

# CITY OF WISCONSIN DELLS MEETING AGENDA

**MEETING DESCRIPTION:** FINANCE COMMITTEE  
**DATE:** Monday, September 21, 2020 **TIME:** 6:00 P.M. **LOCATION:** MUNICIPAL BUILDING  
**COUNCIL CHAMBERS - 300 LA CROSSE STREET, WISCONSIN DELLS, WI 53965**

COMMITTEE MEMBERS	
	Ald. Brian Holzem Chair
	Ald. Mike Freel
	Mayor Ed Wojnicz
	Ald. Terry Marshall
AGENDA ITEMS	
1	Call to Order, Attendance Noted
2	Approval of the August 17, 2020 Meeting Minutes
3	Discussion and Decision on the Schedule of Bills Payable dated September 21, 2020; and any other related Financial Information
4	Review and Discussion on the 12/31/2019 Annual Audit Reports for General Operations and Utilities as presented by Johnson Block & Company
5	Discussion and Decision to Approve the 2020 Audit Engagement Letter from Johnson Block & Company
6	Discussion and Decision to Approve the WEDC Grant Audit Engagement Letter from Johnson Block & Company
7	Discussion and Decision to Approve the Water & Electric Rate Case and Engagement Letter with Johnson Block & Company
8	Discussion and Decision to Approve the Proposals from Pro Electric for Directional Drill Work for the Electric Utility
9	Items for Referral
10	Adjourn
	<b>Ald. Brian Holzem, Chairman</b>
	<b>Posted &amp; Distributed: 09/18/2020</b>
	Open Meetings Notice: If this meeting is attended by one or more members of the Common Council who are not members of this committee, their attendance may create a quorum of another city commission, board or committee under the Wisconsin Open Meetings Law; However, no formal action will be taken by any governmental body at the above stated meeting other than the body, committee, commission, or board identified in this meeting notice. Please be advised that upon reasonable notice, the City of Wisconsin Dells will furnish appropriate auxiliary aids and services to afford individuals with disabilities an equal opportunity to participate in meeting activities.

SCHEDULE OF BILLS PAYABLE  
SEPTEMBER 21, 2020  
MONDAY  
COMMON COUNCIL

10	GENERAL FUND	\$ 68,407.33
13	DEBT SERVICE FUND	\$ -
14	CAPITAL PROJECTS FUND	\$ -
22	ROOM TAX FUND	\$ 225,311.51
24	PRT FUND	\$ 829,226.27
26	FIRE SERVICE FUND	\$ 13,371.45
27	RIVER & BAY FUND	\$ 3,390.78
28	RIVER ARTS DISTRICT	\$ -
50	PARKING UTILITY FUND	\$ 31,175.07
53	SEWER FUND	\$ 39,417.85
52	WATER FUND	\$ 44,435.36
59	ELECTRIC FUND	\$ 975,376.92

Total Payables: \$ 2,230,112.54



September 12, 2020

To the City Council and City Treasurer  
City of Wisconsin Dells  
300 La Crosse Street  
Wisconsin Dells, Wisconsin 53965

We are pleased to confirm our understanding of the services we are to provide for the City of Wisconsin Dells for the year ended December 31, 2020.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the City of Wisconsin Dells as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Wisconsin Dells' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Wisconsin Dells' RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI (if prepared) 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
2. Budgetary comparison schedule for the general fund
3. Wisconsin Retirement System Schedules
4. Local Retiree Life Insurance Fund Schedules
5. Health Insurance OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Wisconsin Dells' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Combining statements of non-major governmental funds



### **Audit Scope and Objectives (Continued)**

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 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 of a reasonable user made based on the financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable 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 government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. 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 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 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 any 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, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.



### **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. 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 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 of Wisconsin Dells' compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also assist in preparing the financial statements of the City of Wisconsin Dells in conformity with U.S. generally accepted accounting principles, maintaining the depreciation schedules, assist with preparation of the Department of Revenue Municipal Financial Report, and assist with preparation of the Public Service Commission Water Utility and Electric Utility annual reports based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.



**Responsibilities of Management for the Financial Statements (Continued)**

Your responsibilities include 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.

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 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, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. 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. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Engagement Administration, Fees and Other**

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

The audit documentation for this engagement is the property of Johnson Block & Company, Inc. and constitutes confidential 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 a regulator or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Johnson Block & Company, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulator or its designee. The regulator or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.



**Engagement Administration, Fees and Other (Continued)**

We expect to begin our audit by the end of March 2021 and to prepare our draft audit reports by June 15, 2021. Carrie Leonard, CPA is the engagement partner and is responsible for supervising the engagement and signing the report. We will also prepare the Department of Revenue financial report form, the Public Service Commission annual reports, and the TID annual reports. We will meet with the City Finance Committee at the conclusion of the audit to discuss our findings.

