



June 13, 2025

The Honorable Mayor and
Town Council
Town of Bartonville, Texas

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas for the year ended September 30, 2023. 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 letter to you dated November 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Bartonville, Texas 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 2023. We noted no transactions entered into by the Town of Bartonville, Texas 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 estimate affecting the Town of Bartonville, Texas' financial statements were:

Management's estimate of the depreciable lives and residual value of capital assets is based on historical experience in collections. We evaluated the key factors and assumptions used to develop the depreciable lives and residual value of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates of its net pension liability and total OPEB liability are based on reports received from the Texas Municipal Retirement System (TMRS). The net pension liability and total OPEB liability reported by TMRS are based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by CliftonLarsonAllen, LLP. These financial statements received unmodified opinions. We evaluated the audited financial statements, census data submitted by the Town to TMRS and the Town's controls over the census submission process that were used to develop the estimate of its net pension liability and total OPEB liability to determine that the estimate is reasonable in relation to the financial statements taken as a whole.

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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosures of the defined benefit pension plan and postemployment benefits other than pensions (OPEB) in Notes 6 and 7 to the financial statements are based on various reports provided by TMRS. The reports are based on the audited financial statements of the pension plan and actuarial reports provided by a third party.

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached "adjusting journal entries report" summarized misstatements detected as a result of audit procedures and corrected by management.

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 June 13, 2025.

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 Town of Bartonville, Texas' 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 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 accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Other Matters

Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System Schedule of Contributions, and Texas Municipal Retirement System Schedule of Changes in Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report Budget to Actual Schedules for the Capital Improvement Fund, Community Development Corporation and Crime control and Prevention District, 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 information and use of the Town Council and management of the Town of Bartonville, Texas and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

MWH Group, P.C.

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Client: **040000 - Town of Bartonville**
Engagement: **09.23 - Town of Bartonville**
Period Ending: **9/30/2023**
Trial Balance: **D-00-01 - GASB Fund Trial Balance**
Workpaper: **D-01-01 - AJEs**
Fund Level: **All**
Index: **All**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 12			
To recognize grant revenue that was previously deferred and correct beginning fund balance.			
100-3000	Fund Balance	40,213.00	
100-4400	Grants and Donations		40,213.00
Total		40,213.00	40,213.00
Total Adjusting Journal Entries			
		40,213.00	40,213.00
Total All Journal Entries			
		40,213.00	40,213.00