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Certified Public Accountants

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December 31, 2010

Ms. Diana McGlone
Council President
Middletown Borough
60 West Emaus Street
Middletown, PA 17057

Dear Ms. McGlone:

Enclosed are three final copies of the New Communities Program audit, Contract C000014818, for the contract period July 1, 2005 to June 30, 2010.

In accordance with the grant closeout guidelines (extended by Dick Wagner of DCED through December 31, 2010, additional extension until January 7, 2011 requested), you are required to submit the following within 120 days of the contract termination date: Financial Compliance Audit and the Grantee Response and Corrective Action Plan. These documents should be submitted to:

PA Department of Community and Economic Development
Operations and Compliance Office
Attn: Dick Wagner
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

The Corrective Action Plan should include the following:

- Description of finding
- Specific steps taken to correct the finding or specific reasons why it is not necessary to correct the finding
- Timetable for performance of the corrective action
- Description of monitoring to ensure steps taken

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Maher Duessel



Tracey L. Rash, CPA, CGFM
Partner

Enclosures