

CITY OF OSHKOSH, WISCONSIN

Federal and State Awards

December 31, 2021

CITY OF OSHKOSH, WISCONSIN

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FEDERAL AND STATE AWARDS

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Independent Auditors' Reports

To the Common Council
City of Oshkosh, Wisconsin

Report on Compliance For Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Oshkosh, 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 City of Oshkosh, Wisconsin's major federal and state programs for the year ended December 31, 2021. City of Oshkosh, 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, City of Oshkosh, 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, 2021.

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 City of Oshkosh, 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 City of Oshkosh, 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 City of Oshkosh, 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 City of Oshkosh, 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.

To the Common Council
City of Oshkosh, 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 City of Oshkosh, 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 City of Oshkosh, 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 City of Oshkosh, 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 City of Oshkosh, 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 and 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 and 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 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 and Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To the Common Council
City of Oshkosh, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Oshkosh, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Oshkosh, Wisconsin's basic financial statements. We issued our report thereon dated September 12, 2022, 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
Appleton, Wisconsin
September 12, 2022

CITY OF OSHKOSH, WISCONSIN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Grantor Agency/Federal Program Title	ALN	Pass-Through Agency	Pass-Through Number	(Accrued) Deferred Revenue 1/1/2021	Value or Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/2021	Total Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF AGRICULTURE								
Plant and Animal Disease, Pest Control, and Animal Care	10.025	Direct Program	N/A	\$ -	\$ 21,093	\$ -	\$ 21,093	\$ -
U.S. DEPARTMENT OF COMMERCE								
<i>Economic Development Cluster</i>								
Investments for Public Works and Economic Development Facilities	11.300	Direct Program	06-01-06131	-	879,638	-	879,638	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
<i>CDBG - Entitlement Grants Cluster</i>								
Community Development Block Grant Entitlement Program	14.218	Wisconsin Department of Administration	N/A	(95,866)	855,258	144,572	903,964	-
U.S. DEPARTMENT OF INTERIOR								
National Recreation Trails Program	15.622	Direct Program	N/A	-	483,883	-	483,883	-
U.S. DEPARTMENT OF JUSTICE								
Coronavirus Emergency Supplemental Funding	16.034	Direct Program	N/A	-	14,410	-	14,410	-
Public Safety Partnership and Community Policing Grant	16.710	Winnebago County, Wisconsin	N/A	-	54,738	-	54,738	-
Seatbelt Grant (Police)								
Speed Grant (Police)								
Bicycle Grant (Police)								
Internet Crims Against Child								
Bulletproof Vest Partnership Program	16.607	Direct Program	N/A	-	7,249	-	7,249	-
Edward Byrne Memorial JAG Award	16.738	Direct Program	21-GG-01983-JAGX	-	7,650	-	7,650	-
<i>Total U.S. Department of Justice</i>				-	84,047	-	84,047	-
U.S. DEPARTMENT OF TRANSPORTATION								
National Recreation Trails Program	20.219	Wisconsin Department of Natural Resources		-	45,000		45,000	-
<i>Federal Transit Cluster</i>								
Federal Transit-Formula Grants (Urbanized Areas Formula Program)	20.507	Wisconsin Department of Transportation	WI-2022-009-00-5307	(1,601,867)	3,190,123	-	1,588,256	-
Bus and Bus Facilities Formula Program	20.526	Wisconsin Department of Transportation	WI-2022-009-00-5307	-	252,468	-	252,468	-
<i>Total Federal Transit Cluster</i>				(1,601,867)	3,442,591	-	1,840,724	-
Formula Grants for Rural Areas - COVID-19 Funding	20.509	Wisconsin Department of Transportation	WI-2020-056-01-00	-	354,018	-	354,018	-
<i>Highway Safety Cluster</i>								
State and Community Highway Safety	20.600	Wisconsin Department of Transportation	N/A	-	4,365	-	4,365	-
<i>Total U.S. Department of Transportation</i>				(1,601,867)	3,845,974	-	2,244,107	-
U.S. DEPARTMENT OF TREASURY								
American Rescue Plan Act								
Coronavirus State and Local Fiscal Recovery Fund	21.027	Direct Program	N/A	-	10,257,242	(9,300,339)	956,903	-
U.S. ENVIRONMENTAL PROTECTION AGENCY								
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Wisconsin Department of Natural Resources	N/A	-	115,811	-	115,811	-
Community-Wide Brownfields Assessment Grant	66.818	Direct Program	N/A	-	116,348	-	116,348	-
<i>Total U.S. Department of Environmental Protection Agency</i>				-	232,159	-	232,159	-
TOTAL FEDERAL ASSISTANCE				<u>\$ (1,697,733)</u>	<u>\$ 16,659,294</u>	<u>\$ (9,155,767)</u>	<u>\$ 5,805,794</u>	<u>\$ -</u>

