require that we obtain a significant understanding of the City's internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. Accordingly, we express no such assurance.</p>	<p>We have audited the financial statements of the City of Lee's Summit, Missouri (the City) and the City's compliance with laws and regulations applicable to each of its major federal programs for the year ended June 30, 2019 and have issued the following:</p> <ul style="list-style-type: none"> ■ An unmodified opinion on the City's financial statements for the year ended June 30, 2019. ■ A report on internal control over financial reporting and on compliance based on an audit of the financial statements in accordance with <i>Government Auditing Standards</i>. ■ An unmodified opinion on compliance and a report on internal control over federal programs in accordance with Uniform Guidance. ■ An in-relation-to opinion on the combining and individual fund financial statements and schedules. ■ No opinion on the management's discussion and analysis and other RSI included within the financial statements. ■ No opinion on the introductory and statistical sections of the CAFR.

Auditor Communications *(Continued)*

AREA	COMMENTS
Other Information In Documents Containing Audited Financial Statements	To our knowledge, the 2019 audited financial statements are not included within any other document.
Planned Scope And Timing Of The Audit	We performed the audit according to the planned scope and timing previously communicated to you through our engagement letter regarding the nature, timing and extent of our audit procedures.
Qualitative Aspects Of Accounting Practices Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about appropriateness of accounting policies and their application.	<ul style="list-style-type: none"> ■ Significant accounting policies are described in Note 1. ■ The City implemented a Change in Accounting Method by utilizing a pension liability measurement date at the beginning of the fiscal year and reporting as a deferred outflow contributions made after the measurement date. See Note 1 for more information. ■ The City implemented GASB 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, during the year. ■ We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. ■ No significant transactions have been recognized in a different period than when the transactions occurred.

Auditor Communications *(Continued)*

AREA	COMMENTS
<p>Management Judgments And Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>We evaluated the key factors and assumptions used to develop the estimates noted at right in determining that these amounts are reasonable in relation to the financial statements taken as a whole.</p>	<ul style="list-style-type: none"> ■ Allowance for uncollectible taxes and other accounts receivable ■ Useful lives of capital assets ■ Actuarial assumptions in the calculation of annual pension and OPEB costs ■ Estimated liability for payment of incurred (both reported and unreported) but unpaid self insurance claims ■ Estimated cost of closure and post closure care of the solid waste landfill ■ Acquisition value of contributed capital assets
<p>Financial Statement Disclosures</p> <p>The disclosures are neutral, consistent and clear. Certain disclosures are particularly sensitive because of their significance to the financial statements users. The most sensitive disclosures affecting the financial statements are:</p>	<ul style="list-style-type: none"> ■ Note 2 - Deposits and investments ■ Note 4 - Long-term obligations ■ Note 7 - Employee retirement plan ■ Note 8 - Other post employment benefits (OPEB) ■ Note 10 - Closure and postclosure care costs ■ Note 13 - Tax Abatements
<p>Difficulties Encountered In Performing The Audit</p>	<p>There were no difficulties encountered in dealing with management related to performance of the audit.</p>

Auditor Communications *(Continued)*

AREA	COMMENTS
Corrected And Uncorrected Misstatements	Professional standards require us to accumulate factual, judgmental and projected misstatements identified during the audit, other than those that are trivial, communicate them to the appropriate level of management, and request their correction. Management has corrected two misstatements. See the attachment labeled Adjusting Journal Entries. In addition, we accumulated one uncorrected misstatement. See the attachment labeled Proposed Journal Entries.
Disagreements With Management	None
Management Representations	We have requested certain representations from management that are included in the management representation letters dated December 19, 2019 and updated through January 14, 2020. Copies of the signed representation letters are attached.
Management Consultations With Other Independent Accountants	None
Other Audit Findings Or Issues	There were no matters of significant discussion that affected our retention as the City's auditors.

