

PLANNING COMMISSION APPLICATIONS

Please take notice that the Rockville City Council is taking applications for Planning Commission positions effective 1/1/2010. Applications can be picked up at Rockville City Hall – 229 Broadway Street East, Rockville, MN 56369 or by checking the web-site www.rockvillecity.org under City Departments. Applications must be returned to City Hall by 12/16/09 – Noon.

Verena M. Weber-CMC
Administrator/Clerk

Publish 11/24/09 & 12/1/09
Cold Spring Record

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Planning Commission Applications 2009.forms

ROCKVILLE PLANNING COMMISSIONER APPLICATION

There is currently one vacant position on the seven member Planning Commission. The minimum commitment required is attendance of monthly meetings, but the Planning Commission occasionally creates subcommittees to work on specific projects. Members do receive \$25 for each monthly meeting attended.

Applications are due no later than _____. The City is searching for individuals that would have a strong interest in helping plan for the City, and can exercise fair and unbiased judgment in zoning decisions. No previous experience of this kind is required, but City Code requires that you must be eligible to vote in Rockville. All seven positions are City residents that are appointed by the City Council, and one voting member is an active member of the City Council. The meetings tend to be relatively casual, and provide an opportunity for you to learn about all that is happening in your community.

If there is not adequate space to answer these questions please continue on a separate sheet, or if there are any other comments you would like to share please do so there also.

Return Application to: City of Rockville, 229 Broadway Street West, Rockville, MN 56369.

NAME: Jerome Bechtolt
ADDRESS: 24353 - 125 Ave St. Cloud Mn 56301
TELEPHONE: Day: 685-3213 Evening: same

Are you eligible to vote in Rockville? Yes No

Please tell us about your background; how long have you lived here, what's your occupation, what connections do you have with the community, and information of that nature.

Danny Farmer resident since 1948
Elmwood Comm member since 1968

Every City has a different mix of residential, commercial and industrial. Share with us your perspective on whether you feel Rockville's mix is a healthy one, and what changes should the Planning Commission be encouraging.

single family residential
Industrial general
Commercial expansion

ROCKVILLE PLANNING COMMISSIONER APPLICATION

DEC 08 2005

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Applications are due no later than _____. The City is searching for individuals that would have a strong interest in helping plan for the City, and can exercise fair and unbiased judgment in zoning decisions. No previous experience of this kind is required, but City Code requires that you must be eligible to vote in Rockville. All seven positions are City residents that are appointed by the City Council, and one voting member is an active member of the City Council. The meetings tend to be relatively casual, and provide an opportunity for you to learn about all that is happening in your community.

If there is not adequate space to answer these questions please continue on a separate sheet, or if there are any other comments you would like to share please do so there also.

Return Application to: City of Rockville, 229 Broadway Street West, Rockville, MN 56369.

NAME: Dale Borgmann

ADDRESS: 25636 Lake Rd St. Cloud

TELEPHONE: Day: 320-980-2614 Evening: 320-259-6973

Are you eligible to vote in Rockville? Yes No

Please tell us about your background; how long have you lived here, what's your occupation, what connections do you have with the community, and information of that nature.

I have lived on Pleasant Lake for 19 years, been in construction business for 26 years, lived + worked on my parent dairy farm before construction. I have a lot of different connections, have to ask and if I don't know I will find someone to help.

Every City has a different mix of residential, commercial and industrial. Share with us your perspective on whether you feel Rockville's mix is a healthy one, and what changes should the Planning Commission be encouraging.

I believe we should pursue more commercial and industrial business, being the residential property is slow at this time

Please list any civic, professional and community activities which you are or have been involved in. For example; church groups, Lions, Jaycees, school related, or any others. If you've held any offices in any organizations be sure to state that also; if you were the treasurer for that organization, for instance.

Rockville Lion Club - President, Finance committee,
Pleasant Lake Area Association - Served as Vice President

What do you think of the growth rate in Rockville? Give an explanation of the positive and negative changes that you see as a result of this growth.

Growth Rate in Rockville is slow at this time with the economic time we are in. I would like Rockville to pursue more commercial business.

The primary purpose of zoning is to protect the well-being of one property owner and the community from what another resident is doing with their property. Doing so requires a balance between property owner's rights and the rights and needs of the community, which can be difficult and unpopular at times. Which is greater, the rights of the property owner or the rights of the community? Explain why.

