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February 18, 2020

The Honorable Mayor and
Members of the City Council
City of Sheldon
PO Box 276
Sheldon, IA 51201

We have been engaged to audit the City of Sheldon for the year ended June 30, 2019. The audit would normally be completed in December 2019 or January 2020. The Manager in charge of the audit (Tom Hinrichsen) has had serious health issues the past several months which limited his ability to work. This has resulted in a delay on the issuance of the audit.

We have prepared a draft of the audit report which the City has reviewed. We feel the draft is substantially correct except for a few minor changes. During the final review of the workpapers, we discovered that a few procedures required by generally accepted auditing standards were not performed or not properly documented. Due to this, we do not feel comfortable issuing the report at this time. We regret the delay, but we must perform the audit according to the standards of our profession.

This is no reflection on the City. The staff has been very cooperative and there is no indication of any irregularities in the City's records or procedures. In addition, although we do not audit the City's component units, those entities have cooperated with us and have given us their financial information. The delay has been on our end.

Please be advised that the report is due by March 31, 2020 to both the State Auditor and the Federal Clearinghouse (for the Federal funds report). We will plan to present the final report to the Council on March 4, 2020 and send the required reports to the State and Federal Government at that time.

Thank you for your patience and cooperation.

Sincerely,

D. Jeffrey Crew, CPA/CVA/CGMA

DJC:rms