

CITY OF DODGEVILLE, WISCONSIN
REQUIRED AUDIT COMMUNICATIONS
TO THE MAYOR AND MEMBERS
OF THE CITY COUNCIL

Year Ended December 31, 2023

Johnson Block & Company, Inc.
Certified Public Accountants
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CITY OF DODGEVILLE, WISCONSIN

Year Ended December 31, 2023

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the City Council
City of Dodgeville,
Dodgeville, Wisconsin

We have audited the financial statements of the City of Dodgeville (“City”) as of and for the year ended December 31, 2023, and have issued our report thereon dated July 29, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 16, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated July 29, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Material audit adjustments were required in the prior year and the current year.
- Possibility of management override of controls – presumed risk that there is a possibility that management could circumvent proper procedures and controls.
- Limited segregation of duties – the size of the office staff precludes a proper separation of duties for adequate internal control. Risk exists in utility billing/collection, cash disbursement, and payroll items.
- Improper revenue recognition due to fraud – presumed risk of material misstatement. Year-end manipulation of revenue by overstating receivables. Recognizing revenue before it's earned.
- Property taxes – property tax revenue and receivables are not always recorded accurately. Prior year taxes receivable is not always cleared after the August settlement and taxes receivable are not always recorded. December tax collections are not always recorded by year end.
- Unrecorded capital assets – the city does not always capture all additions and removals. GASB 87 is still relatively new.
- Unrecorded lease receivables – GASB 87 is a relatively new standard and receivables could exist and not be recorded.
- Unrecorded SBITAs – GASB 96 is a new accounting statement for 2023.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures (Continued)

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of depreciable lives of fixed assets was based on the estimated useful life of the related fixed asset.
- Management's estimate of leases varies based on agreements and discount rates amongst other variables.
- Management's estimate of the net pension asset or liability and deferred outflows and inflows of resources are based on various factors. These estimates were computed by the pension plan administrator.
- Management's estimate of the net OPEB life insurance liability and deferred outflows and inflows of resources are based on various factors. These estimates were computed by the insurance plan administrator.
- Management's estimate of the net OPEB health liability and deferred outflows and inflows of resources are based on various factors. These estimates were computed by the health plan administrator.
- Management's estimate of compensated absences is based on the employer's policy.
- Management's estimate for allowance for uncollectible accounts – Estimate is calculated using age of receivables and recent collections.
- Management's estimate of the acquisition value of contributed capital is based on the estimate of costs associated with the capital asset.

We evaluated the factors and assumptions used to develop these amounts and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

- Capital assets
- Long-term obligations
- Restricted cash
- Governmental fund balances
- Tax incremental financing district

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

The attached Appendix 2 summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Appendix 1 for the misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter dated July 29, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.



Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

This information is intended solely for the use of the City Council and management of the City of Dodgeville and is not intended to be and should not be used by anyone other than these specific parties.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 29, 2024



COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

To the City Council
City of Dodgeville,
Dodgeville, Wisconsin

In planning and performing our audit of the basic financial statements of the City of Dodgeville (“City”) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in internal control to be material weaknesses:

Segregation of Duties

The size of the office staff precludes a proper segregation of functions to assure adequate internal control. This is not unusual in organizations of your size, but management should be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management’s knowledge and monitoring of matters relating to the City’s operations.

Material Adjustments

Adjusting journal entries not prepared by the City before the audit are considered an internal control weakness. We prepared numerous adjusting journal entries to record and allocate grant proceeds, loan draws, project costs and work orders and to adjust other activity. We deem these entries to be material in relation to the financial statements. Since the City did not make these adjustments in its accounting system prior to the audit, a material weakness exists in the City's internal controls.

The purpose of this communication, which is an integral part of our audit, is to describe for management and the City Council, and others within the administration the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 29, 2024



MANAGEMENT LETTER

To the City Council
City of Dodgeville,
Dodgeville, Wisconsin

In planning and performing our audit of the financial statements of the City of Dodgeville, Wisconsin for the year ended December 31, 2023, we considered the City's internal control in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated July 29, 2024, on the financial statements of the City.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the City's personnel during the course of our work.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 29, 2024

CITY OF DODGEVILLE, WISCONSIN

Year Ended December 31, 2023

ADJUSTING JOURNAL ENTRIES

We are frequently requested by our clients to discuss the overall condition of their accounting records and what our role is as your audit firm. We believe that these matters should be discussed at each audit. The following section describes your accounting process in general terms and the ways in which we work with your staff.

The City of Dodgeville processes accounting transactions based on the type of transaction involved. Money coming in is processed using a cash receipt system. The payment of bills is done through an accounts payable system. Employees' salaries are paid using a payroll system. Customer billing and accounts receivable are processed through a billing system. Utility materials and labor are charged to projects through a work order system. These systems are responsible for recording and summarizing the vast majority of your financial statements.

Beyond the systems described in the preceding paragraph, another system is used to make corrections and to record non-cash transactions. This system involves preparing general journal entries. Journal entries provide the ability to make changes to the financial data entered in the other systems. As your auditor, our role is to substantiate year end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances.

