

City of Oak Creek, Wisconsin

Report on Federal and State Awards

December 31, 2020

City of Oak Creek, Wisconsin

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**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 Common Council of
City of Oak Creek, 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 the City of Oak Creek, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Oak Creek's basic financial statements, and have issued our report thereon dated July 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. 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*.

The City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Milwaukee, Wisconsin
July 30, 2021

**Independent Auditors' Report on Compliance for Each
Major Federal and Major State Program; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of
Federal and State Awards Required by the Uniform Guidance and the
State Single Audit Guidelines**

To the Common Council of
City of Oak Creek, Wisconsin

Report on Compliance for Each Major Federal and Major State Program

We have audited the City of Oak Creek's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the City's major federal and major state programs for the year ended December 31, 2020. The City's major federal and major 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 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 major 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* (the Guidelines). Those standards, the Uniform Guidance and the *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 a major 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 major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and Major 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 major state programs for the year ended December 31, 2020.

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 major 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 major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *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 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 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. 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.

Purpose of This Report

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 *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance, the *State Single Audit Guidelines* and Schedule of Settlement of DHS Cost Reimbursement Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oak Creek, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Oak Creek's basic financial statements. We issued our report thereon dated July 30, 2021, 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 basic financial statements. The accompanying schedules of expenditures of federal and state awards and schedule of settlement of DHS cost reimbursement awards are presented for purposes of additional analysis as required by the Uniform Guidance and the *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 and schedule of settlement of DHS cost reimbursement awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
March 7, 2022

City of Oak Creek, Wisconsin

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Grantor Agency/ Program Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Entity Grant ID	Expenditures	Payments to Subrecipients
Federal Programs					
U.S. Election Assistance Commission					
Coronavirus Aid, Relief, and Economic Security (CARES) Act COVID-19 2018 HAVA Election Security Grant	90.404	WEC	unknown	\$ 22,716	\$ -
Total U.S. Election Assistance Commission				<u>22,716</u>	<u>-</u>
U.S. Department of Justice					
Bulletproof Vest Partnership	16.607	Direct	N/A	5,221	-
Total U.S. Department of Justice				<u>5,221</u>	<u>-</u>
U.S. Department of the Treasury					
Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund					
COVID-19 Contact Tracing	21.019	WI DHS	155805	283,497	-
COVID-19 Local Testing Coordination	21.019	WI DHS	155803	59,714	-
COVID-19 PHEP	21.019	WI DHS	155801	2,657	-
COVID-19 Preparedness Pandemic Planning	21.019	WI DHS	155804	30,000	-
COVID-19 Routes to Recovery	21.019	WI DOA	unknown	644,331	-
Total U.S. Department of the Treasury				<u>1,020,199</u>	<u>-</u>
U.S. Department of Health and Human Services					
Bioterrorism Focus CRI Grant	93.069	WI DHS	155190	7,334	-
Immunization Grant	93.268	WI DHS	155020	9,304	-
Maternal and Child Health Grant	93.994	WI DHS	159320	12,437	-
Preventive Health & Health Services	93.991	WI DHS	159220	4,732	-
Public Health Emergency Preparedness Grant	93.069	WI DHS	155015	29,169	-
Total U.S. Department of Health and Human Services				<u>62,976</u>	<u>-</u>
Total federal programs				<u>\$ 1,111,112</u>	<u>\$ -</u>

See notes to schedules of expenditures of federal and state awards

City of Oak Creek, Wisconsin

Schedule of Expenditures of State Awards

Year Ended December 31, 2020

<u>Grantor Agency/ Program Title</u>	<u>State ID Number</u>	<u>Grant ID Number</u>	<u>Expenditures</u>	<u>Payments to Subrecipients</u>
State Programs				
Wisconsin Department of Natural Resources				
Recycling Grants to Responsible Units	370.670	RU 40265	\$ 85,132	\$ -
Recycling Consolidation Grant	370.673	RU 40265	9,044	-
Urban Forestry Grant	370.587	N/A	<u>13,319</u>	<u>-</u>
Total Wisconsin Department of Natural Resources			<u>107,495</u>	<u>-</u>
Wisconsin Department of Health Services				
Communicable Disease Control & Prevention Grant	435.155800	N/A	4,100	-
Cons Contracts CHHD LD Grant	435.157720	N/A	<u>468</u>	<u>-</u>
Total Wisconsin Department of Health Services			<u>4,568</u>	<u>-</u>
Total state programs			<u>\$ 112,063</u>	<u>\$ -</u>

See notes to schedules of expenditures of federal and state awards

City of Oak Creek, Wisconsin

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2020

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the Schedules) includes the federal and state award activity of the City of Oak Creek, under programs of the federal and state government for the year ended December 31, 2020. The information in the Schedules is 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*. Because the Schedules present only a selected portion of the operations of the City of Oak Creek, they are not intended to and do not present the financial position, changes in net position or cash flows of the City of Oak Creek.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual or 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. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred. Program income is reported as revenue in the year that it is received.

