

**CITY OF WAUWATOSA**  
**Milwaukee County, Wisconsin**

**SINGLE AUDIT REPORT**

**YEAR ENDED DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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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***

Common Council  
City of Wauwatosa  
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 the City of Wauwatosa, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Wauwatosa's basic financial statements, and have issued our report thereon dated July 26, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Wauwatosa's internal control over financial reporting (internal control) as a basis for designing 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 Wauwatosa's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wauwatosa'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.

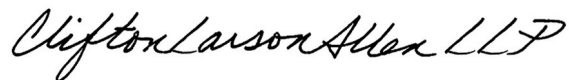
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Wauwatosa’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 financial statements. 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 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.



**CliftonLarsonAllen LLP**

Wauwatosa, Wisconsin  
July 26, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

Common Council  
City of Wauwatosa  
Wauwatosa, Wisconsin

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

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

We have audited the City of Wauwatosa's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *Wisconsin State Single Audit Guidelines* that could have a direct and material effect on each of the City of Wauwatosa's major federal and major state programs for the year ended December 31, 2022. The City of Wauwatosa's major federal and major state 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 Wauwatosa 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 and major state programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal and Major State 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; 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 *Wisconsin State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance and the *Wisconsin State Single Audit Guidelines* 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 Wauwatosa 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 and major state program. Our audit does not provide a legal determination of the City of Wauwatosa'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 Wauwatosa's federal and state 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 Wauwatosa'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*, the Uniform Guidance, and *Wisconsin State Single Audit Guidelines* 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 Wauwatosa's compliance with the requirements of each major federal or major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and *Wisconsin State Single Audit Guidelines*, 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 Wauwatosa'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 Wauwatosa'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 and *Wisconsin State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the City of Wauwatosa'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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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 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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Wauwatosa's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City of Wauwatosa's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *Wisconsin State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Awards and Settlement of DHS Cost Reimbursement Awards Required by the Uniform Guidance and *Wisconsin State Single Audit Guidelines***

We have audited the financial statements of the City of Wauwatosa as of and for the year ended December 31, 2022, and have issued our report thereon dated July 26, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state awards and settlement of DHS Cost Reimbursement Awards are presented for purposes of additional analysis as required by the Uniform Guidance and *Wisconsin State Single Audit Guidelines* and are not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Common Council  
City of Wauwatosa

In our opinion, the schedules of expenditures of federal awards and state awards and the settlement of DHS cost reimbursement awards are fairly stated in all material respects in relation to the financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Wauwatosa, Wisconsin  
September 29, 2023

**CITY OF WAUWATOSA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Contract Number	Expenditures	Subrecipient Payments
<b>U.S. Department of Housing and Urban Development</b>				
Community Development Block Grant Cluster				
Community Development Block Grant Program	14.218		\$ 1,274,511	\$ 1,216,261
Total U.S. Department of Housing and Urban Development			<u>1,274,511</u>	<u>1,216,261</u>
<b>U.S. Department of Justice</b>				
Bullet Proof Vest Partnership	16.607		11,091	-
COPS Grant - FED DEA	16.710		78,999	-
Total U.S. Department of Justice			<u>90,090</u>	<u>-</u>
<b>National Highway Traffic Safety Administration</b>				
Highway Safety Cluster				
Passed through State of Wisconsin Department of Transportation				
Aggressive Driving Grant	20.616	Not Available	2,723	-
Alcohol - OWI	20.616	Not Available	4,481	-
Seatbelt grant	20.616	Not Available	7,486	-
Total National Highway Traffic Safety Administration			<u>14,690</u>	<u>-</u>
<b>U.S. Department of Treasury</b>				
COVID 19: Coronavirus State and Local Fiscal Relief Fund	21.027		2,955,383	-
Passed through State of Wisconsin Department of Health Services				
ARPA COVID Recovery Fund	21.027	155,811.00	138,668	-
Total U.S. Department of Treasury			<u>3,094,051</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>				
Vaccine Community Outreach 2.0	93.268		77,945	-
Passed through State of Wisconsin Department of Health Services				
Bioterrorism Focus A Planning	93.069	155015	38,339	-
Bioterrorism Preparedness - CRI	93.069	155190	12,284	-
IMM COVID SUPP 3 CONS	93.268	155809	4,200	-
Immunization Planning Grant	93.268	155020	13,038	-
Enhancing Detection- COVID	93.323	155806	186,957	-
ELC ENHANCING DETECTION	93.323	155817	15,924	-
PH Workforce	93.354	155812	7,232	-
DPH PHEP COVID19	93.354	155801	42,722	-
Prevention Grant	93.991	159220	5,378	-
Maternal Child Health Program	93.994	159320	16,121	-
Total U.S. Department of Health and Human Services			<u>420,140</u>	<u>-</u>
<b>Executive office of the President</b>				
HIDTA Grant - Fugitive - FED DEA	16.607		14,510	-
HIDTA Grant - Opioid - FED DEA	16.710		4,999	-
Total U.S. Department of Justice			<u>19,509</u>	<u>-</u>
Total Federal Awards			<u>\$ 4,912,991</u>	<u>\$ 1,216,261</u>

See Notes to Schedules of Expenditures of Federal and State Awards and the Settlement of DHS Cost Reimbursement Awards.

