



To the Members of the Town Board
Town of Plover
Plover, Wisconsin

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town of Plover (Town) as of and for the years ended December 31, 2021 and 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated information in our engagement letter to you as well as verbally during our initial planning meetings. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Generally Accepted Auditing Standards in the United States of America

As stated in our engagement letter dated February 16, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We have not been engaged to report on the budgetary comparison schedule – modified cash basis – general fund, budgetary comparison – detailed schedule of revenues – modified cash basis – general fund, and budgetary comparison – detailed schedule of expenditures and other financing use – modified cash basis – general fund indicated in the financial statement's table of contents, which accompanies the financial statements. The other information is the responsibility of management. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or, provide any assurance on it.

Audit Scope, Significant Risks and Other

Our audit included examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures.

Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Any internal control related matters that are required to be communicated under professional standards are included later in this letter.

We identified management override of controls, improper revenue recognition, lack of segregation of duties, fraudulent disbursements, and potential for ghost payroll as significant risks of material misstatement as part of our audit planning. We designed audit procedures in response to these risks.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town of Plover are described in Note 1 to the financial statements. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive accounting estimates contained within the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statement was:

The disclosure of cash and the related risks associated with it in Note 2 to the financial statements. The footnote was prepared based on the requirements of the modified cash basis of accounting and is intended to inform readers as to the risks associated with the Town's cash.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 12, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies to be significant deficiencies:

Segregation of Duties - The Town has one person who is responsible for and performs substantially all of the bookkeeping and accounting functions. Good internal control requires a complete separation of duties with respect to the handling and recording of transactions. In order to provide for an adequate segregation of duties, additional personnel may have to be involved in the performance of the accounting and bookkeeping functions. We recognize that this may not be practical based on the size of the Town and limited resources. It is recommended that the Town utilize one of the Board Members to review the bank reconciliations. Because some procedural controls do not exist, the board has compensating controls such as approval of invoices and review of receipts and revenues which allow it to rely on its knowledge of the Town's operations in order to safeguard assets.

Financial Reporting - One of the components of internal control over financial reporting is that staff of the Town be sufficiently knowledgeable to prepare the entity's financial statements including the footnotes in accordance with their basis of accounting. The Town's staff does not have the training to prepare the year end financial statements including the related notes. The Town's management does review the financial statements and footnotes prepared by us and accepts responsibility for them. This matter is common in most small organizations since they do not have the resources to devote to this area of internal control.

Other Matters

In addition, we felt the other matters described in the following paragraphs were important to the operation of the Town of Plover. These matters may involve internal controls, general operations, recommendations for the adoption of policies and other such items that we feel will enhance the Town of Plover.

Current Year Observation

Tourism Commission Reimbursement Policy

During the audit we noted that reimbursements for purchases within the tourism commission made on personal credit cards were being paid directly to the credit card company. We recommend that all reimbursements go to the individual rather than the credit card company. The Town should work with the tourism commission to review and/or establish a reimbursement policy so that reimbursements within the tourism commission are in line with the Town's expectations.

Tourism Voided Checks and Check Approval

During the audit we noted that tourism checks were not being reviewed and approved by the board. We recommend that all checks written by the tourism committee be reviewed and approved by the board in the same fashion as the regular Town disbursements. Any voided checks should also be noted and reviewed by the board for transparency purposes.

Closing

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various governmental unit personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We thank you for allowing us to be of service to the Town of Plover. We received complete cooperation and appreciate your consideration of our comments and your implementation of suggestions.

This information is intended solely for the use by the Town Board, management, and others within the Town and is not intended to be and should not be used by anyone other than these specified parties.

KerberRose SC

KerberRose SC
Certified Public Accountants
Shawano, Wisconsin
July 12, 2022

Town of Plover

Year End: December 31, 2021

Adjusting journal entries

Date: 1/1/2021 To 12/31/2021

Number	Date	Name	Account No	Debit	Credit
AJE01	12/31/2021	VOUCHERS PAYABLE	100-00-21001-000-000 GEN	1,995.00	
AJE01	12/31/2021	YARD WASTE DISPOSAL	100-00-53630-290-003 GEN		-1,995.00
		To remove AP			
AJE02	12/31/2021	Unearned Revenue	100-00-26000-000-000 GEN		-86,980.00
AJE02	12/31/2021	OTHER TOWN REVENUE	100-00-48900-000-000 GEN	86,980.00	
		To Reclass ARPA to unearned revenue			
AJE03	12/31/2021	TOURISM CHECKING ACCT	200-00-11100-000-000 TOUR		-31,118.00
AJE03	12/31/2021	TOURISM CHECKING ACCT	200-00-11100-000-000 TOUR	29,600.00	
AJE03	12/31/2021	LGIP-TOURISM COMM MONEY MARKET	200-00-11103-012-000 TOUR		-29,600.00
AJE03	12/31/2021	LGIP-TOURISM COMM MONEY MARKET	200-00-11103-012-000 TOUR	18.00	
AJE03	12/31/2021	INTEREST INCOME	200-00-48100-000-000 TOUR		-18.00
AJE03	12/31/2021	TOURISM DEVELOPMENT	200-00-56700-720-006 TOUR	31,118.00	
		To record CY Tourism Commission activity			
AJE04	12/31/2021	ADVANCE TAX COLLECTIONS	100-00-27000-000-000 GEN		-12,833.00
AJE04	12/31/2021	GEN PROPERTY TAX COLLECTIONS	100-00-41110-000-000 GEN	17,018.00	
AJE04	12/31/2021	MOBILE HOME TAXES	100-00-41140-000-000 GEN	1,806.00	
AJE04	12/31/2021	FOREST CROP/FOREST LAND TAXES	100-00-41150-000-000 GEN		-5,991.00
		To reclass tax roll items			
				168,535.00	-168,535.00
		Net Income (Loss)	126,356.00		