

**CITY OF MCKINNEY, TEXAS**

**MANAGEMENT LETTER**

**YEAR ENDED SEPTEMBER 30, 2012**



March 1, 2013

To the City Manager and  
Chief Financial Officer  
City of McKinney, Texas  
McKinney, Texas

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of McKinney, Texas (the City) as of and for the year ended September 30, 2012, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States., we considered City's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

We issued our report on internal controls over financial reporting and on other matters based on our audit of the financial statements performed in accordance with the *Government Auditing Standards* dated March 1, 2013. The following comment does not impact that report.

#### **Current Year Issues:**

##### **Parks and Recreation Cash Deposits**

###### Observation:

During our evaluation of cash deposit procedures, we noted Parks and Recreation cash deposits are not consistently submitted on a timely basis.

###### Recommendation:

We recommend that the City implement formal policies and procedures designed to formalize cash deposit procedures. It is our recommendation that deposits be submitted daily to the City's Finance Department.

#### **Status of Prior Year Management Letter Comments/Recommendations**

We reviewed the prior year management letter comment/recommendation and the extent to which the recommendation has been implemented by the City. The following is a brief summary of the results of our review:

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### **Public Funds Investment Act**

Recommendation:

We recommend that the City form an investment committee to review the investment policy, review quarterly reports, and formally designate an investment officer in accordance with the Public Funds Investment Act.

Status:

This comment has been resolved.

### **Prompt Payment Act Compliance Finding**

Recommendation:

We recommend that the City improve controls over the timeliness of payments to ensure compliance with the Prompt Payment Act.

Status:

This comment has been resolved.

### **Cash Disbursements**

Observation:

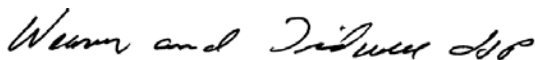
During 2011, we noted an expenditure did not include evidence of department head approval.

Status:

No issues noted this year.

This report is intended solely for the information and use of the City and its management. This restriction is not intended to limit the distribution of this letter and the accompanying memorandum, which, upon issuance to the City, are a matter of public record.

If we may be of assistance in further discussion of the above comments and recommendations, please call upon us. We appreciate the opportunity to be of service to you and the courtesies and cooperation extended to us during our audit.



WEAVER AND TIDWELL, L.L.P.