August 7, 2019

Ms. Lorraine Carafa, Borough Administrator

Borough of Sea Girt

4th Avenue & Baltimore Blvd.

Sea Girt, NJ 08750

Dear Ms. Carafa:

Enclosed is a draft form of the Legal Representation Letter, which should be prepared by you on the Borough's letterhead, and mailed or faxed to various attorneys, retained by the Borough as soon as possible.

Generally accepted auditing standards require the receipt of this letter prior to the release of any audit.

Very truly yours,

**ROBERT A. HULSART AND COMPANY**

Robert A. Hulsart

**Robert A. Hulsart**

**Certified Public Accountant**

**Registered Municipal Accountant**

RAH:adf

August 7, 2019

Nicholas Montenegro, Esq.

Montenegro, Thompson, Montenegro & Genz

531 Burnt Tavern Road

Brick, NJ 08724

Dear Sir:

Our auditor, Robert A. Hulsart, of Robert A. Hulsart and Company, P.O. Box 1409, Wall, NJ 07719 is conducting an audit of our financial statements as of December 31, 2018, and for the year then ended. Please furnish to them the information requested below involving matters as to which you have been engaged and to which you have devoted substantive attention on behalf of the Borough, in the form of legal consultation or representation.

# **Pending or Threatened Litigation (excluding unasserted**

**claims and assessments)**

Please furnish our auditors a description of all material pending or threatened litigation, claims and assessments (excluding unasserted claims and assessments). Materiality for purposes of this letter includes items involving amounts exceeding $123,913 individually or in the aggregate. The description of each case should include:

1. the nature of the litigation;
2. the progress of the case to date;
3. how management of the Borough is responding or intends to respond to the litigation, e.g., to contest the case vigorously or to seek an out-of-court settlement; and
4. an evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

# **Unasserted Claims or Assessments**

We have represented to our auditors that there are no unasserted possible claims or assessments that you have advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5 (excerpts of which can be found in ABA’s Auditor’s Letter Handbook).

N. Montenegro, Esq.

August 7, 2019

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We understand that whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, you have formed a professional conclusion that we should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to us, you will so advise us and will consult with us concerning the questions of such disclosure and the applicable requirements of Statement of Financial Accounting Standards No. 5. Please specifically confirm to our auditors that our understanding is correct.

# **Response**

Your response should include matters that existed as of December 31, 2018, and during the period from that date to the effective date of your response.

Please specifically identify the nature of, and reasons for, any limitations on your response.

***Our auditors expect to have the audit completed on August 13, 2019, and would appreciate receiving your reply with a specified effective date no later than August 13, 2019***.

# **Other Matters**

Please also indicate the amount we were indebted to you for services and expenses on December 31, 2018.

Very truly yours,

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Lorraine P. Carafa, RMC

Clerk-Administrator

cc: R.A. Hulsart