

**CITY OF WHITEWATER  
WHITEWATER, WISCONSIN  
REQUIRED AUDIT COMMUNICATIONS  
TO THE CITY COUNCIL**

**Year Ended December 31, 2023**

**Johnson Block & Company, Inc.  
Certified Public Accountants  
9701 Brader Way, Suite 202  
Middleton, Wisconsin 53562  
(608) 274-2002**

**CITY OF WHITEWATER  
WHITEWATER, WISCONSIN**

**Year Ended December 31, 2023**

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Signed Management Representation Letter



## **AUDIT MATTERS REQUIRING COMMUNICATION TO THE GOVERNING BODY**

To the City Council  
City of Whitewater  
Whitewater, Wisconsin

We have audited the financial statements of the City of Whitewater as of and for the year ended December 31, 2023, and have issued our report thereon dated June 19, 2024. Professional standards also 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 20, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements 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 of Whitewater 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.

### **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.

In order to eliminate identified significant threats to independence, management reviewed the financial statements and footnote disclosures, including the additions related to new accounting standards that were implemented in the current year.



## **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 of Whitewater is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City of Whitewater changed accounting policies related to adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription-Based Information Technology Arrangements, effective January 1, 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*

Accounting estimates 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.

The most sensitive accounting estimates affecting the financial statements are:

- Depreciation - Management's estimates of the depreciable lives of property and equipment are based on the expected use of the respective assets and management's experience with similar assets used by the City of Whitewater.
- Management's estimate of the WRS pension liability and deferred outflows and inflows of resources are based on various factors. These estimates are computed by the pension plan administrator.
- Management's estimates of the other postemployment benefits are based on various factors. The estimated liabilities were computed by an actuarial study.
- Management's estimate of leased receivable, deferred lease inflows and lease revenue are based on applicable lease terms, projected future payments, and a discount rate.

We evaluated the factors and assumptions used to develop the estimates 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.

### **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 schedule in the appendix 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, misstatements detected as a result of audit procedures that were brought to the attention of and corrected by management are attached: See appendix.

### **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 of Whitewater'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 letter dated June 19, 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 of Whitewater, 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 of Whitewater's auditors.

This report is intended solely for the information and use of the City Council and management of the City of Whitewater and is not intended to be and should not be used by anyone other than those specified parties.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
June 19, 2024



## MANAGEMENT LETTER

To the City Council  
City of Whitewater  
Whitewater, Wisconsin

In planning and performing our audit of the financial statements of the City of Whitewater for the year ended December 31, 2023, we considered the City of Whitewater'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 other 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 June 19, 2024, on the financial statements of the City of Whitewater.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the City of Whitewater'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.  
June 19, 2024

**CITY OF WHITEWATER  
WHITEWATER, WISCONSIN  
Year Ended December 31, 2023**

**ADJUSTING JOURNAL ENTRIES**

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.

The proposed entries were accepted by the City of Whitewater's management. All of these changes are reflected properly in your audited financial statements. A copy of the adjusting entries has been provided to your staff and they have been posted to your 2023 general ledger.

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 your City.

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. There were three passed journal entries in 2023.

**ADDITIONAL COMMENTS**

*Aquatic Center Revenue Projections*

While formulating the budget for the Aquatic Center, we recommend that the City of Whitewater address the fund deficit in the Aquatic Center.

Current Year comment – The City has worked on getting projections in its budget process. The Aquatic Center had a deficit of \$69,579 as of December 31, 2023. This deficit requires an advance of funds from the City and increased subsidies from the general fund. The City is in the process of negotiations with the School District and formalizing a plan for long-term stability.

*City/CDA Agreement*

The City and the CDA currently have a memorandum of understanding whereby the City is to repay the CDA for monies the City spent on the water tower. The source of the funds was a federal grant which the City received and was appropriately spent on the water tower. We recommend that the City review the appropriateness of the repayment agreement since the source of the funds was from a federal CDBG grant and there was no flow of funds from the CDA to the City.

**CITY OF WHITEWATER  
WHITEWATER, WISCONSIN  
Year Ended December 31, 2023**

*Compensated Absences*

The Governmental Accounting Standards Board issued Statement No. 101 (GASB 101), Compensated Absences. GASB 101 establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits. GASB 101 is effective for fiscal years beginning after December 15, 2023.

A compensated absence is defined as a leave that employees receive for time off with pay, leave for which employees receive payment upon termination of employment, or leave for which employees receive settlement through other means, such as conversion to postemployment benefits. Compensated absences generally do not have a set payment schedule. Examples include vacation leave, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

As a general rule, compensated absences liabilities are recognized for leave and associated salary-related payments (e.g. employer share of payroll taxes, employer contributions to defined contribution plan, etc.) when leave is earned, with exceptions.