3. Indirect Cost Rate

The City of Oak Creek, Wisconsin has not elected to use the 10 percent de minimis indirect cost rate.

4. Pass-Through Agencies

The City of Oak Creek received federal and state awards from the following pass-through agencies :

WI DOA - Wisconsin Department of Administration
WI DHS - Wisconsin Department of Health Services
WEC – Wisconsin Election Commission

City of Oak Creek, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness (es) identified? X yes

 no

Significant deficiency (ies) identified? yes

 X none reported

Noncompliance material to financial statements noted? yes

 X no

Federal and State Awards

Internal control over major programs:

Federal Programs

State Programs

Material weakness(es) identified?

 Yes X No

 Yes X No

Significant deficiencies identified?

 Yes X None reported

 Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?

 Yes X No

 Yes X No

Auditee qualified as low-risk auditee?

 Yes X No

 Yes X No

Dollar threshold used to distinguish between type A and type B programs:

 \$750,000

 \$250,000

Dollar threshold used to distinguish between DHS type A and type B programs:

 \$250,000

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

21.019

Covid-19 Coronavirus Relief Fund

Identification of major state programs:

State Number

Name of State Program or Cluster

370.670

Recycling Grants to Responsible Units

City of Oak Creek, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2020-001: Internal Control over Financial Reporting

Criteria: Statement on Auditing Standards AU-C 265 requires communication of significant deficiencies and material weaknesses in the year-end financial reporting process.

Condition: The City's personnel did not prepare year-end financial statements in accordance with generally accepted accounting principles and material audit adjustments were noted.

Cause: Due to staffing levels, the City does not have someone who can dedicate the amount of time needed to prepare year-end financial statements.

Effect: Information provided to management throughout the year may not be presented in accordance with generally accepted accounting principles.

Recommendation: Management should determine if the benefits achieved by resolving this internal control deficiency warrant the additional costs that would be required to remedy the current conditions.

Management's Response: The City does not believe it is cost effective to hire the additional staff with the appropriate expertise needed to provide adequate internal controls over financial reporting, including the preparation of year-end financial statements. Therefore, the City relies on the auditor to prepare year-end financial statements. We anticipate that the material weakness in financial reporting will continue to be reported in future years.

Section III - Federal and State Awards Findings and Questioned Costs

None noted.

City of Oak Creek, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Section IV - Other Issues

Does the auditor's 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?

_____ Yes X No

Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weaknesses, 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 *State Single Audit Guidelines*:

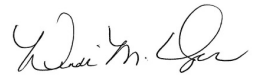
Wisconsin Department of Natural Resources
Wisconsin Department of Health Services

_____ Yes X No
_____ Yes X No

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

X Yes _____ No

Name and signature of partner



Wendi M. Unger, Partner

Date of Report

March 7, 2022

City of Oak Creek, Wisconsin

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

There were no prior audit findings reported.

City of Oak Creek
Schedule of Settlement of DHS Cost Reimbursement Awards
For the Year Ended December 31, 2020

Agency 472886 Type 060 DHS Identification Number CARS Profile #	PHEP 155015	Immunization 155020	CRI 155190	Comm Dis Ctrl & Prev 155800
Award amount	\$ 40,032	\$ 9,304	\$ 9,498	\$ 4,100
Award period	7/1/19 - 6/30/20	1/1/20 - 12/31/20	7/1/19 - 6/30/20	7/1/19 - 6/30/20
Period of award within audit period	1/1/20 - 6/30/20	1/1/20 - 12/31/20	1/1/20 - 6/30/20	1/1/20 - 6/30/20
A. Expenditures reported to DHS for payment	\$ 13,952	\$ 9,304	\$ 4,551	\$ 4,100
B. Total operating costs of awards				
1. Employee Salaries and Wages	\$ 11,555	\$ 7,033	\$ 4,466	\$ 3,662
2. Employee Fringe Benefits	394	36	45	23
3. Payroll Taxes	-	-	-	-
7. Conferences, Meetings or Education	437	9	40	-
9. Supplies, etc.	707	224	-	5
19. Advertising and Marketing	-	-	-	-
20. Other	859	2,002	-	410
Total operating costs of awards	\$ 13,952	\$ 9,304	\$ 4,551	\$ 4,100
C. Less disallowed costs				
D. Less Program revenue and other offsets to costs				
E. Total allowable costs	\$ 40,032	\$ 9,304	\$ 9,498	\$ 4,100
F. Gain or (Loss) = Line A - Line E	\$ (26,080)	\$ -	\$ (4,947)	\$ -