For the 2023 audit, we proposed adjustments and reclassifications to your records. The effect of these journal entries was considered to be material to the financial statements of the City of Dodgeville, Wisconsin. The proposed entries were accepted by the City of Dodgeville's management. All of these changes are reflected properly in your audited financial statements.

Because we are providing assistance to your staff by proposing changes to correct your financial information, you should be aware of these processes. Many of our clients rely on us to make yearend adjustments as we have described. In many cases, we have the experience or expertise to compute, and identify, corrections to your records. We work with many clients on similar issues, so it may be more efficient for you to have us do some of the one-time adjustments, rather than your staff spending hours researching the proper adjustment.

Due to the technical nature of financial reporting and complying with financial reporting standards, most clients have their CPA firm prepare the year end financial statements and note disclosures. We have provided these services to the City of Dodgeville.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your financial reporting system is materially correct and accurately reflects the financial activity for the year.

We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

PASSED JOURNAL ENTRIES

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. See Appendix 2 for passed journal entries.

OTHER COMMENTS ON OPERATIONS AND INTERNAL CONTROL

GASB 101, Compensated Absences

The Governmental Accounting Standards Board issued Statement No. 101 (GASB 101), Compensated Absences, effective after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

Cybersecurity Improvements

The City does not have established security practices and policies regarding cybersecurity. There is also no formal process to ensure appropriate access rights are given upon hiring or removed upon termination. There is no review process of the access rights granted to employees. We recommend the City implement security practices and policies to help employees protect sensitive information. We also recommend implementing a formal process for giving employees appropriate access rights to be consistent with job functions. This process should include removing access for employees who are terminated or change job roles. Access rights should be reviewed annually.

Employees are not currently required to use strong passwords consistently across programs. We recommend strong passwords be used across all programs. The following should occur for all passwords; length of 6 characters or more, changed every 90-days or less, include complex items (numbers, characters, capital and lowercase letters), cannot reuse last 3-6 passwords, and accounts lock after so many failed login attempts.

We also recommend cyber insurance be reviewed annually to determine if it would adequately protect you if a cyber-attack were to occur.

Safe Drinking Water Loan Debt Service Fund

The 2023 Safe Drinking Water Loan revenue bond resolution requires monthly transfers to a fund used to pay principal and interest on the loan. The water utility should make monthly transfers of one-sixth (1/6) of the next interest coming due on the bonds and one-twelfth (1/12) of the next principal of the bonds. As of December 31st of each year, the water utility should have two-months of transfers in the Debt Service fund.

CONCLUDING REMARKS

We would like to thank you for allowing us to serve you. We are committed to assisting you in the long-term financial success of the City of Dodgeville and our comments are intended to draw to your attention issues which need to be addressed by the City to meet its goals and responsibilities.

The comments and suggestions in this communication are not intended to reflect in any way on the integrity or ability of the personnel of the City of Dodgeville. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The City of Dodgeville's staff is deeply committed to maintaining the financial reporting system so that informed decisions can be made. They were receptive to our comments and suggestions.

We will review the status of these comments during each audit engagement.

If you have any questions or comments regarding this communication or the financial statements, do not hesitate to contact us.

