

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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February 23, 2021

Honorable Mayor and City Council
City of Meadows Place, Texas
Fort Bend County, Texas

In planning and performing our audit of the financial statements of City of Meadows Place, Texas (the "City") as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the City's financial statements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Material Weaknesses

Last year and again this year, we observed the following deficiencies in the City's internal control that we consider to be material weaknesses.

The City government is managed with a strong mayor form of the mayor-council system and consists of an elected Mayor and City Council. The City also has employees that function as a component of management. Some day-to-day operations are performed by private companies ("Consultants") under contract with the City. The Mayor and the employees of the City supervise the performance of the Consultants; however, although the Consultants can be part of the City's system of internal control, the Consultants are not members of management. Ultimately, the Mayor, and certain employees, of the City are responsible for the design and implementation of the system of internal control.

As is common within the system of internal control of most small organizations, the accounting function of the City does not include preparation of the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America. Accordingly, the City's Finance Director performs a thorough review of the financial statements mitigating this material weakness.

Management's Response

The members of City Council are elected from the general population and do not necessarily have governmental accounting expertise. City Council oversees the Mayor's and Department Heads engagement of employees and consultants. These employees and consultants possess the needed industry knowledge and expertise to provide financial services, as well as legal and professional engineering services. Based on the auditor's unmodified opinion and after reading the financial statements, City Council believes the financial statements to be materially correct.

Conclusion

Management's written response to the material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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

Sincerely,

A handwritten signature in black ink that reads "McCall Gibson Swedlund Barfoot PLLC". The signature is written in a cursive, flowing style.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston Texas