

VILLAGE OF FOX CROSSING, WISCONSIN

Federal and State Awards

December 31, 2022

 KerberRose

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VILLAGE OF FOX CROSSING, WISCONSIN

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Independent Auditors' Report

To the Village Board
Village of Fox Crossing, Wisconsin

Report on Compliance For Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Village of Fox Crossing, Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Wisconsin *State Single Audit Guidelines* that could have a direct and material effect on each of Village of Fox Crossing, Wisconsin's major federal and state programs for the year ended December 31, 2022. Village of Fox Crossing, Wisconsin's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Village of Fox Crossing, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Wisconsin *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and *State Single Audit Guidelines* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Village of Fox Crossing, Wisconsin and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Village of Fox Crossing, Wisconsin's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Village of Fox Crossing, Wisconsin's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Village of Fox Crossing, Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Wisconsin *State Single Audit Guidelines* will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Village of Fox Crossing, Wisconsin's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Wisconsin *State Single Audit Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Village of Fox Crossing, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Village of Fox Crossing, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Wisconsin *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Village of Fox Crossing, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To the Village Board
Village of Fox Crossing, Wisconsin

Report on Schedules of Expenditures of Federal and State Awards Required by Uniform Guidance and Wisconsin State Single Audit Guidelines

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 Fox Crossing, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Village of Fox Crossing, Wisconsin's basic financial statements. We issued our report thereon dated September 20, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and Wisconsin *State Single Audit Guidelines* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
September 20, 2023

VILLAGE OF FOX CROSSING, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 1/1/2022	Value of Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2022	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF HOMELAND SECURITY								
Federal Emergency Management Agency								
Staffing for Adequate Fire and Emergency Response (SAFER)	97.082	Direct Program	NR	\$ (53,280)	\$ 88,042	\$ 7,515	\$ 42,308	\$ -
Assistance to Firefighters Grant (AFG)	97.044	Direct Program	NR	-	-	36,078	36,078	-
Total U.S. Department of Homeland Security				<u>\$(53,280)</u>	<u>88,042</u>	<u>44,193</u>	<u>78,386</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION								
Federal Transit Cluster								
Federal Transit Formula Grants (Urbanized Area Formula Program)	20.607	City of Appleton - Valley Transit	Unknown	(16,880)	46,228	40,088	81,292	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	City of Appleton - Valley Transit	Unknown	-	2,894	-	2,894	-
State and Community Highway Safety	20.608	Wisconsin Department of Transportation	Unknown	-	1,108	-	1,108	-
Total U.S. Department of Transportation				<u>\$(16,880)</u>	<u>70,225</u>	<u>40,088</u>	<u>85,291</u>	<u>-</u>
U.S. DEPARTMENT OF TREASURY								
Coronavirus State and Local Fiscal Recovery Funds								
American Rescue Plan Act (ARPA)	21.027	Direct Program	NR	894,079	894,079	-	1,888,958	-
Total U.S. Department of Treasury				<u>894,079</u>	<u>894,079</u>	<u>-</u>	<u>1,888,958</u>	<u>-</u>
U.S. ELECTION ASSISTANCE COMMISSION								
2022 Election Security Subgrant Program for Municipalities								
	90.404	Wisconsin Election Commission	Unknown	-	762	-	762	-
Total U.S. Election Assistance Commission				<u>-</u>	<u>762</u>	<u>-</u>	<u>762</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE				<u>\$ 826,730</u>	<u>\$ 1,154,068</u>	<u>\$ 84,257</u>	<u>\$ 2,184,995</u>	<u>\$ -</u>

The notes to the schedule of expenditures of federal and state awards are an integral part of this schedule.

VILLAGE OF FOX CROSSING, WISCONSIN
 Schedule of Expenditures of State Awards
 For the Year Ended December 31, 2022

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/2022	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2022	Total Expenditures	Subrecipient Payment
DEPARTMENT OF TRANSPORTATION								
Paratransit Aids	366.175	Direct Program	N/A	\$ -	\$ 4,299	\$ -	\$ 4,299	\$ -
Transit Operating Aids	366.177	Direct Program	N/A	(20,000)	66,488	47,307	130,893	-
Total Department of Transportation				<u>(20,000)</u>	<u>101,785</u>	<u>47,307</u>	<u>131,192</u>	<u>-</u>
DEPARTMENT OF NATURAL RESOURCES								
Recycling Grants to Responsible Units	370.670	Direct Program	N/A	-	54,801	-	54,801	-
Recycling Consolidation Grant	370.673	Direct Program	N/A	-	4,884	-	4,884	-
Total Department of Natural Resources				<u>-</u>	<u>59,685</u>	<u>-</u>	<u>59,685</u>	<u>-</u>
DEPARTMENT OF JUSTICE								
Law Enforcement Training Fund Local Assistance	455.231	Direct Program	N/A	-	3,680	-	3,680	-
Total Department of Justice				<u>-</u>	<u>3,680</u>	<u>-</u>	<u>3,680</u>	<u>-</u>
TOTAL STATE PROGRAMS				<u>\$ (20,000)</u>	<u>\$ 167,150</u>	<u>\$ 47,307</u>	<u>\$ 194,527</u>	<u>\$ -</u>