Agency 472886 Type 060 DHS Identification Number CARS Profile #	PHHS 159220	COVID-19 Test 155803	COVID-19 Plan 155804	COVID-19 Contact Tracing 155805	Cons Contracts CHHD LD 157720	MCH 159320
Award amount	\$ 6,961	\$ 72,900	\$ 30,000	\$ 302,558	\$ 1,646	\$ 12,437
Award period	10/1/19 - 9/30/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20
Period of award within audit period	1/1/20 - 9/30/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	3/1/20 - 12/31/20	1/1/20 - 12/31/20	1/1/20 - 12/31/20
A. Expenditures reported to DHS for payment	\$ 2,509	\$ 59,714	\$ 30,000	\$ 283,497	\$ 468	\$ 12,437
B. Total operating costs of awards						
1. Employee Salaries and Wages	\$ 1,765	\$ 6,245	\$ 24,358	\$ 225,654	\$ 109	\$ 8,514
2. Employee Fringe Benefits	70	-	-	14,424	16	232
3. Payroll Taxes	-	-	-	-	-	-
7. Conferences, Meetings or Education	8	-	-	-	-	595
9. Supplies, etc.	-	38,841	2,642	1,025	-	26
19. Advertising and Marketing	-	-	-	-	-	-
20. Other	665	14,628	3,000	42,394	343	3,070
Total operating costs of awards	\$ 2,508	\$ 59,714	\$ 30,000	\$ 283,497	\$ 468	\$ 12,437
C. Less disallowed costs						
D. Less program revenue and other offsets to costs						
E. Total allowable costs	\$ 6,961	\$ 72,900	\$ 30,000	\$ 302,558	\$ 1,646	\$ 12,437
F. Gain or (Loss) = Line A - Line E	\$ (4,452)	\$ (13,186)	\$ -	\$ (19,061)	\$ (1,178)	\$ -

City of Oak Creek
Schedule of Settlement of DHS Cost Reimbursement Awards
For the Year Ended December 31, 2020

Agency 472886 Type 160	PHEP	CRI	PHEP COVID-19	Comm Dis Ctrl & Prev	PHHS
DHS Identification Number CARS Profile #	155015	155190	155801	155800	159220
Award amount	\$ 39,282	\$ 9,498	\$ 39,282	\$ 4,100	\$ 10,448
Award period	7/1/20 - 6/30/21	7/1/20 - 6/30/21	4/1/20 - 3/31/21	7/1/20 - 6/30/21	10/1/20 - 9/30/21
Period of award within audit period	7/1/20 - 12/31/20	7/1/20 - 12/31/20	4/1/20 - 12/31/20	7/1/20 - 12/31/20	10/1/20 - 12/31/20
A. Expenditures reported to DHS for payment	\$ 15,217	\$ 2,783	\$ 2,657	\$ -	\$ 2,223
B. Total operating costs of awards					
1. Employee Salaries and Wages	\$ 2,064	\$ -	\$ 2,355	\$ -	\$ -
2. Employee Fringe Benefits	246	-	-	-	-
3. Payroll Taxes	-	-	-	-	-
7. Conferences, Meetings or Education	-	-	-	-	-
9. Supplies, etc.	233	-	286	-	2,223
19. Advertising and Marketing	129	-	-	-	-
20. Other	12,545	2,783	16	-	-
Total operating costs of awards	\$ 15,217	\$ 2,783	\$ 2,657	\$ -	\$ 2,223
C. Less disallowed costs					
D. Less program revenue and other offsets to costs					
E. Total allowable costs	\$ 39,282	\$ 9,498	\$ 39,282	\$ 4,100	\$ 10,448
F. Gain or (Loss) = Line A - Line E	\$ (24,065)	\$ (6,715)	\$ (36,625)	\$ (4,100)	\$ (8,225)