Under GASB 101, an analysis must be performed to determine how much of employees' leave balances at year-end are more likely than not to be used as time off in future reporting periods. For example, certain time is earned and accrued by employees, but unused leave is not paid out at termination. This unused leave (or a portion of it) should be reported as a compensated absence liability at year-end for the estimated amount of unused leave balances that are more likely than not to be used as time off in subsequent years.

As deemed necessary, please contact us for assistance with the implementation of this new standard and the determination of its applicability to the City's benefits. It would be our pleasure to help.

**CITY OF WHITEWATER  
WHITEWATER, WISCONSIN  
Year Ended December 31, 2023**

**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 Whitewater 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 Whitewater. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The City of Whitewater'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**

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

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1001</b>			
To adjust beginning General Fund fund balance to agree to prior year audited actual (prior year AJE #1009 for GASB 87 lease standard implementation was not recorded)			
100-13300	Interest Receivable - Leases	579.00	
100-13310	ST Lease Receivable	43,238.00	
100-34300	FUND BALANCE	9,883.00	
100-26500	DIR - Leases		53,700.00
<b>Total</b>		<b>53,700.00</b>	<b>53,700.00</b>
<b>Adjusting Journal Entries JE # 1002</b>			
To adjust water and sewer utility accrued interest to actual			
610-61950-620	INTEREST ON DEBT	21,924.29	
620-62810-620	INTEREST ON DEBT	6,888.36	
610-23700	ACCRUED INTEREST PAYABLE		21,924.29
620-21010	ACCRUED INTEREST PAYABLE		6,888.36
<b>Total</b>		<b>28,812.65</b>	<b>28,812.65</b>
<b>Adjusting Journal Entries JE # 1003</b>			
To record CDA accrued sick			
900-56500-151	FRINGE BENEFITS	639.58	
900-23810	ACCRUED SICK LEAVE		639.58
<b>Total</b>		<b>639.58</b>	<b>639.58</b>
<b>Adjusting Journal Entries JE # 1004</b>			
To adjust GASB 68 WRS activity			
610-19021	GASB 68-WRS DOR	39,283.00	
610-19999	GASB 68-PENSION CLEARING ACCT	38,777.00	
610-29011	GASB 68-WRS DIR	226,632.00	
620-19021	GASB 68-WRS DOR	33,628.00	
620-19999	GASB 68-PENSION CLEARING ACCT	50,749.00	
620-29011	GASB 68-WRS DIR	288,655.00	
630-19999	GASB 68-PENSION CLEARING ACCT	19,975.00	
630-29011	GASB 68-WRS DIR	107,419.00	
900-19999	GASB 68-PENSION CLEARING ACCT	5,089.00	
900-29011	GASB 68-WRS DIR	24,104.00	
610-19000	GASB 68-WRS NET PENSION ASSETS		304,692.00
620-19000	GASB 68-WRS NET PENSION ASSETS		373,032.00
630-19000	GASB 68-WRS NET PENSION ASSETS		126,791.00
630-19021	GASB 68-WRS DOR		603.00
900-19000	GASB 68-WRS NET PENSION ASSETS		21,755.00
900-19021	GASB 68-WRS DOR		7,438.00
610-19999	GASB 68-PENSION CLEARING ACCT		
610-39160	UNAPPROP EARNED SURPLUS		
620-19999	GASB 68-PENSION CLEARING ACCT		
620-34300	SURPLUS/FUND BALANCE		
630-19999	GASB 68-PENSION CLEARING ACCT		
630-39160	SURPLUS/FUND BALANCE		
<b>Total</b>		<b>834,311.00</b>	<b>834,311.00</b>
<b>Adjusting Journal Entries JE # 1005</b>			
To reclass GASB 68			
900-34300	PROPRIETARY CAPITAL	3,479.00	
900-19999	GASB 68-PENSION CLEARING ACCT		3,479.00
<b>Total</b>		<b>3,479.00</b>	<b>3,479.00</b>
<b>Adjusting Journal Entries JE # 1006</b>			