Both, We as a city need to enforce our ordinances that we have in place. I also believe the city need to work with the property owner who is trying hard to do things right way.

Please discuss very specifically your ability to attend meetings; during the day, evenings, etc. Most everyone has some limitations with their daily schedule, but we would like to know what yours are. Do you travel a lot in state or out? Explain what conflicts you have; for instance "I have Lions club meetings at 7:00 on the first and third Wednesday; I am obligated to travel out of state about four days each month for my job."

I have Lions meetings on the 2nd wed of each month + on 3rd Thur. of each month - day meetings on a day by day basis

ROCKVILLE PLANNING COMMISSIONER APPLICATION

There is currently one vacant position on the seven member Planning Commission. The minimum commitment required is attendance of monthly meetings, but the Planning Commission occasionally creates subcommittees to work on specific projects. Members do receive \$25 for each monthly meeting attended.

Applications are due no later than December 16, 2009. The City is searching for individuals that would have a strong interest in helping plan for the City, and can exercise fair and unbiased judgment in zoning decisions. No previous experience of this kind is required, but City Code requires that you must be eligible to vote in Rockville. All seven positions are City residents that are appointed by the City Council, and one voting member is an active member of the City Council. The meetings tend to be relatively casual, and provide an opportunity for you to learn about all that is happening in your community.

If there is not adequate space to answer these questions please continue on a separate sheet, or if there are any other comments you would like to share please do so there also.

Return Application to: City of Rockville, 229 Broadway Street West, Rockville, MN 56369.

NAME: Toni L. Honer
ADDRESS: 512 Cypress Court Cold Spring MN 56320
TELEPHONE: Day: 320-309-4196 cell Evening: _____
Are you eligible to vote in Rockville? Yes No _____

Please tell us about your background; how long have you lived here, what's your occupation, what connections do you have with the community, and information of that nature.

My family and I moved to the beautiful City of Rockville in November of 2004. I have become very involved in our community through the Rockfest festival, planning commission and serving on task forces. I am a mortgage loan officer with a local office.

Every City has a different mix of residential, commercial and industrial. Share with us your perspective on whether you feel Rockville's mix is a healthy one, and what changes should the Planning Commission be encouraging.

I feel that our city is on the right track for the healthy balance that we seek. I think that the economy has had a dramatic impact on commercial & residential growth, which may be discouraging, but it is bound to get better. I think we should use this "down" time in regards to developing, to tweak our ordinances and future land use maps, so we are ready to grow when the opportunity arises.

Please list any civic, professional and community activities which you are or have been involved in. For example; church groups, Lions, Jaycees, school related, or any others. If you've held any offices in any organizations be sure to state that also; if you were the treasurer for that organization, for instance.

Member of the Rockfest Festival Committee 2005 thru 2008,
Member of the Cold Spring Chamber of Commerce.
Rockville Planning Commission 2005 to 2009, Chair since
July 2007.

What do you think of the growth rate in Rockville? Give an explanation of the positive and negative changes that you see as a result of this growth.

I think that when our city begins to grow again we should remember our consolidation agreement to preserve the "Rural" characteristics of our city, by "road mapping" the areas that we would like to see higher density, and yet encourage our agricultural partners to be able to stay agricultural if they wish. We also need to tap into incentives for commercial + industrial to choose our city.

The primary purpose of zoning is to protect the well-being of one property owner and the community from what another resident is doing with their property. Doing so requires a balance between property owner's rights and the rights and needs of the community, which can be difficult and unpopular at times. Which is greater, the rights of the property owner or the rights of the community? Explain why.

I would not say that one is greater than the other, I think that if we all use common sense that we can almost always come to a resolution that makes the property owner happy and can benefit the city. I think that happy property owners make a happy community that creates tighter bonds and a greater sense of belonging. It also makes community members want to participate!

Please discuss very specifically your ability to attend meetings; during the day, evenings, etc. Most everyone has some limitations with their daily schedule, but we would like to know what yours are. Do you travel a lot in state or out? Explain what conflicts you have; for instance "I have Lions club meetings at 7:00 on the first and third Wednesday; I am obligated to travel out of state about four days each month for my job."

I make my planning commission meetings a TOP priority. I believe that over my past 4 years on the commission I only missed 1 meeting, when I was on a family vacation.