Our fees for the audit and other services will not exceed \$32,200. Fees related to individual parts are estimated as follows:

General City	\$ 8,100
Electric Utility	6,550
Water Utility	4,950
Sewer Utility	4,550
Parking Utility	1,100
TIDs and CDA	5,600
BID	<u>1,350</u>
	<u>\$32,200</u>

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If additional services are necessary, we will discuss them with you and arrive at a fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to City of Wisconsin Dells 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 letter and return it to us.

Very truly yours,

*Johnson Block & Company, Inc.*

JOHNSON BLOCK & COMPANY, INC.  
CERTIFIED PUBLIC ACCOUNTANTS  
MADISON, WISCONSIN



Page 6 of 8  
City of Wisconsin Dells

**RESPONSE:**

This letter correctly sets forth the understanding of the City of Wisconsin Dells.

Management Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## ADDENDUM A

We will perform the following services:

We will compile, from information you provide, the annual Financial Report Form to the Wisconsin Department of Revenue, for the year ended December 31, 2020. Upon completion of the compilation of the annual Financial Report Form, we will provide the City with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgement the circumstances necessitate, we may withdraw and decline to submit the annual Financial Report Form to you as a result of this engagement.

### **Our Responsibilities and Limitations**

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

### **Management's Responsibilities**

The City's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that the City complies with the laws and regulation applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making City personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



## ADDENDUM B

We will perform the following services:

We will compile, from information you provide, the Public Service Commission Annual Reports, including the balance sheets of the water utility and the electric utility, enterprise funds of the City of Wisconsin Dells, as of December 31, 2020 and 2019, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2020. Upon completion of the Public Service Commission Annual Reports, we will provide the City with our accountant's compilation reports. If, for any reason caused by or relating to affairs or management of the City, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the Public Service Commission Annual Report to you as a result of this engagement.

### Our Responsibilities and Limitations

We will be responsible for performing the compilation in accordance with *Statements on Standards for Accounting and Review Services* established by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements. We will utilize information that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist and, because of the limited nature of our work, detection is highly unlikely. However, we will inform the appropriate level of management of any material errors, and of any evidence that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our compilation procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

### Management's Responsibilities

The City's management is responsible for the financial statements referred to above. In this regard, management is responsible for (i) the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, (ii) designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements, (iii) preventing and detecting fraud, (iv) identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and (v) making all financial records and related information available to us. Management also is responsible for identifying and ensuring that the City complies with the laws and regulation applicable to its activities.

Management is responsible for providing us with the information necessary for the compilation of the financial statements and the completeness and the accuracy of that information and for making City personnel available to whom we may direct inquiries regarding the compilation. We may make specific inquiries of management and others about the representations embodied in the financial statements.



September 12, 2020

To the City Council and City Treasurer  
City of Wisconsin Dells  
300 La Crosse Street  
Wisconsin Dells, Wisconsin 53965

We will examine the Schedule of Expenditures related to contract number CDI FY19-24662 of the City of Wisconsin Dells' during the year ended December 31, 2020. The objectives of our examination are to obtain reasonable assurance about whether the Schedule of Expenditures is in compliance with contract number CDI FY19-24662 and is free from material misstatement based on contract CDI FY19-24662 requirements and to express an opinion as to whether schedule of expenditures is fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, it will include examining, on a test basis, your records and procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the City of Wisconsin Dells' management and Wisconsin Economic Development Corporation. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the City of Wisconsin Dells' management and Wisconsin Economic Development Corporation, and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Schedule of Expenditures is free from material misstatement, based on the compliance with contract CDI FY19-24662. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or know and suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria but the responsibility for the subject matter remains with you.



You are responsible for the presentation of the Schedule of Expenditures in accordance with contract CDI FY19-24662 and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Schedule of Expenditures is presented in accordance with contract CDI FY15-22851. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

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 we remain committed to maintain 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.

Carrie Leonard is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our examination in March 2021. We estimate that our fees for these services will range from \$1,300-\$1,600. You will also be billed for travel and out-of-pocket costs such as report reproduction, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the examination. 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. 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 60 days or more overdue and will not be resumed until your account is paid in full. 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 expenditures through the date of termination.



We appreciate the opportunity to be of service to the City of Wisconsin Dells, Wisconsin, 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 letter and return it to us.

Very truly yours,

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.

By: \_\_\_\_\_

Karen Terry, Treasurer

Date: \_\_\_\_\_



September 12, 2020

David Holzem  
City of Wisconsin Dells Electric and Water Utilities  
300 La Crosse Street  
Wisconsin Dells, Wisconsin 53965

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide for the City of Wisconsin Dells Electric and Water Utilities (Utilities).

You have requested that we prepare the forecasts of the Utilities, which comprises the forecasted financial schedules as of December 31, 2020, and for the year then ending, including the related summaries of significant forecast assumptions, and perform a compilation engagement with respect to the forecasts. The forecasts will not include a summary of significant accounting policies or other required disclosures not related to the significant assumptions.

