

CITY OF ONALASKA, WISCONSIN

**FEDERAL AND STATE
SINGLE AUDIT REPORT**

DECEMBER 31, 2022

CITY OF ONALASKA, WISCONSIN

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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE
AND STATE SINGLE AUDIT GUIDELINES**

To the City Council
City of Onalaska, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Onalaska, Wisconsin's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* 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 of Onalaska's major federal programs for the year ended December 31, 2022. The City of Onalaska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Onalaska, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal 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*); and 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). Our responsibilities under those standards and the Uniform Guidance 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 of Onalaska, 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 of Onalaska'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 of Onalaska's federal 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 of Onalaska'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 of Onalaska'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 of Onalaska'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 of Onalaska'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 of Onalaska'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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Onalaska, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Onalaska's basic financial statements. We issued our report thereon, dated June 21, 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
June 21, 2023

CITY OF ONALASKA, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	ASSISTANCE LISTING NUMBER	PASS-THROUGH GRANT IDENTIFICATION NUMBER	PASS-THROUGH TO SUBRECIPIENTS AMOUNT	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF JUSTICE				
Wisconsin Department of Administration Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ <u>2,443</u>
U.S. DEPARTMENT OF THE TREASURY				
Wisconsin Department of Administration Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	485,940
Wisconsin Department of Health Services Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	<u>36,327</u>
Total Coronavirus State and Local Fiscal Recovery Funds				<u>522,267</u>
ELECTION ASSISTANCE COMMISSION				
Wisconsin Election commission HAVA Election Security Grant	90.404	N/A	-	<u>1,200</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Transit Formula Grant	20.507	N/A	-	<u>307,734</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ <u>833,644</u>

Note 1 - Basis of Presentation

The schedule of expenditure of federal awards include the federal grant activity. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on this 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. The City of Onalaska has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform

Note 3 - Disclosure of Other Forms of Assistance

The City of Onalaska received no federal awards of non-monetary assistance that are required to be disclosed for the fiscal year ended December 31, 2022. The City of Onalaska had no loans or loan guarantees required to be disclosed for the fiscal year ended December 31, 2022.

CITY OF ONALASKA, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022

AWARDING AGENCY PASS-THROUGH AGENCY AWARD DESCRIPTION	PASS-THROUGH ENTITY IDENTIFYING NUMBER	STATE I.D. NUMBER	EXPENDITURES	SUBRECIPIENT PASS-THROUGH EXPENDITURES
WISCONSIN DEPARTMENT OF NATURAL RESOURCES				
Wisconsin Department of Natural Resources				
Recycling Consolidation Programs	None	370.670	\$ 4,968	\$ -
WISCONSIN DEPARTMENT OF TRANSPORTATION				
Wisconsin Department of Transportation				
Tier B Transit Operating Aid	None	395.176	<u>220,682</u>	<u>-</u>
TOTAL STATE ASSISTANCE			<u>\$ 225,650</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

The accompanying schedule of state financial assistance includes the state grant activity of the City of Onalaska. The information in this schedule is presented in accordance with the requirements of the *State Single Audit Guidelines*, issued by Wisconsin Department of Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2 - Summary of Significant Account Policies

Expenditures reported on the schedule of state financial assistance are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

CITY OF ONALASKA, 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 X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Internal control over financial reporting:

Material weakness identified? _____ Yes X No

Significant deficiency(ies) identified not considered to be material weaknesses? _____ Yes X 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? _____ Yes X No

Identification of major federal programs:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

State Assistance

Internal control over state assistance:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

CITY OF ONALASKA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
DECEMBER 31, 2022

Section I - Summary of Auditors' Results - Continued

State Assistance - Continued

Identification of state major programs:

<u>State ID Number(s)</u>	<u>Name of State Program</u>
395.176	Tier B Transit Operating Aid

Dollar threshold used to distinguish between

Type A and Type B federal programs: \$750,000

Type A and Type B state programs: \$250,000

Auditee qualified as a low-risk auditee? Yes No

Section II - Financial Statement Findings - None

Section III - Federal and State Award Findings and Questioned Costs - None

Section IV - Status of Prior Year Findings - None