

CITY OF WAUWATOSA, WISCONSIN
Milwaukee County, Wisconsin

SINGLE AUDIT REPORT
December 31, 2015

TABLE OF CONTENTS

	PAGE
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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND 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 <i>STATE SINGLE AUDIT GUIDELINES</i>	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
SCHEDULE OF EXPENDITURES OF STATE AWARDS	7
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS	13



**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**

Common Council
City of Wauwatosa, Wisconsin
Wauwatosa, 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 City of Wauwatosa, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise City of Wauwatosa, Wisconsin's basic financial statements, and have issued our report thereon dated July 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Wauwatosa, Wisconsin'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 City of Wauwatosa, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Wauwatosa, Wisconsin'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wauwatosa, Wisconsin'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*.

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 result 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Milwaukee, Wisconsin
July 12, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND 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

Common Council
City of Wauwatosa, Wisconsin
Wauwatosa, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited City of Wauwatosa, Wisconsin's 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 City of Wauwatosa, Wisconsin's major federal and state programs for the year ended December 31, 2015. City of Wauwatosa, Wisconsin'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 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 City of Wauwatosa, Wisconsin'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*. Those standards and the 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 and state program occurred. An audit includes examining, on a test basis, evidence about City of Wauwatosa, Wisconsin'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 City of Wauwatosa, Wisconsin's compliance.

Opinion on Each Major Federal and State Program

In our opinion, City of Wauwatosa, 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, 2015.

Report on Internal Control Over Compliance

Management of City of Wauwatosa, Wisconsin 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 City of Wauwatosa, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 City of Wauwatosa, Wisconsin'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 and 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 and 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 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.

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.

Report on Schedule of Expenditures of Federal and 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, each major fund, and the aggregate remaining fund information of City of Wauwatosa, Wisconsin as of and for the year ended December 31, 2015, and the respective budgetary comparison for the General Fund and Tax Incremental District Fund for the year then ended, and the related notes to the financial statements, which collectively comprise City of Wauwatosa's basic financial statements. We issued our report thereon dated July 12, 2016, 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 and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* 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. 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 and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin

September 28, 2016 (Except for the Schedule of Expenditures of Federal and State Awards, as to which the date is July 12, 2016)

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures	Subrecipient Payments
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration Grant	11.307	\$ 1,155,357	\$ -
Subtotal U.S. Department of Commerce		<u>1,155,357</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant Cluster			
Community Development Block Grant Program	14.218	840,581	-
Community Development Block Grant Program - Revolving Loan Fund	14.218	313,426	313,426
Subtotal U.S. Department of Housing and Urban Development		<u>1,154,007</u>	<u>313,426</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through Milwaukee County			
Bulletproof Vest Partnership Program	16.607	2,550	-
Subtotal U.S. Department of Justice		<u>2,550</u>	<u>-</u>
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION			
Passed through State of Wisconsin Department of Transportation			
Alcohol Enforcement Grant	20.600	29,232	-
Safe Routes to School	20.200	4,928	-
Subtotal National Highway Traffic Safety Administration		<u>34,160</u>	<u>-</u>
ENVIRONMENTAL PROTECTION AGENCY - OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE			
Radon Detection Grant	66.032	2,500	-
Hazardous Material Grant	66.818	14,494	-
Petroleum Assessment Grant	66.818	96,205	-
Subtotal Environmental Protection Agency		<u>113,199</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through State of Wisconsin Department of Health Services			
Cities Readiness Initiative	93.283	\$ 7,988	\$ -
Preventive Health & Health Services	93.991	4,855	-
Maternal and Child Health Grant	93.994	11,441	-
Preparedness Planning Grant	93.069	32,815	-
Immunization Registry Grant	93.268	12,491	-
Subtotal U.S. Department of Health and Human Services		<u>69,590</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Milwaukee County			
Justice Assistance Grant	97.067	10,000	-
Passed through City of Milwaukee			
Assistance to Firefighters Grant	97.044	7,023	-
Subtotal U.S. Department of Homeland Security		<u>17,023</u>	<u>-</u>
Total Federal Awards		<u>\$ 2,545,886</u>	<u>\$ 313,426</u>

The accompanying notes to the schedules of expenditures of federal and state awards
are an integral part of this schedule.

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended December 31, 2015**

State Grantor/Pass-Through Grantor/Program Title	ID Number	Expenditures	Subrecipient Payments
STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES			
Ambulance Funding Assistance Grants	435.162	\$ 946	\$ -
GPR Lead Poisoning	435.177	<u>2,492</u>	<u>-</u>
Subtotal State of Wisconsin Department of Health Services		<u>3,438</u>	<u>-</u>
STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES			
Aids in lieu of taxes	370.503*	7,805	-
Non-point Source Grant	370.602	76,575	-
Recycling Grants to Responsible Units	370.670	186,211	-
Passed through the Wisconsin Economic Development Corporation			
Site Assessment Grant	370.687	<u>162,318</u>	<u>-</u>
Subtotal State of Wisconsin Department of Natural Resources		<u>432,909</u>	<u>-</u>
Total State Awards		<u>\$ 436,347</u>	<u>\$ -</u>

* Program is not subject to the State Single Audit Guidelines

The accompanying notes to the schedules of expenditures of federal and state awards are an integral part of this schedule.

CITY OF WAUWATOSA, WISCONSIN
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended December 31, 2015

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes all of the Federal funds of the City of Wauwatosa, Wisconsin (City).

State programs reported include only those programs required to be included by the *State Single Audit Guidelines*.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records for the grant programs are maintained on the modified accrual basis of accounting.

NOTE 3 - OVERSIGHT AGENCIES

The City's federal oversight agency for audit is the U.S. Department of Housing and Urban Development. The City's state oversight agency for audit is the State of Wisconsin Department of Revenue.

This information is an integral part of the accompanying schedules of
expenditures of federal and state awards.

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Non-compliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>OMB Circular A-133</i> ?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant - Cluster
14.218	Community Development Block Grant Program
	Community Development Block Grant Program - Revolving Loan Fund

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015**

SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)

State Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? No

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

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

Identification of major program:

State ID	Name of State Program or Cluster
370.687	Site Assessment Grant
435.155015	PHEP Bioterrorism Focus A Planning
435.155190	PHEP Cities Readiness Initiative

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015**

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015**

SECTION IV - STATE SINGLE AUDIT OTHER MATTERS

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? No

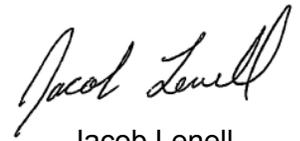
Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Health Services No

Department of Natural Resources No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? No

Name and Signature of Partner


Jacob Lenell

Date of Report

September 28, 2016

**CITY OF WAUWATOSA, WISCONSIN
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS
Year Ended December 31, 2015**

No prior year findings reported.