

CITY OF WEATHERFORD, TEXAS

SINGLE AUDIT REPORT

SEPTEMBER 30, 2011



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor
and Members of City Council
City of Weatherford, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas (the "City") as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

March 23, 2012

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor and
Members of City Council
City of Weatherford, Texas

Compliance

We have audited the City of Weatherford, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Weatherford, Texas' major federal programs for the year ended September 30, 2011. The City of Weatherford, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

The management of the City of Weatherford, Texas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Texas, as of and for the year ended September 30, 2011, and have issued our report thereon dated March 23, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brown & Hill, L.L.P.

March 23, 2012

CITY OF WEATHERFORD, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>U. S. Department of Justice</u>			
Passed through the Office of the Governor - Criminal Justice Division:			
2009 Edward Byrne Justice Assistance Grant-ARRA	16.803	SU-09-A10-22644-01	\$ 12,584
Total Passed through the Office of the Governor - Criminal Justice Division			<u>12,584</u>
Direct Programs:			
Federal Equitable Sharing Agreement	16.000	TX1840100	66,477
Bulletproof Vest Partnership	16.607	None	5,399
2009 Justice Assistance Grant- ARRA	16.804	2009-SB-B9-1159	<u>1,409</u>
Total Direct Programs			<u>73,285</u>
Total U. S. Department of Justice			<u>85,869</u>
<u>U. S. Department of Transportation</u>			
Passed through the Texas Department of Transportation:			
Town Creek Hike and Bike Trail - ARRA	20.205	CSJ: 0902-38-049	1,473,238
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0365-01-038	24,161
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0314-07-916	3,061,468
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0314-07-926	2,950,793
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0902-38-063	12,582
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0314-07-936	5,994
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0314-07-946	126,836
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0314-07-956	185,278
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0902-38-926	5,355
Highway Planning and Construction - Pass Through Toll Agreement	20.205	CSJ: 0365-01-916	<u>229,939</u>
Total Passed through the Texas Department of Transportation			<u>8,075,644</u>
Total U. S. Department of Transportation			<u>8,075,644</u>
<u>Institute of Museum and Library Services</u>			
Passed through TSLAC:			
Library Cooperation Grant Program	45.310	479-11008	51,707
Library Cooperation Grant Program	45.310	479-12006	<u>1,237</u>
Total Passed through TSLAC			<u>52,944</u>
Total Institute of Museum and Library Services			<u>52,944</u>
<u>U. S. Department of Homeland Security</u>			
Direct Programs:			
FEMA Assistance to Firefighters	97.044	EMW-2010-FO-09777	20,005
FEMA Staffing for Adequate Fire and Emergency Response	97.083	EMW-2010-FH-00873	<u>89,688</u>
Total Direct Programs			<u>109,693</u>
Total U. S. Department of Homeland Security			<u>109,693</u>
Total Expenditures of Federal Awards			\$ <u>8,324,150</u>

CITY OF WEATHERFORD, TEXAS

**NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

SEPTEMBER 30, 2011

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of the City of Weatherford, Texas. The City's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note I of the financial statements.

CITY OF WEATHERFORD, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unqualified
Internal control over financial reporting	
Material weakness(es) identified?	No
Significant deficiency(ies) identified	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified	None reported
Type of auditors' report issued on compliance for major programs	Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
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Identification of major programs:

CFDA Number: 20.205	Name of Federal Program or Cluster: Town Creek Hike and Bike Trail- ARRA and Highway Planning and Construction - Pass through Toll Agreement
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Dollar threshold used to distinguish between type A and type B programs for federal single audit:	\$300,000
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Auditee qualified as low-risk auditee for federal single audit?	No
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None noted

Findings and Questioned Costs for Federal Awards

None noted

CITY OF WEATHERFORD, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

None