

**CITY OF OSHKOSH, WISCONSIN**

**FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE REPORT**

**DECEMBER 31, 2015**



**CITY OF OSHKOSH, WISCONSIN**  
December 31, 2015

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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  
City of Oshkosh, 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City of Oshkosh's basic financial statements, and have issued our report thereon dated August 16, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Oshkosh, 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 the City of Oshkosh, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oshkosh, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 the City of Oshkosh, Wisconsin's financial statements are free of 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 results of that testing, and not to provide an opinion on the effectiveness of the City of Oshkosh, Wisconsin'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 City of Oshkosh, Wisconsin's internal control and on compliance. Accordingly, this communication is not suitable for any other purpose.

*Schmidt SC*

Certified Public Accountants  
Green Bay, Wisconsin  
August 16, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

To Common Council  
City of Oshkosh, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

We have audited the City of Oshkosh, Wisconsin'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 of Oshkosh, Wisconsin's major federal and state programs for the year ended December 31, 2015. The City of Oshkosh, 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Oshkosh, 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* 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 of Oshkosh, 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 the City of Oshkosh, Wisconsin's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the 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, 2015.

## **Report on Internal Control Over Compliance**

Management of the City of Oshkosh, 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 the City of Oshkosh, Wisconsin'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 or 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 of Oshkosh, 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 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. 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 State Financial Assistance 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, 2015, 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 16, 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 awards and schedule of state financial assistance 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 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 awards and schedule of state financial assistance 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.



Certified Public Accountants  
Green Bay, Wisconsin  
August 16, 2016

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## CITY OF OSHKOSH, WISCONSIN

## Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues			Total Revenues	Total Expenditures
			(Accrued) or Deferred Revenue 1/1/15	Cash Received	Accrued or (Deferred) Revenue 12/31/15		
<u>U.S. DEPARTMENT OF DEFENSE</u>							
Community Economic Adjustment Assistance for Reductions in Defense Industry Employment	Direct Program	12.611	\$ -	\$ 394,368	\$ -	\$ 394,368	\$ 394,368
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Community Development Block Grant Entitlement Program	Direct Program	14.218	(64,311)	585,159	40,484	561,332	561,332
<u>U.S. DEPARTMENT OF JUSTICE</u>							
CEASE	WI Department of Justice	16.579	-	309	-	309	309
Edward Byrne Memorial Justice Assistance Grant	Direct Program	16.738	-	47,480	-	47,480	47,480
Total U.S. Department of Justice			-	47,789	-	47,789	47,789
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>							
Federal Transit Cluster							
Federal Transit-Formula Grants (Urbanized Area Formula Program)	Direct Program	20.507	-	1,424,530	-	1,424,530	1,424,530
Capital Investment Grants	Direct Program	20.500	-	131,381	-	131,381	131,381
Total Federal Transit Cluster			-	1,555,911	-	1,555,911	1,555,911
State and Community Highway Safety							
Total U.S. Department of Transportation	WI Department of Transportation	20.600	-	36,683	-	36,683	36,683
			-	1,592,594	-	1,592,594	1,592,594

(Continued)

**CITY OF OSHKOSH, WISCONSIN**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2015

Grantor Agency/Federal Program Title	Pass-through Agency	Federal CFDA Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 1/1/15	Cash Received	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
Grants for Supportive Services and Senior Centers (Title III-B)	Winnebago County Committee on Aging	93.044	-	17,008	-	17,008	17,008
Title III Part C	Winnebago County Committee on Aging	93.045	-	27,673	-	27,673	27,673
Total U.S. Department of Health and Human Services			-	44,681	-	44,681	44,681
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>							
Hazard Mitigation Grant Program	WI Department of Military Affairs	97.039	(1,494,148)	1,516,725	-	22,577	22,577
Assistance to Firefighters Grant Program	Direct Program	97.044	-	78,496	-	78,496	78,496
Fire Prevention and Safety Grants			(1,494,148)	1,595,221	-	101,073	101,073
Total U.S. Department of Homeland Security			\$ (1,558,459)	\$4,259,812	\$ 40,484	\$2,741,837	\$ 2,741,837
TOTAL EXPENDITURES OF FEDERAL AWARDS							

