

CITY OF LA CROSSE, WISCONSIN

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

DECEMBER 31, 2022

CITY OF LA CROSSE, WISCONSIN

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND SCHEDULES OF EXPENDITURES OF
FEDERAL AND STATE AWARDS AS REQUIRED BY
THE UNIFORM GUIDANCE, FEDERAL AVIATION ADMINISTRATION,
AND STATE SINGLE AUDIT GUIDELINES**

To the Common Council
City of La Crosse, Wisconsin

Report on Compliance for Each Major Federal, State, and PFC Program

Opinion on Each Major Federal and State Program and the Passenger Facility Charge Program

We have audited the City of La Crosse, Wisconsin's ("City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement*, Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration ("PFC Guide"), and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of the City's major federal and state programs and the passenger facility charge program for the year ended December 31, 2022. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 and its passenger facility charge program 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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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), Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

Our responsibilities under those standards, the Uniform Guidance, the PFC Audit Guide, and State single audit guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City 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 program. Our audit does not provide a legal determination of the City'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 the City'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 the City'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance 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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the City'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 the City'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 the City'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 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. Accordingly, this report is not suitable for any other purpose.

Schedules of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin as of and for the year ended December 31, 2022, and have issued our report, thereon, dated July 12, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards, Federal Transit Administration Reconciliation, and Schedule of Passenger Facility Charges Collected and Expended are presented for purposes of additional analysis, as required by the Uniform Guidance, Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, 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 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 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
August 24, 2023

CITY OF LA CROSSE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

GRANTOR AGENCY PASS-THROUGH AGENCY GRANT DESCRIPTION GRANT PERIOD AND NUMBER	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES	TOTAL STATE EXPENDITURES
<u>U.S. DEPARTMENT OF COMMERCE</u>					
Economic Development Cluster					
Investments for Economic Development Facilities	11.300	N/A	\$ -	\$ 3,261,965	\$ -
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
CDGB - Entitlement Grant Cluster					
Community Development Block Grant	14.218	N/A	328,695	712,408	-
COVID 19 - Community Development Block Grant	14.218	N/A	35,693	35,693	-
Total CDBG - Entitlement Grant Cluster			<u>364,388</u>	<u>748,101</u>	<u>-</u>
<u>Wisconsin Department of Administration - Division of Energy, Housing and Community Resources</u>					
CDBG - Grants to States	14.228	19-B20-DW-55-001	215,617	215,617	-
Home Investment Partnership Program	14.239	N/A	-	404,058	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>580,005</u>	<u>1,367,776</u>	<u>-</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>					
<u>WI Dept of Natural Resources</u>					
Fish and Wildlife Cluster					
Sport Fishing Restoration Program	15.605	N/A	-	28,000	-
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<u>Direct Programs</u>					
OFFICE OF JUSTICE PROGRAMS					
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0045	-	12,925	-
Violence Against Women Formula Grant - DART	16.588	2016-WE-AX-0049	-	142,063	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0138/15PBJA-21-GG-01980-JAGX	-	16,469	-
Equitable Sharing Agreement - Seizure Funds	16.607	WI0320100	-	67,375	-
<u>Wisconsin Department of Justice</u>					
Project Safe Neighborhood Grant	16.609	2019-PW-01-15805/2020-PW-01-16561	-	25,357	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>-</u>	<u>264,189</u>	<u>-</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Federal Transit Cluster					
<u>Federal Transit Administration</u>					
Bus and Bus Facilities Program	20.526	WI-2019-007-01	-	1,203,592	-
<u>Wisconsin Department of Transportation</u>					
American Rescue Plan Act 2021 Allocation	20.507	WI-2022-035-01 FTA WI ARPA	-	52,446	-
American Rescue Plan Act 2021 Allocation	20.507	WI-2022-035-02 FTA MN ARPA	-	24,918	-
Federal Highway Administration Transit Cluster					
Federal Transit Formula/Section 9 Operational Assistance Grant	20.507/395.104	WI-2023-012-01	-	3,199,059	1,142,323
Total Federal Transit Cluster			<u>-</u>	<u>4,480,015</u>	<u>1,142,323</u>

CITY OF LA CROSSE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued
YEAR ENDED DECEMBER 31, 2022