Accounting Pronouncements

GASB Statement No. 87, Leases

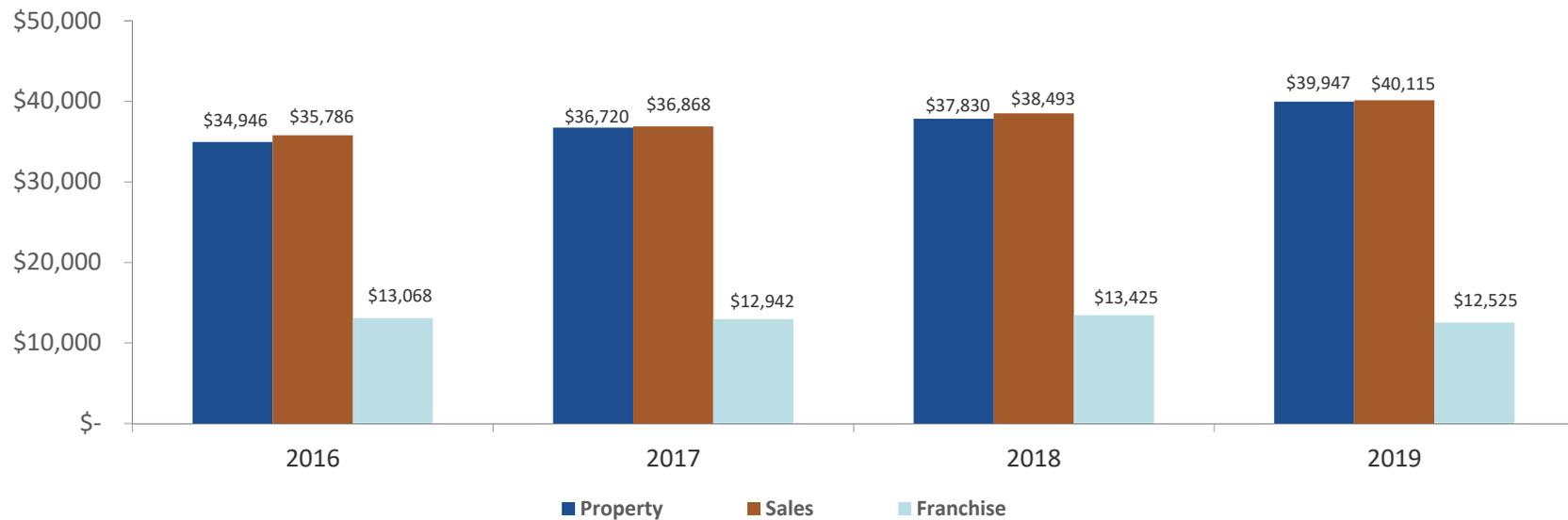
- Requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases.
- Recognize a lease liability and an intangible right-to-use lease asset.
- Effective for periods beginning after December 15, 2019.

GASB Statement No. 91, Conduit Debt Obligations

- Clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer.
- Also addresses arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.
- Effective for periods beginning after December 15, 2020.

Graphs

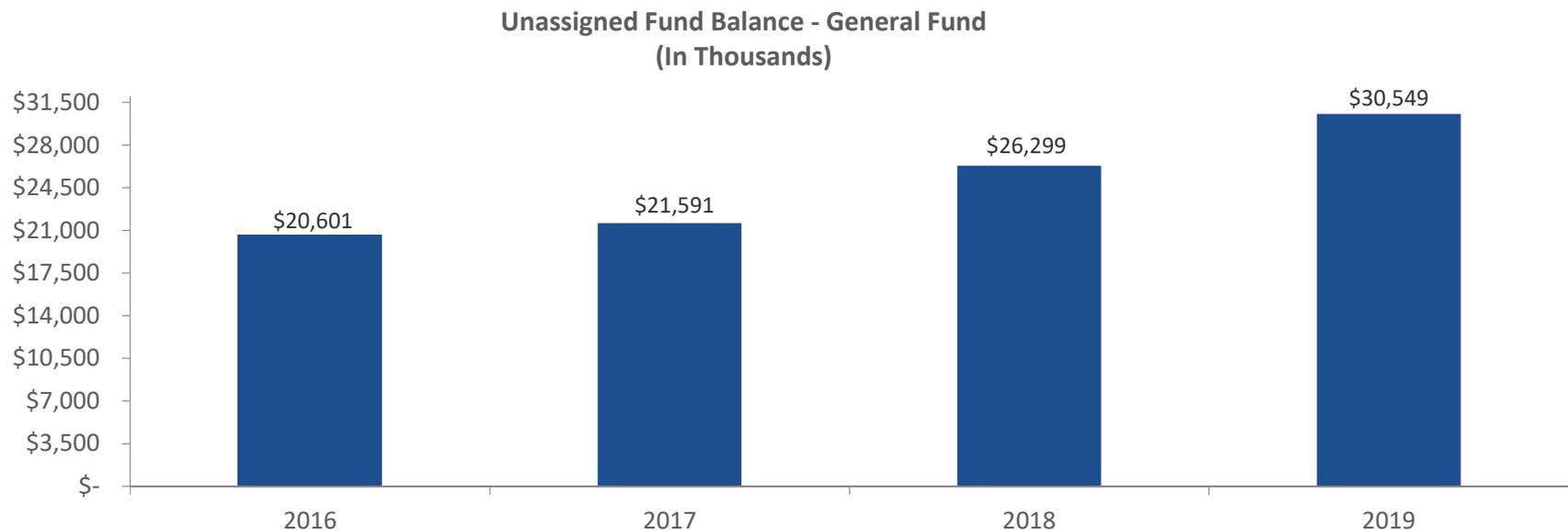
Selected Tax Revenues - Governmental Funds
(In Thousands)



