

City of Bedford, Texas

Federal Single Audit Report

Year Ended September 30, 2021

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Independent Auditor's 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

The Honorable Mayor and City Council
City of Bedford, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bedford, Texas (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 2, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. 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.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 financial statements. 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*.

The Honorable Mayor and City Council
City of Bedford, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 2, 2022



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance, and on the Schedule of Expenditures of Federal Awards

The Honorable Mayor and City Council
City of Bedford, Texas

Report on Compliance for Each Major Federal Program

We have audited City of Bedford's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City of Bedford's major federal programs for the year ended September 30, 2021. City of Bedford's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Bedford's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 Bedford'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 on compliance for the major federal program. However, our audit does not provide a legal determination of City of Bedford's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Bedford complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City of Bedford is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Bedford's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Bedford'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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Honorable Mayor and City Council
City of Bedford, Texas

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Bedford, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated March 2, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 2, 2022

City of Bedford, Texas
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2021

I. Summary of the Auditor's Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
 - Material weakness(es) identified? _____Yes X No
 - Significant deficiency(ies) identified that are not considered a material weakness? _____Yes X None Reported
- c. Noncompliance material to financial statements noted? _____Yes X No

Major Programs

- d. Internal control over major programs:
 - Material weakness(es) identified? _____Yes X No
 - Significant deficiency (ies) identified that are not Considered a material weakness? _____Yes X None Reported
- e. An unmodified opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? _____Yes X No

g. Identification of major program:

Program/Cluster Name	Assistance Listing #	Amount
Coronavirus Relief Fund (CRF)	21.019	\$ 778,180

- h. The dollar threshold used to distinguish between type A and type B programs. \$750,000
- i. Auditee qualified as a low-risk auditee? _____Yes X No

City of Bedford, Texas
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

II. Findings relating to the Financial Statements which are required to be reported in Accordance with *Generally Accepted Government Auditing Standards*

There were no findings for the year ended September 30, 2021.

III. Findings and Questioned Costs for Federal Awards

There were no findings for the year ended September 30, 2021.

IV. Summary of Prior Year Findings

There were no findings for the year ended September 30, 2020.

City of Bedford, Texas
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2021

Federal and State/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Funding			
Bulletproof Vest Partnership Program	16.607	2020 Regular Solicitation	\$ 9,672
Total U.S. Department of Justice and Assistance Listing # 16.607			<u>9,672</u>
U.S. DEPARTMENT OF TREASURY			
Passed Through Tarrant County			
COVID-19- Coronavirus Relief Fund	21.019	N/A	778,180
Total U.S. Department of Treasury and Assistance Listing # 21.019			<u>778,180</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Passed Through the Texas State Library and Archives Commission			
Grants to States (Texas Reads Program)	45.310	TXR-22005	10,000
Grants to States (Interlibrary Loan Program)	45.310	LS-00-19-0044-19	923
Total Institute of Museum and Library Services and Assistance Listing # 45.310			<u>10,923</u>
US DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation			
Selective Traffic Enforcement Program	20.614	2020-Bedford-S-1YG-00068	3,472
Total US Department of Transportation and Assistance Listing # 20.614			<u>3,472</u>
Total Federal Financial Assistance			<u>\$ 802,247</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

City of Bedford, Texas

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2021

Note 1. Basis of Presentation

The City of Bedford (the City) accounts for its grants in the General Fund and Special Revenue Funds. Special Revenue Funds are governmental funds which can be used to account for resources restricted to, or committed for, specific purposes by a grantor. Generally, unused balances are returned to the grantor at the close of specified project periods.

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2021.

Note 2. Sub-recipients

Of the federal expenditures presented in the schedule, the City provided no federal awards to sub-recipients.

Note 3. Loans

At year end, The City had no loans or loan guarantees outstanding with federal awarding agencies.

Note 4. Indirect Cost Rate

The City elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.