

**VILLAGE OF WINDSOR  
VILLAGE BOARD RESOLUTION 2022-93**

**RESOLUTION REGARDING THE ENGAGEMENT OF  
PROFESSIONAL ACCOUNTING SERVICES FOR WINDSOR WATER UTILITY RATE CASE**

**WHEREAS**, the Village Board finds that the Village of Windsor has a need to acquire professional accounting services for the completion and submittal of a Conventional Rate Case to the Wisconsin Public Service Commission for determination of the water rates and rate structure needed for fiscal operation of the Windsor Water Utility; and

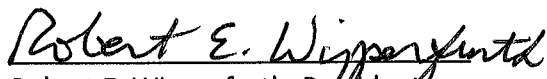
**WHEREAS**, Johnson Block, Inc. is the Village of Windsor Auditor and has completed a Water Rate Study and submittal to the Wisconsin Public Service Commission on behalf of Windsor Water Utility previously and is familiar with the water operations of the utility; and

**WHEREAS**, Johnson Block, Inc. has provided proposal for services, attached hereto as Exhibit A,

**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 Water Rate Study services in accordance with the proposal attached hereto as Exhibit A.

The above and foregoing resolution was duly adopted at a regular meeting of the Village Board of the Village of Windsor, Dane County, Wisconsin, on November 17, 2022, by a vote of 4 in favor and 0 opposed.

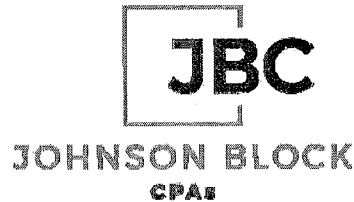
**VILLAGE OF WINDSOR**

  
Robert E. Wipperfurth, President

**Attested by:**

  
Kadie Butteris, Deputy Clerk

**Incorporated by Reference:**  
Exhibit A – Johnson Block Engagement Letter



October 13, 2022

Village of Windsor Water Utility  
4084 Mueller Road  
DeForest, Wisconsin 53532

We are pleased to confirm our acceptance and our understanding of the services we are to provide for the Village of Windsor Water Utility (Utility).

You have requested that we prepare the forecast of the Utility, which comprises the forecasted financial schedules as of December 31, 2023, and for the year then ending, including the related summaries of significant forecast assumptions, and perform a compilation engagement with respect to the forecast. The forecast will not include a summary of significant accounting policies or other required disclosures not related to the significant assumptions.

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

### **Our Responsibilities**

The objective of our engagement is to –

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

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



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

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

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

### **Your Responsibilities**

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

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



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

### **Our Report**

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

There may be circumstances in which the report differs from the expected form and content.

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

### **Other Relevant Information**

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

The fees for the compilation of the forecast will be billed at our regular hourly rates based on the staff involved. We estimate the fees for the forecast will be \$9,100 to \$10,200. Any time devoted to answering data requests, PSC requested meetings on data requests, and to attending the hearing or representing the Utility before the Wisconsin Public Service Commission will also be billed at our regular hourly rates, and is in addition to the fees referred to above. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

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



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

Sincerely,

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.

RESPONSE:

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

Signature: *Robert E. Wipperfurth*

Title: *Village of Windsor President*

Signature: *Jul Butcher*

Title: *Village Administrator*