Appendix 1 – Adjusting Journal Entries

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|--------------------------------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1001 | | | |
| Reflect transfers. | | | |
| 100-56800-000-000 | CAMPBELL TRUST-CEMETRY EXPENSE | 762.48 | |
| 100-59000-000-000 | TRANSFER TO GENERAL - T & A | 14.44 | |
| 100-48100-000-000 | TEMPORARY INVESTMENT INTEREST | | 762.48 |
| 100-49000-000-000 | TRANSFER FROM T & A GENERAL | | 14.44 |
| Total | | <u>776.92</u> | <u>776.92</u> |
| Adjusting Journal Entries JE # 1002 | | | |
| Record water utility tax equivalent on the general side | | | |
| 100-15110-000-000 | RECEIVABLE FROM WATER | 189,491.00 | |
| 100-29999-000-000 | DEFERRED REVENUE | | 189,491.00 |
| Total | | <u>189,491.00</u> | <u>189,491.00</u> |
| Adjusting Journal Entries JE # 1003 | | | |
| To record accounts receivable for school community resource officer (REVERSE 1/1/24). | | | |
| 100-13800-000-000 | OTHER ACCOUNTS RECEIVABLE | 21,684.58 | |
| 100-46202-000-000 | LOCAL POLICE SERVICE | | 21,684.58 |
| Total | | <u>21,684.58</u> | <u>21,684.58</u> |
| Adjusting Journal Entries JE # 1004 | | | |
| To adjust fourth quarter franchise fees | | | |
| 100-13800-000-000 | OTHER ACCOUNTS RECEIVABLE | 4,197.96 | |
| 100-44130-000-000 | TELEVISION FRANCHISE | | 4,197.96 |
| Total | | <u>4,197.96</u> | <u>4,197.96</u> |
| Adjusting Journal Entries JE # 1005 | | | |
| Clear water tower rent from general fund receivable. The amount appears to have been recorded in the Water Utility in Caselle in 2022. | | | |
| 100-11000-000-000 | GENERAL FUND CASH ALLOCATION | 1,117.80 | |
| 200-46910-000-474 | OTHER WATER REVENUE | 1,117.80 | |
| 100-13800-000-000 | OTHER ACCOUNTS RECEIVABLE | | 1,117.80 |
| 200-11000-000-000 | WATER FUND CASH ALLOCATION | | 1,117.80 |
| Total | | <u>2,235.60</u> | <u>2,235.60</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|-------------------------------|-------------------------|-------------------------|
| Adjusting Journal Entries JE # 1006 | | | |
| Move special charges placed on tax roll to taxes receivable. | | | |
| 100-12310-000-000 | REAL ETATE TAXES RECEIVABLE | 3,420.28 | |
| 200-11000-000-000 | WATER FUND CASH ALLOCATION | 562.60 | |
| 300-11000-000-000 | SEWER FUND CASH ALLOCATION | 621.13 | |
| 100-11000-000-000 | GENERAL FUND CASH ALLOCATION | | 1,183.73 |
| 100-13800-000-000 | OTHER ACCOUNTS RECEIVABLE | | 2,031.10 |
| 100-46330-000-000 | WEED CONTROL | | 205.45 |
| 200-46910-000-474 | OTHER WATER REVENUE | | 562.60 |
| 300-46910-000-000 | MISC. OPERATING REVENUE | | 621.13 |
| Total | | <u>4,604.01</u> | <u>4,604.01</u> |
| Adjusting Journal Entries JE # 1007 | | | |
| Adjust water service and main additions and removals for 2023. | | | |
| 200-18115-000-345 | SERVICE | 4,673.67 | |
| 200-18115-000-345 | SERVICE | 20,469.51 | |
| 200-18115-000-351 | SERVICE - CONTRIBUTED | 1,786.33 | |
| 200-18115-000-343 | TRANS. & DISTRIBUTION MAINS | | 20,469.51 |
| 200-18900-000-110 | ACCUM. PROV. FOR DEPRECIATION | | 6,460.00 |
| Total | | <u>26,929.51</u> | <u>26,929.51</u> |
| Adjusting Journal Entries JE # 1008 | | | |
| Adjust water depreciation and shared meter costs. | | | |
| 200-46910-000-474 | OTHER WATER REVENUE | 3.55 | |
| 200-53700-000-403 | DEPRECIATION EXPENSE | 257.43 | |
| 200-53700-000-408 | TAXES | 1.06 | |
| 300-11000-000-000 | SEWER FUND CASH ALLOCATION | 4.61 | |
| 200-11000-000-000 | WATER FUND CASH ALLOCATION | | 4.61 |
| 200-18900-000-110 | ACCUM. PROV. FOR DEPRECIATION | | 257.43 |
| 300-53600-000-835 | METER MAINT. & OTHER EXPENSE | | 4.61 |
| Total | | <u>266.65</u> | <u>266.65</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|--------------------------------|-------------------------|-------------------------|
| Adjusting Journal Entries JE # 1009 | | | |
| Record accrued wages at 12/31/23. General fund only. (REVERSE 1/1/24). | | | |
| 100-21595-000-000 | DEFERRED COMPENSATION PAYABLE | 211.54 | |
| 100-51100-110-000 | COUNCIL - WAGE | 738.48 | |
| 100-51410-110-000 | MAYOR - WAGE | 416.62 | |
| 100-51420-110-000 | CLERK - WAGE | 2,697.62 | |
| 100-51600-110-000 | GEN BLDGS & PLANT (JAN) WAGE | 948.40 | |
| 100-52100-110-000 | POLICE - WAGE | 17,635.71 | |
| 100-52200-110-000 | FIRE DEPART - WAGE | 1,570.50 | |
| 100-52300-110-000 | AMBULANCE - WAGE | 12,728.14 | |
| 100-52400-110-000 | BUILDING INSPECTOR - WAGE | 1,626.40 | |
| 100-53100-110-000 | PW DIR - WAGE | 1,159.00 | |
| 100-53230-110-000 | SHOP OPER (GARAGE)-WAGE | 1,812.13 | |
| 100-53410-110-000 | STREET MAINT. & ALLEYS-WAGE | 256.76 | |
| 100-53414-110-000 | SNOW & ICE CONTROL - WAGE | 830.29 | |
| 100-53420-110-000 | STREET LIGHTING - WAGE | 13.36 | |
| 100-53421-110-000 | TREE & BRUSH CONTROL -WAGE | 243.96 | |
| 100-54910-110-000 | CEMETERY - WAGE | 720.92 | |
| 100-55200-110-000 | PARKS - WAGE | 540.69 | |
| 100-55300-110-000 | RECREATION - WAGE | 93.83 | |
| 100-21104-000-000 | WAGES PAYABLE | | 25,868.22 |
| 100-21511-000-000 | SOCIAL SECURITY TAXE PAYABLE | | 4,043.52 |
| 100-21512-000-000 | U.S. WITHHOLDING TAXE PAYABLE | | 3,692.60 |
| 100-21513-000-000 | STATE WITHHOLDING TAXE PAYABL | | 1,933.17 |
| 100-21540-000-000 | HEALTH INSURANCE PAYABLE | | 2,482.33 |
