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CERTIFIED PUBLIC ACCOUNTANTS

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March 13, 2024

Mayor and City Council
City of Wolfforth, Texas
Wolfforth, Texas

We have audited the financial statements of City of Wolfforth, Texas (the City) for the year ended September 30, 2023, and have issued our report thereon dated March 13, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 7, 2023. Professional standards require that we provide you with 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. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted during the year and the application of existing policies did not change. We noted no transactions entered into by the City 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:

Management's estimate of the allowance for doubtful accounts and lives used to calculate depreciation on distribution plant in service. Management's estimate for the allowance for doubtful accounts is based on an evaluation of past due accounts. Management's estimate of the net pension and total OPEB liabilities.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in notes and relate to pension liabilities and total OPEB liabilities.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All misstatements detected as a result of the audit were corrected by management and are attached to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 March 13, 2024.

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 City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact 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 accounting principles and auditing standards, with management each year prior to retention as the City'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 U.S. generally accepted accounting principles, 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.

Mayor and City Council
City of Wolfforth, Texas
March 13, 2024
Page 3

We were engaged to report on combining statements and budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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.

Restriction on Use

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

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **96046 - City of Wolfforth, Texas**
Engagement: **2023 City of Wolfforth**
Period Ending: **9/30/2023**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust how fund balance is being reported in the municipal court fund.			
23-23-000-02410-	Fund Balance	37,901.93	
23-23-120-45101-	Building Security	1,678.50	
23-23-120-45102-	Technology	9,599.85	
23-23-000-35101-	Building Security Fee		12,839.72
23-23-000-35102-	Technology Fee		11,290.63
23-23-000-35103-	Truancy Prevention Fee		15,097.07
23-23-000-35104-	Child Safety Trust Fee		9,579.08
23-23-000-35105-	Municipal Jury Fee		373.78
Total		49,180.28	49,180.28
Adjusting Journal Entries JE # 2			
To adjust the transfer of CLFRF and Grants and Donations money to a new fund.			
01-01-000-03730-	Transfers In	4,995.57	
01-01-000-36110-	Interest income	1,343.38	
22-22-000-02410-	Fund Balance	4,995.57	
01-01-000-02410-	Fund Balance		1,343.38
01-01-000-02410-	Fund Balance		4,995.57
22-22-000-39550-	Transfers In		4,995.57
Total		11,334.52	11,334.52
Adjusting Journal Entries JE # 3			
To reclass transfers from EDC to intergovernmental revenues.			
02-02-000-39950-	Transfers in	57,467.40	
02-02-000-03910-	Contributions In		57,467.40
Total		57,467.40	57,467.40
Adjusting Journal Entries JE # 4			
To record expenses for 3rd party billing of EMS fees.			
01-01-220-43800-	Emergicon Fees	38,681.65	
01-01-000-34500-	EMS Billing Revenue		38,681.65
Total		38,681.65	38,681.65

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Account	Description	Debit	Credit
Adjusting Journal Entries JE # 5			
To record additional payables found and remove invoice from AP.			
02-02-130-43116-	Inspection Services	36,062.00	
02-02-341-46140-	SCADA	61,519.56	
11-11-341-46150-	Other Improvements	16,401.00	
11-11-341-46150-	Other Improvements	147,609.00	
02-02-000-02101-	A/P Pending		85,581.56
02-02-100-43130-	Software Licensing		12,000.00
11-11-000-02101-	A/P Pending		164,010.00
Total		261,591.56	261,591.56

Adjusting Journal Entries JE # 6

To adjust accrued vacation to actual at year end.

02-02-000-02007-	Accrued Vacation	19,704.76	
02-02-315-41000-	Wages		1,256.52
02-02-330-41000-	Wages		8,880.74
02-02-341-41000-	Wages		2,658.39
02-02-342-41000-	Wages		2,361.87
02-02-343-41000-	Wages		4,547.24
Total		19,704.76	19,704.76

Adjusting Journal Entries JE # 7

To adjust debt payments to correct accounts and adjust interest payable to actual.

02-02-000-02849-	C of O Issuance Premium	43,940.20	
02-02-000-44005-	Operating Transfers Out	227,757.50	
02-02-000-48001-	Debt Service Interest	27,812.83	
02-02-000-48002-	Debt Service Fees	13,963.02	
02-02-000-48999-	Premium Amortization Exp	5,920.16	
04-04-000-48000-	Debt Service Principal	185,300.00	
04-04-000-48001-	Debt Service Interest	42,457.50	
02-02-000-01555-	Prepaid C of O Insurance		13,963.02
02-02-000-01830-	Deferred Interest on Refunding		5,920.16
02-02-000-02130-	Accrued Interest Payable		27,812.83
02-02-000-02850-	Notes and Bonds Outstanding		185,300.00
02-02-000-48001-	Debt Service Interest		42,457.50
02-02-000-48999-	Premium Amortization Exp		43,940.20
04-04-000-03920-	Transfers		227,757.50
Total		547,151.21	547,151.21

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Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
To adjust net pension liability and related deferred accounts to actual at year end.			
02-02-000-01851-	Deferred Outflow - Pension	154,884.38	
02-02-000-01858-	Deferred Outflow - Changes	1,801.00	
02-02-000-02852-	Pension-Inflow-Proj vs Actual	65,704.00	
02-02-000-01853-	Pension-Outflow-Exp vs Actual		52,742.00
02-02-000-01854-	Pension-Outflow-Sub Cont		55,592.00
02-02-000-02241-	Net Pension Liability		21,907.78
02-02-100-41200-	Retirement		92,147.60
Total		222,389.38	222,389.38

Adjusting Journal Entries JE # 9

To adjust OPEB liability and related deferred accounts to actual at year end.

02-02-000-01859-	Deferred inflow-OPEB	3,531.54	
02-02-000-02242-	OPEB Liability	11,539.06	
02-02-000-02853-	OPEB-Inflow-Assumption Changes	512.00	
02-02-000-01855-	OPEB-Outflow-Assumption Change		3,171.45
02-02-000-01856-	OPEB-Outflow-Sub Contributions		870.00
02-02-000-01857-	OPEB-Outflow-Exp vs Actual		5,818.00
02-02-100-41200-	Retirement		5,723.15
Total		15,582.60	15,582.60