

City of Grand Prairie, Texas

Federal Financial Assistance Report

September 30, 2023



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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, 2023, 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 15, 2024. 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.

Report on 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 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 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 or significant deficiencies may exist that have not been identified.

The City Council
City of Grand Prairie, Texas

Report on 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 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*.

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 15, 2024



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

To the City Council
City of Grand Prairie, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Grand Prairie, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *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, 2023. 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.

In our opinion, the City complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

The City Council
City of Grand Prairie, Texas

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as 2023-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 15, 2024, 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 federal awards is presented for purposes of additional analysis as required by 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 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 15, 2024

City of Grand Prairie, Texas
 Schedule of Audit Findings and Questioned Costs
 For the Year Ended September 30, 2023

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 XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ___Yes XNone reported

Noncompliance which is material to the basic financial statements noted? ___Yes XNo

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? ___Yes XNo
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? XYes ___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 XNo

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Programs or Cluster
14.871	Housing Voucher Cluster
21.027	COVID-19- Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between type A and type B programs: \$2,250,221

Auditee qualified as low-risk auditee? XYes ___No

City of Grand Prairie, Texas
Schedule of Audit Findings and Questioned Costs
For the Year Ended September 30, 2023

Section II. Financial Statement Findings

There were no findings for the year ended September 30, 2023.

Section III. Federal Awards Findings and Questioned Costs

Finding 2023-001

Assistance Listing 21.027, Coronavirus State and Local Fiscal Recovery Funds

Compliance Requirement: Reporting

Significant Deficiency in Internal Controls over Compliance

Criteria or Specific Requirement

Uniform Guidance require entities receiving federal financial assistance to establish and maintain internal control over federal programs in order to provide reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards that could have a material effect on its federal programs.

Condition and Context

During testing for reporting, the City was unable to provide documentation to support approvals over the preparation and submission of the first three quarterly reports (P&E Report) of fiscal year 2023.

Cause

The City did not maintain evidence of the approvals support approvals over the preparation and submission of the first three quarterly reports.

Effect or Potential Effect

Failure to implement effective internal controls over reporting before submission could result in the submission of a report that contains errors. Without documented evidence of the approval the review cannot be corroborated.

Questioned Costs

None.

Recommendation

We recommend the City maintain evidence of the approvals in a centralized and secure location on a go forward basis.

Views of Responsible Officials and Planned Corrective Action

See corrective action plan.

Section IV. Schedule of Prior Year Findings and Questioned Costs

There were no findings for the year ended September 30, 2022.