REQUEST FOR COUNCIL ACTION**EXHIBIT**Originating Department
Administration DepartmentRequested By:
Rena WeberDate:
12/16/09*These are changes where we under/over budgeted revenue & expenses***GENERAL GOVERNMENT**

4,578	to	101-41000-32111	R	Reduce on-sale liquor
13,200	to	101-41000-32210	R	Reduce Building Permit fee
1,300	to	101-41000-32230	R	Reduce Plumbing/Mechanical
7,680	to	101-41000-32235	R	Increase Rental Registration
1,025	to	101-41000-33401	R	Increase LGA
27,272	to	101-41000-33406	R	Increase Market Value Credit not budgeted for
50	to	101-41000-34102	R	Reduce Record legal documents
2,300	to	101-41000-34103	R	Reduce due to less zoning applications
4,557	to	101-41000-35000	R	Reduce Fines
7,067	to	101-41000-36100	R	Reduce Special Assessments
1,179	to	101-41000-36105	R	Increase Pre Paid Special Assessment
943	to	101-41000-37197	R	Increase Misc Revenue
15,000	to	101-41000-36210	R	Increase Interest Earnings
3,629	to	101-41000-36211	R	Increase Market Value Adjustment
2,599	to	101-41000-36240	R	Reduce Refund/Reimbursement
3,219	to	101-41000-433	E	Increase Dues & Subscriptions
1,000	to	101-41000-442	E	Reduce Building Permit Surcharge
1,000	to	101-41000-700	E	Increase Transfers

GENERAL GOVERNMENT BUILDINGS

724	to	101-41940-151	E	Increase Worker's comp
2055	to	101-41940-540	E	Increase Machinery & Equipment

FIRE PROTECTION

15,110	to	101-42200-34202	R	Reduce by \$5,029 Fire Contract Revenue in Unearned Revenue
1,050	to	101-42200-36230	R	Reduce Contributions
4,777	to	101-42200-219	E	Add to Fire Rescue Supplies

HIGHWAYS & STREETS

40,000	to	101-43100-34965	R	Reduce Water Tower Rent
700	to	101-43100-36230	R	Increase Contributions
35	to	101-43100-36240	R	Reduce Refunds/Reimbursements
33,067	to	101-43100-540	E	Add to Machinery & Equipment

SUMMER BALL PROGRAM

8,634	to	101-45120-34740	R	Add to Concession Revenue
660	to	101-45120-220	E	Add to Repair, Maint. Supply
992	to	101-45120-381	E	Add to Electric Utilities
98	to	101-45120-430	E	Reduce Miscellaneous

PARKS & RECREATION

400	to	101-45122-36220	R	Add Pasture Rent
426	to	101-45122-151	E	Add to Worker's comp
625	to	101-45122-212	E	Reduce Gas & Oil
2,974	to	101-45122-220	E	Reduce Repair/Maint.

FUND 202 PUBLIC LAND DEDICATION

0	to	202-45122-34770	R	Reduce Park Dedication Fees
43,000	to	202-45122-34771	R	Increase Trails System --SJ Louis \$0 to \$42,000 & 1,000
1,529	to	202-45122-304	E	Add Legal Fees
444	to	202-45122-340	E	Add Advertising/Printing
39	to	202-45122-430	E	Add Miscellaneous
296	to	202-45122-511	E	Reduce Trails System
8,000	to	202-45122-590	E	Reduce Capital Outlay

FUND 209 ECONOMIC DEVELOPMENT

4,484	to	209-41920-36210	R	Reduce interest earning
1,703	to	209-41920-36211	R	Reduce Market Value Adjustment
600	to	209-41920-103	E	Reduce wages
6,062	to	209-41920-220	E	Add to repair (fire hall floor)
600	to	209-41920-310	E	Reduce Other professional
700	to	209-41920-325	E	Add to Construction Costs
1,500	to	209-41920-540	E	Add to Machinery/Equip

FUND 215 ROAD MAINTENANCE FUND (NOTE - THIS FUND TO REMAIN AT \$100,000 FOR EMERGENCIES)

2,261	to	215-43100-36210	R	Reduce Interest Earnings
91	to	215-43100-36211	R	Increase Market Value Adjustment
19,730	to	215-43100-220	E	Repair/Maint.

