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August 13, 2026

To Board of Directors of
Mills Central Appraisal District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mills Central Appraisal District (the District) for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting 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 April 21, 2026. Professional standards also require that we communicate to you 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. The significant accounting policies used by the District are described in Note 3 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the current year. We noted no transactions entered into by the District 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 are the estimate of the accumulated depreciation on the District's property and equipment, and the actuarial valuation of the District's pension liability. Management's estimate of accumulated depreciation is based on reasonable assigned lives of the assets applied on a straight-line basis. We evaluated the key factors and assumptions used to develop the accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole. The net pension is an actuarial determined liability provided by the Texas County and District Retirement System (TCDRS). The pension liability is determined through an actuarial calculation based on employee census data provided by the County. We reviewed the employee data and the various inputs and believe the information provided to TCDRS for the calculation appeared reasonable.

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

- The disclosures of the pension liability and expenses in Note 12 related to the District's retirement plan and supplemental death benefit plan with Texas County and District Retirement System. This disclosure explains the pension and activity for the District which was calculated and provided by actuaries hired by TCDRS.

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 trivial, and communicate them to the appropriate level of management. The proposed audit adjustments were provided to management to be recorded in the financial statements of the District.

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 August 13, 2026.

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 Organization'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 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 County's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information on pages 29-32 in the audit report, 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.

Restriction on Use

This information is intended solely for the use of the Board and management of the Mills Central Appraisal District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Roberts & McGee, CPA, PLLC

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