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

**CITY OF OSHKOSH, WISCONSIN**  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2015

Grantor Agency/State Program Title	Pass-through Agency	State I.D. Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 1/1/15	Cash Received	Accrued or (Deferred) Revenue 12/31/15	Total Revenues	
<u>DEPARTMENT OF NATURAL RESOURCES</u>							
Recycling Grants to Responsible Units	Direct Program	370.670	\$ -	\$ 220,546	\$ -	\$ 220,546	\$ 220,546
Recycling Consolidation Grants	Direct Program	370.673	-	17,326	-	17,326	17,326
Wildlife Damage Abatement	Direct Program	370.553	-	4,586	-	4,586	4,586
Urban Nonpoint Source & Storm Water Grants	Direct Program	370.658	-	22,535	-	22,535	22,535
Total Department of Natural Resources			-	264,993	-	264,993	264,993
<u>DEPARTMENT OF TRANSPORTATION</u>							
Transit Operating Aids	Direct Program	395.104	(113,120)	113,120	-	-	-
2012			(87,735)	84,435	-	(3,300)	(3,300)
2013			(109,924)	-	109,924	-	-
2014			-	1,012,129	112,459	1,124,588	1,124,588
2015			-	56,368	-	56,368	56,368
Paratransit Aids	Direct Program	395.xxx	(310,779)	1,266,052	222,383	1,177,656	1,177,656
Total Department of Transportation							
TOTAL STATE PROGRAMS			\$ (310,779)	\$ 1,531,045	\$ 222,383	\$ 1,442,649	\$ 1,442,649

The notes to the schedule of state financial assistance are an integral part of this schedule.

## **CITY OF OSHKOSH, WISCONSIN**

### **Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Year Ended December 31, 2015**

#### **NOTE A - BASIS OF PRESENTATION**

In accordance with audit requirements issued by the Comptroller General of the United States 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, supplemental information is presented by the City in regard to federal and state financial assistance programs administered by the City.

#### **NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Revenues and expenditures in the schedule 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 2015 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 deferred revenue represents advances for federal and state programs that exceed recorded City expenditures.

**Federal Programs:** The City of Oshkosh qualifies as a low risk auditee in accordance with 2 CFR section 200.520. Therefore major programs, as identified in Section I of the Schedule of Findings and Questioned Costs, represent those with combined expenditures exceeding 20% of total federal awards that also were deemed major programs based on the auditor's risk assessment. All other federal programs are considered nonmajor programs.

**State Programs:** Major programs represent state assistance programs with expenditures of \$250,000 or more and other state programs classified as major in the *State Single Audit Guidelines*. All other state assistance programs required to be included in the Schedule of Expenditures of State Financial Assistance in accordance with Appendix H of the *State Single Audit Guidelines* are non-major programs.

#### **NOTE C - OVERSIGHT AGENCIES**

The Federal oversight agency for the City is the U.S. Department of Transportation.

The State cognizant agency for the City is the Wisconsin Department of Transportation.

**CITY OF OSHKOSH, WISCONSIN**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2015

**Section I - 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 Awards and State Financial Assistance**

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 the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
	Federal Transit Cluster
20.507	Federal Transit Formula Grant
20.500	Federal Transit Capital Investment Grant

Identification of major state programs:

State ID Number	Name of State Program
395.104	Transit Operating Aids

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

Federal Awards	\$750,000
State Financial Assistance	\$250,000

Auditee qualified as low-risk auditee	Yes
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**CITY OF OSHKOSH, WISCONSIN**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended December 31, 2015

**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, 2015.

**Section III - Federal 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, 2015.

**Section IV - Other Issues**

Does the auditors' report or the notes to the financial statement 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 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 Natural Resources

\_\_\_\_\_ Yes        X   No

Department of Transportation

\_\_\_\_\_ Yes        X   No

Department of Justice

\_\_\_\_\_ Yes        X   No

Department of Military Affairs

\_\_\_\_\_ Yes        X   No

Name and signature of shareholder

  
\_\_\_\_\_  
Thomas Karman, CPA

Date of report

August 16, 2016

**CITY OF OSHKOSH, WISCONSIN**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended December 31, 2015

**Prior Year Audit Findings**

There were no findings or questioned costs for federal and state awards for the year ended December 31, 2014.

**Corrective Action Plan**

No corrective action plan is required.