

**VILLAGE OF WINDSOR
VILLAGE BOARD RESOLUTION 2015-19**

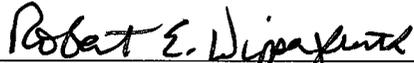
**RESOLUTION REGARDING THE ENGAGEMENT OF
PROFESSIONAL AUDIT AND ACCOUNTING SERVICES**

WHEREAS, Village Board finds that the Village of Windsor has a need to acquire professional audit and accounting services for the year ended December 31, 2015;

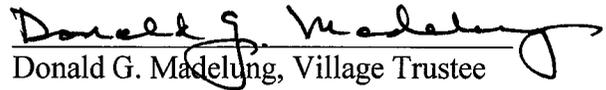
NOW THEREFORE, BE IT RESOLVED, by the Village Board of the Village of Windsor that it hereby approves engagement of Johnson Block & Company, Inc. to perform such audit and accounting services in accordance with the Engagement Letter attached hereto as Exhibit A.

The above and foregoing resolution was duly adopted by the Village Board of the Village of Windsor, Dane County, Wisconsin at a meeting held on the December 17, 2015 by a vote of 5 ayes and 0 nays.

Village of Windsor



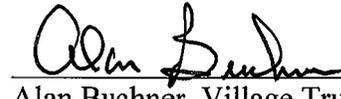
Robert E. Wipperfurth, Village President



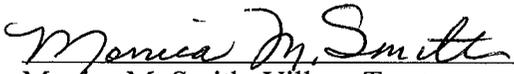
Donald G. Madelung, Village Trustee



Bruce Stravinski, Village Trustee

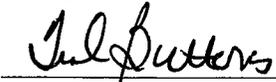


Alan Buchner, Village Trustee



Monica M. Smith, Village Trustee

Attest:



Tina Butteris, Deputy Clerk



Johnson & Block
AND COMPANY, INC.

Certified Public Accountants

406 Science Drive, Suite 100 ▲ Madison, Wisconsin 53711-1097 ▲ TEL 608-274-2002 ▲ FAX 608-274-4320

December 8, 2015

Village of Windsor
4084 Mueller Road
DeForest, Wisconsin 53532

Enclosed is the engagement letter for the audit of the Village of Windsor. The proposed fee for the year is broken down in detail within the engagement letter. Please note that this engagement letter also assumes an audit of the component unit (CDA). At this point, we are assuming there will be no federal single audit.

We will forward you information regarding confirmations, scheduling and our annual needs letter. We will contact you regarding the dates for fieldwork. We would be happy to discuss this engagement letter with you or provide additional information. Please call if you have any questions. We look forward to working with you.

Cordially,

Kevin Krysinski, CPA



Johnson & Block
AND COMPANY, INC.

Certified Public Accountants

406 Science Drive, Suite 100 ▲ Madison, Wisconsin 53711-1097 ▲ TEL 608-274-2002 ▲ FAX 608-274-4320

December 8, 2015

To the Village Board and Management
Village of Windsor
4084 Mueller Road
DeForest, Wisconsin 53532

We are pleased to confirm our understanding of the services we are to provide the Village of Windsor for the year ended December 31, 2015. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Village of Windsor as of and for the year ended December 31, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Village of Windsor's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Village of Windsor's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management Discussion and Analysis
2. Budgetary Comparison Schedules
3. Wisconsin Retirement System Schedules

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

1. Combining non-major fund financial statements
2. Debt repayment summary schedules



Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Village of Windsor's financial statements. Our report will be addressed to the Village Board of the Village of Windsor. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.



Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village of Windsor's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of the Village of Windsor in conformity with U.S. generally accepted accounting principles based on information provided by you.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

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

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



Management Responsibilities (Continued)

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

Engagement Administration, Fees, and Other

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

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

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

Our fees for these services will be at our standard hourly rate plus out-of-pocket costs. Our proposed audit fees are as follows:

General	\$ 13,000
CDA	950
Water	5,300
Sewer	5,300
TIF	2,000
Total Audit Fee	<u>\$ 26,850</u>
PSC Annual Report (per report)	1,000
TIF Annual Report	500
DOR Form C	750

Hourly Rates Services

GASB 68 Implementation

Transitional assistance including for Village:

Assistance with bringing in new accounts and accounting records

Additional expenses for first year audit of utilities

Assistance to Village with establishing accounting procedures

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.



Engagement Administration, Fees, and Other (Continued)

See Addendums A, B, and C attached, which are an integral part of this engagement letter.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter. Additional services will be at our standard hourly rates. Current rates are as follows: Partner - \$215, Manager - \$165, Staff - \$85 to \$130.

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

Very truly yours,

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Village of Windsor.

Management Signature: Robert E. Wipperfurth
Title: Village President
Date: 12-17-15

Governance Signature: Jim L. Butcheris
Title: Village Deputy Clerk
Date: 12-17-15



ADDENDUM A

We will perform the following services:

We will compile, from information you provide, the annual Financial Report Form to the Wisconsin Department of Revenue, for the year ended December 31, 2015. Upon completion of the compilation of the annual Financial Report Form, we will provide the Village with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the Village, we are unable to complete the compilation or if we determine in our professional judgement the circumstances necessitate, we may withdraw and decline to submit the annual Financial Report Form to you as a result of this engagement.

Our Responsibilities and Limitations

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

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

Management's Responsibilities

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

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



ADDENDUM B

We will perform the following services:

We will compile, from information you provide, the Public Service Commission Annual Report, including the balance sheets of the water utility and sewer utility, enterprise funds of the Village of Windsor, as of December 31, 2015 and 2014, and the related statements of income and retained earnings for the years then ended and the supplemental schedules as of and for the year ended December 31, 2015. Upon completion of the Public Service Commission Annual Report, we will provide the Village with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the Village, we are unable to complete the compilation or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to submit the Public Service Commission Annual Report to you as a result of this engagement.

Our Responsibilities and Limitations

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

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

Management's Responsibilities

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

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



ADDENDUM C

We will perform the following services:

We will compile, from information you provide the special-purpose Financial Report Form of TIF District No. 1 in accordance with requirements of the Wisconsin State Statutes from the date of creation through December 31, 2015. Upon completion of the compilation of the special-purpose Financial Report Form, we will provide the Village with our accountant's compilation report. If, for any reason caused by or relating to affairs or management of the Village, we are unable to complete the compilation or if we determine in our professional judgement the circumstances necessitate, we may withdraw and decline to submit the special-purpose Financial Report Form to you as a result of this engagement.

Our Responsibilities and Limitations

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

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Management's Responsibilities

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