To adjust University parking space lease under GASB 87			
100-26500	DIR - Leases	32,220.00	
100-43540-52	UNIVERSITY-LEASE-PARKING	45,000.00	
100-13300	Interest Receivable - Leases		579.00
100-13310	ST Lease Receivable		43,238.00
100-48110-00	Interest Revenue - Leases		1,183.00
100-48900-00	Lease Revenue		32,220.00
<b>Total</b>		<b>77,220.00</b>	<b>77,220.00</b>
<b>Adjusting Journal Entries JE # 1007</b>			
To adjust water tower leases under GASB 87			
610-29500	DEF INFLOW OF RESOURCES LEASES	20,012.04	
610-47460-61	OTR REV/TOWER/SERVICE	26,766.06	
610-17100	INTEREST RECEIVABLE		537.75
610-19200	SHORT TERM LEASE RECEIVABLE		17,384.31
610-19250	LONG TERM LEASE RECEIVABLE		8,020.01
610-47420-61	Interest Revenue - Leases		823.99
610-47483-61	Lease Revenue		20,012.04
<b>Total</b>		<b>46,778.10</b>	<b>46,778.10</b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1008</b>			
To adjust innovation center leases under GASB 87			
920-19200	SHORT TERM LEASE RECEIVABLE	8,216.23	
920-29500	DEF INFLOW OF RESOURCES LEASES	147,963.84	
920-48631-56	RENT-CESA #2	87,000.00	
920-48636-56	RENT-I-BUTTON	44,700.00	
920-48683-56	RENT-PAQUETTE CENTER	33,480.00	
920-17100	INTEREST RECEIVABLE		443.44
920-19250	LONG TERM LEASE RECEIVABLE		141,248.31
920-48490-56	Interest Revenue - Leases		31,704.48
920-48900-56	Lease Revenue		147,963.84
<b>Total</b>		<b>321,360.07</b>	<b>321,360.07</b>
<b>Adjusting Journal Entries JE # 9001</b>			
CLIENT ENTRY: To reclass TID contribution from unappropriated to City contribution			
610-39160	UNAPPROP EARNED SURPLUS	44,465.00	
610-39170	CAPITAL CONTRIB BY CITY-FBAL		44,465.00
<b>Total</b>		<b>44,465.00</b>	<b>44,465.00</b>
<b>Adjusting Journal Entries JE # 9002</b>			
CLIENT ENTRY: To reclassify depreciation for hydrant disposal and damage reimbursement			
610-47467-61	NSF/SVC FEES/SPEC ASSESS FEES	11,581.53	
610-61930-550	DEPRECIATION EXPENSE	4,508.37	
610-47467-61	NSF/SVC FEES/SPEC ASSESS FEES		4,508.37
610-61654-350	REPAIR/MTN EXPENSE		11,581.53
<b>Total</b>		<b>16,089.90</b>	<b>16,089.90</b>
<b>Adjusting Journal Entries JE # 9003</b>			
CLIENT ENTRY: To record hydrant retirements			
610-19500	ACCUM PROV/DEPR/UTILITY PLT	6,046.31	
610-61930-540	LOSS ON DISPOSAL OF ASSET	4,508.37	
610-11348	HYDRANTS		10,554.68
<b>Total</b>		<b>10,554.68</b>	<b>10,554.68</b>
<b>Adjusting Journal Entries JE # 9004</b>			
CLIENT ENTRY: To move revenue for Vermeer Horizontal Chipper (John's Disposal)			
100-46310-53	DPW MISC REVENUE	17,000.00	
630-11100	CASH-COMBINED	17,000.00	
100-11100	CASH		17,000.00
630-41116-63	OTHER REVENUES		17,000.00
<b>Total</b>		<b>34,000.00</b>	<b>34,000.00</b>
<b>Adjusting Journal Entries JE # 9005</b>			
CLIENT ENTRY: To record additional depreciation related to disposals			
610-61930-550	DEPRECIATION EXPENSE	2,388.22	
620-62810-550	DEPRECIATION EXPENSE	849.11	
610-19500	ACCUM PROV/DEPR/UTILITY PLT		2,388.22
620-16100	ACCUM PROV FOR DEPRECIATION		849.11
<b>Total</b>		<b>3,237.33</b>	<b>3,237.33</b>
<b>Adjusting Journal Entries JE # 9006</b>			
CLIENT ENTRY: To reclassify land option payment to Fund 100			
100-11100	CASH	1,000.00	
450-43541-57	MISC INCOME, INSUR PROCEEDS	1,000.00	
100-48210-55	RENTAL INCOME-LIBRARY PROP		1,000.00
450-11100	CASH		1,000.00
<b>Total</b>		<b>2,000.00</b>	<b>2,000.00</b>
<b>Total Adjusting Journal Entries</b>		<b>1,476,647.31</b>	<b>1,476,647.31</b>
<b>Total All Journal Entries</b>		<b>1,476,647.31</b>	<b>1,476,647.31</b>

