



CliftonLarsonAllen LLP  
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The Honorable Mayor and City Council  
City of Kewanee, Illinois  
Kewanee, Illinois

We have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kewanee, Illinois (the City) as of and for the year ended April 30, 2019, and have issued our report thereon dated June 12, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant audit findings**

### ***Qualitative aspects of accounting practices***

#### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Kewanee, Illinois are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### **Accounting estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

#### **Financial statement disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties encountered in performing the audit***

The completion of our audit was significantly delayed because the Operations and Payroll bank accounts were not properly reconciled throughout fiscal year 2019.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Corrected misstatements***

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

***Disagreements with management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated June 12, 2020.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

We have provided a separate letter to you dated June 12, 2020, communicating internal control related matters identified during the audit.

**Other information in documents containing audited financial statements**

With respect to the combining schedules of cash transactions (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash basis of accounting, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated June 12, 2020.

The schedules of cash transactions – budget to actual accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

\* \* \*

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Peoria, Illinois  
June 12, 2020

# SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

City of Kewanee, Illinois

Governmental Activities

Year Ended April 30, 2019

## UNCORRECTED ADJUSTMENTS

## Effect of misstatements on:

Description	Assets	Liabilities	Net Position	Change in Net Position
To correct cash as of 4/30/19.	\$ (17,804)	\$ -	\$ 17,804	\$ 17,804
Net current year misstatements (Iron Curtain Method)	(17,804)	-	17,804	17,804
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	\$ (17,804)	\$ -	\$ 17,804	\$ 17,804
Financial statement totals	<u>\$ 12,046,338</u>	<u>\$ -</u>	<u>\$ (12,046,338)</u>	<u>\$ 464,016</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	#DIV/0!	0%	4%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	#DIV/0!	0%	4%

## INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None	

# SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

City of Kewanee, Illinois

Cemetery Fund

Year Ended April 30, 2019

## UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Net Position	Change in Net Position
To correct cash as of 4/30/19.	\$ 8,473	\$ -	\$ (8,473)	\$ (8,473)
Net current year misstatements (Iron Curtain Method)	8,473	-	(8,473)	(8,473)
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	\$ 8,473	\$ -	\$ (8,473)	\$ (8,473)
Financial statement totals	<u>\$ 1,139,975</u>	<u>\$ -</u>	<u>\$ (1,139,975)</u>	<u>\$ (8,272)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	1%	#DIV/0!	1%	102%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	1%	#DIV/0!	1%	102%

## INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None	

# SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT

City of Kewanee, Illinois

Aggregate Remaining Funds

Year Ended April 30, 2019

## UNCORRECTED ADJUSTMENTS

Effect of misstatements on:

Description	Assets	Liabilities	Fund Balance	Change in Fund Balance
To correct cash as of 4/30/19.	\$ (21,043)	\$ -	\$ 21,043	\$ 21,043
Net current year misstatements (Iron Curtain Method)	(21,043)	-	21,043	21,043
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	\$ (21,043)	\$ -	\$ 21,043	\$ 21,043
Financial statement totals	<u>\$ 3,205,516</u>		<u>\$ (3,205,516)</u>	<u>\$ (250,449)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	-1%	#DIV/0!	-1%	-8%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	-1%	#DIV/0!	-1%	-8%

