



**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**

City Council
City of West Allis, Wisconsin
West Allis, 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 City of West Allis, Wisconsin (the "City"), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated July 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City'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*.

City of West Allis, Wisconsin's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
July 30, 2020

**CITY OF WEST ALLIS, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019**

Section II – Financial Statement Findings

Finding 2019-001	Audit Adjustment
Type of Finding:	Internal Control, Material Weakness
Repeat Finding:	No

Criteria

The City's internal controls should be designed to adequately reconcile and adjust accounting records to present them in the City's financial statement in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition/Context

Two material journal entries were identified, proposed to management, and accepted during the performance of the audit to report activity related to long term debt issuance in accordance with GAAP.

Cause

The financial close and reporting process failed to identify and correct the two misstatements to appropriately present the issuance of long-term debt in accordance with GAAP.

Effect

Two adjusting journal entries were proposed to and accepted by management to record the issuance of long-term debt in accordance with GAAP.

Recommendation

We recommend that the City review the debt agreements and refer to the appropriate authoritative guidance to ensure the appropriate presentation of the activity in accordance with GAAP.

Contact Person

Kris Moen
Interim Finance Director
Finance Department

Management's Response

Management agrees with the adjustments and will ensure the close process addresses these adjustments going forward.

Anticipated Completion Date

December 31, 2020