| 100-21542-100-000 | EMPLY CONTRIBUTION RETIREMENT | | 3,023.67 |
| 100-21550-000-000 | UNION DUES PAYABLE | | 133.00 |
| 100-21552-000-000 | LIFE INSURANCE (SECURIAN) PAY | | 105.74 |
| 100-21570-000-000 | AFLAC INSURANCE PAYABLE | | 222.43 |
| 100-21575-000-000 | ACCIDENT INSURANCE PAYABLE | | 28.28 |
| 100-21580-000-000 | GARNISHMENT DEDUCTIONS PAYABLE | | 80.77 |
| 100-21590-000-000 | OTHER DEDUCTIONS PAYABLE (SM C | | 186.87 |
| 100-21595-000-000 | DEFERRED COMPENSATION PAYABLE | | 1,050.31 |
| 100-21597-000-000 | FLEX PLAN REIMBURSE PAYABLE | | 375.05 |
| 100-52100-110-000 | POLICE - WAGE | | 1,018.39 |
| Total | | <u>44,244.35</u> | <u>44,244.35</u> |
| Adjusting Journal Entries JE # 1010 | | | |
| Adjust prepaid health insurance at 12/31/23. | | | |
| 100-52100-113-000 | POLICE - HEALTH INSUR | 7,309.70 | |
| 100-18100-000-000 | PREPAID EXPENSE | | 7,309.70 |
| Total | | <u>7,309.70</u> | <u>7,309.70</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|--------------------------------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1011 | | | |
| Reclassify interest income per discussion with Lauree. | | | |
| 100-48100-000-000 | TEMPORARY INVESTMENT INTEREST | 5,210.53 | |
| 140-11000-000-000 | DEBT SERVICE CASH ALLOCATION | 942.21 | |
| 150-11000-000-000 | LIBRARY FUND CASH ALLOCATION | 3,225.31 | |
| 200-11000-000-000 | WATER FUND CASH ALLOCATION | 1,043.01 | |
| 430-56702-000-000 | TID 3 - INTEREST | 14,679.13 | |
| 100-11000-000-000 | GENERAL FUND CASH ALLOCATION | | 5,210.53 |
| 140-48100-000-000 | INTEREST INCOME - DEBT | | 942.21 |
| 150-48100-000-000 | TEMPORARY INVESTMENTS INTEREST | | 3,225.31 |
| 200-48100-000-419 | INTEREST & DIVIDEND INCOME | | 1,043.01 |
| 430-48100-000-000 | TID 3 INTEREST INCOME | | 14,679.13 |
| Total | | <u>25,100.19</u> | <u>25,100.19</u> |
| Adjusting Journal Entries JE # 1012 | | | |
| Recognize ARPA LFRF revenue for police expenses. | | | |
| 161-21900-000-000 | UNEARNED REVENUE | 10,528.00 | |
| 161-43300-000-000 | FEDERAL GRANTS-AM RESCUE PLAN | | 10,528.00 |
| Total | | <u>10,528.00</u> | <u>10,528.00</u> |
| Adjusting Journal Entries JE # 1013 | | | |
| Adjust unbilled revenue between years. | | | |
| 200-13100-000-144 | UNBILLED REVENUE | 12,532.00 | |
| 300-46411-000-100 | RESIDENTIAL REVENUE | 1,874.00 | |
| 200-46452-000-100 | RESIDENTIAL | | 12,532.00 |
| 300-18200-000-000 | UNBILLED REVENUE | | 1,874.00 |
| Total | | <u>14,406.00</u> | <u>14,406.00</u> |
| Adjusting Journal Entries JE # 1014 | | | |
| Write off utility special assessments as uncollectible per discussion with Lauree. | | | |
| 200-53700-000-690 | UNCOLLECTIBLE ACCOUNTS | 107,446.40 | |
| 300-53600-000-690 | UNCOLLECTIBLE ACCOUNTS | 263,759.52 | |
| 200-12400-000-000 | SPECIAL ASSESSMENTS RECEIVABLE | | 107,446.40 |
| 300-12400-000-000 | SPECIAL ASSESSMENTS RECEIVABLE | | 263,759.52 |
| Total | | <u>371,205.92</u> | <u>371,205.92</u> |
| Adjusting Journal Entries JE # 1015 | | | |
| Record change in comp absences for the water and sewer | | | |
| 200-99000-000-000 | COMPENSATED ABSENCE EXPENSE | 3,069.96 | |
| 300-28000-000-000 | COMPENSATED ABSENCE | 8,104.11 | |
| 200-28000-000-000 | COMPENSATED ABSENCE | | 3,069.96 |
| 300-89900-000-000 | COMPENSATED ABSENCE EXPENDIT. | | 8,104.11 |
| Total | | <u>11,174.07</u> | <u>11,174.07</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|-------------------------------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1016 | | | |
| Record accrued interest for 2023 GO Bonds and revenue bonds for Water utility. | | | |
| 200-53700-000-427 | INTEREST ON LONG TERM DEBT | 786.00 | |
| 200-53700-000-427 | INTEREST ON LONG TERM DEBT | 12,752.00 | |
| 200-21600-000-000 | INTERET ACCRUED | | 13,538.00 |
| Total | | <u>13,538.00</u> | <u>13,538.00</u> |
| Adjusting Journal Entries JE # 1017 | | | |
| Record accrued interest for 2023 GO Bonds for Sewer utility. | | | |
| 300-53600-000-427 | INTEREST ON LONG TERM DEBT | 7,816.00 | |
| 300-21600-000-000 | INTERET ACCRUED | | 7,816.00 |
| Total | | <u>7,816.00</u> | <u>7,816.00</u> |
| Adjusting Journal Entries JE # 1018 | | | |
| To reserve 2022 a/r entries booked | | | |
| 100-13104-000-000 | ACCOUNTS RECEIVABLE | 9,089.78 | |
| 100-46222-000-000 | FIRE PROTECTION CONTRACTS | 63,439.00 | |
| 100-13104-000-000 | ACCOUNTS RECEIVABLE | | 63,439.00 |
| 100-51910-000-000 | ILLEGAL TAXES & TAX REFUNDS | | 2,500.00 |
| 100-51912-000-000 | MISCELLANEOUS EXPENSE | | 6,589.78 |
| Total | | <u>72,528.78</u> | <u>72,528.78</u> |
| Adjusting Journal Entries JE # 1019 | | | |
| Reverse AP entry for pumper tanker not received until March 2024. Reverse 1/1/2024. | | | |
| 160-21000-000-000 | ACCOUNTS PAYABLE | 118,122.00 | |
| 160-57220-000-000 | FIRE SUPPRESSION TRUCK | | 118,122.00 |
| Total | | <u>118,122.00</u> | <u>118,122.00</u> |
| Adjusting Journal Entries JE # 1020 | | | |
| To reclassify lease payments received for cell tower, farm land, and water tower leases. | | | |
| 100-48210-000-000 | LAND RENT FOR CELL TOWER | 5,025.00 | |
| 100-48210-000-000 | LAND RENT FOR CELL TOWER | 5,092.32 | |
| 200-46910-000-474 | OTHER WATER REVENUE | 1,117.80 | |
| 100-14800-000-000 | LEASE RECEIVABLE - GENERAL | | 3,111.25 |