## INADEQUATE DISCLOSURES

Description	Amount (If Applicable)
None	

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.01 - General Fund  
Workpaper: 0921.01 - General Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. A).				
01-00-145	Due from Soc. Sec. 19		1,084.00	
01-11-929	MISC. EXP./REFUNDS		1,084.00	
01-00-114.00	SBT-OPERATIONS			1,084.00
01-00-145	Due from Soc. Sec. 19			1,084.00
<b>Total</b>			<b>2,168.00</b>	<b>2,168.00</b>
<b>Adjusting Journal Entries JE # 3</b>		PBC		
To record client proposed entry (Ref. C).				
01-00-144	Due from Payroll 75		1,930.00	
01-00-114.00	SBT-OPERATIONS			1,930.00
<b>Total</b>			<b>1,930.00</b>	<b>1,930.00</b>
<b>Adjusting Journal Entries JE # 4</b>		PBC		
To record client proposed entry (Ref. D).				
01-00-243	Due to Payroll 75		141,943.00	
01-00-114.00	SBT-OPERATIONS			141,943.00
<b>Total</b>			<b>141,943.00</b>	<b>141,943.00</b>
<b>Adjusting Journal Entries JE # 5</b>		PBC		
To record client proposed entry (Ref. E).				
01-00-114.00	SBT-OPERATIONS		2,530.00	
01-00-243	Due to Payroll 75			2,530.00
<b>Total</b>			<b>2,530.00</b>	<b>2,530.00</b>
<b>Adjusting Journal Entries JE # 6</b>		PBC		
To record client proposed entry (Ref. F).				
01-41-421	SALARIES-REGULAR		77.00	
01-00-243	Due to Payroll 75			77.00
<b>Total</b>			<b>77.00</b>	<b>77.00</b>
<b>Adjusting Journal Entries JE # 7</b>		PBC		
To record client proposed entry (Ref. H).				
01-00-243	Due to Payroll 75		14,080.00	
01-00-114.00	SBT-OPERATIONS			14,080.00
<b>Total</b>			<b>14,080.00</b>	<b>14,080.00</b>
<b>Adjusting Journal Entries JE # 8</b>		PBC		
To record client proposed entry (Ref. I).				
01-00-243	Due to Payroll 75		208.00	
01-00-114.00	SBT-OPERATIONS			208.00
<b>Total</b>			<b>208.00</b>	<b>208.00</b>
<b>Adjusting Journal Entries JE # 9</b>		PBC		
To record client proposed entry (Ref. J & K).				
01-00-114.00	SBT-OPERATIONS		1,486,160.00	
01-00-217	Payroll Deductions Payable		1,463,380.00	
01-11-939	Penalties Paid		17,131.00	
01-00-114.00	SBT-OPERATIONS			1,480,511.00
01-00-217	Payroll Deductions Payable			1,486,160.00

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.01 - General Fund  
Workpaper: 0921.01 - General Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Total</b>			<b>2,966,671.00</b>	<b>2,966,671.00</b>
<b>Adjusting Journal Entries JE # 10</b>		<b>PBC</b>		
To record client proposed entry (Ref. N).				
01-11-929	MISC. EXP./REFUNDS		114.00	
01-00-114.00	SBT-OPERATIONS			114.00
<b>Total</b>			<b>114.00</b>	<b>114.00</b>
