



**FINANCE COMMITTEE MEETING AGENDA**  
**Monday, November 7, 2022 at 5:30 p.m.**  
**Caledonia Village Hall - 5043 Chester Lane**

1. Call to Order
2. Approval of Minutes
3. Resolution 2022-113 – Resolution Of The Village Board Of The Village Of Caledonia Authorizing The Payment To Bruce Maple For Claim
4. Resolution 2022-110 – Resolution Authorizing The Village Of Caledonia To Enter Into A Contract With Clifton Larson Allen LLP For 2022 Audit Services
5. Adjournment

Dated November 4, 2022

Joslyn Hoeffert  
Village Clerk

Only committee members are expected to attend. However, attendance by all Board members (including non-members of the committee) is permitted. If additional (non-committee) Board members attend, three or more Board members may be in attendance. Section 19.82(2), Wisconsin Statutes, states as follows:

If one-half or more of the members of a governmental body are present, the meeting is rebuttably presumed to be for the purposes of exercising the responsibilities, authority, power or duties delegated to or vested in the body.

To the extent that three or more members of the Caledonia Village Board actually attend, this meeting may be rebuttably presumed to be a “meeting” within the meaning of Wisconsin’s open meeting law. Nevertheless, only the committee’s agenda will be discussed. Only committee members will vote. Board members who attend the committee meeting do so for the purpose of gathering information and possible discussion regarding the agenda. No votes or other action will be taken by the Village Board at this meeting.

**1. Call to Order**

Trustee Wishau called the meeting to order at 5:00 p.m.

Committee Members: President Dobbs, Trustee Weatherston, and Trustee Wishau. Trustee Martin, Trustee McManus and Trustee Stillman were also present.

Absent: None.

Department Managers: Finance Director Wayne Krueger, Fire Chief Jeff Henningfeld, HR Manager Michelle Tucker, and Administrator Kathy Kasper.

**2. Approval of Minutes**

Motion by Trustee Weatherston to approve the minutes' dated July 11, 2022. Seconded by President Dobbs. Motion carried unanimously.

**3. Kent Wentorf Citizen Claim**

The Committee discussed the validity of this claim.

Motion by Trustee Weatherston to approve this citizen claim contingent on the Attorney drafting a settlement agreement. Seconded by President Dobbs. Motion carried unanimously.

**4. Amended 2023 Budget Schedule**

Krueger updated the Committee on the revised schedule.

**5. Hover Mat**

Motion by Trustee Weatherston to approve the purchase of the Hover Tech. Seconded by President Dobbs. Motion carried unanimously.

**6. Village Logo Apparel**

President Dobbs requested to potentially purchase some Village apparel to provide Committee and Commission volunteers who donate their time. The logo and Lands' End account is already set up; There is \$3,000 of miscellaneous funds that could be used. We are seeking permission to move forward.

Motion by Trustee Weatherston to approve apparel for Committee and Commission volunteers. Seconded by President Dobbs. Motion carried unanimously.

## **7. Copier Leasing Agreement**

Krueger updated the Commission regarding the potential copier lease agreements. He broke down the use and cost annually. There were three quotes received and he overviewed the costs associated. The Committee discussed how rates have drastically dropped. This is informational only and will be moving forward with the lowest bid. Krueger anticipates a contract possibly by the next Village Board meeting.

## **8. Report to Finance Committee regarding the Settlement and Transfer of Fund Balances to Racine County related to the Health Department and the Joint Park**

Through the audit and various adjustments, the Village will be transferring a remainder of these funds to Racine County. This would be on the next AP checks in September.

There was discussion regarding the insurance settlement concerning the Joint Park.

Motion by Trustee Weatherston to approve the transfer of funds to Racine County. Seconded by President Dobbs. Motion carried unanimously.

## **9. Resolution 2022-92 – Resolution Authorizing The Village Of Caledonia To Enter Into A Managed Services Contract With Ontech Systems For Information Technology Services**

This agreement exceeds the initial proposal. The Police Department was underserved by the previous provider, and it was discovered that there was more work involved than initially projected.

Trustee Wishau requested a follow up presentation for the whole Board for a status update. Krueger stated that something could be put together and thought this could be presented after the budget workshops.

