

VILLAGE OF LITTLE CHUTE, WISCONSIN

Federal Awards

December 31, 2023

VILLAGE OF LITTLE CHUTE, WISCONSIN

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Independent Auditors' Report

To the Village Board
Village of Little Chute, Wisconsin

Report on Compliance For the Major Federal Program

Opinion on the Major Federal Program

We have audited Village of Little Chute, Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village of Little Chute, Wisconsin's major federal program for the year ended December 31, 2023. Village of Little Chute, Wisconsin's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Village of Little Chute, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal 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; and 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). Our responsibilities under those standards and the Uniform Guidance 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 Little Chute, 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 the major federal program. Our audit does not provide a legal determination of Village of Little Chute, 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 Little Chute, Wisconsin's federal 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 Little Chute, 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* and the Uniform Guidance will always detect material noncompliance when it exists.

To the Village Board
Village of Little Chute, Wisconsin

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 Little Chute, Wisconsin's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Little Chute, 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 Little Chute, 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, but not for the purpose of expressing an opinion on the effectiveness of Village of Little Chute, 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 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 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 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 Auditor's 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. Accordingly, this report is not suitable for any other purpose.

To the Village Board
Village of Little Chute, Wisconsin

Report on Schedules of Expenditures of Federal Awards Required by Uniform Guidance

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 Little Chute, Wisconsin, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Village of Little Chute, Wisconsin's basic financial statements. We issued our report thereon dated April 29, 2024, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is 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
April 29, 2024

VILLAGE OF LITTLE CHUTE, WISCONSIN

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

<u>Grantor Agency/Federal Program Title</u>	<u>ALN</u>	<u>Pass- Through Agency</u>	<u>Pass- Through Number</u>	<u>(Accrued) Deferred Revenue 1/1/2023</u>	<u>Value or Cash Received (Refunded)</u>	<u>Accrued (Deferred) Revenue 12/31/2023</u>	<u>Total Expenditures</u>	<u>Subrecipient Payments</u>
U.S. DEPARTMENT OF JUSTICE								
Internet Crimes Against Children	16.543	Wisconsin Department of Justice	10000-28400	\$ -	\$ 1,329	\$ -	\$ 1,329	\$ -
U.S. DEPARTMENT OF TREASURY								
Coronavirus State and Local Fiscal Recovery Funds	21.027	Wisconsin Department of Revenue	10000-12100	1,252,164	-	(230,884)	1,021,280	-
U.S. ELECTION COMMISSION								
Help Americans Vote	90.401	Wisconsin Election Commission	22000-18200	-	1,926	(750)	1,176	-
TOTAL FEDERAL AWARDS				<u>\$ 1,252,164</u>	<u>\$ 3,255</u>	<u>\$ (231,634)</u>	<u>\$ 1,023,785</u>	<u>\$ -</u>

VILLAGE OF LITTLE CHUTE, WISCONSIN
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal 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).

The schedule of expenditures of federal awards includes all federal awards of the Village. Because the schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

Note 2: Significant Accounting Policies

Expenditures in the schedule are presented in accordance with the modified accrual basis of accounting and are generally in agreement with expenditures reported in the Village's 2023 fund financial statements. Unearned revenue represents advances for federal 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, 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 oversight agency for the Village is as follows:

U.S. Department of Treasury

VILLAGE OF LITTLE CHUTE, WISCONSIN

Schedule of Findings and Questioned Costs

December 31, 2023

Section I – Summary of Auditors' Results***Financial Statements***

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
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 program:	

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

VILLAGE OF LITTLE CHUTE, WISCONSIN
Schedule of Findings and Questioned Costs - Continued
December 31, 2023

Section II – Financial Statement Findings

2023-001 Financial Reporting

Condition: During our audit, we noted that the internal control system does not include a process for preparing the annual audited financial statements and the related disclosures in accordance with GAAP.

Criteria: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, change in net position, and disclosures in the financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP).

Cause: Management does not have the required experience and expertise to prepare financial statements. Therefore, management requested that KerberRose SC assist in preparing a draft of the audited financial statements, including the related footnote disclosures. The outsourcing is a result of management's cost/benefit decision to use our accounting expertise rather than incurring this internal resource cost.

Effect: Although the auditors are assisting with the preparation of the financial statements and related footnotes, management of the Village thoroughly reviews them and accepts responsibility for their completeness and accuracy.

Recommendation: We recommend that management continues to make this decision on a cost/benefit basis.

Management's Response: The Village will continue to contract with an outside audit firm to complete the statements and related notes to comply with GAAP. Management does review and approve the financial statements and management accepts responsibility for the financial statements.

Responsible Official: Lisa Remiker-DeWall – Finance Director

Anticipated Completion Date: This finding will not completely resolve itself given the cost/benefit basis the Village continues to make.

VILLAGE OF LITTLE CHUTE, WISCONSIN
Schedule of Findings and Questioned Costs – Continued
December 31, 2023

Section III – Federal Award Findings and Questioned Costs

There are no findings related to the federal awards for the year ended December 31, 2023.

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. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |



Corrective Action Plan

Financial Statement Findings

2023-001 – Financial Reporting – The Village is aware that their staff does not have training to prepare financial statements and related notes in accordance with GAAP. The Village will rely on the assistance of the auditors for preparation of the financial statements and related notes.

Responsible Official – Lisa Remiker-DeWall, Finance Director

Anticipated Completion Date – This finding will not completely resolve itself given the cost/benefits basis the Village continues to base this decision on.



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 Little Chute, 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 Little Chute, Wisconsin, (Village) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Village of Little Chute, 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 Little Chute, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Little Chute, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Little Chute, 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 Little Chute, Wisconsin

Village of Little Chute, 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
April 29, 2024

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