

# CITY OF WILDWOOD, MISSOURI

DECEMBER 31, 2022



# Auditor Communications



# Auditor Communications

Honorable Mayor, Council Members, and Management  
City of Wildwood, Missouri  
Wildwood, Missouri

We have audited the financial statements of the City of Wildwood, Missouri (the City) as of and for the year ended December 31, 2022, and have issued our report thereon dated June 26, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States, 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 October 18, 2022. Professional standards also require that we communicate to you the following information related to our audit.

This information is intended solely for the information and use of the Honorable Mayor, Council Members and members of Management of the City of Wildwood and is not intended to be and should not be used by anyone other than these specified parties.

**June 26, 2023**



# Auditor Communications

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Management is responsible for the selection and use of appropriate accounting policies
- Significant accounting policies are described in Note 1 to the financial statements
- No new accounting policies were adopted and none were changed
- No transactions entered into during the year lacked authoritative guidance or consensus
- No transactions were recorded out of the period they occurred
- No instances where a significant accounting practice acceptable under the applicable financial reporting framework isn't appropriate
- No significant unusual transactions noted

## COMMENTS

No further comments



# Auditor Communications

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES (CONTINUED)

### ACCOUNTING ESTIMATES

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:

- The estimate of useful lives of capital assets is based on asset classification.
- The fair value of investments is based on current market value.
- The allowance for uncollectible accounts receivable is based on the assessment of collection history.

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.

### DISCLOSURES

The disclosures to the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosures affecting the financial statements are:

- Note 2 - Deposits and investments
- Note 4 - Long-term liabilities
- Note 8 - Commitments and contingencies



# Auditor Communications

## CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements of the financial statements proposed by us during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material, corrected misstatements of the financial statements proposed by us during the audit.



# Auditor Communications

## OTHER REQUIRED COMMUNICATIONS

- No circumstances affected the form and content of our independent auditors' report
- No significant matters resulted in consultation outside our engagement team
- No significant difficulties in dealing with management in performing or completing our audit
- No disagreements with management related to financial accounting, reporting or auditing matters
- Management did not consult with other independent accountants
- No other audit findings or issues
- Management representation letter attached