OBSERVATION

Both sales taxes and property taxes have had steady increases each year since 2016. Franchise taxes have had slight decreases with the exception of a notable rebound in 2018 stemming from electric and natural gas franchise tax receipts while telecom franchise taxes continue to decline.

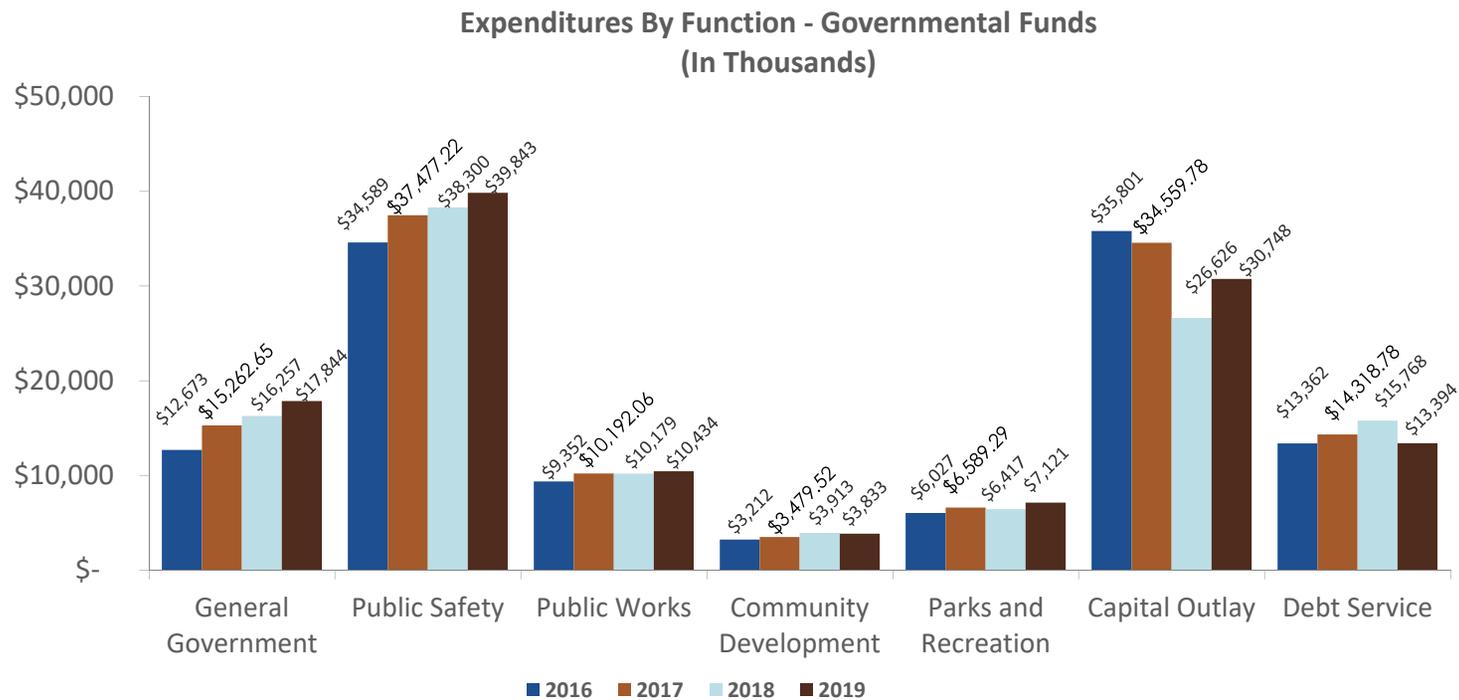
Graphs (Continued)



OBSERVATION

From 2016 to 2019, the General Fund has had a surplus of revenues over expenditures and the unassigned fund balance in the General Fund has been steadily growing. The 2019 balance represents approximately 43% of the expenditures in the fund for the entire year.

