

CITY OF GRAND PRAIRIE, TEXAS

FEDERAL FINANCIAL ASSISTANCE REPORT

YEAR ENDED SEPTEMBER 30, 2013

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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**

City Council
City of Grand Prairie, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Prairie, Texas, (the City) as of and for the year ended September 30, 2013, 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 3, 2014. Our report includes a reference to other auditors who audited the financial statements of the Grand Prairie Housing Finance Corporation (a discretely presented component unit). The financial statements of the Grand Prairie Housing Finance Corporation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Grand Prairie Housing Finance Corporation.

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) to determine 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.

City of Grand Prairie, Texas

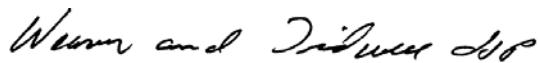
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

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.

Dallas, Texas

March 3, 2014



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City Council
City of Grand Prairie, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Grand Prairie, Texas, (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2013. The City'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 *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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City 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 the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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. 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 our testing based on the requirements referred to above. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited 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 the City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 3, 2014, which contained unmodified opinions on those financial statements.

City of Grand Prairie, Texas

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The financial statements of the Grand Prairie Housing Finance Corporation (a discretely presented component unit) were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors. Our audit was conducted for the purpose of forming opinions on the City's 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 OMB 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 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 LLP

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 3, 2014

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section I-Summary of Auditor's Results

BASIC FINANCIAL STATEMENTS:

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes No
 - Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? _____ Yes None reported
- Noncompliance which is material to the basic financial statements noted? _____ Yes No

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? _____ Yes None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Programs or Cluster</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish Between type A and type B programs: \$968,572

Auditee qualified as low-risk auditee? Yes No

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

There were no findings for the year ended September 30, 2013.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section III-Federal Awards Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by *Circular A-133 Compliance Supplement*, Section .510. Where practical, findings should be organized by federal agency or pass-through entity.

There were no findings for the year ended September 30, 2013.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Activity</u>	<u>Expenditures</u>	<u>Passed to Subrecipients</u>
FEDERAL AWARDS					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
Community Planning and Development:					
Community Development Block Grant	14.218	B-11-MC-48-0012	302592	\$ 159,713	\$ 2,914
Community Development Block Grant	14.218	B-12-MC-48-0012	302692	1,176,921	185,826
HOME INVESTMENT PARTNERSHIPS PROGRAM:					
HOME Grant	14.239	M-10-MC-48-0226	302392	70,000	70,000
HOME Grant	14.239	M-11-MC-48-0226	302592	462,389	71,845
HOME Grant	14.239	M-12-MC-48-0226	302692	68,169	55,648
NEIGHBORHOOD STABILIZATION PROGRAM:					
Neighborhood Stabilization Grant	14.218	B-08-MC-48-0016	303592-303692	195,601	-
PUBLIC AND INDIAN HOUSING:					
Section 8 Housing Choice Vouchers	14.871	TX-434	300192-300492	25,462,652	-
U.S. DEPARTMENT OF TRANSPORTATION:					
US Department Of Transportation					
Commercial Vehicle Enforcement	20.218	FM-MHP-0085-12-01-00	67813011	161,285	-
Federal Transit Administration:					
Federal Transit - OPER	20.509	TX-90-X973-01	68013001	262,000	-
Federal Transit - CAPITAL	20.509	TX-90-X973-01	68013002-68013003	114,453	-
Federal Transit - Software, Hardware, & Radios - ARRA	20.507	TX-96-X027-00	68010013	17,220	-
Federal Transit - Office Expansion	20.507	TX-90-X973-00	68012018	30,311	-
Federal Transit - Bus Purchase 2012	20.513	51118F7303	68012017	60,606	-
National Highway Traffic Safety Administration:					
Pass-Through the Texas Department of Transportation:					
Step Comprehensive	20.600	2013-GrandPra-S1YG-0014	36513010	176,309	-
Step DWI 4 Periods	20.601	2013-GrandPra-IDM-00015	36513017	13,893	-
Click It Or Ticket	20.600	2013-GrandPra-CIOT-00002	36513019	8,820	-
Federal Highway Administration:					
Pass-Through the Texas Department of Transportation:					
Lake Ridge Widening	20.205	CSJ-0902-48-695	36512001	2,214,832	-
H161@SW14th-Dickey-Jan Ln-Hill	20.205	CSJ-0918-00-163	36513022	69,695	-
CCTV-SH161	20.205	CSJ-2964-01-045	36512013	20,731	-
ITS Deployment Project	20.205	CSJ-0918-00-168	36513024	24,525	-

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Activity</u>	<u>Expenditures</u>	<u>Passed to Subrecipients</u>
FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION					
Department of Homeland Security:					
Homeland Security	97.045	EMT-2010-CA-0013	63511012	23,405	-
CTP FEMA DHS	97.045	EMT-2012-CA-0006	63513016	226,427	-
Pass-Through the Texas Division of Emergency Management:					
Urban Areas Security	97.067	EMW-2011-SS-00019	63512010	65,195	-
Urban Areas Security	97.067	EMW-2011-SS-00019	63512011	27,315	-
Urban Areas Security Initiative	97.008	EMW-2012-SS-00018-S01	63513013	43,322	-
Urban Areas Security Adjustment Notice	97.067	EMW-2011-SS-00019	63513020	57,656	-
Pass-Through the Division of Emergency Management:					
Emergency Management	97.042	13TX-EMPG-0014	67013008	56,129	-
U.S. DEPARTMENT OF JUSTICE:					
COPS Hiring Program	16.710	2010-UL-WX-0023	65011014	816,981	-
Bullet Proof Vests	16.607	OMB-1121-0235	65013023	7,903	-
Pass-Through the Texas Criminal Justice Division:					
Victim Assistance Program	16.575	VA-11-V30-13591-14	38513006	70,836	-
Victim Assistance Program	16.575	VA-11-V30-13591-15	38514006	8,108	-
Pass-Through City of Dallas:					
Justice Assistance Grant	16.738	2011-DJ-BX-2895	10012007	15	-
Justice Assistance Grant	16.804	2009-SB-B9-0969	10009019	14,149	-
Justice Assistance Grant	16.738	2010-DJ-BX-0481	10011021	1,481	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Pass-Through the Dallas Area Agency on Aging (DAAA):					
Congregate Meals (Special Programs for the Aging-Title III, Part C-Nutr Serv)	93.045	City of Grand Prairie	12013004	<u>96,687</u>	-
TOTAL FEDERAL AWARDS				\$ 32,285,734	\$ 386,233

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 1. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is prepared on the modified accrual basis of accounting. Expenditures are recognized when incurred.

NOTE 2. REPORTING ENTITY

The City of Grand Prairie, Texas (the City), for purposes of the Schedule, includes all funds of the primary government, but excludes component units as defined by the Government Accounting Standards Board.

NOTE 3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports, as of September 30, 2013, already submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**CITY OF GRAND PRAIRIE, TEXAS
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

There were no prior year findings.