Motion by Trustee Weatherston to approve Resolution 2022-92 – Resolution Authorizing The Village Of Caledonia To Enter Into A Managed Services Contract With Ontech Systems For Information Technology Services and forward to the Village Board. Seconded by President Dobbs. Motion carried unanimously.

## **10. Adjournment**

Motion by Trustee Weatherston to adjourn. Seconded by President Dobbs. Motion carried unanimously.

Meeting adjourned at 5:23 p.m.

Respectfully submitted,  
Joslyn Hoeffert, Village Clerk

**RESOLUTION NO. 2022-113**

**RESOLUTION OF THE VILLAGE BOARD OF THE VILLAGE OF CALEDONIA  
AUTHORIZING THE PAYMENT TO BRUCE MAPLE FOR CLAIM**

**WHEREAS**, on August 31, 2022 the Village's Fire Department responded to a call at 5321/5317 Four Mile Road in the Village of Caledonia;

**WHEREAS**, the property owner Bruce and Rosie Maple alleged that the ambulance that responded to the property clipped the corner of the gutter of the home;

**WHEREAS**, the property owners Bruce and Rosie Maple requested reimbursement for a bill to repair said damage as set forth in **Exhibit A**, attached hereto.

**WHEREAS**, on \_\_\_\_\_, 2022, the Finance Committee recommended that the Village resolve this claim by paying Bruce and Rosie Maple a total of \$600 upon the execution of a release in exchange for the settlement payment of the claim with the agreement that this settlement is the compromise of a disputed claim and that the payment of said amount is not to be construed as an admission of liability upon the part of the Village of Caledonia, any of its departments and/or employees with liability being expressly denied; and

**NOW, THEREFORE, BE IT RESOLVED** by the Caledonia Village Board, that the recommendation of the Finance Committee is hereby approved and such claim shall be resolved by paying Bruce and Rosie Maple a total of \$600 upon the execution of a release in exchange for the settlement payment of the claim as set forth above.

Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**VILLAGE OF CALEDONIA**

By: \_\_\_\_\_  
James R. Dobbs  
Village President

Attest: \_\_\_\_\_  
Joslyn Hoeffert  
Village Clerk

# Racine County

Owner (s):  
**MAPLE, BRUCE W**  
**MAPLE, ROSIE L**

Location:  
**Sect. 25, T4N,R22E**

Mailing Address:  
**BRUCE W MAPLE**  
**ROSIE L MAPLE**  
**2908 ALMANSA**  
**GRAND PRAIRIE, TX 75054-0000**

School District:  
**4620 - UNIFIED SCHOOL DISTRICT**

Request Mailing Address Change

Tax Parcel ID Number: Tax District: Status:  
**104-04-22-25-024-020 104-VILLAGE OF CALEDONIA Active**

Alternate Tax Parcel Number:Government Owned:Acres:  
**3.2100**

Description - Comments (Please see Documents tab below for related documents. For a complete legal description, see recorded document.):  
**PT NE1/4 COM 238E N1/4 COR S350 E400 N350 W400 TO POB FROM 004042225024000 IN 96 FOR 97 ROLL**  
**\*\*TOTAL ACRES\*\* 3.21**

Site Address (es): (Site address may not be verified and could be incorrect. DO NOT use the site address in lieu of legal description.)  
**5317 4 MILE RD RACINE, WI 53402**

**Assessments**

**Attachments**

**Districts**

**Documents**

**Notes**

**Parcel History**

**Permits**

**Sales History**

**Survey History**

**Taxes**

0 Lottery credits claimed

### Tax History

\* Click on a Tax Year for detailed payment information.