Graphs (Continued)



OBSERVATION

Current year increases in general government and public safety categories are largely due to the implementation of a compensation study and corresponding benefits. Capital outlay expenditures for 2019 included road construction on South Ward Road, progress on the emergency services radio system, progress on Park South, and continued road maintenance.

Independent Auditors' Report On Additional Information

City of Lee's Summit, Missouri

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

Our report, dated December 19, 2019, on our audit of the basic financial statements of the City of Lee's Summit, Missouri (the City) for the year ended June 30, 2019 accompanies the financial statements of the City. That audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The additional information presented on pages 7 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no such opinion on it.

RubinBrown LLP

December 19, 2019

Management Representation Letters



LEE'S SUMMIT MISSOURI

December 19, 2019

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

The City of Lee's Summit, Missouri (referred to as the "City" or "We") is providing this letter in connection with RubinBrown, LLP's ("you" or "your") audit of the City's financial statements as of June 30, 2019 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and, where applicable, cash flows thereof in conformity with generally accepted accounting principles of the United States of America ("GAAP"). The City confirms that it is responsible for the fair presentation of such financial statements in conformity with GAAP.

The City understands it is responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

The City confirms, to the best of its knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with GAAP 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 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 GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP 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 financial statements or in the schedule of findings and questioned costs.
 8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected and corrected misstatements are attached to the representation letter.
 9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
 10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.
 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.
 - 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 City Council meetings and 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 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.
 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
 16. We have disclosed to you all known instances of noncompliance and 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.
19. We have made available to you all financial records and related data.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
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 net position.
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 we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
26. 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.
27. As part of your audit, you assisted with preparation of the financial statements and related notes, the 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, the schedule of expenditures of federal awards.
28. 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.
29. 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.
30. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
31. 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.
32. The financial statements properly classify all funds and activities.
33. 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.

34. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
35. Investments, derivative instruments, and land are properly valued.
36. Provisions for uncollectible receivables have been properly identified and recorded.
37. 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.
38. 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.
39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
40. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
41. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
42. We have considered the closing of the City landfill and have written off all related capital assets no longer deemed to have future value or service capacity.
43. 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 was properly recognized under the policy.
44. 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.
45. With respect to the combining and individual non-major fund financial statements and schedules,
 - a. We acknowledge our responsibility for presenting the combining and individual non-major fund financial statements and schedules in accordance with accounting principles GAAP, and we believe the combining and individual non-major fund statements and schedules, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the combining and individual non-major fund statements and schedules have not changed from those used in the 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 combining and individual non-major fund statements and schedules 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.
46. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements set forth in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (The "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) 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 and included in the SEFA 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, 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 laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements 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 requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements 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 contracts and grant agreements (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 Uniform Guidance Compliance Supplement, relating to

federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.

- j. We have disclosed any communications from grantors 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 the OMB Compliance Supplement.
- 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 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 in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
- 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 monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.

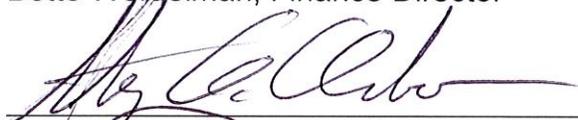
- v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - w. We have charged costs to federal awards in accordance with applicable cost principles.
 - x. We are responsible for and have accurately prepared the summary schedule of prior 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.
 - y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - z. We are responsible for preparing and implementing a corrective action plan for each audit finding, if any.
47. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. 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 financial statements or in the schedule of findings and questioned costs.



Darlene Pickett, Controller



Bette Wordelman, Finance Director



Stephen A. Arbo, City Manager

Client: 20600.0000 - City of Lee's Summit
 Engagement: 2019 AUD - City of Lee's Summit
 Period Ending: 6/30/2019
 Trial Balance: TB
 Workpaper: 3001 - Adjusting Journal Entries Report

Adjusting Journal Entries JE # 25

5600.2

AJE to properly reflect CY balances of deferred outflows related to OPEB (backing out PY deferred outflows amounts)