**CITY OF WAUWATOSA  
SCHEDULE OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>ID Number</u>	<u>Expenditures</u>	<u>Subrecipient Payments</u>
<b>State of Wisconsin Department of Health Services</b>			
GPR Lead Poisoning	435.157720	3,167	-
Communicable Disease	435.155800	5,446	-
Total State of Wisconsin Department of Health Services		<u>8,613</u>	<u>-</u>
<b>State of Wisconsin Department of Natural Resources</b>			
Recycling Grants to Responsible Units	370.670	186,117	-
Total State of Wisconsin Department of Natural Resources		<u>186,117</u>	<u>-</u>
Total State Awards		<u>\$ 194,730</u>	<u>\$ -</u>

*See Notes to Schedules of Expenditures of Federal and State Awards and the Settlement of DHS Cost Reimbursement Awards.*

**CITY OF WAUWATOSA  
SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

DHS Identification Number	CARS Profile or PO #: 155015	CARS Profile or PO #: 155020	CARS Profile or PO #: 155190	CARS Profile or PO #: 155800	CARS Profile or PO #: 155801	CARS Profile or PO #: 155806
Period of Award within the Audit Period	<u>01/01/2022-12/31/2022</u>	<u>01/01/2022-12/31/2022</u>	<u>01/01/2022-12/31/2022</u>	<u>01/01/2022-12/31/2022</u>	<u>01/01/2022-12/31/2022</u>	<u>01/01/2022-12/31/2022</u>
A. Expenditures reported to DHS or revenue received	\$ 38,304	\$ 13,038	\$ 12,284	\$ 5,447	\$ 42,722	\$ 186,957
B. Total Operating Costs of Award						
1. Employee Salaries and Wages	\$ 25,237	\$ 11,201	\$ 12,284	\$ 3,952	\$ 42,351	
2. Employee Fringe Benefits	513	32				
3. Payroll Taxes	1,307	102				
4. Rent or Occupancy						
5. Professional Services	5,564	50		142	371	185,416
6. Employee Travel						
7. Conference, Meetings or Education				55		
8. Employee Licenses and Dues						
9. Supplies	1,851	1,653		1,298		
10. Telephone	28					1,541
11. Equipment	91					
12. Depreciation						
13. Utilities						
14. Bad Debts						
15. Postage and Shipping						
16. Insurance						
17. Interest						
18. Bank Fees and Charges						
19. Advertising and Marketing						
20. Other	3,713	-	-	-	-	-
B. Total Operating Costs of Awards	<u>38,304</u>	<u>13,038</u>	<u>12,284</u>	<u>5,447</u>	<u>42,722</u>	<u>186,957</u>
C. Less Disallowed Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
D. Less Program Revenues and Other Offsets to Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
E. Total Allowable Costs: If the Agency is for Profit, Enter This Number in Figure 10 - Allowable Profit Schedule, Line 1, " Net Allowable Operating Costs" to Calculate Allowable Profit	<u>38,304</u>	<u>13,038</u>	<u>12,284</u>	<u>5,447</u>	<u>42,722</u>	<u>186,957</u>
F. Gain or (Loss) = Line A - Line E	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Schedules of Expenditures of Federal and State Awards and the Settlement of DHS Cost Reimbursement Awards.