| 100-14800-000-000 | LEASE RECEIVABLE - GENERAL | | 4,985.57 |
| 100-48100-000-000 | TEMPORARY INVESTMENT INTEREST | | 106.75 |
| 100-48100-000-000 | TEMPORARY INVESTMENT INTEREST | | 1,913.75 |
| 200-14800-000-000 | LEASE RECEIVABLE - SEWER | | 1,052.79 |
| 200-48100-000-419 | INTEREST & DIVIDEND INCOME | | 65.01 |
| Total | | <u>11,235.12</u> | <u>11,235.12</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|--|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1021 | | | |
| To record reduction in deferred inflow of resources for cell tower, farm land, and water tower leases. | | | |
| 100-28000-000-000 | DEFERRED INFLOW - LEASES | 3,996.72 | |
| 100-28000-000-000 | DEFERRED INFLOW - LEASES | 4,936.68 | |
| 200-28800-000-000 | DEFERRED INFLOW - LEASES (SWR) | 1,085.16 | |
| 100-48210-000-000 | LAND RENT FOR CELL TOWER | | 3,996.72 |
| 100-48210-000-000 | LAND RENT FOR CELL TOWER | | 4,936.68 |
| 200-46910-000-474 | OTHER WATER REVENUE | | 1,085.16 |
| Total | | <u>10,018.56</u> | <u>10,018.56</u> |
| Adjusting Journal Entries JE # 1022 | | | |
| To record library printer #1 lease asset and liability as of beginning of lease. | | | |
| 150-18000-100-000 | Library lease asset | 9,536.03 | |
| 150-28000-100-000 | Library lease liability | | 9,536.03 |
| Total | | <u>9,536.03</u> | <u>9,536.03</u> |
| Adjusting Journal Entries JE # 1023 | | | |
| Record lease payment against liability for Library Printer #1 lease. | | | |
| 150-28000-100-000 | Library lease liability | 1,794.67 | |
| 150-58000-100-000 | Library lease interest expense | 261.53 | |
| 150-55115-224-000 | LIBRARY- COPIER COSTS | | 2,056.20 |
| Total | | <u>2,056.20</u> | <u>2,056.20</u> |
| Adjusting Journal Entries JE # 1024 | | | |
| To record amortization expense on library printer #1 lease. | | | |
| 150-59000-100-000 | Library amortization expense | 1,907.16 | |
| 150-18010-100-000 | Library accumulated lease amortization | | 1,907.16 |
| Total | | <u>1,907.16</u> | <u>1,907.16</u> |
| Adjusting Journal Entries JE # 1025 | | | |
| Record change in pension for the water and sewer utility | | | |
| 200-10000-000-031 | DEFERRED OUTFLOWS - WRS WATER | 37,582.00 | |
| 200-10000-000-999 | PENSION CLEARING ACCOUNT - WAT | 28,501.00 | |
| 200-20000-000-031 | DEFERRED INFLOWS-WRS -WATER | 79,884.00 | |
| 300-10000-000-031 | DEFERRED OUTFLOWS - WRS SEWER | 10,292.00 | |
| 300-10000-000-999 | PENSION CLEARING ACCOUNT - SEW | 28,784.00 | |
| 300-20000-000-031 | DEFERRED INFLOWS - WRS SEWER | 86,821.00 | |
| 200-10000-000-040 | NET PENSION ASSET-WATER | | 133,623.00 |
| 200-10000-000-999 | PENSION CLEARING ACCOUNT - WAT | | 12,344.00 |
| 300-10000-000-040 | NET PENSION ASSET-SEWER | | 116,089.00 |
| 300-10000-000-999 | PENSION CLEARING ACCOUNT - SEW | | 9,808.00 |
| Total | | <u>271,864.00</u> | <u>271,864.00</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|--|--------------------------------|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1026 | | | |
| Clear out utility pension clearing account. | | | |
| 200-53700-686-000 | EMPLOYEE PENSION & BENEFITS | 16,157.00 | |
| 300-53600-000-854 | EMPLOYEE PENSION & BENEFITS | 18,976.00 | |
| 200-10000-000-999 | PENSION CLEARING ACCOUNT - WAT | | 16,157.00 |
| 300-10000-000-999 | PENSION CLEARING ACCOUNT - SEW | | 18,976.00 |
| Total | | <u>35,133.00</u> | <u>35,133.00</u> |
| Adjusting Journal Entries JE # 1027 | | | |
| Reclassify contributed plant to utility financed due to special assessment write off. | | | |
| 200-18115-000-343 | TRANS. & DISTRIBUTION MAINS | 107,446.76 | |
| 300-18212-000-313 | COLLECTING MAINS & ACCESORIE | 263,759.52 | |
| 200-18115-000-350 | MAINS - CONTRIBUTED | | 107,446.76 |
| 300-18212-000-341 | COLLECT. MAINS CONTRIBUTED | | 263,759.52 |
| Total | | <u>371,206.28</u> | <u>371,206.28</u> |
| Adjusting Journal Entries JE # 1028 | | | |
| Adjust ambulance receivable and allowance to confirmation. | | | |
| 100-13900-000-000 | ET. UNCOLLECTIBLE AMBUL. REC. | 5,366.25 | |
| 100-46230-000-000 | AMBULANCE FEE | 121,787.27 | |
| 100-13105-000-000 | AMBULANCE ACCOUNTS RECEIVABLE | | 127,153.52 |
| Total | | <u>127,153.52</u> | <u>127,153.52</u> |
| Adjusting Journal Entries JE # 1029 | | | |
| To adjust inventory to actual at 12/31/23. | | | |
| 200-16110-000-150 | MATERIAL AND SUPPLIE | 13,726.27 | |
| 200-53700-623-000 | PUMPING SUPPLIES AND EXPENSE | | 7,000.00 |
| 200-53700-632-000 | WATER TREAT. SUPPLIES & EXP. | | 6,726.27 |
| Total | | <u>13,726.27</u> | <u>13,726.27</u> |
| Adjusting Journal Entries JE # 1030 | | | |
| Adjust the estimate for the allowance of EMS receivables to the balance older than 90 days | | | |
| 100-46230-000-000 | AMBULANCE FEE | 62,033.00 | |
| 100-13900-000-000 | ET. UNCOLLECTIBLE AMBUL. REC. | | 62,033.00 |
| Total | | <u>62,033.00</u> | <u>62,033.00</u> |
| Adjusting Journal Entries JE # 1031 | | | |
| Correct AJE 1022. | | | |
| 150-28000-100-000 | Library lease liability | 9,536.03 | |
| 150-55115-224-000 | LIBRARY- COPIER COSTS | 9,536.03 | |
| 150-18000-100-000 | Library lease asset | | 9,536.03 |
| 150-49100-000-000 | Lease Proceeds | | 9,536.03 |
| Total | | <u>19,072.06</u> | <u>19,072.06</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Adjusting Journal Entries

