

**WISCONSIN RIVER RAIL TRANSIT COMMISSION
PLATTEVILLE, WISCONSIN**

**REQUIRED AUDIT COMMUNICATIONS
TO THE COMMISSION BOARD**

Year Ended December 31, 2018

**Johnson Block & Company, Inc.
Certified Public Accountants
9701 Brader Way
Middleton, WI 53562
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**WISCONSIN RIVER RAIL TRANSIT COMMISSION
PLATTEVILLE, WISCONSIN**

Year Ended December 31, 2018

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**AUDIT MATTERS REQUIRING COMMUNICATION
TO THE GOVERNING BODY**

To the Commission Board
Wisconsin River Rail Transit Commission
Platteville, Wisconsin

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wisconsin River Rail Transit Commission for the year ended December 31, 2018, and have issued our report thereon dated October 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wisconsin River Rail Transit Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Depreciation

Management's estimates of the depreciable lives of infrastructure are based on the expected use of the respective assets and management's experience with similar assets used by the Commission.

Allowance for Doubtful Accounts

Management's estimate of the allowance for doubtful accounts is based on outstanding receivables from prior years and management's experience with the collection of those receivables.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We proposed no audit adjustments.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on these statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrict on Use

This information is intended solely for the use of the Commission Board and management of Wisconsin River Rail Transit Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 31, 2019



COMMUNICATION OF SIGNIFICANT DEFICIENCIES

Commission Board
Wisconsin River Rail Transit Commission
Platteville, Wisconsin

In planning and performing our audit of the financial statements of the Wisconsin River Rail Transit Commission as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Wisconsin River Rail Transit Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Wisconsin River Rail Transit Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wisconsin River Rail Transit Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiency in Wisconsin River Rail Transit Commission's internal control to be a significant deficiency:

Financial Reporting

Preparation of Financial Statements

A consequence of the size, combined with the specific expertise of your accounting and financial reporting department, is that management has elected to rely on the knowledge of its auditors to prepare its annual financial statements and related disclosures. Again, the Commission, like many others, has made the determination that because of the ever changing and numerous reporting requirements associated with preparing financial statements that are in conformity with accounting principles generally accepted in the United States of America, it is more cost advantageous to rely on the expertise of its outside auditors to assist in the preparation of its financial statements.



Internal controls over preparation of the financial statements, including footnote disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected. Because preparation of the financial statements is a non-audit service, the Commission should designate an individual(s) who possesses suitable skills, knowledge, or experience necessary to be able to review, understand and take responsibility for the financial statements.

Because the Commission relies on the auditor to assist with the preparation of the financial statements, the organization's system of internal control may not prevent, detect, or correct misstatements in the financial statements.

The auditor will continue to work with the Commission, providing information and training where needed, to make the Commission's management and governance more knowledgeable about its responsibility for the financial statements.

This communication is intended solely for the information and use of management, Commission Board, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
October 31, 2019