500-4726-0	OPEB revenue	32,662.00	
500-7017-0	OPEB-Other Post Empl Bene	24,300.00	
510-4726-0	OPEB revenue	5,570.00	
510-7017-0	OPEB-Other Post Empl Bene	1,266.00	
520-7017-0	OPEB-Other Post Empl Bene	1,139.00	
600-4726-0	OPEB revenue	4,320.00	
600-7017-0	OPEB-Other Post Empl Bene	2,515.00	
610-4726-0	OPEB revenue	6,686.00	
610-7017-0	OPEB-Other Post Empl Bene	3,567.00	
620-4726-0	OPEB revenue	25,792.00	
620-7017-0	OPEB-Other Post Empl Bene	1,550.00	
500-1856-0	Deferred Outflow OPEB		56,962.00
510-1856-0	Deferred Outflow OPEB		6,836.00
520-1856-0	Deferred Outflow OPEB		1,139.00
600-1856-0	Deferred Outflow OPEB		6,835.00
610-1856-0	Deferred Outflow OPEB		10,253.00
620-1856-0	Deferred Outflow OPEB		27,342.00
Total		<u><u>109,367.00</u></u>	<u><u>109,367.00</u></u>

Adjusting Journal Entries JE # 26

3100.10

AJE to record prior period adjustment relating to the 2011 TIF payment to fiscal agent (decrease in beginning equity) and unwinding of related CY revenue/expense

300-3000-0	Fund Balance	15,276,822.00	
300-4600-0	Interest On Investments	190,114.00	
300-4600-0	Interest On Investments	95,367.00	
300-4601-0	Mark to Market Adjustment	18,853.00	
300-7800-0	Bond Redemption		14,585,000.00
300-7801-0	Interest Expense		996,156.00
Total		<u><u>15,581,156.00</u></u>	<u><u>15,581,156.00</u></u>

Account	Description	W/P Ref	Debit	Credit
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Proposed Journal Entries

Proposed Journal Entries JE # 27 3100.11a

Entry on the government wide basis to move the capital contribution into beginning net assts related to the sale of land that had never been recorded but is recorded a current year capital contribution.

034-40010 Contributed Capital Revenue

2,191,000.00

034-30000 Net Assets

2,191,000.00

Total

2,191,000.00

2,191,000.00



LEE'S SUMMIT MISSOURI

January 14, 2020

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

The City of Lee's Summit, Missouri (referred to as the "City" or "We") is providing this letter in connection with RubinBrown, LLP's ("you" or "your") audit of the City's financial statements as of June 30, 2019 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and, where applicable, cash flows thereof in conformity with generally accepted accounting principles in the United States of America ("GAAP"). You were previously provided with a representation letter dated as of December 19, 2019. This letter also included representations related to your audit of the City's schedule of expenditures of federal awards, as well as the City's compliance with requirements applicable to each major program and on internal control over compliance in accordance with the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). No information has come to the City's attention that would cause it to believe that any of those previous representations should be modified.

To the best of the City's knowledge and belief, no events have occurred subsequent to June 30, 2019 and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, schedule of federal expenditures and your report on the City's compliance with requirement applicable to each major program and on internal control over compliance in accordance with the Uniform Guidance.

The City understands it is responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

The City confirms, to the best of its knowledge and belief the following representations made to you during your audit.

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with GAAP 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. All events subsequent to the date of the financial statements and for which GAAP 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 financial statements or in the schedule of findings and questioned costs.
6. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
7. 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.
 - 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.
8. 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.
9. 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.
10. 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.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
12. We have disclosed to you all known instances of noncompliance and suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements and the schedule of expenditures of federal awards.
13. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements and the schedule of expenditures of federal awards.
14. We have made available to you all financial records and related data.
15. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
16. We have a process to track the status of audit findings and recommendations.
17. 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.
18. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
19. 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 we have identified and disclosed to you all laws, regulations and provisions of contracts and grant

agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

20. 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.
21. As part of your audit, you assisted with preparation of the financial statements and related notes, the 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, the schedule of expenditures of federal awards.
22. 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.
23. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
24. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards in accordance with GAAP, and we believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the schedule of expenditures of federal awards.
 - a. If 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 we issue the schedule of expenditures of federal awards and the auditor's report thereon.
25. With respect to federal award programs:
 - a. We are responsible for understanding and complying with and have complied with the requirements set forth in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (The "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) 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 and included in the SEFA 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, 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 laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements 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 requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements 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 contracts and grant agreements (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 Uniform Guidance Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- j. We have disclosed any communications from grantors 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 the OMB Compliance Supplement.
- 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 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 in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
 - 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 monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
 - u. We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
 - v. We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
 - w. We have charged costs to federal awards in accordance with applicable cost principles.
 - x. 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.
 - y. We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - z. We are responsible for preparing and implementing a corrective action plan for each audit finding, if any.
26. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. 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 financial statements or in the schedule of findings and questioned costs.



Bette Wordelman, Finance Director