FUND 301 1997 GO DISPOSAL FUND (NOTE - THIS FUND WAS RE-FINANCED 2009)

108,240	to	301-47000-39203	R	Increase Transfer from other
37	to	301-47000-445	E	Add to Paying Agent Fee
0	to	301-47000-601	E	Reduce Debt Service bond
3,240	to	301-47000-611	E	Reduce Bond Interest

FUND 302 1998 GO DISPOSAL FUND (NOTE - THIS FUND WAS RE-FINANCED 2009)

95,796	to	302-47000-39203	R	Increase Transfer from other
33	to	302-47000-445	E	Add Paying Agent Fees
0	to	302-47000-601	E	Reduce Debt Service Bond Principal
2,796	to	302-47000-611	E	Reduce Bond Interest

FUND 303 2001 WATER REVENUE FUND (NOTE - THIS FUND WAS RE-FINANCED 2009)

566,557	to	303-47000-39203	R	Transfer from other
181	to	303-47000-445	E	Add Paying Agent Fees
0	to	303-47000-601	E	Reduce Debt Service
15,331	to	303-47000-611	E	Reduce Bond Interest

FUND 304 CITY FACILITIES

3,647	to	304-47000-36210	R	Reduce Interest Earning
0	to	304-47000-310	E	Reduce Other Professional Service

FUND 305 2004A-\$990,000 GO IMPV BDS-PIP

52,095	to	305-47000-36100	R	Reduce Special Assessment
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FUND 306 PRAIRIE IND PK ADDTL PROJ (NOTE - THIS FUND WAS RE-FINANCED 2009)

78,929	to	306-47000-39203	R	Increase Transfer from Other
20	to	306-47000-445	E	Add to Paying Agent Fee
75,000	to	306-47000-601	E	Add to Debt Service Bond
3,929	to	306-47000-611	E	Add to Bond Interest

FUND 307 2005 WATER IMPROVEMENT BOND - PLEASANT LAKE AREA**NOTE - THIS FUND WAS RE-FINANCED 2009)**

1,829	to	307-47000-36100	R	Reduce Special Assessment
820,469	to	307-47000-39203	R	Increase Transfer from Other
679	to	307-47000-445	E	Add to Paying Agent fees
39,528	to	307-47000-611	E	Add to Bond Interest

FUND 308 COUNTY ROAD 82

4,661	to	308-47000-31000	R	Reduce General Property tax
13,805	to	308-47000-36100	R	Increase Special Assessments
2,571	to	308-47000-36105	R	Increase Pre-Paid Special Assessment
537	50	308-47000-36210	R	Increase Interest Earnings

FUND 602 – SEWER FUND

728	to	602-49490-31900	R	Increase Penalties & Interest
16,971	to	602-49490-36200	R	Increase Miscellaneous Revenue from Fund 604 Transfer
11,730	to	602-49490-36210	R	Reduce Interest earning
-1,628	to	602-49490-36211	R	Increase Market Value Adjustment
2,159	to	602-49490-37260	R	Reduce SAC
0	to	602-49490-151	E	Reduce Worker's comp
293	to	602-49490-200	E	Add to office supplies
601	to	602-49490-212	E	Add Gas & Oil
10,387	to	602-49490-220	E	Add to Repair Maintenance
28,839	to	602-49490-293	E	Add to Wastewater Bill – Lakes area
2,498	to	602-49490-296	E	Reduce Sewer Contract Service
1,230	to	602-49490-309	E	Add to computer service
2,387	to	602-49490-362	E	Add property insurance