Forecasts present, to the best of management's knowledge and belief, the Utilities' expected financial position and results of operations for the forecast period. It is based on management's assumptions, reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

### **Our Responsibilities**

The objective of our engagement is to –

1. prepare the forecasts in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA) based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of the forecasts without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the forecasts in order for them to be in accordance with guidelines for presentation of a forecast established by the AICPA.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the forecasts.

Our engagement cannot be relied upon to identify or disclose any misstatements in the forecasts, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the forecasts in accordance with guidelines for presentation of a forecast established by the AICPA and assist you in developing the presentation of the forecasts in accordance guidelines for presentation of a forecast established by the AICPA. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of the accounting principles to be applied in the preparation of the forecasts.
2. The preparation and presentation of the forecasts in accordance with guidelines for presentation of a forecast established by the AICPA and the inclusion of all informative disclosures that are appropriate for the forecasts under those guidelines.
3. The design, implementation, and maintenance of internal control relevant to the preparation and presentation of the forecasts and that the forecasts are free from material misstatement whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Utilities comply with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgements, you provide to us for the engagement.
7. To provide us with—
  - access to all information of which you are aware is relevant to the preparation and presentation of the forecasts, such as records, documentation, and other matters.
  - additional information that we may request from you for the purpose of the compilation engagement.
  - unrestricted access to persons within the Utilities of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your forecasts. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

### **Our Report**

As part of our engagement, we will issue reports that will state that we did not examine or review the forecasts and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. It will also state that (1) there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material; and (2) we have no responsibility to update the reports for events and circumstances occurring after the date of the reports.

There may be circumstances in which the reports differ from the expected form and content.

You agree to include our compilation reports in any document containing the forecasts that indicates that we have performed a compilation engagement on the forecasts and, prior to inclusion of the reports, to ask our permission to do so.

### **Other Relevant Information**

Carrie Leonard is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

The fees for the compilation of the forecasts will be billed at our regular hourly rates based on the staff involved. We estimate the fees for the Electric Utility forecast will be \$11,000 to \$13,000. We estimate the fees for the Water Utility forecast will be \$5,000 to \$7,000. Any time devoted to attending the hearings or representing the Utilities before the Wisconsin Public Service Commission will also be billed at our regular hourly rates, and is in addition to the fees referred to above. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. 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. 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 will not be resumed until your account is paid in full. 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 issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.



JOHNSON BLOCK  
CPAs

City of Wisconsin Dells Electric and Water Utilities  
Page 4

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Sincerely,

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.

RESPONSE:

This letter correctly sets forth the understanding of the City of Wisconsin Dells Electric and Water Utilities.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_



21500 6 Mile Road Franksville, WI 53126  
Office: (262) 289-1900 Fax: (262) 289-1901

8/11/2020

Tony Wieczorek  
300 La Crosse St  
Wisconsin Dells, WI 53965

Dear Tony,

We are pleased to offer the following proposal for the directional drill work on the Church & Ramsey project. Our price is based on the line items below.

Price includes:

- Directional Drilling 910 feet of 2" poly
- Setting one J- Box along route
- Complete restoration with black dirt, seed & straw

Price excludes:

- Purchasing of poly
- Pulling wire in pipe

The lump sum price is..... \$19,400.00

**Total quote can be applied to DBE and MBE percentages. This proposal is valid for 30 days.**

Respectfully submitted,

Accepted By:

\_\_\_\_\_  
Don Manthie



Iowa Ave

Church St

Ramsey St

Google Earth

Imagery Date: 9/21/2013 lat 43.6225476 lon -89.7635845 elev. 0 ft eye alt 862 ft

6/2015 2017  
 1992

197 ft

1992



21500 6 Mile Road Franksville, WI 53126  
Office: (262) 289-1900 Fax: (262) 289-1901

8/11/2020

Tony Wieczorek  
300 La Crosse St  
Wisconsin Dells, WI 53965

Dear Tony,

We are pleased to offer the following proposal for the directional drill work on the Church St & Wisconsin Ave project. Our price is based on the line items below.

Price includes:

- Directional Drilling 770' feet of 2" poly
- Directional Drilling 185' feet of 2 - 2" poly
- Setting 2 pedestals and 1 transformer along route
- Complete restoration with black dirt, seed & straw

Price excludes:

- Purchasing of poly
- Pulling wire in pipe

The lump sum price is..... **\$23,800.00**

The price to complete the 5 services along route is .....**\$16,945.00**

**Total quote can be applied to DBE and MBE percentages. This proposal is valid for 30 days.**

Respectfully submitted,

Accepted By:

\_\_\_\_\_  
Don Manthei



6/2015  
1992 2017

1992

Imagery Date: 9/21/2013 lat: 43.620929° lon: -89.770036° elev: 0 ft eye alt: 532 ft

Google Earth

Church St

1 Ave

170ft  
1-2"

430ft  
1-2"

105ft  
1-2"

90ft  
1-2"

90ft  
1-2"

185ft  
1-2"

185ft  
1-3"

90ft  
1-2"

170ft  
1-2"