<b>Adjusting Journal Entries JE # 11</b>		<b>PBC</b>		
To record client proposed entry (Ref. P).				
01-11-929	MISC. EXP./REFUNDS		4,860.00	
01-00-114.00	SBT-OPERATIONS			4,860.00
<b>Total</b>			<b>4,860.00</b>	<b>4,860.00</b>
<b>Adjusting Journal Entries JE # 12</b>		<b>PBC</b>		
To record client proposed entry (Ref. Q).				
01-11-929	MISC. EXP./REFUNDS		27,357.00	
01-00-114.00	SBT-OPERATIONS			27,357.00
<b>Total</b>			<b>27,357.00</b>	<b>27,357.00</b>
<b>Adjusting Journal Entries JE # 14</b>		<b>WTB</b>		
To correct FS presentation to cash basis of accounting.				
01-00-217	Payroll Deductions Payable		22,780.00	
01-00-999	INTERFUND TRANSFER		155,554.00	
01-00-144	Due from Payroll 75			1,930.00
01-00-243	Due to Payroll 75			153,624.00
01-11-929	MISC. EXP./REFUNDS			5,649.00
01-11-939	Penalties Paid			17,131.00
<b>Total</b>			<b>178,334.00</b>	<b>178,334.00</b>



Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.16 - Municipal Retirement Fund  
Workpaper: 0921.16 - Municipal Retirement Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. D).				
16-00-243	Due to Payroll 75		7,438.00	
16-00-114.00	SBT-OPERATIONS			7,438.00
<b>Total</b>			<b>7,438.00</b>	<b>7,438.00</b>
<b>Adjusting Journal Entries JE # 2</b>		WTB		
To correct FS presentation to cash basis of accounting.				
16-00-999	INTERFUND TRANSFER		7,438.00	
16-00-243	Due to Payroll 75			7,438.00
<b>Total</b>			<b>7,438.00</b>	<b>7,438.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.19 - Social Security Fund  
Workpaper: 0921.19 - Social Security Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. A).				
19-00-114.00	SBT-OPERATIONS		1,084.00	
19-00-243	DUE TO PAYROLL 75		1,084.00	
19-00-241	Due to General 01			1,084.00
19-00-243	DUE TO PAYROLL 75			1,084.00
<b>Total</b>			<b>2,168.00</b>	<b>2,168.00</b>
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. D).				
19-00-243	DUE TO PAYROLL 75		7,974.00	
19-00-114.00	SBT-OPERATIONS			7,974.00
<b>Total</b>			<b>7,974.00</b>	<b>7,974.00</b>
<b>Adjusting Journal Entries JE # 3</b>		PBC		
To record client proposed entry (Ref. G).				
19-14-461	SOCIAL SECURITY CONTRIBUTION		38.00	
19-00-243	DUE TO PAYROLL 75			38.00
<b>Total</b>			<b>38.00</b>	<b>38.00</b>
<b>Adjusting Journal Entries JE # 4</b>		WTB		
To correct FS presentation to cash basis of accounting.				
19-00-241	Due to General 01		1,084.00	
19-00-999	INTERFUND TRANSFER		6,852.00	
19-00-243	DUE TO PAYROLL 75			7,936.00
<b>Total</b>			<b>7,936.00</b>	<b>7,936.00</b>