| Account | Description | Debit | Credit |
|---|--|--------------------------|--------------------------|
| Adjusting Journal Entries JE # 1032 | | | |
| Correct AJE 1023. | | | |
| 150-58000-200-000 | Lease principal payments | 1,794.67 | |
| 150-28000-100-000 | Library lease liability | | 1,794.67 |
| Total | | <u>1,794.67</u> | <u>1,794.67</u> |
| Adjusting Journal Entries JE # 1033 | | | |
| Correct AJE 1024. | | | |
| 150-18010-100-000 | Library accumulated lease amortization | 1,907.16 | |
| 150-59000-100-000 | Library amortization expense | | 1,907.16 |
| Total | | <u>1,907.16</u> | <u>1,907.16</u> |
| Adjusting Journal Entries JE # 1034 | | | |
| Record transfer to the capital projects fund for the approved 2023 carryover. | | | |
| 100-59008-000-000 | TRANSFER TO CAP. PROJECTS-GEN. | 497,240.17 | |
| 160-11000-000-000 | CAPITAL FUND CASH ALLOCATION | 497,240.17 | |
| 100-11000-000-000 | GENERAL FUND CASH ALLOCATION | | 497,240.17 |
| 160-48900-000-000 | TRANSFER FROM GENERAL FUND | | 497,240.17 |
| Total | | <u>994,480.34</u> | <u>994,480.34</u> |