GRANTOR AGENCY PASS-THROUGH AGENCY GRANT DESCRIPTION GRANT PERIOD AND NUMBER	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES	TOTAL STATE EXPENDITURES
<u>U.S. DEPARTMENT OF TRANSPORTATION - Continued</u>					
<u>Federal Aviation Administration</u>					
COVID-19 - Airport Improvement Program	20.106	LSE-GLG-3-55-003-045-2020	\$ -	\$ 624,174	\$ -
COVID-19 - Airport Improvement Program	20.106	LSE-GLG-3-55-0030-047-2021	-	20,790	-
<u>Wisconsin Department of Administration</u>					
Local Airport Development	20.106	N/A	-	266,692	-
Total 20.106			-	911,656	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	5,391,671	1,142,323
<u>DEPARTMENT OF THE TREASURY</u>					
American Rescue Plan Act - State and Local Fiscal Recovery Funds					
	21.027	N/A	1,810,717	3,474,452	-
<u>Wisconsin Department of Administration</u>					
Coronavirus State and Local Fiscal Recovery Funds - LEA Safer Communities	21.027	N/A	-	5,360	-
TOTAL 21.027/DEPARTMENT OF THE TREASURY			1,810,717	3,479,812	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<u>Wisconsin Department of Health and Human Services</u>					
Children's Health Insurance Program - Lead Paint Grant	93.767	435100-G22-LEADSAFEPRO-20; 1905W15CHIP	-	215,822	150,306
<u>ELECTION ASSISTANCE COMMISSION</u>					
HAVA Election Security Grant	90.404	N/A	-	477	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
<u>WI Dept of Natural Resources</u>					
Boating Safety Financial Assistance	97.012	N/A	-	1,625	-
<u>Federal Emergency Management Agency</u>					
Assistance to Fire Fighters	97.044	EMW-2018-FO-02792	-	173,579	-
Fire Prevention and Safety Program	97.044	EMW-2020-FG-12544	-	16,443	-
Fire Prevention and Safety Program	97.044	EMW-2020-FP-0800	-	97,786	-
Total 97.044			-	287,808	-
<u>WI Dept of Military Affairs</u>					
Disaster Grants - Public assistance	465.305	PA-05-WI-4459-PW-00075, 00503	-	-	6,694
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	289,433	6,694

(Continued on page 7)

CITY OF LA CROSSE, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued
YEAR ENDED DECEMBER 31, 2022

GRANTOR AGENCY PASS-THROUGH AGENCY GRANT DESCRIPTION GRANT PERIOD AND NUMBER	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES	TOTAL STATE EXPENDITURES
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>					
Recreation Boating Facilities	370.573	RBF-1749/RBF-1822	\$ -	\$ -	\$ 30,422
Boating Enforcement	370.550	N/A	-	-	12,843
RU Recycling Grant	370.670	N/A	-	-	167,727
RU Consolidation Grant	370.673	N/A	-	-	12,861
River Protection Grant	370.675	RP35821	-	-	10,000
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES			-	-	233,853
<u>WISCONSIN DEPARTMENT OF JUSTICE</u>					
Drug Trafficking Response Grant	455.208	2022-DT-16928	-	-	43,056
TOTAL AWARDS			\$ 2,390,722	\$ 14,299,145	\$ 1,576,232

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of La Crosse, Wisconsin and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such 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. City of La Crosse, Wisconsin has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - Disclosure of Other Forms of Assistance

The City of La Crosse, Wisconsin received no federal awards of non-monetary assistance that are required to be disclosed for the year end December 31, 2022.

The City of La Crosse, Wisconsin had no federal loans or loan guarantees required to be disclosed for the year ended December 31, 2022.

CITY OF LA CROSSE, 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 weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal and state programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes 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 2 CFR 200.516(a) Yes No

Identification of federal major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program/Cluster</u>
14.228	Community Development Block Grant - Grants to States
20.507 & 20.526	Federal Transit Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Identification of state major program:
 395.104 Section 9 Operational Assistance Grant

Dollar threshold used to distinguish between
 Type A and Type B federal and state programs: \$750,000
 Type A and Type B state programs: \$250,000

Auditee qualified as low-risk auditee? Yes No

CITY OF LA CROSSE, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
DECEMBER 31, 2022

Section II - Financial Statement Findings - None

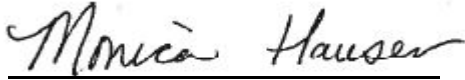
Section III - Federal Award Findings and Questioned Costs - None

Section IV - Other Findings and Questioned Costs - None

Section V - Status of Prior Year Findings

2021-001 - Material Audit Adjustments - Cleared for 2022

Section VI - Other Issues

- | | | |
|----|---|---|
| 1. | Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. | Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i>
Department of Health and Human Services
Department of Workforce Development
Department of Corrections | No
No
N/A |
| 3. | Was a Management Letter or other document conveying audit comments issued as a result of this audit? (Yes/No) | No |
| 4. | Name and signature of partner | 