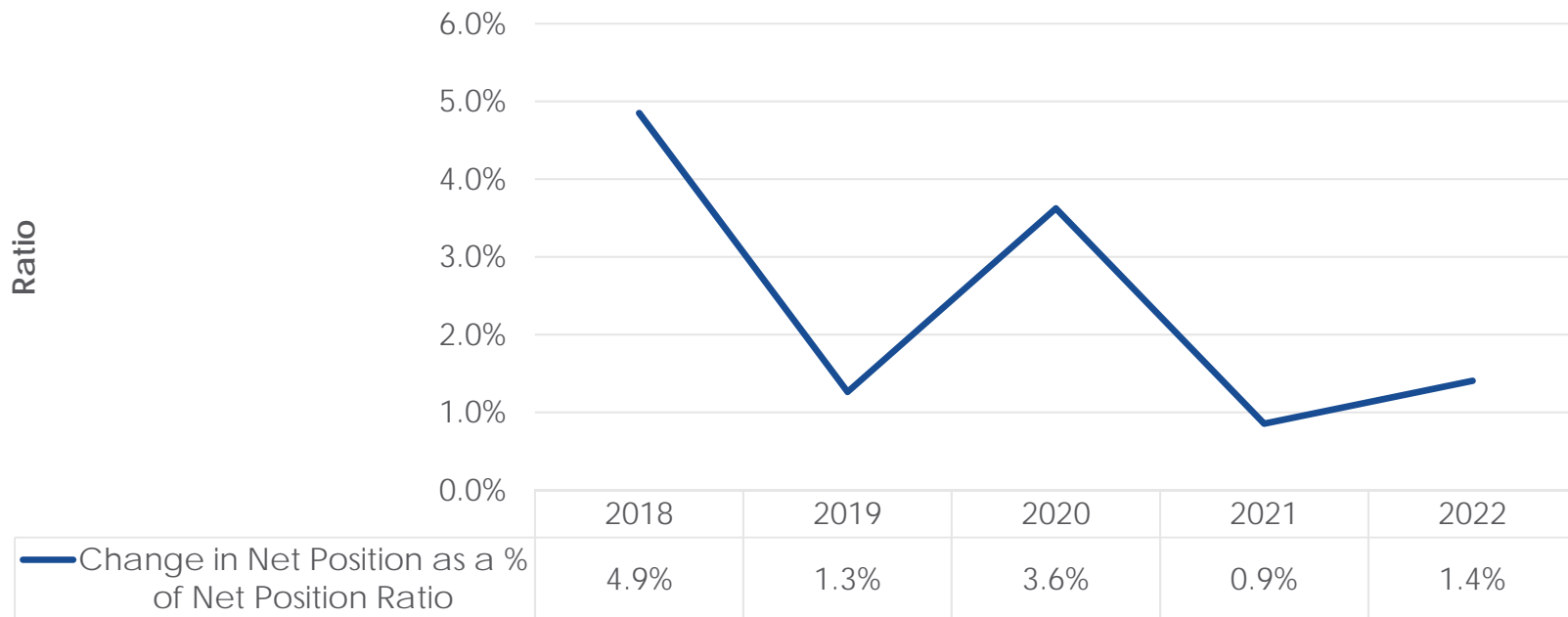
## COMMENTS

No further comments



# Financial Health Information

## Change in Net Position as a % of Net Position Ratio



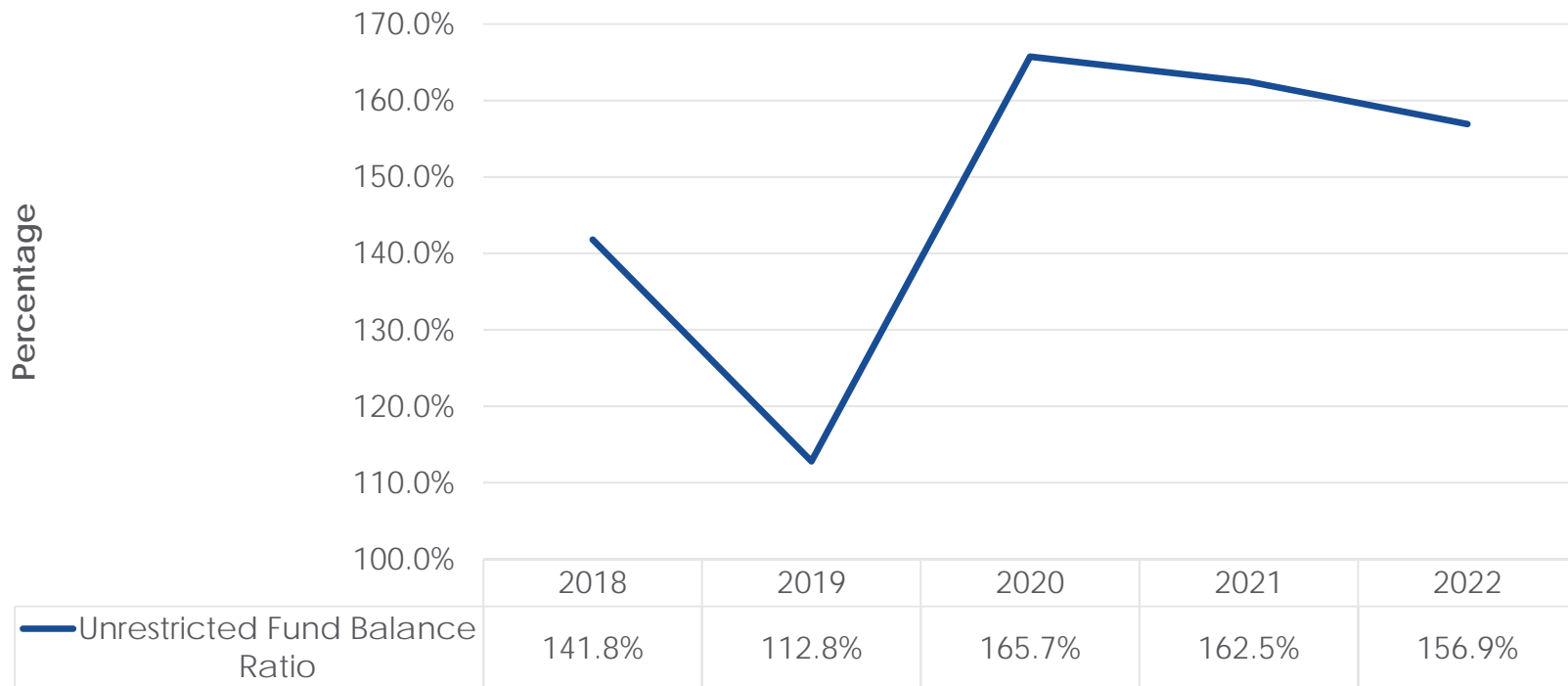
**Ratio Analysis:** The ratio measures the change in the municipality's financial condition for the year. A positive ratio indicates that the financial condition has improved; a negative ratio indicates a deteriorating financial condition.





# Financial Health Information

## Unrestricted Fund Balance Ratio



**Ratio Analysis:** The ratio shows the relationship between available fund balance and expenditures and more specifically the amount of available fund balance there is to cover future expenditures without reliance on corresponding revenues. It also measures the ability of the general fund to continue operations if its revenue is temporarily interrupted or declines. This is a measure of the general fund operating cushion.



**Appendix A**  
*Management  
Representation Letter*





# WILDWOOD

June 26, 2023

RubinBrown LLP  
7676 Forsyth Boulevard  
Saint Louis, Missouri 63105

This representation letter is provided in connection with your audit of the financial statements of the City of Wildwood, Missouri as of December 31, 2022 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Wildwood, Missouri, and the respective changes in financial position thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles.

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

## **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have a process to track the status of audit findings and recommendations.

- 7) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 8) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 9) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 10) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 11) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- 12) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 13) All funds and activities are properly classified.
- 14) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 15) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- 16) Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- 17) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 18) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- 19) All interfund and intra-entity transactions and balances have been properly classified and reported.
- 20) Special items and extraordinary items have been properly classified and reported.
- 21) Deposit and investment risks have been properly and fully disclosed.
- 22) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 23) All required supplementary information is measured and presented within the prescribed guidelines.
- 24) With regard to investments and other instruments reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

## Information Provided

- 25) We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 26) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 27) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 28) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
- 29) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 30) We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
- 31) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- 32) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 33) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 34) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- 35) We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- 36) For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- 37) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 38) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- 39) There are no:
- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - c. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission, and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- 40) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 41) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 42) We acknowledge our responsibility for presenting the supplementary information in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information underlying the measurement and presentation of the required Supplementary Information.



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Thomas Lee, Interim City Administrator



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Dawn Kaiser, Finance Officer