



## AGENDA ITEM COMMENTARY

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| <b>MEETING NAME:</b>    | City Council   |
| <b>MEETING DATE:</b>    | March 2, 2026  |
| <b>ITEM TITLE:</b>      | Consider and take appropriate action on Lubbock Central Appraisal District (LCAD) request for refund of \$504,472.50 property tax disbursement overpayment |
| <b>STAFF INITIATOR:</b> | Terri Robinette, City Secretary  |

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### BACKGROUND:

The City's audit firm began on-site fieldwork for our annual audit during the week of December 15, 2025. During this process, it was brought to my attention that the total cash deposits reported by LCAD did not reconcile with the year-end reports provided to us. On December 16, 2025, I requested a reconciliation of LCAD's cash deposits to their annual collections reports.

After several follow-up emails, I received a variance report on January 8, 2026; however, it still did not reconcile, specifically regarding the February 2025 deposits into the City of WolfForth account. With assistance from our auditor, we sent LCAD a spreadsheet listing the actual deposits made, including a highlighted February 25, 2025 deposit, in which \$645,116.13 was deposited into the City's account. LCAD's own records—including their monthly collections report—reflected that only \$140,643.63 had been sent.

Once this discrepancy was shared, LCAD responded with the following information:

- **9/2025** – City of WolfForth beginning balance: **\$152,885.65**; ending balance: **\$649,483.23**
- **Difference: \$-496,597.58**
- **\$6,591.98** was sent in October 2025, leaving a remaining variance of **\$490,005.60** (amount LCAD stated was **owed to the City**)

LCAD reported that this variance was “rectified as of the DC29-31.3 distribution on 1/22/2026.” Without any notification to the City.

Please note that at the time of this email—**January 27, 2026**—LCAD believed they had underpaid the City by **\$504,472.50**, based on their own records showing only **\$140,643.63** was wired to us in the February 25, 2025 deposit.

Due to the level of confusion and repeated inconsistencies in LCAD's communications, our auditor, Tyler Canady, contacted LCAD by phone to assist them in resolving the issue. Later that same day, LCAD emailed stating:

**“After combing through the records, I am confident that as of 9/30/2025, CWF owes LCAD \$1,628.70.”**

The next day, I received a phone call from LCAD staff explaining yet another error—this time related to the distribution deposited into the City’s account on **January 22, 2026**. In attempting to correct what they believed was a City underpayment of **\$504,472.50**, LCAD had deposited **\$777,399.45** instead of the actual amount due: **\$272,926.95 on 01/22/2026**.

LCAD’s belief that an overpayment existed originated from their misreported February 25, 2025 deposit amounts. I think it is important to note that LCAD did not discover this overpayment on their own. City staff and our Auditors brought this issue to the attention of LCAD.

Included in your packet is a letter from LCAD dated **January 28, 2026**, sent as a follow-up to a phone call earlier that same day. In this letter, LCAD formally requests the City of Wofforth to return **\$504,472.50**. Although this has been a complex situation involving multiple corrections on LCAD’s part, consultation with the City’s auditors and my own research confirm that **\$504,472.50 is owed to LCAD**, assuming LCAD’s corrected reports for **February 25, 2025** and **January 22, 2026** are true and accurate.

**EXHIBITS:**

LCAD Letter dated 01/28/2026 with enclosures

Disbursement report for 02/25/2025 Deposit (original and corrected)

Disbursement report for 01/22/2026

**COUNCIL ACTION/STAFF RECOMMENDATION:**