



Financial Statement Audit Results for the Year Ended December 31, 2021

Village of Caledonia, Wisconsin
Tuesday, September 6, 2022

We'll get you there.



Agenda

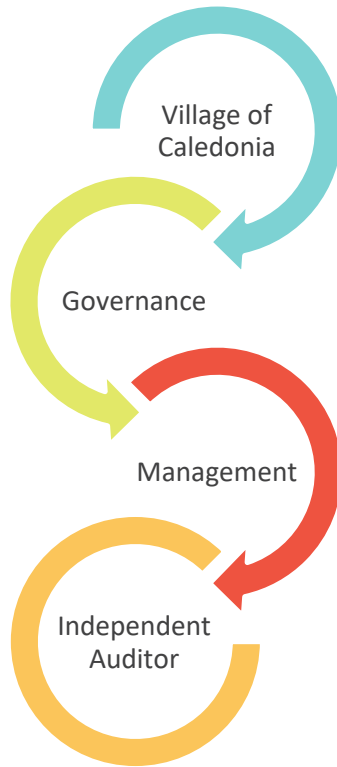


Scope of Work

- Perform an audit of the financial statements for the year ended December 31, 2021
- Issue the following reports:
 - Independent auditors' report
 - Issue a report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.



Audit Process



Governance Strategic Decisions

Accountability, including financial statements

Management Internal Controls

Accounting Policies

Management Decisions

Fair Presentation of the Financial Statements

Programs to Prevent and Detect Fraud

Independent Auditor Opinion of Fair Presentation of the Financial Statements

Audit in accordance with GAAS and GAGAS

Reasonable, not absolute

Understanding of Internal Controls

Risk Based Audit Approach

Significant Risks Management Override of Controls

Revenue Recognition

Segregation of Duties



Audit Results

- Independent auditors' report
 - Unmodified (“clean”) audit opinion
- Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*
 - **No** compliance matters noted
 - **Two** internal control matters noted



Audit Results (Con't)

- 2021-001: Preparation of the financial statements
 - Material weakness in Internal Control over Financial Reporting
 - The following audit adjustments were proposed and accepted:
 - Recognition of the American Rescue Plan Revenues
 - Amortization of the Sewer Treatment Plant Deferred Outflow
 - Presentation of the Village's Debt Issuances
 - The Village made the decision to outsource this function based on the resources needs of the Village. It is not uncommon for municipalities to outsource this function. The Village has reviewed and approved the annual financial statements and the related footnote disclosures.
- 2021-002: Segregation of duties
 - Significant deficiency in internal control over financial reporting
 - Management continues to evaluate the identified opportunities to enhance segregation of duties and works with CLA to discuss the impacts of proposed changes.

Governance Communication

- Accounting policies
 - Summary of significant accounting policies are outlined in note 1.
 - No new accounting policies have been adopted for the year ended December 31, 2021.
 - **No** transactions that were entered into that lacked authoritative guidance.
- Accounting estimates
 - Estimate of the net pension asset, deferred outflows of resources, and deferred inflows of resources
 - Estimate of the net OPEB liabilities, deferred outflows of resources, and deferred inflows of resources
 - Estimate of the useful lives of capital assets



Governance Communication (Con't)

- Audit Results
 - **No** significant unusual transactions
 - **No** particularly sensitive disclosures
 - **No** difficulties performing the audit
 - **One** uncorrected misstatements
 - Special assessments
 - Corrected immaterial and material misstatements
 - Noted in the audit results summary
 - **No** disagreements with management
 - **No** consultations with other accountants
 - Management representations



Recognition

- Thank you to the Village Departments and team members who assisted in preparing and assisting out team in the completion of the audit process!
 - Finance Department
 - Health Department
 - Village Utility Team
 - and many more!



Closing



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create opportunities —
for our clients, our people,
and our communities.