**CITY OF WAUWATOSA  
SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

DHS Identification Number	CARS Profile or PO #: 155809		CARS Profile or PO #: 155811		CARS Profile or PO #: 155812		CARS Profile or PO #: 155817		CARS Profile or PO #: 157720		CARS Profile or PO #: 159220		CARS Profile or PO #: 159320	
	<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>		<u>01/01/2022-12/31/2022</u>	
A. Expenditures reported to DHS or revenue received	\$	4,200	\$	138,814	\$	6,347	\$	15,924	\$	3,167	\$	5,378	\$	16,121
B. Total Operating Costs of Award														
1. Employee Salaries and Wages	\$	4,200	\$	56,691	\$	6,347			\$	3,040	\$	3,681	\$	12,883
2. Employee Fringe Benefits				614								23		
3. Payroll Taxes				5,256								104		
4. Rent or Occuapancy														
5. Professional Services								13,924				1,473		857
6. Employee Travel														
7. Conference, Meetings or Education								2,000						821
8. Employee Licenses and Dues				260										
9. Supplies												141		1,560
10. Telephone				3,079										
11. Equipment				11,475										
12. Depreciation														
13. Utilities														
14. Bad Debts														
15. Postage and Shipping														
16. Insurance														
17. Interest														
18. Bank Fees and Charges														
19. Advertising and Marketing														
20. Other		-		61,439		-		-		-		83		-
B. Total Operating Costs of Awards		<u>4,200</u>		<u>138,814</u>		<u>6,347</u>		<u>15,924</u>		<u>3,167</u>		<u>5,378</u>		<u>16,121</u>
C. Less Disallowed Costs		-		-		-		-		-		-		-
D. Less Program Revenues and Other Offsets to Costs		-		-		-		-		-		-		-
E. Total Allowable Costs: If the Agency is for Profit, Enter This Number in Figure 10 - Allowable Profit Schedule, Line 1, " Net Allowable Operating Costs" to Calculate Allowable Profit		<u>4,200</u>		<u>138,814</u>		<u>6,347</u>		<u>15,924</u>		<u>3,167</u>		<u>5,378</u>		<u>16,121</u>

See Notes to Schedules of Expenditures of Federal and State Awards and the Settlement of DHS Cost Reimbursement Awards.

**CITY OF WAUWATOSA  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND THE  
SETTLEMENT OF DHS COST REIMBURSEMENT AWARDS  
DECEMBER 31, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards includes all of the Federal funds of the City of Wauwatosa, Wisconsin (the 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**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.

**NOTE 4 INDIRECT COST ALLOCATION RATE**

The City of Wauwatosa, Wisconsin has elected not to apply the 10% de minimis cost rate to awards for the year ended December 31, 2022.

**CITY OF WAUWATOSA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

***Identification of Major Federal Programs***

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19: Coronavirus State and Local Fiscal Relief Funds
14.228	Community Development Block Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$   \$750,000  

Auditee qualified as low-risk auditee?   x   yes      \_\_\_\_\_ no

**CITY OF WAUWATOSA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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**Section I – Summary of Auditors’ Results (Continued)**

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**State Financial Assistance**

1. Internal control over state projects:
  - Material weakness(es) identified?                    \_\_\_\_\_ yes                          x       no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)?                    \_\_\_\_\_ yes                          x       none reported
2. Type of auditors’ report issued on compliance for state projects:                    Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with state requirements?                    \_\_\_\_\_ yes                          x       no

**Identification of Major State Projects**

<b>CSFA Number(s)</b>	<b>Name of State Project</b>
370.670	Recycling Consolidated Grants
N/A	Department of Health Services General Requirements

Dollar threshold used to distinguish between Type A and Type B state projects:                    \$       250,000      

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**CITY OF WAUWATOSA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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**Section III – Findings and Questioned Costs – Major Federal and Major State Programs**

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**2021 – 001**

Federal Agencies: U.S. Department of Treasury

Federal Program Names: Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Pass-Through Agency: Direct Award and Wisconsin Department of Health Services

Award Period: March 2020 through December 31, 2024

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** Per 2 CFR Part 200 Section 200.214 - Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

**Condition:** During our testing, we noted the City of Wauwatosa did not have adequate internal controls designed to ensure vendors were not suspended or debarred.

**Questioned costs:** None

**Context:** For 1 of the 1 vendors, with in the Coronavirus State and Local Fiscal Recovery Fund program, selected for testing, the City did not verify and retain documentation of the verification for any that vendors were not suspended or debarred by the Federal Government. The auditor noted no instances of noncompliance with the provisions of procurement, suspension, and debarment; however, the lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

**Cause:** The City had not designed and implemented controls related to the verification and documentation of vendor's status as not suspended or debarred with the Federal Government.

**Effect:** The lack of internal controls over these compliance requirements provides an opportunity for noncompliance.

**Repeat Finding:** The finding is a repeat finding of 2021-001.

**Recommendation:** We recommend the City of Wauwatosa design controls to ensure an adequate review process is in place to review potential contractors to determine they are not suspended or debarred.

**Views of responsible officials:** There is no disagreement with the audit finding.

**CITY OF WAUWATOSA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

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**Section IV – State Single Audit Other Matters**

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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 noncompliance, nonmaterial noncompliance, 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 29, 2023



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