CITY OF FENTON, MISSOURI

SINGLE AUDIT REPORT

DECEMBER 31, 2011

CITY OF FENTON, MISSOURI
SINGLE AUDIT REPORT
FENTON, MISSOURI

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CITY OF FENTON, MISSOURI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT NUMBER	CFDA NUMBER	DISBURSEMENT EXPENDITURES
DEPARTMENT OF TRANSPORTATION			
Passed through Missouri Department of Transportation:			
Highway Planning and Construction Grant	BRM-5543(603)	20.205	$ 1,417,829
Highway Planning and Construction Grant	BRM-4989(606)	20.205	475,714
Total Department of Transportation			1,893,543
DEPARTMENT OF HOMELAND SECURITY			
Passed through Missouri Emergency Management Agency:			
Disaster grants - Public Assistance		97.036	4,451
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,897,994

CITY OF FENTON, MISSOURI

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Fenton, Missouri and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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*

BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

The Honorable Mayor and Members of the Board of Alderman
CITY OF FENTON, MISSOURI

We have audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of City of Fenton, Missouri as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 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 City of Fenton, Missouri's internal control over financial reporting 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 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 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.

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.

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Compliance And Other Matters

As part of obtaining reasonable assurance about whether City of Fenton, Missouri's basic 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, the Board of Aldermen, 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.

Botz Deal + Company

June 13, 2012

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

BOTZ, DEAL & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

The Honorable Mayor and Members of the Board of Alderman
CITY OF FENTON, MISSOURI

Compliance

We have audited the City of Fenton, Missouri's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2011. City of Fenton, Missouri's major federal programs are identified in the summary of auditor's 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 City of Fenton, Missouri's management. Our responsibility is to express an opinion on City of Fenton, Missouri'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 Non-Profit 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 City of Fenton, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Fenton, Missouri's compliance with those requirements.

In our opinion, the City of Fenton, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of City of Fenton is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Fenton's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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 City of Fenton's internal control over compliance.

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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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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 and each major fund and the aggregate remaining fund information of City of Fenton, Missouri, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 13, 2012, which contained unqualified opinions on the financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying 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* and is not a required part of the basic 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. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Aldermen, 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.

Botz Deal + Company

June 13, 2012

CITY OF FENTON, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2011

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements.

2. No instances of noncompliance material to the financial statements were disclosed during the audit.

3. No significant deficiencies relating to the audit of the major federal awards programs are reported.

4. The auditors' report on compliance for the major federal awards programs expresses an unqualified opinion.

5. There were no material audit findings that are required to be reported in accordance with Section 510(a) of *OMB Circular A-133*.

6. The program tested as a major program was U.S. Department of Transportation Highway Planning and Construction CFDA No. 20.205.

7. The threshold for distinguishing Type A and B programs was $300,000.

8. The City of Fenton, Missouri was determined to not be a low risk auditee.

B. Findings - Financial Statement Audit

1. None.

C. Findings and Questioned Costs - Major Federal Awards Programs Audit

2. None.