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

Account	Description	Debit	Credit
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 4001</b>			
To adjust accrued interest in water/sewer funds			
610-23700	ACCRUED INTEREST PAYABLE	11,281.95	
620-62810-620	INTEREST ON DEBT	11,281.95	
610-61950-620	INTEREST ON DEBT		11,281.95
620-21010	ACCRUED INTEREST PAYABLE		11,281.95
<b>Total</b>		<u><u>22,563.90</u></u>	<u><u>22,563.90</u></u>
<b>Proposed Journal Entries JE # 4002</b>			
To allocate GASB 75 Health insurance to water/sewer			
610-61926-150	EMPLOYEE FRINGE BENEFITS	27,083.52	
620-62820-120	EMPLOYEE BENEFITS	27,083.52	
610-29040	GASB 75-HEALTH LIABILITY		23,443.15
610-29050	GASB 75-HEALTH DIR		3,640.37
620-29040	GASB 75-HEALTH LIABILITY		23,443.15
620-29050	GASB 75-HEALTH DIR		3,640.37
<b>Total</b>		<u><u>54,167.04</u></u>	<u><u>54,167.04</u></u>
<b>Proposed Journal Entries JE # 4003</b>			
To implemented GASB 96, SBITAs, for cybersecurity software subscription			
GASB 15100	GASB 96 SBITA	41,650.00	
GASB 59110	Depreciation Expense - General Government	2,380.00	
100-51450-225	TELECOM/INTERNET/COMMUNICATION		41,650.00
GASB 15910	GASB 96 Accumulated Amortization		2,380.00
<b>Total</b>		<u><u>44,030.00</u></u>	<u><u>44,030.00</u></u>
<b>Total Proposed Journal Entries</b>		<u><u>120,760.94</u></u>	<u><u>120,760.94</u></u>
<b>Total All Journal Entries</b>		<u><u>120,760.94</u></u>	<u><u>120,760.94</u></u>

**CITY OF WHITEWATER**  
**312 W. Whitewater Street**  
**Whitewater, WI 53190**

Johnson Block & Company, Inc.  
9701 Brader Way, Suite 202  
Middleton, WI 53562

This representation letter is provided in connection with your audit of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Whitewater, Wisconsin as of December 31, 2023, and 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 and results of operations of the various opinion units of the City of Whitewater, Wisconsin 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<sup>2</sup> 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 June 19, 2024:

**Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 20, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have a process to track the status of audit findings and recommendations.
- 7) 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.
- 8) 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.

- 9) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 10) 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.
- 11) The effects of uncorrected misstatements summarized in the attached schedule 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.
- 12) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 13) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 14) All funds and activities are properly classified.
- 15) 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.
- 16) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- 17) 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.
- 18) 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.
- 19) 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.
- 20) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 21) Special items and extraordinary items have been properly classified and reported.
- 22) Deposit and investment risks have been properly and fully disclosed.
- 23) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 24) All required supplementary information is measured and presented within the prescribed guidelines.
- 25) 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.
- 26) With respect to the non-attest services performed by you listed below, we have 1) made all management decisions and performed all management functions; 2) assigned a competent individual to oversee the services; 3) evaluated the adequacy of the services performed; 4) evaluated and accepted responsibility for the result of the service performed; and 5) established and maintained internal controls, including monitoring ongoing activities:
- Financial statements and footnote disclosure preparation.
  - Assistance with implementation of new accounting standards

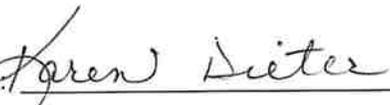
### **Information Provided**

- 27) 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.
  - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report.
  - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- 28) 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.
- 29) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 30) 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.
- 31) 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.
- 32) 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.
- 33) 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.
- 34) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 35) 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.

- 36) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 37) The City of Whitewater, Wisconsin has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 38) We have disclosed to you all guarantees, whether written or oral, under which the City of Whitewater, Wisconsin is contingently liable.
- 39) 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.
- 40) 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.
- 41) 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.
- 42) 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.
- 43) 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).
- 44) The City of Whitewater, Wisconsin 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.
- 45) 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.

**General**

- 46) We believe that the actuarial assumptions and methods used to measure pension and other post-employment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 47) 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.
- 48) With regard to accounting estimates:
  - 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 Whitewater, Wisconsin.
  - 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 disclosures included in the financial statements.
- 49) With respect to the required supplementary information accompanying the financial statements:
  - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - We believe the required supplementary information, including its form and content, is measured and 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 have disclosed to you any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

Signature:       Signature:   
Title: Director of Finance      Title: Comptroller