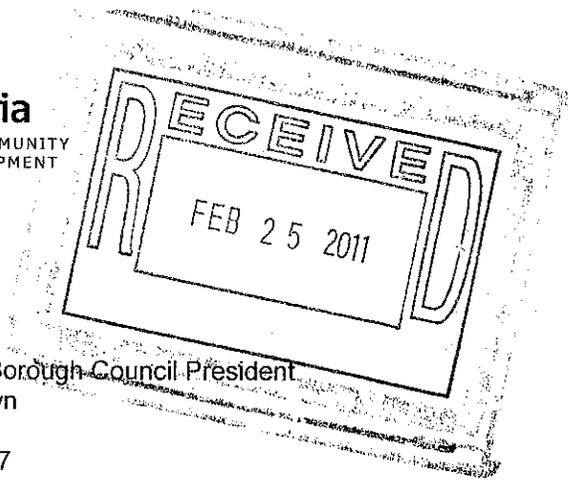


2/22/2011

Danny A. Crawford, Borough Council President  
Borough of Middletown  
60 W. Emaus Street  
Middletown, PA 17057



## NOTICE OF REJECTED AUDIT

Re: Contract #: C000014818  
Program: New Communities- Anchor Buildings  
Contract Period: 7/1/2005 through 6/30/2010  
Amount: \$ 500,000

Dear Danny A. Crawford:

Your audit report for the above captioned contract is being rejected for the following reasons:

- The Independent Auditor's Report does not state that the auditor's examination was made in accordance with Generally Accepted Government Auditing Standards.
- The Independent Auditor's Report does not state whether or not the financial statements are presented in compliance with Generally Accepted Accounting Principles, or a basis of accounting that the reporting entity uses to comply with the financial reporting requirements of a governmental regulatory agency.
- Interest earned of \$1,536 plus any additional interest earned must be returned to DCED.

Please correct the noted deficiencies and provide a corrected audit report to this office. If an acceptable audit is not submitted to this office within sixty (60) days from the date of this letter, or if acceptable past due audit or closeout reports for other grants awarded to you by this Department are not submitted as required, you will become **ineligible** to receive any additional assistance from this Department. Eligibility will be restored only upon your full compliance with these requirements.

If you have any questions, or if we can be of any assistance to you please contact Dick Wagner at (717) 720-7348 or via e-mail at [riwagner@state.pa.us](mailto:riwagner@state.pa.us).

Sincerely,

*Nadine E. Ibberson, Director*  
Audits and Compliance Division



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Compliance  
Division

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