

City of Oshkosh, Wisconsin  
FEDERAL AND STATE AWARDS REPORT

December 31, 2017

# City of Oshkosh, Wisconsin

DECEMBER 31, 2017

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### FEDERAL AND STATE AWARDS

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FEDERAL AND STATE AWARDS

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## Independent auditors' report on compliance for each major federal and state program and on internal control over compliance required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Common Council  
City of Oshkosh, Wisconsin

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM**

We have audited City of Oshkosh, Wisconsin's (the "City's") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *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 for the year ended December 31, 2017. 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.

#### **MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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 the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

#### **OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM**

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 for the year ended December 31, 2017.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE *STATE SINGLE AUDIT GUIDELINES***

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 Oshkosh, Wisconsin as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Oshkosh, Wisconsin's basic financial statements. We issued our report thereon dated August 20, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted 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 and schedule of expenditures of state awards are presented for purposes of additional analysis as required by the Uniform Guidance and the *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 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 and schedule of expenditures of state awards are fairly stated in all material respects in relation to the basic 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 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Schorck SC".

Certified Public Accountants

Green Bay, Wisconsin

August 20, 2018, except for the Report on Schedule of  
Expenditures of Federal Awards and the Schedule of  
Expenditures of State Awards as detailed in Note 4  
as to which the date is September 20, 2018

# City of Oshkosh, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency
<b>U.S. DEPARTMENT OF DEFENSE</b>		
Economic Adjustment Assistance for State Governments	12.617	East Central Wisconsin Regional Planning Commission
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
CDBG - Entitlement Grants Cluster		
Community Development Block Grant		
Entitlement Program	14.218	Direct Program
<b>U.S. DEPARTMENT OF INTERIOR</b>		
Fish and Wildlife Cluster		
Outdoor Recreation Acquisition, Development & Planning	15.918	WI Department of Natural Resources
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Bullet Proof Vest Partnership Program	16.607	Direct Program
Edward Byrne Memorial Justice Assistance Grant	16.738	Direct Program
Total U.S. Department of Justice		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Federal Transit Cluster		
Federal Transit-Formula Grants (Urbanized Areas Formula Program)	20.507	Direct Program
Highway Safety Cluster		
Seat Belt Enforcement	20.616	Winnebago County
Total Highway Safety Cluster		
Total U.S. Department of Transportation		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Aging Cluster		
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	Winnebago County Committee on Aging
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Winnebago County Committee on Aging
Total Aging Cluster		
Total U.S. Department of Health and Human Services		
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Assistance to Firefighters Grant Program		
Fire Prevention and Safety Grants	97.044	Direct Program
Total U.S. Department of Homeland Security		
<b>TOTAL FEDERAL AWARDS</b>		

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

<u>Pass-Through Entity Identifying Number</u>	<u>(Accrued) Deferred Revenue 1/1/17</u>	<u>Cash Received (Refunded)</u>	<u>Accrued (Deferred) Revenue 12/31/17</u>	<u>Total Expenditures</u>	<u>Subrecipient Payment</u>
ST1564-16-01	\$ -	\$ 238,965	\$ 137,123	\$ 376,088	\$ -
N/A	\$ (60,578)	\$ 679,583	\$ 42,159	\$ 661,164	\$ 70,816
RTA-661-14	-	390,262	-	390,262	-
N/A	-	10,164	-	10,164	-
N/A	-	17,739	-	17,739	-
	-	27,903	-	27,903	-
N/A	-	1,500,009	-	1,500,009	-
2017-25-05-M2	-	25,063	-	25,063	-
	-	25,063	-	25,063	-
	-	1,525,072	-	1,525,072	-
N/A	-	22,725	-	22,725	-
N/A	-	23,263	-	23,263	-
	-	45,988	-	45,988	-
	-	45,988	-	45,988	-
N/A	-	80,644	-	80,644	-
	-	80,644	-	80,644	-
	\$ (60,578)	\$ 2,988,417	\$ 179,282	\$ 3,107,121	\$ 70,816