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Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.44 - TIF Development Fund  
Workpaper: 0921.44 - TIF Development Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. O).				
44-00-114	SBT-KENTVILLE ROAD		6,960.00	
44-00-114.00	SBT-OPERATIONS			6,960.00
<b>Total</b>			<b>6,960.00</b>	<b>6,960.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.51 - Water Fund  
Workpaper: 0921.51 - Water Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To record client proposed entry (Ref. D).		PBC		
51-00-243	Due to Payroll 75		17,942.00	
51-00-114.00	SBT-OPERATIONS			17,942.00
<b>Total</b>			<b>17,942.00</b>	<b>17,942.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To record client proposed entry (Ref. F).		PBC		
51-42-421	SALARIES-REGULAR		77.00	
51-00-243	Due to Payroll 75			77.00
<b>Total</b>			<b>77.00</b>	<b>77.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To record client proposed entry (Ref. L).		PBC		
51-93-929	MISCELLANEOUS EXPENSES		6,337.00	
51-00-114.00	SBT-OPERATIONS			6,337.00
<b>Total</b>			<b>6,337.00</b>	<b>6,337.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
To record client proposed entry (Ref. M).		PBC		
51-00-114.00	SBT-OPERATIONS		5,967.00	
51-93-929	MISCELLANEOUS EXPENSES			5,967.00
<b>Total</b>			<b>5,967.00</b>	<b>5,967.00</b>
<b>Adjusting Journal Entries JE # 6</b>				
To correct FS presentation to cash basis of accounting.		WTB		
51-00-210	UNAPPLIED CASH DUE		2,838.00	
51-00-257	CUSTOMER DEPOSITS/WATER/METER		828.00	
51-00-258	DEFERRED REVENUE		3,018.00	
51-00-999	INTERFUND TRANSFER		17,865.00	
51-00-243	Due to Payroll 75			17,865.00
51-00-258	DEFERRED REVENUE			
51-42-361	WATER SALES			6,684.00
<b>Total</b>			<b>24,549.00</b>	<b>24,549.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.52 - Sewer Fund  
Workpaper: 0921.52 - Sewer Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. D).				
52-00-243	Due to Payroll 75		6,420.00	
52-00-114.00	SBT-OPERATIONS			6,420.00
<b>Total</b>			<b>6,420.00</b>	<b>6,420.00</b>
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. F).				
52-43-421	SALARIES-REGULAR		77.00	
52-00-243	Due to Payroll 75			77.00
<b>Total</b>			<b>77.00</b>	<b>77.00</b>
<b>Adjusting Journal Entries JE # 3</b>		PBC		
To record client proposed entry (Ref. L).				
52-93-929	MISCELLANEOUS EXPENSES		14,493.00	
52-00-114.00	SBT-OPERATIONS			14,493.00
<b>Total</b>			<b>14,493.00</b>	<b>14,493.00</b>
<b>Adjusting Journal Entries JE # 4</b>		WTB		
To correct FS presentation to cash basis of accounting.				
52-00-258	DEFERRED REVENUE		969.00	
52-00-999	INTERFUND TRANSFER		6,343.00	
52-00-243	Due to Payroll 75			6,343.00
52-43-362	SEWER CHARGES			969.00
<b>Total</b>			<b>7,312.00</b>	<b>7,312.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.54 - Francis Park Fund  
Workpaper: 0921.54 - Francis Park Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>PBC</b>		
To record client proposed entry (Ref. D).				
54-00-243	Due to Payroll 75		576.00	
54-00-114.00	SBT-OPERATIONS			576.00
<b>Total</b>			<b>576.00</b>	<b>576.00</b>
<b>Adjusting Journal Entries JE # 2</b>		<b>WTB</b>		
To correct FS presentation to cash basis of accounting.				
54-00-999	INTERFUND TRANSFER		576.00	
54-00-243	Due to Payroll 75			576.00
<b>Total</b>			<b>576.00</b>	<b>576.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.57 - Sanitation Fund  
Workpaper: 0921.57 - Sanitation Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. D).				
57-00-243	Due to Payroll 75		13,716.00	
57-00-114.00	SBT-OPERATIONS			13,716.00
<b>Total</b>			<b>13,716.00</b>	<b>13,716.00</b>
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. F).				
57-44-421	SALARIES-REGULAR		77.00	
57-00-243	Due to Payroll 75			77.00
<b>Total</b>			<b>77.00</b>	<b>77.00</b>
<b>Adjusting Journal Entries JE # 3</b>		PBC		
To record client proposed entry (Ref. L).				
57-44-929	MISCELLANEOUS EXPENSE		8,395.00	
57-00-114.00	SBT-OPERATIONS			8,395.00
<b>Total</b>			<b>8,395.00</b>	<b>8,395.00</b>
<b>Adjusting Journal Entries JE # 4</b>		WTB		
To correct FS presentation to cash basis of accounting.				
57-00-258	DEFERRED REVENUE		17,964.00	
57-00-999	INTERFUND TRANSFER		13,639.00	
57-00-243	Due to Payroll 75			13,639.00
57-44-368	GARBAGE CHARGES			17,964.00
<b>Total</b>			<b>31,603.00</b>	<b>31,603.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.58 - Cemetery Fund  
Workpaper: 0921.58 - Cemetery Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. D).				
58-00-243	DUE TO PAYROLL		8,023.00	
58-00-114.00	SBT-OPERATIONS			8,023.00
<b>Total</b>			<u>8,023.00</u>	<u>8,023.00</u>
<b>Adjusting Journal Entries JE # 3</b>		PBC		
To record client proposed entry (Ref. G).				
58-36-422	SALARIES-TEMPORARY		500.00	
58-00-243	DUE TO PAYROLL			500.00
<b>Total</b>			<u>500.00</u>	<u>500.00</u>
<b>Adjusting Journal Entries JE # 4</b>		WTB		
To correct FS presentation to cash basis of accounting.				
58-00-999	INTERFUND TRANSFER		7,523.00	
58-00-243	DUE TO PAYROLL			7,523.00
<b>Total</b>			<u>7,523.00</u>	<u>7,523.00</u>



