

**CITY OF GRAND PRAIRIE, TEXAS**

**UNIFORM GRANT MANAGEMENT STANDARDS 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 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 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.

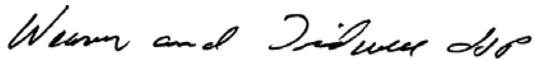
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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.

A handwritten signature in cursive script that reads "Weaver and Tidwell LLP".

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 UNIFORM GRANT  
MANAGEMENT STANDARDS AND ON SCHEDULE OF EXPENDITURES OF STATE  
AWARDS**

City Council  
City of Grand Prairie, Texas

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

We have audited City of Grand Prairie, Texas' (the City) compliance with the types of compliance requirements described in the Uniform Grants Management Standards issued by the Governor's Office of Budget and Planning that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2013. The City's major state 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 state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major state 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 Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning. Those standards 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 state 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 state program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major State 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 state 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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning, 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 state 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 state 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 state 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.

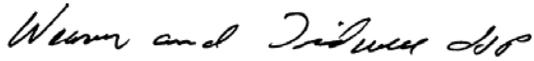
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of State 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 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. 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 state awards is presented for purposes of additional analysis as required by Uniform Grant Management Standards 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 state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



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

Noncompliance which is material to the basic financial statements noted? \_\_\_ Yes     X  No

**STATE AWARDS:**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? \_\_\_ Yes     X  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 Uniform Grant Management Standards? \_\_\_ Yes     X  No

Identification of major programs:

State Grant Number(s)	Name of State Grant or Program
CSJ-0918-45-793	MacArthur Blvd & IH30
CSJ-0918-45-792	Gifford/Bagdad Access
CSJ-0918-45-747	Lake Ridge extension Traffic Signals
CSJ-2964-01-045	CCTV – SH161
CSJ-0918-00-163	H161@SW14th-Dickey-Jan Ln-Hill
CSJ-0918-00-168	ITS Deployment Project
08XXAV015	Airport Improvement Grant 2007
CSJ M302GNDPR	Routine Airport Maintenance Program 2013
CSJ M302GNDPR	Routine Airport Maintenance Program 2014
CSJ-2964-01-030	SH 161 Frontage Road
CSJ-2964-01-040	Traffic Signals – Main & Jefferson
CSJ-1068-04-148	I-30 Frontage Road Design

Dollar threshold used to distinguish Between type A and type B programs: \$300,000

Auditee qualified as low-risk?  X  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 Chapter 5.18 of *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-State 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 state programs, as required to be reported by *Uniform Grant Management Standards* issued by the Governor's Office of Budget and Planning (1998). Where practical, findings should be organized by state 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 STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Grantor/Pass-Through Grantor/Program Title	Grant/ Contract Number	Activity	Expenditures
<b>STATE AWARDS</b>			
Texas Department of Transportation:			
MacArthur Blvd & IH30	CSJ-0918-45-793	36509015	\$ 369,668
Gifford/Bagdad Access	CSJ-0918-45-792	36510031	1,016,511
Lake Ridge Extension Traffic Signals	CSJ-0918-45-747	36511025	102,090
CCTV - SH 161	CSJ-2964-01-045	36512013	5,183
H161@SW14th-Dickey-Jan Ln-Hill	CSJ-0918-00-163	36513022	17,424
ITS Deployment Project	CSJ-0918-00-168	36513024	29,975
Airport Improvement Grant	08XXAV015	AIG07	500,000
Routine Airport Maintenance Program 2013	CSJ M302GNDPR	67013007	30,857
Routine Airport Maintenance Program 2014	CSJ M302GNDPR	67014007	291
SH 161 Frontage Road	CSJ-2964-01-030	SEG3	19,100
Traffic Signals - Main & Jefferson	CSJ-2964-01-040	SIGNAL	68,102
I-30 Frontage Road Design	CSJ-1068-04-148	I30B	41,225
Transit—OPER	TX-90-X973-01	68013001	157,044
Transit—CAPI	TX-90-X973-01	68013002	6,571
<b>TOTAL STATE AWARDS</b>			<b><u>\$ 2,364,041</u></b>

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

**NOTE 1. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of State 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 STATE 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 AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

There were no prior year audit findings.