



RSM US LLP

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March 6, 2020

Honorable Mayor and Members of the City Council
City of Kyle, Texas
Kyle, Texas

Attention: Honorable Mayor and Members of the City Council

This letter is to inform the Mayor, City Council and management of City of Kyle, Texas (the City) about significant matters related to the conduct of our audit as of and for the year ended September 30, 2019, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter dated June 19, 2019. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication, dated June 19, 2019, regarding the planned scope and timing of our audit and have discussed with you our identification of significant risks of material misstatement.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of the City's significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures. The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

- Fair value of investments
- Assumptions for pension plans and related net pension liabilities
- Assumptions for other postemployment benefits other than pension
- Depreciable useful lives of capital assets

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

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Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Other Matters

Our responsibility for other information in documents containing the City's Comprehensive Annual Financial Report (CAFR) is to read the information and consider whether its content or manner of its presentation is materially inconsistent with the financial information covered by our auditor's report or whether it contains a material misstatement of fact.

Thus, in regards to the CAFR, specifically the introductory and statistical sections of this report, we read the introductory and statistical sections and consider whether the information or the manner in which it is presented is materially inconsistent with information or the manner of presentation of the basic financial statements. Based on our reading, we will determine if the information or manner of presentation requires any revisions.

Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

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

RSM US LLP



CITY OF KYLE

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March 6, 2020

RSM US LLP
811 Barton Springs Rd, Suite 500
Austin, Texas 78704

This representation letter is provided in connection with your audit of the financial statements of the City of Kyle, Texas as of and for the year ended September 30, 2019, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of March 6, 2020

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 19, 2019 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. There are no related-party transactions, including those with other organizations for which the nature and significance of their relationship with City of Kyle are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which City of Kyle has an interest, and jointly governed organizations in which City of Kyle participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. There are no events subsequent to the date of the financial statements for which U.S. GAAP requires adjustment or disclosure.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
9. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
10. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

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 City from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the City Council and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of allegations of fraud or suspected fraud affecting the City's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - 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 City's financial statements received in communications from employees, former employees, analysts, regulators, or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
17. We are not aware of any pending or threatened litigation and claims 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 are aware of no significant deficiencies, or material weaknesses in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

22. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is 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 of issuance of the supplementary information and the auditor's report thereon.
23. With respect to Management Discussion and Analysis; Pension and Other Post Employment Schedules presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP

- c. The methods of measurement or presentation have not changed from those used in the prior period.

City of Kyle, Texas



Perwez A. Moheet, CPA, Director of Finance



Andy Alejandro, Accounting Manager