Monica Hauser, CPA
Partner |
| 5. | Date of report | _____
August 24, 2023 |

CITY OF LA CROSSE, WISCONSIN
FEDERAL TRANSIT ADMINISTRATION RECONCILIATION
YEAR ENDED DECEMBER 31, 2022

ACCRUED BASIS REVENUE PER FINANCIAL STATEMENT/SINGLE AUDIT

Operating revenue	\$ 599,122
Damage income	22,138
Dividends	50,271
Intergovernmental grants	4,337,072
Transfer from other funds	800,925
Other income	33,236
Intergovernmental charges	<u>368,006</u>

REVENUE PER FINANCIAL STATEMENT/SINGLE AUDIT 6,210,770

Less: Other revenue (contra expense) 22,138

REVENUE PER NTD REPORT \$ 6,188,632

Expenses per single audit \$ 6,210,771

Add: Depreciation expense 831,718
Loss on fixed assets -

EXPENSES PER FINANCIAL STATEMENT 7,042,489

Less: Contra expenses 22,138

EXPENSES PER NTD REPORT \$ 7,020,351

CITY OF LA CROSSE, WISCONSIN
SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
YEAR ENDED DECEMBER 31, 2022

In accordance with the "Passenger Facility Charge Audit Compliance and Reporting Guide for Public Agencies", issued by the Federal Aviation Administration, the Passenger Facility Charges (PFC) program of the La Crosse Municipal Airport (LSE) has been included in the City of La Crosse's federal single audit. The following is a detailed schedule of PFC Collected and Expended:

		ACTUAL
BALANCE OF UNLIQUIDATED PFC REVENUE AS OF JANUARY 1, 2022		\$ 277,558
REVENUE		
PFC collected		243,592
Interest earned		5,646
TOTAL REVENUE		249,238
EXPENDITURES	BUDGET	
Planning studies	\$ 31,192	-
Runway safety project	29,253	-
Security access system	15,213	-
Taxiway safety improvements	80,351	-
Runway safety improvements	63,244	-
Land acquisitions	174,117	-
ARFF building and other safety items	94,695	-
ARFF vehicle replacement	16,134	-
PFC administrative costs	418,954	-
Snow removal equipment	2,944,642	-
Pavement evaluation and management system	10,259	-
Airfield sealcoating	64,507	-
Reconstruct runway 18/36 Phase I	144,454	-
Construct airport entrance sign	29,987	-
Reconstruct runway 18/36 Phases II & III	323,461	-
Approach lighting system	72,195	-
Airport master plan update	226,436	58
Ground level passenger loading bridges	48,161	-
Environmental assessment	100,000	-
Reconstruction of runway 13/31	38,844	-
Baggage handling system	400,000	-
Airport electrical upgrades - Phase I	44,500	-
Terminal development	75,000	-
Reconstruct taxiway B and east apron	70,027	-
Airfield electrical improvements	26,922	-
Aircraft rescue/firefighting	500,000	-
Taxiway G, H, F Reconstruction	380,000	-
Taxiway A Reconstruction, Phase I & II	49,026	-
Land use compatibility plan	115,000	-
Security enhancements	10,857	-
Non revenue producing parking lot	56,272	-
Access road reconstruction	691,288	-
Reconstruct perimeter road	69,234	-
Extension of Taxiway F	356,299	-
Runway 3/36 Reconfiguration	81,091	-
Mobile ADA lift	41,327	-
Commercial terminal bldg upgrades	4,983	-
Finger print equipment	7,605	-
Runway 18/36 pavement maintenance	71,240	-
Commercial terminal Bldg Upgrades-PH II	129,657	-
Commercial terminal Bldg Upgrades-PH III	3,715,313	223,900
Emergency Radio System Upgrade	236,000	-
Acquire Land for Runway Protection Zone	65,000	-
Wildlife Hazard assessment Management	1,849	-
Runway Lighting Rehab	70,000	-
Taxiway Lighting Rehab	100,000	-
Taxiway F Pavement Rehab	35,681	-
Perimeter Gate/Fencing Replacement	156,050	-
Terminal Apron Expansion & Rehab	150,000	894
Roof Rehabilitation, SRE Building	105,505	-
TOTAL EXPENDITURES	\$ 12,741,825	224,852
BALANCE OF UNLIQUIDATED PFC REVENUE AS OF DECEMBER 31, 2022		\$ 301,944