Motion by _____ Second by _____ Vote: _____

REQUEST FOR COUNCIL ACTION

Originating Department:
Administration/Finance

Requested By:
Rena Weber

Date:
12/16/09

Designate From 2009 to 2010	Account Code	Amount
General Govt-Engineering Fees	101-41000-303	\$18,000
General Govt-Building Inspection Fees	101-41000-305	\$19,000
General Govt-Other Professional Services	101-41000-310	\$7,000
General Govt-Property Insurance	101-41000-362	\$6,500
Council-Employee Wages	101-41110-103	\$10,000
Urban Conservationist	101-41110-108	\$1,000
Council-Hotel, Meal, Parking & Mileage	101-41110-331	\$1,250
Fire Protection-Wages	101-42200-103	\$10,000
Fire Protection-Radio & Communication	101-42200-218	\$1,000
Fire Protection - Health Service	101-42200-292	\$2,800
Fire Protection-Hotel,mtg, Mileage	101-42200-331	\$1,500
Fire Protection-Training	101-42200-332	\$7,600
Fire Protection-Personal Protective Equip	101-42200-538	\$6,000
Fire Protection-Machinery & Equipment	101-42200-540	\$6,300
Civil Defense-Machinery & Equipment	101-42500-540	\$3,500
Hwys,Streets & Roads-Gas & Oil	101-43100-212	\$4,000
Hwys,Streets & Roads-Repair Maintenance	101-43100-220	\$3,500
Hwys,Streets & Roads-Streetlight Repair	101-43100-225	\$1,000
Hwys, Streets & Roads-Road Patching	101-43100-308	\$5,400
Hwys, Streets & Roads-Seal Coating	101-43100-317	\$13,300
Hwys,Streets & Roads-Crack Filling	101-43100-319	\$15,000
Hwys, Streets & Roads-Blading Roads	101-43100-327	\$11,000
Hwys, Streets & Roads-Graveling	101-43100-328	\$8,500
Hwys, Streets & Roads-Crushing/Gravel	101-43100-338	\$16,000
Hwys, Streets & Roads-Capital Outlay	101-43100-590	\$43,800
Snow Removal-Wages	101-43125-103	\$2,000
Snow Removal-Temp Employee	101-43125-104	\$1,400
Snow Removal-Gas & Oil	101-43125-212	\$2,000
Parks & Recreation-Tree Moving/Landscaping	101-45122-294	\$2,500
Parks & Recreation-Crack Filling	101-45122-319	\$3,000
Parks & Recreation-Bleachers, Repair Ballfield	101-45122-537	\$2,000

Parks & Recreation-Capital Outlay	101-45122-590	\$5,000
Water Fund-Wellhead Protecton	601-49440-315	\$10,000
Water Fund-Machinery & Equipmtent	601-49440-540	\$10,000
Water Fund-Wtr Twr Maint, Paint, Inspec, Clean	601-49440-591	\$10,000
Sewer Fund-Machinery & Equipment	602-49490-540	\$6,400

Motion by

Second by

Vote



December 9, 2009

11 Civic Center Plaza
Suite 300
P.O. Box 3166
Mankato, MN 56002-3166

Honorable Mayor and Council
City of Rockville
Rockville, Minnesota

We are pleased to confirm our understanding of the services we are to provide the City of Rockville (the City) for the year ended December 31, 2009. We will audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the year ended December 31, 2009. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the City's basic financial statements. As part of our engagement, we will apply certain limited procedures to the City's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Supplementary information other than RSI also accompanies the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Combining and Individual Fund Financial Statements and Schedules
2. Summary Financial Report – Revenues and Expenditures for General Operations – Governmental Funds

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken 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 and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully 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 to issue a report as a result of this engagement.



We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the City 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 auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit we will prepare a draft of your financial statements and related notes. We will also use the financial statements to complete the Office of the State Auditors' City Reporting Form. We will also enter the current year capital asset transactions into our software based on information you provide. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any non-audit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the 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 or illegal acts could have a material effect on the 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 entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us 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.



Audit Procedures-General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the 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 entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance 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. 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 financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. 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 the financial statements and related matters.

Audit Procedures-Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the 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 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. 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 financial statements are free of material misstatement, we will perform tests of the City'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*.



Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the 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 Abdo, Eick & Meyers, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies 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 Abdo, Eick & Meyers, LLP 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 the regulatory agencies. 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.

Thomas J. Olinger, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on approximately December 1, 2009 and to issue our reports no later than June 30, 2010.

Our fee for these services will be as follows:

Audit	\$ 18,045
2009 Office of the State Auditor Reporting Form	<u>500</u>
Total Fees	<u>\$ 18,545</u>

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. Amounts not paid within 30 days from the invoice date will be subject to a finance charge of 1 percent per month (12 percent per year). 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.



Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2008 peer review letter accompanies this letter.

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. 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,

ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants

Thomas J. Olinger, CPA
Governmental Services Partner

RESPONSE:

This letter correctly sets forth the understanding of the City of Rockville

Signature: _____

Title: _____