|                  |                |                 |                   |                  |                 |                |                     |
|------------------|----------------|-----------------|-------------------|------------------|-----------------|----------------|---------------------|
| <b>Tax Year*</b> | <b>Omitted</b> | <b>Tax Bill</b> | <b>Taxes Paid</b> | <b>Taxes Due</b> | <b>Interest</b> | <b>Penalty</b> | <b>Total Payoff</b> |
| <b>Total</b>     |                |                 |                   |                  |                 |                | <b>\$0.00</b>       |

| <b>Tax Year*</b> | <b>Omitted</b>           | <b>Tax Bill</b> | <b>Taxes Paid</b> | <b>Taxes Due</b> | <b>Interest</b> | <b>Penalty</b> | <b>Total Payoff</b> |
|------------------|--------------------------|-----------------|-------------------|------------------|-----------------|----------------|---------------------|
| 2021             | <input type="checkbox"/> | \$9,581.59      | \$9,581.59        | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2020             | <input type="checkbox"/> | \$13,420.87     | \$13,420.87       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2019             | <input type="checkbox"/> | \$11,012.55     | \$11,012.55       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2018             | <input type="checkbox"/> | \$10,447.67     | \$10,447.67       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2017             | <input type="checkbox"/> | \$10,641.76     | \$10,641.76       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2016             | <input type="checkbox"/> | \$10,548.26     | \$10,548.26       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2015             | <input type="checkbox"/> | \$10,594.78     | \$10,594.78       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2014             | <input type="checkbox"/> | \$11,538.11     | \$11,538.11       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2013             | <input type="checkbox"/> | \$11,439.06     | \$11,439.06       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2012             | <input type="checkbox"/> | \$11,394.50     | \$11,394.50       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2011             | <input type="checkbox"/> | \$12,037.33     | \$12,037.33       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2010             | <input type="checkbox"/> | \$11,054.28     | \$11,054.28       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| 2009             | <input type="checkbox"/> | \$10,222.52     | \$10,222.52       | \$0.00           | \$0.00          | \$0.00         | \$0.00              |
| <b>Total</b>     |                          |                 |                   |                  |                 |                | \$0.00              |

*NOTE: Current year tax bills may not be processed by the county.*

Interest and penalty on delinquent taxes are calculated to **October 31, 2022.**

**RELEASE OF ALL CLAIMS**

FOR AND IN CONSIDERATION of the payment to me/us at this time of the sum of Six Hundred Dollars and no/cents (\$600.00), the receipt of which is hereby acknowledged, I/we being of lawful age do hereby release, acquit, and forever discharge the Village of Caledonia, its or their successors and assigns, its employees and departments, and all other persons, who are or might be liable from any and all claims, demands, damages, costs, actions and causes of action of whatever kind or nature which I/we may now have or may hereafter have, on account of, or in any way growing out of, any and all known and unknown bodily injuries, personal injuries and property damage, whether developed or undeveloped, resulting or to result from an incident that occurred on or about August 31, 2022, at 5321/5317 Four Mile Road, as set forth in the claim of the same date submitted to the Village of Caledonia.

I/we hereby declare and represent that the injuries and damages sustained are permanent and progressive and that recovery therefrom is uncertain and indefinite and in making this Release and Agreement it is understood and agreed that I/we rely wholly upon my/our own judgment, belief, and knowledge of the nature, extent and duration of said injuries and damages, and that I/we have not been influenced to any extent whatever in making this Release by any representations or statements regarding said injuries, or regarding any other matters, made by the released parties including the Village of Caledonia, its or their successors and assigns, its employees and departments, and persons who are hereby released, or by any person or persons representing him or them, or by any physician or surgeon by him or them employed.

It is further understood and agreed that this settlement is the compromise of doubtful and disputed claims and that the payment of said amount is not to be construed as an admission of liability upon the part of said released parties including the Village of Caledonia, its departments and employees, and persons, released; liability being by it, him or them expressly denied.

It is further understood and agreed that this Release and payment pursuant thereto is not to be construed as a waiver by or estoppel of any party released to prosecute a claim or action for any damages sustained.

This Release contains the ENTIRE AGREEMENT between the parties hereto, and the terms of this Release are contractual and not a mere recital.

I/WE HAVE READ THE FOREGOING RELEASE AND FULLY UNDERSTAND IT.