Appendix 2 – Passed Journal Entries

City of Dodgeville
For the Year Ended December 31, 2023
Passed Journal Entries

| Account | Description | Debit | Credit |
|---|-------------------------------|-------------------------|-------------------------|
| Proposed JE # 6001 | | | |
| Accrue wages at 12-31-23. | | | |
| 150-33000-000-000 | FUND BALANCE | 4,077.00 | |
| 150-55115-110-000 | LIBRARY - WAGE ACCOUNT | 1,211.00 | |
| 200-32000-000-216 | UNAPPROPRIATED EARNED SURPLUS | 3,430.00 | |
| 200-53700-625-000 | MAINTENANCE OF PUMPING | 952.00 | |
| 300-32000-000-216 | UNAPPROPRIATED EARNED SURPLUS | 3,071.00 | |
| 300-53600-000-832 | PUMPING EQUIPMENT | 496.00 | |
| 150-21000-000-000 | ACCOUNTS PAYABLE | | 5,288.00 |
| 200-21000-000-000 | ACCOUNTS PAYABLE | | 4,382.00 |
| 300-21000-000-000 | ACCOUNTS PAYABLE | | 3,567.00 |
| Total | | <u>13,237.00</u> | <u>13,237.00</u> |
| Proposed JE # 6002 | | | |
| Record accrued vacation at 12/31/23. | | | |
| 100-51420-000-000 | CLERK | 7,936.00 | |
| 100-21100-000-000 | ACCOUNTS (VOUCHERS) PAYABLE | | 7,936.00 |
| Total | | <u>7,936.00</u> | <u>7,936.00</u> |
| Proposed JE # 6003 | | | |
| Record lease assets and liabilities for immaterial leases under GASB 87 as of 12/31/2023. | | | |
| 150-18000-100-000 | Library lease asset | 3,165.00 | |
| 8-18000-000-000 | Governmental Fixed Assets | 7,459.00 | |
| 8-18000-000-000 | Governmental Fixed Assets | 8,952.00 | |
| 150-28000-100-000 | Library lease liability | | 3,165.00 |
| 8-25000-000-000 | Capital lease payable | | 7,459.00 |
| 8-25000-000-000 | Capital lease payable | | 8,952.00 |
| Total | | <u>19,576.00</u> | <u>19,576.00</u> |

City of Dodgeville
For the Year Ended December 31, 2023
Passed Journal Entries

| Account | Description | Debit | Credit |
|--|-----------------------------------|-------------------------|-------------------------|
| Proposed JE # 6004 | | | |
| Record an estimate of the health OPEB liability in the utilities | | | |
| 200-53700-686-000 | EMPLOYEE PENSION & BENEFITS | 4,355.00 | |
| 300-53600-000-854 | EMPLOYEE PENSION & BENEFITS | 5,945.00 | |
| 8-1010-540 | Net OPEB Asset (Liability) Health | 10,300.00 | |
| 100-52100-113-000 | POLICE - HEALTH INSUR | | 10,300.00 |
| 200-10000-000-040 | NET PENSION ASSET-WATER | | 4,355.00 |
| 300-10000-000-040 | NET PENSION ASSET-SEWER | | 5,945.00 |
| Total | | <u>20,600.00</u> | <u>20,600.00</u> |
| Proposed JE # 6101 | | | |
| Record accrued interest receivable for CDs. | | | |
| 900-13000 | Interest Receivable | 452.00 | |
| 900-34600 | WRRP - Interest Revenue | | 452.00 |
| Total | | <u>452.00</u> | <u>452.00</u> |

Appendix 3 – Management Representation Letter



CITY OF DODGEVILLE
100 E. Fountain St.
Dodgeville, WI 53533
<https://dodgevillewi.gov>

July 29, 2024

Johnson Block and Company
2500 Business Park Road
Mineral Point, WI 53858

Dear Johnson Block and Company,

This representation letter is provided in connection with your audit of the basic financial statements of the City of Dodgeville ("City"), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of July 29, 2024.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 16, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.

- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized presented below and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.

| | | | | |
|---|-----------------------------------|----------------|------------------|------------------|
| Proposed JE # 6001 | | 5200.20 | | |
| Accrue wages at 12-31-23. | | | | |
| 150-33000-000-000 | FUND BALANCE | | 4,077.00 | |
| 150-55115-110-000 | LIBRARY - WAGE ACCOUNT | | 1,211.00 | |
| 200-32000-000-216 | UNAPPROPRIATED EARNED SURPLUS | | 3,430.00 | |
| 200-53700-625-000 | MAINTENANCE OF PUMPING | | 952.00 | |
| 300-32000-000-216 | UNAPPROPRIATED EARNED SURPLUS | | 3,071.00 | |
| 300-53600-000-832 | PUMPING EQUIPMENT | | 496.00 | |
| 150-21000-000-000 | ACCOUNTS PAYABLE | | | 5,288.00 |
| 200-21000-000-000 | ACCOUNTS PAYABLE | | | 4,382.00 |
| 300-21000-000-000 | ACCOUNTS PAYABLE | | | 3,567.00 |
| Total | | | 13,237.00 | 13,237.00 |
| Proposed JE # 6002 | | 5200.40 | | |
| Record accrued vacation at 12/31/23. | | | | |
| 100-51420-000-000 | CLERK | | 7,936.00 | |
| 100-21100-000-000 | ACCOUNTS (VOUCHERS) PAYABLE | | | 7,936.00 |
| Total | | | 7,936.00 | 7,936.00 |
| Proposed JE # 6003 | | 4600.50 | | |
| Record lease assets and liabilities for immaterial leases under GASB 87 as of 12/31/2023. | | | | |
| 150-18000-100-000 | Library lease asset | | 3,165.00 | |
| 8-18000-000-000 | Governmental Fixed Assets | | 7,459.00 | |
| 8-18000-000-000 | Governmental Fixed Assets | | 8,952.00 | |
| 150-28000-100-000 | Library lease liability | | | 3,165.00 |
| 8-25000-000-000 | Capital lease payable | | | 7,459.00 |
| 8-25000-000-000 | Capital lease payable | | | 8,952.00 |
| Total | | | 19,576.00 | 19,576.00 |
| Proposed JE # 6004 | | 5260.20 | | |
| Record an estimate of the health OPEB liability in the utilities | | | | |
| 200-53700-686-000 | EMPLOYEE PENSION & BENEFITS | | 4,355.00 | |
| 300-53600-000-854 | EMPLOYEE PENSION & BENEFITS | | 5,945.00 | |
| 8-1010-540 | Net OPEB Asset (Liability) Health | | 10,300.00 | |
| 100-52100-113-000 | POLICE - HEALTH INSUR | | | 10,300.00 |
| 200-10000-000-040 | NET PENSION ASSET-WATER | | | 4,355.00 |
| 300-10000-000-040 | NET PENSION ASSET-SEWER | | | 5,945.00 |
| Total | | | 20,600.00 | 20,600.00 |
| Proposed JE # 6101 | | 4101.10 | | |
| Record accrued interest receivable for CDs. | | | | |
| 900-13000 | Interest Receivable | | 452.00 | |
| 900-34600 | WRRP - Interest Revenue | | | 452.00 |
| Total | | | 452.00 | 452.00 |

- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to financial statement preparation, capital asset depreciation schedules, lease schedules, and compiling annual financial reports for PSC and DOR, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

- With regard to pension and OPEBs:
 - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - We are unable to determine the possibility of a withdrawal liability from the Wisconsin Retirement System pension plan, the local retiree life insurance fund OPEB plan, or the City's OPEB plans of which we are a sponsor and are not currently contemplating withdrawing from the Wisconsin Retirement System pension plan, the local retiree life insurance fund OPEB plan, or the City's OPEB plan.
 - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation or disclosed as a subsequent event.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

- We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The significant judgements made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the combining nonmajor fund financial statements accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the combining nonmajor fund financial statements in accordance with accounting principles generally accepted in the United States of America.

- We believe the combining nonmajor fund financial statements, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary financial information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the budgetary comparison schedules, the Wisconsin Retirement System schedules, the local retiree life insurance fund schedules, and the schedule of changes in the City's total OPEB liability and related ratios accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the budgetary comparison schedules in accordance with U.S. GAAP, the Wisconsin Retirement System schedules in accordance with GASB Statement 68 (GASB-68), *Accounting and Financial Reporting for Pensions*, and the local retiree life insurance fund schedules and the schedule of changes in the City's total OPEB liability in accordance with GASB Statement 75 (GASB-75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP, GASB-68, and GASB-75.
- The methods of measurement or presentation have not changed from those used in the prior period.

Accounting Estimates and Related Disclosures

- We have taken into account all relevant information of which we are aware for significant accounting estimates.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the City of Dodgeville.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Use of a Specialist

- We agree with the findings of specialists in evaluating the Wisconsin Retirement System Plan, the life insurance OPEB plan, and the health insurance OPEB plan and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Barry Hottmann

(City Mayor)

Sandra Pulic

(City Clerk – Treasurer)