City of Grand Prairie, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
FEDERAL AWARDS				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Community Planning and Development:				
Community Development Block Grant	14.218	B-19-MC-48-0012	\$ 17,246	-
Community Development Block Grant	14.218	B-20-MC-48-0012	267,125	-
Community Development Block Grant	14.218	B-20-MW-48-0012	143,895	-
Community Development Block Grant	14.218	B-21-MC-48-0012	29,923	-
Community Development Block Grant	14.218	B-22-MC-48-0012	757,615	210,055
Subtotal CDBG-Entitlement Grants Cluster			1,215,804	210,055
Home Investment Partnerships Program				
HOME Grant	14.239	M-19-MC-48-0226	48,766	-
HOME Grant	14.239	M-21-MP-48-0226	488,222	-
Subtotal HOME			536,988	-
PUBLIC AND INDIAN HOUSING:				
Section 8 Housing Choice Vouchers (Housing Voucher Cluster*)	14.871	TX-434	49,296,291	-
Section 8 Emergency Housing Vouchers	14.EHV	TX-434	1,625,720	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			52,674,803	210,055
U.S. DEPARTMENT OF TRANSPORTATION:				
Federal Transit Administration:				
Formula Grants for Rural Areas and Tribal Transit- Capital and Preventive Maintenance	20.509	TX-90-Y137-00	417,269	-
Formula Grants for Rural Areas and Tribal Transit- Transit Operations	20.509	TRN 2478	104,300	-
Formula Grants for Rural Areas and Tribal Transit- Transit Operations	20.509	TRN 2479	792,072	-
Formula Grants for Rural Areas and Tribal Transit- Transit Operations	20.509	TX-2020-147-00	3,419,018	-
Subtotal Formula Grants for Rural Areas and Tribal Transit			4,732,659	-
U.S. DEPARTMENT OF TRANSPORTATION:				
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements- FY2020 HP-CMV Grant Program	20.237	FM-MHP-0547-20-01-00	68,404	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION:			4,801,063	-
National Highway Traffic Safety Administration:				
Passed Through Texas Department of Transportation:				
State and Community Highway Safety- STEP Comprehensive 2023	20.600	2023-GrandPra-S-ITG-00106	211,580	-
State and Community Highway Safety- STEP CMV 2023	20.600	2022-GrandPra-CMV-00036	93,868	-
Subtotal State and Community Highway Safety- Highway Safety Cluster			305,448	-
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Federal Emergency Management Administration:				
Passed Through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program				
2023 UASI Hazmat Enhancement Capability	97.067	4567601	32,906	-
FY23 UASI Community Preparedness and Resilience Coordinator	97.067	4569401	81,537	-
FY21 UASI Hazmat Capability Enhancement	97.067	4355001	46,879	-
FY23 UASI DVE Surveillance Cameras	97.067	4569901	4,500	-
FY 2018 Staffing for Adequate Fire and Emergency Response Grant	97.067	3693401	454,795	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			620,617	-

continued on the next page

City of Grand Prairie, Texas
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
U.S. DEPARTMENT OF JUSTICE:				
Public Safety Partnership and Community Policing Grant-Strike Force FY22	16.710	N/A	62,026	-
Public Safety Partnership and Community Policing Grant-Strike Force FY23	16.710	N/A	49,760	-
Subtotal Public Safety Partnership and Community Policing Grant			111,786	-
Passed Through Texas Office of the Governor - Criminal Justice Division:				
Crime Victim Assistance Program- 2021	16.575	1359121	(758)	-
Crime Victim Assistance Program- 2023	16.575	1359122	197,833	-
Subtotal Crime Victim Assistance Program			197,075	-
ICAC 2023 Grant	16.738	15PJDP-22-GK-04883-MECP	10,000	-
Passed Through City of Dallas				
Edward Byrne Memorial Justice Assistance Grant- 2021 JAG	16.738	2021 JAG	4	-
Edward Byrne Memorial Justice Assistance Grant- 2022 JAG	16.738	2022 JAG	74,519	-
Subtotal ALN 16.738			84,523	-
TOTAL U.S. DEPARTMENT OF JUSTICE			393,384	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed Through Dallas Area Agency on Aging:				
Special Programs for the Aging, Title III, Part C, Nutrition Services- FY23 Congregate Meals	93.045	N/A	109,779	-
Special Programs for the Aging, Title III, Part C, Nutrition Services- FY23 Transportation Elderly	93.044	N/A	38,804	-
Special Programs for the Aging, Title III, Part C, Nutrition Services- FY22 Home Meals	93.045	N/A	76,287	-
Subtotal Special Programs for the Aging, Title III, Part C, Nutrition Services- Aging Cluster			224,870	-
FEDERAL HIGHWAY ADMINISTRATION:				
CCTV - SH180	20.205	N/A	3,634	-
U.S. DEPARTMENT OF TREASURY:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds *	21.027	N/A	15,983,568	-
TOTAL FEDERAL EXPENDITURES			\$ 75,007,387	\$ 210,055

City of Grand Prairie, Texas
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

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, 2023, 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.



Planned Corrective Action:

ARPA Grant Funds are now being approved by the Controller before submitting to the Treasury Website.

Responsible officials:

Luis Barrera, Controller, will be responsible for approvals before submitting the expenditures

Planned completion date:

The approval process was implemented on October 31, 2023.