Signed and Sealed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

In the Presence of  
(Witnesses sign below)

\_\_\_\_\_  
\_\_\_\_\_

(Claimants sign below)

\_\_\_\_\_  
\_\_\_\_\_  
Address: \_\_\_\_\_

State of Wisconsin

County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally appeared

\_\_\_\_\_  
to me known to be the person described herein, and who read and executed the foregoing instrument, and acknowledged that \_\_\_\_\_ executed the same.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
County

My commission expires \_\_\_\_\_

**RESOLUTION NO. 2022-110**

**RESOLUTION AUTHORIZING THE VILLAGE OF CALEDONIA TO ENTER INTO A CONTRACT WITH CLIFTON LARSON ALLEN LLP FOR 2022 AUDIT SERVICES**

**WHEREAS**, the Village of Caledonia believes that it would be in the best interests of the Village to contract with Clifton Larson Allen LLP., for these audit services as they have been providing audit services for the village for a number of years.

**WHEREAS**, the Village of Caledonia intends to transition to internally preparing financial statements rather than have the auditors prepare the statements as has been done in the past.

**WHEREAS**, the Village of Caledonia believes that internal preparation of financial statements without continuity of the current audit firm would not be feasible.

**WHEREAS**, the Village of Caledonia fully intends to release a request for proposal in 2023 for audit services for future years.

**WHEREAS**, the Village Finance Committee has reviewed this request and recommends that the Village Board authorize the Village to contract with Clifton Larson Allen LLP., for audit services as relates to the 2022 fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** by the Caledonia Village Board that a contract between the Village of Caledonia and Clifton Larson Allen LLP for audit services as described in the proposal set forth in Exhibit A which is attached hereto and incorporated herein, is authorized and approved and the Village President and Village Clerk are authorized to execute said contract.

**BE IT FURTHER RESOLVED THAT** all Village officials, officers, and employees are authorized and directed to take such steps as are lawful and necessary in furtherance of the Agreement.

Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this \_\_\_\_\_ day of November, 2022.

VILLAGE OF CALEDONIA

By: \_\_\_\_\_  
Jim Dobbs, Village President

Attest: \_\_\_\_\_  
Joslyn Hoeffert, Village Clerk





## Statement of Work - Audit Services

October 26, 2022

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated October 26, 2022, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Village of Caledonia ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended December 31, 2022.

Jordan Boehm, CPA is responsible for the performance of the audit engagement.

### **Scope of audit services**

We will audit the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Village of Caledonia, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of audit adjustments, as needed

### **Audit objectives**

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and 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 over financial reporting 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 our 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 or 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 entity 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 conducted in accordance with U.S. GAAS and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Revenue Recognition
- Management Override of Controls

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards. Because we will not perform a detailed examination of all transactions, material misstatements, 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, may not be detected. Because the determination of waste and abuse is subjective, Government Auditing Standards do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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 the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a 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 deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. 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.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

You are responsible for the design, implementation, and maintenance of effective internal control 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 and safeguarding assets to help ensure that appropriate goals and objectives are met. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity 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 financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered. You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report.

You are 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, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers); (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the

audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

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 to us 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 engagements or 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.

### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

### **Use of financial statements**

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent

event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

### **Engagement administration and other matters**

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

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

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary 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 State of Wisconsin, 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 CLA personnel. Furthermore, upon request, we may provide copies or electronic versions 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 seven years after the report release date or for any additional period requested by the State of Wisconsin. If we are aware that a federal or state awarding agency, pass-through entity, 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.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at [www.CLAconnect.com/Aboutus/](http://www.CLAconnect.com/Aboutus/).

### **Fees**

Our professional fees are detailed in the table below. We will also bill for expenses (including travel, internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. **Service**

| <b>Service</b>            | <b>Professional Fee</b> |
|---------------------------|-------------------------|
| Financial Statement Audit | \$45,320                |
| Technology Fee (5%)       | \$2,266                 |
| Total                     | \$47,586                |

### **Unexpected circumstances**

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

### **Changes in accounting and audit standards**

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new



or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

**Agreement**

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**

**Response:**

This letter correctly sets forth the understanding of Village of Caledonia.

**CLA**  
CliftonLarsonAllen

*Jordan R. Boehm*

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Jordan R. Boehm, Principal

**Client**  
Village of Caledonia

SIGN:

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Kathy Kasper, Village Administrator

DATE:

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