



March 30, 2022

To the Members of Council  
Borough of Jenkintown  
Jenkintown, Pennsylvania

We have audited the annual audit and financial report ("financial statements") of the Borough of Jenkintown as of and for the year ended December 31, 2021 and have issued our report thereon dated March 30, 2022. Professional standards require that we advise you of the following matters relating to our audit.

#### Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 14, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the financial reporting provisions of the Department of Community and Economic Development ("DCEd") of the Commonwealth of Pennsylvania. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Borough of Jenkintown solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

#### Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements was the estimate of the fair value of investments held by the pension funds.

- Management's estimate of the fair value of investments held by the pension funds is based on quoted prices in actively traded markets for identical securities. We evaluated the key factors and assumptions used to develop the fair value of investments and determined that it is reasonable in relation to the financial statements taken as a whole.

## Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## Uncorrected and Corrected Misstatements

As part of our audit, we assisted management with the preparation of certain journal entries. The attached schedule of adjusting entries summarizes the adjustments we prepared. Management has posted these adjustments to the books and records of the Borough.

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, and the financial statements as a whole. No uncorrected misstatements were detected as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The misstatements identified by us as a result of our audit procedures and corrected by management were not material to the financial statements taken as a whole.

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#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Borough of Jenkintown's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated March 30, 2022.

#### Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Borough of Jenkintown, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Borough of Jenkintown's auditor.

#### Restriction on Use

This report is intended solely for the information and use of Borough Council and management of the Borough of Jenkintown, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

  
BARBACANE, THORNTON & COMPANY LLP

Client: **31793.0 - Borough of Jenkintown**  
Engagement: **31793 - Borough of Jenkintown**  
Period Ending: **12/31/2021**  
Trial Balance: **3500.01 - Fund Trial Balance**  
Workpaper: **3700.01 - Journal Entries**  
Fund Level: **All**  
Index: **All**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>		<b>5300.05</b>		
To correct the principal and interest paid.				
20.471.400	DEBT PRINCIPAL - 433-435 CEDAR		22.00	
20.472.400	DEBT INTEREST - 433-435 CEDAR			22.00
<b>Total</b>			<b>22.00</b>	<b>22.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
<b>Adjusting Journal Entries JE # 2</b>		<b>5300.05</b>		
To correct Fire Aparatus Deb principal and interest paid.				
04.471.460	DEBT PRINCIPAL - FIRE APPARATUS		694.00	
04.472.460	DEBT INTEREST - FIRE APPARATUS			694.00
<b>Total</b>			<b>694.00</b>	<b>694.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
<b>Adjusting Journal Entries JE # 3</b>		<b>6100.05</b>		
To adjust equity				
01.389.030	OTHER RECEIPTS		157.00	
01.279.300	FUND BALANCE			157.00
<b>Total</b>			<b>157.00</b>	<b>157.00</b>
<b>Total Adjusting Journal Entries</b>			<b>873.00</b>	<b>873.00</b>
<b>Total All Journal Entries</b>			<b>873.00</b>	<b>873.00</b>