



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

Honorable Mayor and City Council
City of Willow Park
Fort Worth, Texas

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 Willow Park, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Willow Park's basic financial statements, and have issued our report thereon dated March 28, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Willow Park'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 City of Willow Park's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Willow Park'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 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 responses as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

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

City of Willow Park's Response to Findings

City of Willow Park's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. City of Willow Park'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 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

Fort Worth, Texas
March 28, 2022

**CITY OF WILLOW PARK, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021**

Finding Number: 2021-001 – Audit Adjustments and Prior Period Adjustments

Type of Finding: Material Weakness

Criteria: City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's accounting transactions, including depreciation expense, reporting of accruals and accounts payable, disposal of capital assets and reporting for other post-employment benefits (OPEB).

Condition: As part of the audit, we proposed adjustments to the City's general ledger related to: accounts payable, accrued payroll and the disposal of an asset. These adjustments were recorded by management in the financial statements as of and for the year ended September 30, 2021.

In addition, we proposed audit entries to restate beginning fund balance and net position for errors in the prior year financial statements related to depreciation expense and accumulated depreciation as well as OPEB liabilities and the related OPEB expense and deferred outflows.

Cause: Management did not identify the adjustments above in the current year or prior years due to oversight.

Effect: The design of the internal controls over recording transactions and year-end accruals limit the ability of the City to provide accurate accrual basis financial information upon request.

Recommendation: We recommend City management and finance personnel continue to increase their awareness and knowledge of all procedures and processes involved in recording transactions and develop internal control policies to ensure proper recording of these items.

Management Response: The City will continue to review year end closing and financial reporting processes, along with working with the City's contracted accountant to adjust for these items prior to the audit starting.