



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

March 7, 2024

To the Honorable Mayor and City Council
City of Willow Park, Texas

In connection with our audit of the financial statements of the City of Willow Park, Texas, as of September 30, 2023, we conducted a review of accounting procedures and internal control. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for management's consideration, suggestions for changes in procedures, which, in our opinion, could strengthen internal control or contribute to the improvement of operating efficiency.

The comments in this letter are based upon observations made in the course of such a review. The review was not designed for the purpose of expressing an opinion on internal control, and it would not necessarily disclose all weaknesses in the system. The matters discussed herein were considered during our audit of the financial statements, and they did not modify the opinion expressed in our report on those financial statements. However, we offer for your review, comments and recommendations as noted on the following pages.

We have discussed the following comments in detail with the appropriate staff of the City to ensure understanding of the comments and implementation of recommendations. If you have any questions regarding these or any other matters, please feel free to contact us.

This letter is intended solely for the information and use of the City Council members, management, and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

Finally, we take this opportunity to thank you and your staff for your courtesy and cooperation during our audit. Thank you for your business.

Sincerely,

Snow Garrett Williams

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CURRENT YEAR COMMENTS

Adjusting Journal Entries

Comment: When performing our audit procedures, we noted several adjusting entries were needed to correctly state account balances at year end.

Recommendation: We recommend that the City closely review the content of the current year audit adjustments to understand the purpose of the adjustments, reclassifications, or corrections and incorporate these entries into the City's monthly or year-end accounting transactions.

Fixed Assets

Comment: During our testing of fixed assets, we noted several fully depreciated assets that the City may no longer own or use.

Recommendation: We recommend that City management work with department heads to review the fixed asset detail and dispose and write-off any assets that are no longer in service.

OBJECTIVE OF INTERNAL CONTROL

The objective of internal control is to provide reasonable, but not absolute, assurance that the City's assets will be safeguarded against loss from unauthorized use or disposition, and that the reliability of financial records for preparing financial statements and maintaining accountability for assets will be preserved. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Control procedures whose effectiveness depends upon the segregation of duties can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.