

CITY OF VIENNA
CITY COUNCIL MEETING
VIENNA CITY HALL
205 North 4th St
July 3, 2019
6:30 P.M.

AGENDA

1. Mayor Calls Meeting to Order.
2. Roll Call:

Hill_____ Riddle_____ Owen_____ Racey_____ Tuey_____ Penrod_____

NEW BUSINESS

3. Omnibus Consent Agenda

- Approval of the June 19, 2019 Meeting Minutes
- Approval of the Warrant
- Treasurer's Report (May)

Motion_____Seconded_____

Hill_____ Riddle_____ Owen_____ Racey_____ Tuey_____ Penrod_____

4. Authorization and Approval to hire Jeff Jordan /Security for the 2019-2020 school year (wages reimbursed quarterly through VHS)

Motion_____Seconded_____

Hill_____ Riddle_____ Owen_____ Racey_____ Tuey_____ Penrod_____

5. Authorization and Approval of engagement letter for Beussink and Hickam, LLC to perform 2019 FY Audit

Motion_____Seconded_____

Hill_____ Riddle_____ Owen_____ Racey_____ Tuey_____ Penrod_____

6. Authorization and Approval of purchase and use of taser gun for the Vienna police dept.
(Jim Miller, Police Chief)

Motion _____ Seconded _____

Hill _____ Riddle _____ Owen _____ Racey _____ Tuey _____ Penrod _____

PUBLIC COMMENT/ADDITION TO THE AGENDA

7. **City Elected and Appointed Officials:**

- Jon Simmons, Mayor
- Aleatha Wright, City Clerk-Request of restroom needs per JCYL
- Shane Racey, City Supt- Electrical work at water plant for air compressor
- Michelle Meyers, Treasurer
- Jim Miller, Chief of Police
- Brent Williams, Fire Chief
- Margaret Mathis, City Librarian
- Phil Morris, Depot-Family counseling appreciation picnic
- City Council

8. **Adjournment:**

POSTED: 07-01-19

BY: 

BEUSSINK, HICKAM & KOCHER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
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June 17, 2019

Honorable Mayor and City Council
City of Vienna, Illinois
205 N 4th Street
Vienna, Illinois 62995

We are pleased to confirm our understanding of the services we are to provide the City of Vienna, Illinois for the period ended April 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Vienna, Illinois as of and for the period ended April 30, 2019.

The accounting records of the City are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, our opinion will be limited to an expression of opinion as to the fairness with which the modified cash basis financial statements present assets, liabilities, and net assets arising from modified cash transactions and the revenues and expenses from modified cash transactions. Such statements do not purport to present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

We have also been engaged to report on other information that accompanies the Lake Egypt Water District's modified cash basis financial statements. We will subject the following other information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the modified cash basis financial statements or to the modified cash basis financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Combining Statements
- 2) Other Statistical Information

Audit Objectives

The objective of our audit is the expression of opinions as to whether your modified cash basis financial statements are fairly presented, in all material respects, in conformity with the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and to report on the fairness of the other information referred to in the third paragraph when considered in relation to the modified cash basis financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City of Vienna and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Vienna, Illinois's modified cash basis financial statements. Our report will be addressed to the Mayor and City

Council of the City of Vienna, Illinois. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the modified cash basis financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the modified cash basis financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Vienna, Illinois is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the modified cash basis financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the modified cash basis financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the modified cash basis financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the modified cash basis financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the modified cash basis financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and

detecting errors and fraud that are material to the modified cash basis financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the modified cash basis financial statements are free of material misstatement, we will perform tests of the City of Vienna, Illinois's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the modified cash basis financial statements and related notes of the City of Vienna, Illinois in accordance with the special purpose framework. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the modified cash basis financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the modified cash basis financial statements and all accompanying information in accordance with the special purpose framework, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the modified cash basis financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the modified cash basis financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In

addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the other information, which we have been engaged to report on, in accordance with the special purpose framework. You agree to include our report on the other information in any document that contains and indicates that we have reported on the other information. You also agree to make the audited financial statements readily available to users of the other information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the other information in accordance with the special purpose framework; (2) you believe the other information, including its form and content, is fairly presented in accordance with the special purpose framework; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the other information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the modified cash basis financial statements and related notes and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the modified cash basis financial statements and related notes and that you have reviewed and approved the modified cash basis financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City Council; however, management is responsible for distribution of the reports and the modified cash basis financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Beussink, Hickam & Kochel, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any regulatory body or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Beussink, Hickam & Kochel, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

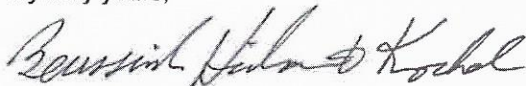
The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a federal or state regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately July 15, 2019 and to issue our reports no later than October 31, 2019. Scott A. Hickam, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$ 14,000.00. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered at 50% upon the start of fieldwork, 25% upon completion of fieldwork, and 25% upon delivery of the final reports and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Vienna, Illinois and believe this letter accurately summarizes the significant terms of our engagement. We have attached a copy of our most recent external peer review report. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Beussink, Hickam & Kochel, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Vienna, Illinois.

Signature: _____

Title: _____