# City of Oshkosh, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through Entity Identifying Number
<b>DEPARTMENT OF NATURAL RESOURCES</b>			
Recycling Grant to Responsible Units	370.670	Direct Program	N/A
Recycling Consolidation Grants	370.673	Direct Program	N/A
Acquisition and Development of Local Parks	370.TA2	Direct Program	N/A
Total Department of Natural Resources			
<b>DEPARTMENT OF TRANSPORTATION</b>			
Transit Operating Aids	395.104	Direct Program	N/A
2015			
2016			
2017			
Total Transit Operating Aids			
Paratransit Aids	395.xxx	Direct Program	N/A
Total Department of Transportation			
<b>TOTAL STATE PROGRAMS</b>			

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

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<b>(Accrued) Deferred Revenue 1/1/17</b>	<b>Cash Received (Refunded)</b>	<b>Accrued (Deferred) Revenue 12/31/17</b>	<b>Total Expenditures</b>	<b>Subrecipient Payment</b>
\$ -	\$ 219,807	\$ -	\$ 219,807	\$ -
-	17,103	-	17,103	-
-	589,671	-	589,671	-
-	826,581	-	826,581	-
(112,459)	-	112,459	-	-
(245,315)	169,281	76,034	-	-
-	1,059,490	120,822	1,180,312	-
(357,774)	1,228,771	309,315	1,180,312	-
-	54,606	-	54,606	-
(357,774)	1,283,377	309,315	1,234,918	-
<u>\$ (357,774)</u>	<u>\$ 2,109,958</u>	<u>\$ 309,315</u>	<u>\$ 2,061,499</u>	<u>\$ -</u>

# City of Oshkosh, Wisconsin

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

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### NOTE 1: BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for the City 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 and State Awards include all federal and state awards of the City. Because the schedules present only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the modified accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the City's 2017 fund financial statements. Accrued revenue at year-end consists of federal and state program expenditures scheduled for reimbursement to the City in the succeeding year while unearned revenue represents advances for federal and state programs that exceed recorded City expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

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

### NOTE 3: OVERSIGHT AGENCIES

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

Federal - U.S. Department of Transportation

State - Wisconsin Department of Transportation

### NOTE 4: RESTATEMENT OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

Subsequent to issuance of the report on the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards on August 20, 2018, we became aware of a Federal grant program – Economic Adjustment Assistance for State Governments, CFDA No. 12.617, which wasn't included. Restatement to include these grant expenditures didn't affect our Report on Compliance for Each Major Federal and State Program or the Report on Internal Control over Compliance.

# City of Oshkosh, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION 1 - SUMMARY OF AUDITORS' RESULTS

#### BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	None Reported

#### FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) 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 Uniform Guidance?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

#### Identification of major federal programs:

CFDA Number	Name of Federal Program
20.507	Federal Transit Cluster Federal Transit Formula Grant

#### Identification of major state programs:

State ID Number	Name of State Program
395.104	Transit Operating Aids
370.T A2	Acquisition and Development of Local Parks

#### Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000
Auditee qualified as low-risk auditee	Yes

### SECTION II - FINANCIAL STATEMENT FINDINGS

There are no findings related to the basic financial statements required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2017.

# City of Oshkosh, Wisconsin

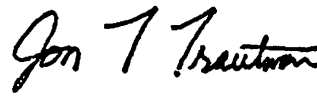
## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

There are no audit findings and questioned costs required to be reported under the Uniform Guidance and the *State Single Audit Guidelines* for the year ended December 31, 2017

### 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 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 *State Single Audit Guidelines*:  
Department of Transportation No  
Department of Natural Resources No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes
4. Name and signature of partner   
Jon Trautman, CPA
5. Date of report August 20, 2018

# City of Oshkosh, Wisconsin

## **SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017**

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### **PRIOR YEAR AUDIT FINDINGS**

There were no findings or questioned costs for federal and state awards for the year ended December 31, 2016

### **CORRECTIVE ACTION PLAN**

No corrective action plan is required.