



Village Board
Village of Kronenwetter, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Kronenwetter, Wisconsin, as of and for the year ended December 31, 2024, and have issued our report thereon dated May 8, 2026. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated October 25, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Village of Kronenwetter, Wisconsin, are described in Note 1 to the financial statements.

As discussed in Note 1.F, the Village implemented GASB Statement No. 101, *Compensated Absences*, during the audit period and has implemented the new accounting standards in accordance with the guidance prescribed in the statement.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

As previously communicated to you on December 22, 2025, we encountered the following significant difficulties:

- Cash and investment accounts were not reconciled. The final December 2024 reconciliation for the general (pooled) checking account has not been provided as of December 22, 2025. The December reconciliation was received in late February 2026. This reconciliation was requested as part of our original audit preparation list, initially provided in February 2025. This item was the topic of follow-up emails, telephone calls, or Microsoft Teams meetings on April 15, 2025, August 13, 2025, August 21, 2025, September 22, 2025, September 29, 2025, October 8, 2025, October 21, 2025, November 7, 2025, November 12, 2025, November 25, 2025, and December 12, 2025, as well as on other occasions through May 2026.
- Incomplete or missing information as of December 22, 2025 related to audit requests specific to capital assets, accounts receivable, accounts payable, TIF revenue and expenses testing, and legal expense testing. These items were originally requested during fieldwork in April 2025 and October 2025 and included on lists sent in follow-up emails on November 7, 2025, November 12, 2025, and December 12, 2025. In addition, some items on our original audit preparation list, initially provided in February 2025, have not been provided as of December 22, 2025. We received this documentation in March 2026.
- GASB 101 Compensated Absences implementation is still in process as of December 22, 2025. GASB 101 is required to be implemented by the Village for the December 31, 2024, financial statements and was part of extensive discussions with the finance director when we were onsite for preliminary fieldwork in February 2025. Documentation supporting implementation of the standard was included on our original audit preparation list, initially provided in February 2025. We received this documentation in March 2026.
- Requested support related to the allowability of the capital projects bid out for TIF #2 after the expenditure period ended in November 2024 has not been provided as of December 22, 2025. This item was verbally requested when we were onsite for preliminary fieldwork in February 2025 and was included on lists sent in follow-up emails on November 7, 2025, November 12, 2025, and December 12, 2025. We received this documentation in March 2026.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- Recording the cumulative effect of change in accounting principle of \$54,542, \$26,278, and \$13,139 related to implementing GASB Statement No. 101, *Compensated Absences* as current year activity in the governmental activities, business-type activities, and water and sewer utility opinion units, respectively.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis of matter paragraph to highlight the prior period adjustment as follows:

Emphasis of Matter

As described in Note 4.E., the Village recorded a prior period adjustment to adjust capital assets for an asset that was improperly capitalized in a prior year in the governmental activities. Our opinions are not modified with respect to this matter.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated May 8, 2026.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Significant findings or issues that were discussed, or the subject of correspondence, with management

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management:

- CliftonLarsonAllen LLP prepared the financial statements and related disclosures, required supplementary information, and supplementary information, lack of segregation of duties, bank account reconciliations, audit adjustments, other balance sheet reconciliations, and journal entry documentation and approval.

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- During the audit we identified the following significant risks of material misstatement that have not previously been communicated to you:
 - Accuracy, Valuation, and Allocation, Classification and Completeness risks related to the turnover of Key Personnel
 - Existence, Accuracy, Valuation, and Allocation, Completeness, and Presentation risks related to the Timely Cash Reconciliations

We have provided a separate communication to you dated May 8, 2026, communicating internal control related matters identified during the audit.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the General Fund Detailed Comparison of Budgeted and Actual Revenues, General Fund Detailed Comparison of Budgeted and Actual Expenditures, and the combining nonmajor fund financial statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated May 8, 2026.

* * *

This communication is intended solely for the information and use of the Village Board and management of the Village of Kronenwetter, Wisconsin, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Stevens Point, Wisconsin
May 8, 2026



May 8, 2026

CliftonLarsonAllen LLP
3125 John Joanis Drive
Stevens Point, WI 54482

This representation letter is provided in connection with your audit of the financial statements of Village of Kronenwetter, Wisconsin, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2024, 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 financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of May 8, 2026, the following representations made to you during your audit of the financial statements as of and for the year ended December 31, 2024.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated October 25, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. 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 accordance with U.S. GAAP.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable

from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. The Village has determined that recording the cumulative effect of change in accounting principle of \$54,542, \$26,278 and \$13,139 related to implementing GASB Statement No. 101, *Compensated Absences* as current year activity in the governmental activities, business-type activities, and water and sewer utility opinion units respectively rather than restating beginning net position is immaterial to the Village's financial statements. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
11. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
12. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, *Leases*.
13. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
14. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
15. Direct borrowings of debt have been properly separated from other debt and unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance related consequences, and significant subjective acceleration clauses have been properly disclosed.

16. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
17. We are unable to determine the possibility of a withdrawal liability in a multiple-employer benefit plan.
18. We do not plan to make frequent amendments to our pension benefit plans.
19. Accounting changes and error corrections are appropriately presented and disclosed in the financial statements.
20. We have properly identified the various types of leave and have recorded a liability for compensated absences in accordance with the requirements of GASB Statement No. 101, *Compensated Absences*.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. 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.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. There are no known related-party relationships or transactions which need to be accounted for or disclosed in accordance with U.S. GAAP.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Village of Kronenwetter, Wisconsin, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

18. We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
21. The financial statements properly classify all funds and activities.
22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
23. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
24. Investments are properly valued.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
28. Deposits and investment securities are properly classified as to risk and are properly valued and disclosed.
29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
30. We have appropriately disclosed the entity's 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 is available and have determined that net position is properly recognized under the policy.

31. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
32. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
33. We acknowledge our responsibility for presenting the General Fund Detailed Comparison of Budgeted and Actual Revenues, General Fund Detailed Comparison of Budgeted and Actual Expenditures, and the combining nonmajor fund financial statements (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
34. In regards to the preparation of the draft financial statements, related notes, required supplementary information, supplementary information, depreciation services, preparation of adjusting journal entries, and preparation of lease calculations and related entries and footnotes services performed by you, we have:
 - a. Made all management judgments and decisions and assumed all management responsibilities.
 - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.
35. We agree with the findings of specialists in evaluating the pension benefits 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 impact on the independence or objectivity of the specialist.

Signature: John Jacobs Title: Finance Director

Signature: James A. Daniels Title: Village Administrator