

# City of Grand Prairie, Texas

Federal Financial Assistance Report

September 30, 2018



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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 the Financial  
Statements Performed in Accordance with Government Auditing Standards**

To the City Council  
City of Grand Prairie, Texas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas, (the City) as of and for the year ended September 30, 2018, 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 14, 2019, which included an emphasis paragraph on the restatement of beginning net position due to the implementation of new accounting guidance, GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". 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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

The City Council  
City of Grand Prairie, Texas

### **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.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 14, 2019

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

To the City Council  
City of Grand Prairie, Texas

**Report on Compliance for Each Major Federal Program**

We have audited 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) Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2018. 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 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 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 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 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, 2018.

## **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 as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 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.

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 City Council  
City of Grand Prairie, Texas

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

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 14, 2019, which contained unmodified opinions on those financial statements and included an emphasis paragraph on the restatement of beginning net position due to the implementation of new accounting guidance, GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". 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 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 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 14, 2019

**City of Grand Prairie, Texas**  
 Schedule of Audit Findings and Questioned Costs  
 For the Year Ended September 30, 2018

**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 2 CFR 200.516(a)?  Yes  No

Identification of major programs:

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

Dollar threshold used to distinguish Between type A and type B programs: \$1,160,395

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, 2018

**Section II. Financial Statement Findings**

There were no findings for the year ended September 30, 2018.

**Section III. Federal Awards Findings and Questioned Costs**

There were no findings for the year ended September 30, 2018.

**Section IV. Schedule of Prior Year Findings and Questioned Costs**

**Finding 2017-001 - Reporting**

Management Response – Accounting and Transportation staff expanded the internal control procedures with “dual oversight” of all grantor documents on file; and, accounting will follow up with all grantors’ report status.

Status – Corrected

**Section V. Federal Awards Findings and Questioned Costs**

**Finding 2017-002 - Procurement**

Management Response – Housing Department staff applied suspension and debarment compliance requirements to all sub recipients prior to distribution of funds.

Status – Corrected

**City of Grand Prairie, Texas**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2018**

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Activity	Expenditures	Passed to Subrecipients
<b>FEDERAL AWARDS</b>					
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>					
<b>Community Planning and Development:</b>					
Community Development Block Grant	14.218	B-15-MC-48-0012	302992	\$ 20,026	\$ -
Community Development Block Grant	14.218	B-16-MC-48-0012	301792	298,995	-
Community Development Block Grant	14.218	B-17-MC-48-0012	301892	1,276,151	184,850
Subtotal CDBG-Entitlement Grants Cluster				1,595,172	184,850
<b>PUBLIC AND INDIAN HOUSING:</b>					
Section 8 Housing Choice Vouchers (Housing Voucher Center Cluster)	14.871	TX-434	300192-300292	34,835,287	-
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>					
<b>Federal Transit Administration:</b>					
Capital and Preventive Maintenance	20.509	TX-90-Y137-00	68015002	16,950	-
Capital and Preventive Maintenance	20.509	TX-90-Y137-00	68016002	70,849	-
Capital and Preventive Maintenance	20.509	TX-90-Y137-00	68017002	245,000	-
Pass-Through North Central Texas Council of Governments: Transit Operations (Transit Services Programs Cluster)	20.513	TRN 2478	11518001	262,000	-
<b>National Highway Traffic Safety Administration:</b>					
Pass-Through the Texas Department of Transportation: STEP Comprehensive	20.600	2018-GrandPra-S-1YG-0005	36518010	150,000	-
<b>Federal Highway Administration:</b>					
Pass-Through the Texas Department of Transportation: Commercial Vehicle Enforcement	20.218	FM-MHP-0293-17	67816020	46,294	-
<b>FEDERAL EMERGENCY MANAGEMENT ADMINISTRATION:</b>					
Department of Homeland Security:					
Pass-Through the Division of Emergency Management:					
Emergency Management 2018 EMPG	97.067	18TX-EMPG-0014	67018008	45,343	-
FEMA Disaster - Houston Flood	97.036	DR-4332	63517028	382,956	-
Disaster Recovery Grant	97.036	PA-06-TX-4223	63515018-63515033	132,919	-
HMGP Low Water Crossing Gates	97.039	DR-4223-026	63517013	97,500	-
HMGP Levee Gates	97.039	DR-4223-027	63517014	34,650	-
Passed Through Texas Office of the Governor - Homeland Security Grants Division:					
Urban Securities Initiative 2016	97.067	3164301	63517011	180	-
SHSP Ballistic Blankets 2017	97.067	3321001	63517041	3,000	-
SHSP Digital Pressure Test Kits	97.067	3462901	63517042	17,200	-
UASI Emergency Management Plan 2017	97.067	3165102	63518009	61,633	-
SHSP Night Vision 2017	97.067	3324901	63518011	28,400	-
Technology Enhancement Police Operations	97.067	3420101	63518012	55,000	-
Technology Enhancement Lake Operations	97.067	3420501	63518013	27,547	-
<b>U.S. DEPARTMENT OF JUSTICE:</b>					
Passed Through the Texas Criminal Justice Division: Victim Assistance Program	16.575	1359118	38517006	151,733	-
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>					
Pass-Through the Dallas Area Agency on Aging (DAAA):					
Transportation (Special Programs for the Aging-Title III, Part B)	93.044	City of Grand Prairie	12018005	28,347	-
Congregate Meals (Special Programs for the Aging-Title III, Part C)	93.045	City of Grand Prairie	12018004	115,249	-
Subtotal Aging Cluster				143,596	-
Pass-Through the IMLS:					
Interlibrary Loan Lends Program	45.310	LS-00-17-0044-17	41516023	2,177	-
<b>ENVIRONMENTAL PROTECTION AGENCY:</b>					
Passed Through Texas Water Development Board:					
Clean Water State Revolving Fund	66.458	L1000155-73654	42513026	274,431	-
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 38,679,817</b>	<b>\$ 184,850</b>

**City of Grand Prairie, Texas**  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2018

**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, 2018, 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.

**Note 4. Indirect Cost Rate**

The City has elected not to use the 10% de minimis indirect cost rate.