The notes to the schedule of expenditures of federal state awards are an integral part of this schedule.
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VILLAGE OF FOX CROSSING, WISCONSIN
Notes to the Schedules of Expenditures of Federal and State Awards
December 31, 2022

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal awards and state awards for the Village are presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The schedules of expenditures of federal awards and state awards include all federal and state awards of the Village. Because the schedules present only a selected portion of the operations of the Village, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Village.

Note 2: Significant Accounting Policies

Expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with expenditures reported in the Village's 2022 fund financial statements. Accounts receivable at year-end consists of federal and state program expenditures scheduled for reimbursement to the Village in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded Village expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances. Expenditures are recognized following the cost principles contained in the Uniform Guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Village has not elected to charge a de minimis indirect cost rate of 10% of modified total costs.

Note 3: Oversight Agencies

The federal and state oversight agencies for the Village are as follows:

- Federal - U.S. Department of Treasury
- State - Wisconsin Department of Transportation

VILLAGE OF FOX CROSSING, WISCONSIN
Schedule of Findings and Questioned Costs
December 31, 2022

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	No
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN	Name of Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	No

State Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i>	No

VILLAGE OF FOX CROSSING, WISCONSIN
 Schedule of Findings and Questioned Costs - Continued
 December 31, 2022

Section I – Summary of Auditors' Results (Continued)

Identification of major state programs:

State I.D. Number	Name of State Program
395.175	<i>Transit Operating Aid Cluster</i>
395.177	Paratransit Aids Transit Operating Aids

Section II – Financial Statement Findings

2022-001 Bank Reconciliations

Condition: The Village's internal control environment has allowed for cash reconciliations to not be prepared timely.

Criteria: The implementation of effective internal controls activities should include timely completion of reconciliations of the Village's cash. This allows Village personnel to detect possible misstatements in the Village's general ledger or bank accounts in a timely manner.

Cause: The Village does not have a strong control environment that emphasizes control activities to ensure its assets are not misappropriated.

Effect: The Village could have its assets misappropriated or fraud to be perpetuated without effective preventive and detective controls.

Recommendation: We recommend the Village implement a strong internal control environment that begins with the Village Board. This will create a focus on the control environment which will protect the Village's assets.

Management's Response: The Village is aware of the delay in timely bank reconciliations and will review its internal control structure to implement improvements to focus on protecting Village's assets.

Responsible Official: Jeremy Searl – Finance Director

Anticipated Completion Date: The Village will remedy this in the subsequent fiscal year.

VILLAGE OF FOX CROSSING, WISCONSIN
Schedule of Findings and Questioned Costs – Continued
December 31, 2022

Section III – Federal and State Award Findings and Questioned Costs

There are no findings related to the federal and state awards for the year ended December 31, 2022.

Section IV – Other Issues

- | | |
|---|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| | |
| 2. Does the internal control over compliance audit report show audit issues (i.e., material non-compliance, non-material, non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : | |
| Department of Homeland Security | No |
| Department of Transportation | No |
| Department of Treasury | No |
| | |
| Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |



VILLAGE OF FOX CROSSING

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Corrective Action Plan

Financial Statement Findings

2022-001 – Bank Reconciliations – The Village is aware of the delay in timely bank reconciliations and will review its internal control structure to implement improvements to focus on protecting Village's assets.

Responsible Official – Jeremy Searl, Finance Director

Anticipated Completion Date – The Village intends to remedy this issue in the subsequent fiscal year.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

To the County Board
Village of Fox Crossing, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Fox Crossing, Wisconsin, (County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Fox Crossing, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Fox Crossing, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Fox Crossing, Wisconsin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 that we consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Fox Crossing, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Village Board
Village of Fox Crossing, Wisconsin

Village of Fox Crossing, Wisconsin's Responses to Findings

Government Auditing Standards requires the auditors to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying *schedule of findings and questioned costs* and *corrective action plan*. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, Wisconsin
September 20, 2023