



# CITY OF WAUWATOSA 2024 AUDIT RESULTS

Presented to the Financial Affairs Committee  
September 9, 2025

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# Agenda and Objectives

Scope of Work and Audit Process

Financial Statement Audit Results

Single Audit Status

Governance Communication Letter

Upcoming New Accounting Standard - Leases

Acknowledgements and Closing



# Financial Audit Process

- Risk Assessment
- Internal Controls
- Significant Account Balances and Classes of Transactions
- Auditor's Opinion - Unmodified



# ACFR Structure

- **Introductory Section**
  - Transmittal letter, Organizational chart, Principal officers, GFOA Award
- **Financial section**
  - Management's Discussion and Analysis, Audit Opinion, Financial statements, Notes, Required Supplementary information, Supplementary information
- **Statistical section**



# GOVERNMENTAL FUNDS

	<u>General</u>	<u>TID</u>	<u>ARPA</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues	\$ 75,894,387	\$10,587,357	\$ 9,173,111	\$ 56,484	\$ 1,738,705	\$ 4,740,569	\$102,190,613
Expenditures	<u>57,831,593</u>	<u>7,446,755</u>	<u>9,071,978</u>	<u>12,919,493</u>	<u>13,457,330</u>	<u>10,185,709</u>	<u>110,912,858</u>
Revenues over (under) expenditures	18,062,794	3,140,602	101,133	(12,863,009)	(11,718,625)	(5,445,140)	(8,722,245)
Other sources and (uses)	(14,852,233)	(2,064,437)	(69,005)	12,931,400	9,388,666	5,384,088	10,718,479
Net change in fund balance	3,210,561	1,076,165	32,128	68,391	(2,329,959)	(61,052)	1,996,234
Fund balance							
Beginning of year	<u>23,341,029</u>	<u>3,728,279</u>	<u>1,899</u>	<u>2,052,832</u>	<u>18,512,112</u>	<u>12,755,329</u>	<u>60,391,480</u>
End of year	<u>\$ 26,551,590</u>	<u>\$ 4,804,444</u>	<u>\$ 34,027</u>	<u>\$ 2,121,223</u>	<u>\$ 16,182,153</u>	<u>\$ 12,694,277</u>	<u>\$ 62,387,714</u>
Nonspendable	\$ 1,011,369	\$ -	\$ -	\$ -	\$ -	\$ 44,136	\$ 1,055,505
Restricted	-	4,804,444	34,027	2,121,223	7,516,749	2,599,927	17,076,370
Assigned	2,277,116	-	-	-	8,665,404	10,057,104	20,999,624
Unassigned	<u>23,263,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,890)</u>	<u>23,256,215</u>
Total	<u>\$ 26,551,590</u>	<u>\$ 4,804,444</u>	<u>\$ 34,027</u>	<u>\$ 2,121,223</u>	<u>\$ 16,182,153</u>	<u>\$ 12,694,277</u>	<u>\$ 62,387,714</u>



# PROPRIETARY FUNDS

	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Storm Water</u>	<u>Total</u>	<u>Internal Service</u>
Operating revenues	\$ 11,981,073	\$ 11,489,440	\$ 5,882,313	\$ 29,352,826	\$ 22,058,496
Operating expenses	<u>8,431,368</u>	<u>8,674,751</u>	<u>2,790,298</u>	<u>19,896,417</u>	<u>20,389,741</u>
Operating income	3,549,705	2,814,689	3,092,015	9,456,409	1,668,755
Non operating revenues (expenses)	(45,184)	1,490,468	458,180	1,903,464	125
Capital contributions	6,160,684	-	-	6,160,684	1,638,958
Transfers in (out)	<u>(958,389)</u>	<u>-</u>	<u>-</u>	<u>(958,389)</u>	<u>(1,660,559)</u>
Change in net position	8,706,816	4,305,157	3,550,195	16,562,168	1,647,279
Net position beginning of year	<u>45,869,494</u>	<u>63,238,075</u>	<u>50,235,182</u>	<u>159,414,086</u>	<u>(8,767,181)</u>
Net position, end of year	<u>\$ 54,576,310</u>	<u>\$ 67,543,232</u>	<u>\$ 53,785,377</u>	<u>\$ 175,976,254</u>	<u>\$ (7,119,902)</u>
Net investment in capital assets	\$ 41,131,325	\$ 49,229,219	\$ 49,108,577	\$ 139,469,121	\$ 7,822,052
Restricted	1,609,973	-	-	1,609,973	-
Unrestricted	<u>11,835,012</u>	<u>18,314,013</u>	<u>4,676,800</u>	<u>34,825,825</u>	<u>(14,893,954)</u>
Total	<u>\$ 54,576,310</u>	<u>\$ 67,543,232</u>	<u>\$ 53,785,377</u>	<u>\$ 175,904,919</u>	<u>\$ (7,071,902)</u>



# ADDITIONAL COMMUNICATIONS

- Auditor Communication letter
  - Auditor's responsibility under generally accepted audit standards
  - Qualitative aspects of accounting policies and disclosures
    - ◇ New disclosures for compensated absences implemented appropriately
  - Significant Estimates
    - ◇ Other postemployment benefits
  - Audit Adjustments or Passed Adjustments
    - ◇ Immaterial uncorrected adjustments for leases and opioid settlement adjustments
  - Management Representations
  - Other matters



# Single Audit Status

- Major Federal Programs
  - ARPA
- Major State Programs
  - Recycling
  - Departments of Health Services
- Audit Opinion on Compliance
  - Draft Unmodified
- Internal Control Report and Schedule of Findings and Questioned Costs
  - None currently



# CLOSING

- Records maintained in good order
- Full cooperation received from City staff during audit process
- Improved completion of final documents from 2023 by 3 months.





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# QUESTIONS?

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