

# CITY OF WAUWATOSA 2023 AUDIT RESULTS

Presented to the Financial Affairs Committee  
November 12, 2024

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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# Agenda and Objectives

Scope of Work and Audit Process

Financial Statement Audit Results

Single Audit Results

Governance Communication Letter

Acknowledgements and Closing and Planning for Next Year



# 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	\$ 72,744,043	\$ 9,707,812	\$ 2,711,052	\$ 52,898	\$ 1,124,749	\$ 4,877,639	\$ 91,218,193
Expenditures	<u>57,583,605</u>	<u>4,698,527</u>	<u>2,409,153</u>	<u>13,032,593</u>	<u>7,768,847</u>	<u>10,487,706</u>	<u>95,980,431</u>
Revenues over (under) expenditures	15,160,438	5,009,285	301,899	(12,979,695)	(6,644,098)	(5,610,067)	(4,762,238)
Other sources and (uses)	(14,063,940)	(3,609,275)	(300,000)	12,789,447	11,800,566	6,580,333	13,197,131
Net change in fund balance	1,096,498	1,400,010	1,899	(190,248)	5,156,468	970,266	8,434,893
Fund balance							
Beginning of year	<u>22,244,531</u>	<u>2,328,269</u>	<u>-</u>	<u>2,243,080</u>	<u>13,355,644</u>	<u>11,785,063</u>	<u>51,956,587</u>
End 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>
Nonspendable	\$ 1,290,747	\$ -	\$ -	\$ -	\$ 1,184,365	\$ 347	\$ 2,475,459
Restricted	-	3,728,279	1,899	2,052,832	8,413,045	3,358,881	17,554,936
Assigned	2,361,757	-	-	-	8,914,702	9,403,036	20,679,495
Unassigned	<u>19,688,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,935)</u>	<u>19,681,590</u>
Total	<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>



# PROPRIETARY FUNDS

	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Storm Water</u>	<u>Total</u>	<u>Internal Service</u>
Operating revenues	\$ 11,362,790	\$ 10,862,480	\$ 5,820,215	\$ 28,045,485	\$ 20,549,253
Operating expenses	<u>8,257,025</u>	<u>7,642,608</u>	<u>2,701,012</u>	<u>18,600,645</u>	<u>19,661,256</u>
Operating income	3,105,765	3,219,872	3,119,203	9,444,840	887,997
Non operating revenues (expenses)	(229,510)	626,837	(8,437)	388,890	18,362
Capital contributions	468,809	-	-	468,809	1,265,641
Transfers in (out)	<u>(951,252)</u>	<u>-</u>	<u>-</u>	<u>(951,252)</u>	<u>(1,807,147)</u>
Change in net position	2,393,812	3,846,709	3,110,766	9,351,287	364,853
Net position beginning of year	<u>43,547,017</u>	<u>59,391,366</u>	<u>47,124,416</u>	<u>150,062,799</u>	<u>(8,820,480)</u>
Net position, end of year	<u>\$ 45,940,829</u>	<u>\$ 63,238,075</u>	<u>\$ 50,235,182</u>	<u>\$ 159,414,086</u>	<u>\$ (8,455,627)</u>
Net investment in capital assets	\$ 34,541,211	\$ 45,853,485	\$ 45,238,407	\$ 125,633,103	\$ 7,532,680
Restricted	1,856,805	-	-	1,856,805	-
Unrestricted	<u>9,542,813</u>	<u>17,384,590</u>	<u>4,996,775</u>	<u>31,924,178</u>	<u>(15,988,307)</u>
Total	<u>\$ 45,940,829</u>	<u>\$ 63,238,075</u>	<u>\$ 50,235,182</u>	<u>\$ 159,414,086</u>	<u>\$ (8,455,627)</u>



# ADDITIONAL COMMUNICATIONS

- Auditor Communication letter
  - Auditor’s responsibility under generally accepted audit standards
  - Qualitative aspects of accounting policies and disclosures
  - Significant Estimates
  - Audit Adjustments or Passed Adjustments
    - ◇ None
  - Management Representations
  - Other matters



# Single Audit

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





# CLOSING

- Records maintained in good order
- Full cooperation received from City staff during audit process
- Expected to submit and receive your 13<sup>th</sup> GFOA financial reporting award with the 2023 report
- Future audit planning
  - New Accounting Standards – Compensated Absences
  - Other planning matters





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