

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

**SINGLE AUDIT REPORT**  
**December 31, 2014**

## TABLE OF CONTENTS

	PAGE
<b>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></b> .....	1
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i> AND THE <i>STATE SINGLE AUDIT GUIDELINES</i></b> .....	3
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b> .....	6
<b>SCHEDULE OF EXPENDITURES OF STATE AWARDS</b> .....	7
<b>NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS</b> .....	8
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b> .....	9
<b>SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS</b> .....	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  
Milwaukee, County, 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, 2014, and the respective budgetary comparison for the General Fund and Tax Incremental District Fund, 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 23, 2015.

**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 cursive script that reads "Clifton Larson Allen LLP".

Milwaukee, Wisconsin  
July 23, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL AND STATE PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES**

Common Council  
City of Wauwatosa, Wisconsin  
Milwaukee County, 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 Circular A-133 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 major state programs for the year ended December 31, 2014. City of Wauwatosa, Wisconsin'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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Wauwatosa, Wisconsin's major federal and major 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and OMB Circular A-133 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 major 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 major state program. However, our audit does not provide a legal determination of City of Wauwatosa, Wisconsin's compliance.

### ***Opinion on Each Major Federal and Major 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 major state programs for the year ended December 31, 2014.

### **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 major 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 major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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'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 program 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 program 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 program 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.

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 result of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal and State Awards Required by OMB Circular A-133 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, 2014, and the respective budgetary comparison for the General Fund and Tax Increment District Fund for the year then ended, and the related notes to the financial statements, which collectively comprise City of Wauwatosa, Wisconsin's basic financial statements. We issued our report thereon dated July 23, 2015, 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by OMB Circular A-133 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 schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

*CliftonLarsonAllen LLP*

Milwaukee, Wisconsin

September 29, 2015 (Except for the Schedule of Expenditures of Federal and State Awards, as to which the date is July 23, 2015)

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2014**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF COMMERCE</b>		
Economic Development Administration Grant	11.307	\$ 1,984,007
Subtotal U.S. Department of Commerce		<u>1,984,007</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Community Development Block Grant Cluster		
Community Development Block Grant Program	14.218	933,635
Community Development Block Grant Program - Revolving Loan Fund	14.218	582,061
Subtotal U.S. Department of Housing and Urban Development		<u>1,515,696</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Passed through Milwaukee County		
Bulletproof Vest Partnership Program	16.607	5,557
Subtotal U.S. Department of Justice		<u>5,557</u>
<b>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</b>		
Passed through State of Wisconsin Department of Transportation		
Alcohol Enforcement Grant	20.600	30,863
Safe Routes to School	20.200	39,492
Subtotal National Highway Traffic Safety Administration		<u>70,355</u>
<b>ENVIRONMENTAL PROTECTION AGENCY - OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE</b>		
Radon Detection Grant	66.032	1,200
Hazardous Material Grant	66.818	50,091
Petroleum Assessment Grant	66.818	16,091
Subtotal Environmental Protection Agency		<u>67,382</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed through State of Wisconsin Department of Health Services		
Cities Readiness Initiative	93.283	\$ 23,918
Preventive Health & Health Services	93.991	2,390
Maternal and Child Health Grant	93.994	11,205
Preparedness Planning Grant	93.069	55,300
Public Health Infrastructure Grant	93.507	11,739
Immunization Registry Grant	93.268	12,349
Subtotal U.S. Department of Health and Human Services		<u>116,901</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed through Milwaukee County		
Justice Assistance Grant	97.067	23,102
Passed through City of Milwaukee		
Assistance to Firefighters Grant	97.044	-
Subtotal U.S. Department of Homeland Security		<u>23,102</u>
<b>Total Federal Awards</b>		<u>\$ 3,783,000</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, 2014**

<b>State Grantor/Pass-Through Grantor/Program Title</b>	<b>ID Number</b>	<b>Expenditures</b>
STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES		
Ambulance Funding Assistance Grants	435.162	\$ 4,225
GPR Lead Poisoning	435.177	2,285
Subtotal State of Wisconsin Department of Health Services		<u>6,510</u>
STATE OF WISCONSIN DEPARTMENT OF NATURAL RESOURCES		
Aids in lieu of taxes	370.503*	6,403
Non-point Source Grant	370.602	73,325
Recycling Grants to Responsible Units	370.670	174,045
Recycling Conolidated Grants	370.673	12,163
Passed through the Wisconsin Economic Development Corporation		
Site Assessment Grant	370.687	28,847
Subtotal State of Wisconsin Department of Natural Resources		<u>294,783</u>
<b>Total State Awards</b>		<u>\$ 301,293</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, 2014**

**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, 2014**

**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:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2014**

**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 programs:

<b>State ID</b>	<b>Name of State Program or Cluster</b>
370.670	Department of Natural Resources Recycling Grants: Resources Recycling Grants to Responsible Units Consolidated Grants
370.673	

Dollar threshold used to distinguish between type A and type B programs: \$100,000

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, 2014**

**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, 2014**

**SECTION IV - STATE SINGLE AUDIT OTHER MATTERS**

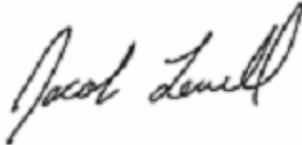
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as the auditee's ability to continue as a going concern? No

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 29, 2015

**CITY OF WAUWATOSA, WISCONSIN  
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS  
Year Ended December 31, 2014**

No prior year findings reported.