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Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.62 - Central Maintenance Fund  
Workpaper: 0921.62 - Central Maintenance Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. D).				
62-00-243	Due to Payroll 75		3,535.00	
62-00-114.00	SBT-OPERATIONS			3,535.00
<b>Total</b>			<b>3,535.00</b>	<b>3,535.00</b>
<b>Adjusting Journal Entries JE # 2</b>		WTB		
To correct FS presentation to cash basis of accounting.				
62-00-999	INTERFUND TRANSFER		3,535.00	
62-00-243	Due to Payroll 75			3,535.00
<b>Total</b>			<b>3,535.00</b>	<b>3,535.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.75 - Payroll Fund  
Workpaper: 0921.75 - Payroll Fund AJEs

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		PBC		
To record client proposed entry (Ref. A).				
75-00-159.0	Due from Soc. Sec. 19		1,084.00	
75-00-213	FIT Withheld Payable		1,467.00	
75-00-214	SIT Withheld Payable		686.00	
75-00-215	FICA Withheld Payable		1,084.00	
75-00-114	SBT - PAYROLL			4,321.00
<b>Total</b>			<b>4,321.00</b>	<b>4,321.00</b>
<b>Adjusting Journal Entries JE # 2</b>		PBC		
To record client proposed entry (Ref. B).				
75-00-295	CURRENT YEAR GAIN/LOSS		1,634.00	
75-00-114	SBT - PAYROLL			1,634.00
<b>Total</b>			<b>1,634.00</b>	<b>1,634.00</b>
<b>Adjusting Journal Entries JE # 3</b>		WTB		
To correct CY miscellaneous expenditure incorrectly posted to fund balance.				
75-11-929	MISCELLANEOUS EXP.		1,634.00	
75-00-295	CURRENT YEAR GAIN/LOSS			1,634.00
<b>Total</b>			<b>1,634.00</b>	<b>1,634.00</b>
<b>Adjusting Journal Entries JE # 4</b>		PBC		
To record client proposed entry (Ref. C).				
75-00-114	SBT - PAYROLL		1,930.00	
75-00-241	Due to General 01			1,930.00
<b>Total</b>			<b>1,930.00</b>	<b>1,930.00</b>
<b>Adjusting Journal Entries JE # 5</b>		PBC		
To record client proposed entry (Ref. D).				
75-00-114	SBT - PAYROLL		209,238.00	
75-00-141	Due from General 01			141,943.00
75-00-142	Due from Water 51			17,942.00
75-00-143	Due from Sewer 52			6,420.00
75-00-144	Due from Refuse 57			13,716.00
75-00-145	Due from Cemetery 58			8,023.00
75-00-147	Due from Central Maint. 62			3,535.00
75-00-148	Due from Econ. Dev. 02			1,671.00
75-00-150	Due from Francis Park 54			576.00
75-00-159.0	Due from Soc. Sec. 19			7,974.00
75-00-159.9	Due from IMRF 16			7,438.00
<b>Total</b>			<b>209,238.00</b>	<b>209,238.00</b>
<b>Adjusting Journal Entries JE # 6</b>		PBC		
To record client proposed entry (Ref. E).				
75-00-141	Due from General 01		2,530.00	
75-00-114	SBT - PAYROLL			2,530.00
<b>Total</b>			<b>2,530.00</b>	<b>2,530.00</b>
<b>Adjusting Journal Entries JE # 7</b>		PBC		
To record client proposed entry (Ref. F).				
75-00-141	Due from General 01		77.00	
75-00-142	Due from Water 51		77.00	
75-00-143	Due from Sewer 52		77.00	

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.75 - Payroll Fund  
Workpaper: 0921.75 - Payroll Fund AJEs

Account	Description	W/P Ref	Debit	Credit
75-00-144	Due from Refuse 57		77.00	
75-00-114	SBT - PAYROLL			308.00
<b>Total</b>			<b>308.00</b>	<b>308.00</b>

**Adjusting Journal Entries JE # 8** PBC

To record client proposed entry (Ref. G).

75-00-145	Due from Cemetery 58		500.00	
75-00-159.0	Due from Soc. Sec. 19		38.00	
75-00-213	FIT Withheld Payable		20.00	
75-00-214	SIT Withheld Payable		21.00	
75-00-215	FICA Withheld Payable		38.00	
75-00-114	SBT - PAYROLL			117.00
75-00-114	SBT - PAYROLL			421.00
75-00-213	FIT Withheld Payable			20.00
75-00-214	SIT Withheld Payable			21.00
75-00-215	FICA Withheld Payable			38.00
<b>Total</b>			<b>617.00</b>	<b>617.00</b>

**Adjusting Journal Entries JE # 9** PBC

To record client proposed entry (Ref. H).

75-00-114	SBT - PAYROLL		14,080.00	
75-00-141	Due from General 01			14,080.00
<b>Total</b>			<b>14,080.00</b>	<b>14,080.00</b>

**Adjusting Journal Entries JE # 10** PBC

To record client proposed entry (Ref. I).

75-00-114	SBT - PAYROLL		182.00	
75-00-214	SIT Withheld Payable		10.00	
75-00-215	FICA Withheld Payable		16.00	
75-00-141	Due from General 01			208.00
<b>Total</b>			<b>208.00</b>	<b>208.00</b>

**Adjusting Journal Entries JE # 11** WTB

To correct FS presentation to cash basis of accounting.

75-00-141	Due from General 01		153,624.00	
75-00-142	Due from Water 51		17,865.00	
75-00-143	Due from Sewer 52		6,343.00	
75-00-144	Due from Refuse 57		13,639.00	
75-00-145	Due from Cemetery 58		7,523.00	
75-00-147	Due from Central Maint. 62		3,535.00	
75-00-148	Due from Econ. Dev. 02		1,671.00	
75-00-150	Due from Francis Park 54		576.00	
75-00-159.0	Due from Soc. Sec. 19		6,852.00	
75-00-159.9	Due from IMRF 16		7,438.00	
75-00-241	Due to General 01		1,930.00	
75-11-929	MISCELLANEOUS EXP.		3,263.00	
75-00-213	FIT Withheld Payable			1,467.00
75-00-214	SIT Withheld Payable			696.00
75-00-215	FICA Withheld Payable			1,100.00
75-00-399	INTERFUND TRANSFER			220,996.00
<b>Total</b>			<b>224,259.00</b>	<b>224,259.00</b>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.01 - General Fund  
Workpaper: 0922.01 - General Fund RJE