CITY OF OSHKOSH, WISCONSIN
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2021

<u>Grantor Agency/State Program Title</u>	<u>State I.D. Number</u>	<u>Pass-Through Agency</u>	<u>Pass-Through Entity Identifying Number</u>	<u>(Accrued) Deferred Revenue 1/1/2021</u>	<u>Cash Received (Refunded)</u>	<u>Accrued (Deferred) Revenue 12/31/2021</u>	<u>Total Expenditures</u>	<u>Subrecipient Payment</u>
DEPARTMENT OF NATURAL RESOURCES								
Urban Wildlife Damage/Abatement	370.580	Direct Program	N/A	\$ -	\$ 2,870	\$ -	\$ 2,870	\$ -
Urban Forestry Grant	370.587	Direct Program	N/A	-	17,620	17,620	35,240	-
Recycling Grant	370.670	Direct Program	N/A	-	238,003	-	238,003	-
Stewardship - Local Park Aids	370.TA1	Direct Program	N/A	-	155,088	-	155,088	-
Total Department of Natural Resources				-	413,581	17,620	431,201	-
DEPARTMENT OF TRANSPORTATION								
Transit Operating Aids	395.104	Direct Program	N/A	(119,870)	119,870	-	-	-
Paratransit Aids	395.175	Direct Program	N/A	-	64,175	-	64,175	-
Tier B Transit Operating Aids	395.175	Direct Program	N/A	-	1,130,776	-	1,130,776	-
Planning Commission Program	395.461	Direct Program	N/A	-	4,446	-	4,446	-
Total Department of Transportation				(119,870)	1,319,267	-	1,199,397	-
DEPARTMENT OF MILITARY AFFAIRS								
Regional Emergency Response Teams	465.306	Direct Program	N/A	-	45,075	-	45,075	-
TOTAL STATE PROGRAMS				<u>\$ (119,870)</u>	<u>\$ 1,777,923</u>	<u>\$ 17,620</u>	<u>\$ 1,675,673</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of State Awards

CITY OF OSHKOSH, WISCONSIN

Notes to the Schedules of Expenditures of Federal Awards and State Awards For the Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedules of expenditures of federal awards 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 awards 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, they are not intended to and do not present the financial position, changes in net position, or cash flows of the City.

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 City's 2021 fund financial statements. Accounts receivable 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. Such 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 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 Environmental Protection Agency
State - Wisconsin Department of Transportation

Note 4: Indirect Cost Rate

A nonfederal and state entity may have a federal and state negotiated indirect cost rate that is being used for federal and state awards. In general, under 2 CFR 200.414(f), if an entity has never received a negotiated indirect cost rate, the entity may elect to use a 10% de minimis indirect cost rate. Further, 2 CFR 200.510(b)(6) states that the notes to the schedules of expenditures of federal awards and state awards must include whether or not the nonfederal and state entity has elected to use the 10% de minimis indirect cost rate. The City has elected not to use the 10% de minimis indirect cost rate.

CITY OF OSHKOSH, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I – Summary of Auditor’s 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? No

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 the *Uniform Guidance*? No

Any audit findings disclosed that are required to be reported in accordance
with *State Single Audit Guidelines*? No

Identification of major federal programs:

ALN	Name of Federal Program
	<i>Economic Development Cluster</i>
11.300	Investments for Public Works and Economic Development Facilities
	<i>Federal Transit Cluster</i>
20.507	Federal Transit-Formula Grants (Urbanized Areas Formula Program)
20.526	Bus and Bus Facilities Formula Program
21.027	Coronavirus State and Local Fiscal Recovery Fund

Identification of major state program:

State ID Number	Name of State Program
395.175	Tier B Transit Operating Aids

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 No

CITY OF OSHKOSH, WISCONSIN
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section II – Financial Statement Findings

There are no findings related to the basic financial statements required to be reported under *Government Auditing Standards* for the year ended December 31, 2021.

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, 2021.

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 <i>State Single Audit Guidelines</i> : | |
| Department of Natural Resources | No |
| Department of Transportation | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? | Yes |

CITY OF OSHKOSH, WISCONSIN
Schedule of Prior Year Audit Finding
For the Year Ended December 31, 2021

Financial Statement Finding

2020-001 – Adjustments to the City's Financial Records – This finding was resolved in the current year.

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