



8358 County Road T – P.O. Box 13 – Larsen, WI 54947

Phone – 920-836-2007

Fax – 920-836-2026

Email – [tocclerk@new.rr.com](mailto:tocclerk@new.rr.com)

Web Page – [www.townofclayton.net](http://www.townofclayton.net)

Richard Johnston  
Town Administrator  
920-836-2007

Mark Luebke  
Chairperson  
920-428-9382

Kay Lettau  
Supervisor  
920-836-3330

Terry Klingenberg  
Supervisor  
920-836-1711

Patricia Kiesow  
Supervisor  
920-722-0127

Russ Geise  
Supervisor  
920-427-4126

Susan Nester-Huebner  
Clerk/Treasurer  
920-836-2007

Associated Appraisal  
Assessor  
800-721-4157

Tom Spierowski  
Building Inspector  
920-428-3361

February 19, 2010

Schenck SC  
2200 Riverside Drive  
P.O. Box 23819  
Green Bay, WI 54305-3819

We are providing this letter in connection with your audit of the basic financial statements of the Town of Clayton as of December 31, 2009 and for the year then ended for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Clayton and the respective changes in the financial position in conformity with accounting principles generally accepted in the United States of America, except that the Town has not recorded capital assets, including depreciation expense, and long-term obligations in governmental activities. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 19, 2010, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America, except as described above, and include all properly classified funds and other financial information of the Town as required by accounting principles generally accepted in the United States of America. All funds that meet the quantitative criteria in GASB Statement No. 34 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.

2. We have made available to you all-
  - a. Financial records and related data.
  - b. Minutes of the meetings of the Town Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.
8. We have a process to track the status of audit findings and recommendations.
9. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
10. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
11. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
12. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b. Guarantees, whether written or oral, under which the Town is contingently liable.
  - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
  - d. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations.
  - e. Deposit and investment securities risk classifications.

- f. Provisions for uncollectible receivables.
  - g. Interfund, internal, and intra-Town activity and balances.
  - h. Special and extraordinary items.
  - i. 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.
  - j. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
  - k. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, 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.
14. There are no—
- a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting 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.
  - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
  - d. Reservations or designations of fund equity that were not properly authorized and approved.
15. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
16. The Town 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.
17. The Town has complied with all aspects of contractual agreements that would have a material effect on the basic financial statements in the event of noncompliance.

18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

19. The financial statements properly classify all funds and activities.

No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed:

Mark E. Quish

Signed:

Richard Johnston

Title:

Town Chairperson

Title:

Town Administrator