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 1</b>		<b>2505.00</b>		
To reclassify CY debt service payments.				
CLA-6A	PRINCIPAL PAYMENTS		27,680.00	
CLA-6B	INTEREST PAYMENTS		6,962.00	
01-22-840	VEHICLE			34,642.00
<b>Total</b>			<b>34,642.00</b>	<b>34,642.00</b>
<b>Reclassifying Journal Entries JE # 13</b>		<b>6005.00</b>		
To correct CY interfund transfers.				
01-21-929	MISCELLANEOUS EXPENSE		2.00	
01-11-999	INTERFUND TRANSFER			2.00
<b>Total</b>			<b>2.00</b>	<b>2.00</b>

6/12/2020  
11:41 AM

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.58 - Cemetery Fund  
Workpaper: 0922.58 - Cemetery Fund RJE

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 1		6005.00		
To correct CY interfund transfers.				
58-36-399	INTERFUND TRANSFER		159.00	
58-36-389	MISCELLANEOUS INCOME			159.00
Total			<u>159.00</u>	<u>159.00</u>

6/12/2020  
11:41 AM

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.74 - Health Insurance Fund  
Workpaper: 0922.74 - Health Insurance Fund RJE's

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 1		6005.00		
To reclassify CY contribution revenue.				
74-14-399	INTERFUND TRANSFER		1,241,726.00	
CLA-3B	HEALTH INSURANCE			1,241,726.00
Total			<u>1,241,726.00</u>	<u>1,241,726.00</u>

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.77 - Cemetery Board of Managers Fund  
Workpaper: 0922.77 - Cemetery Board of Managers Fund RJE

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 1		1120.00, 1205.00		
To reclassify CY purchase of CDs.				
77-00-112	ILLINOIS FUNDS		175,000.00	
77-00-111.10	PNB			175,000.00
Total			175,000.00	175,000.00

6/12/2020  
11:41 AM

Client: 001-02587101 - City of Kewanee, Illinois  
Engagement: AUD - City of Kewanee, Illinois  
Period Ending: 4/30/2019  
Trial Balance: 0910.79 - Perpetual Care Agency Fund  
Workpaper: 0922.79 - Perpetual Care Agency Fund RJE's

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 1</b>		6005.00		
To correct CY interfund transfers.				
79-36-381	INTEREST INCOME		11.00	
79-36-999	INTERFUND TRANSFER			11.00
<b>Total</b>			<b>11.00</b>	<b>11.00</b>





401 E. Third St.  
Kewanee, IL 61443  
Phone: 309-852-2611  
Fax: 309-856-6001

June 12, 2020

CliftonLarsonAllen LLP  
301 SW Adams Street, Suite 1000  
Peoria, Illinois 61602

This representation letter is provided in connection with your audit of the cash basis financial statements of City of Kewanee, Illinois, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of April 30, 2019, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with the cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of June 12, 2020, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 16, 2019, for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled 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 are reasonable.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the cash basis of accounting.

6. All events occurring subsequent to the date of the financial statements and for which the cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts, including adjusting journal entries to convert our cash basis records to the accrual basis. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the cash basis of accounting.
9. We have no plans or intentions that may materially affect the carrying value or classification of assets or equity.
10. Participation in a public entity risk pool has been properly reported and disclosed in the financial statements.
11. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

**Information Provided**

1. 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 entity from whom you determined it necessary to obtain audit evidence.
    - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
  3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    - a. Management;
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- b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
  6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
  7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
  8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with the cash basis of accounting.
  9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
  10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
  11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to City of Kewanee, Illinois, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
  12. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
  13. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
  14. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal
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awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.

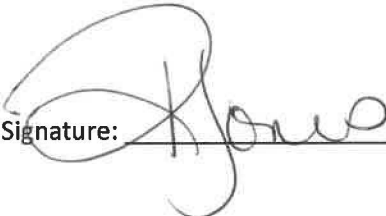
15. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
  16. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
  17. The financial statements properly classify all funds and activities.
  18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
  19. Components of net position (restricted and unrestricted) and equity amounts are properly classified and, if applicable, approved.
  20. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
  21. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
  22. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
  23. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
  24. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
  25. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
  26. We acknowledge our responsibility for presenting the supplementary information in accordance with the cash basis of accounting, and we believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial
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statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

27. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.

Signature:  Title: City Manager

Signature:  Title: Director of Finance and Administrative Services

Signature:  Title: City Clerk