

Federal Assistance Programs

City of Dallas, Texas

September 30, 2018

City of Dallas, Texas

Federal Assistance Programs
Year Ended September 30, 2018

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City of Dallas, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
U.S. Department of Agriculture					
Passed through Texas Department of State Health Services Special Supplemental Nutrition Program for Women, Infants, and Children TDH - WIC	10.557	2017-049-838-001A	\$ 14,821,770	\$ 14,183,392	\$ -
Total U.S. Department of Agriculture			\$ 14,821,770	\$ 14,183,392	\$ -
U.S. Department of Agriculture Forest Department					
Passed through Texas A&M Forest Services Cooperative Forestry Assistance Community Wildfire Protection Plan Grant	10.664	14-DG-11083148-005	\$ 10,000	\$ 1,039	\$ -
Total U.S. Department of Agriculture Forest Department			\$ 10,000	\$ 1,039	\$ -
U.S. Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants					
Community Development Block Grant	14.218	B-10-MC-48-0009	\$ 19,367,645	\$ 90,622	\$ -
Community Development Block Grant	14.218	B-11-MC-48-0009	16,270,526	222,222	-
Community Development Block Grant	14.218	B-12-MC-48-0009	14,720,740	2,722	-
Community Development Block Grant	14.218	B-14-MC-48-0009	13,572,496	39,717	-
Community Development Block Grant	14.218	B-15-MC-48-0009	13,457,745	1,599,105	-
Community Development Block Grant	14.218	B-16-MC-48-0009	13,258,321	2,343,194	-
Community Development Block Grant	14.218	B-17-MC-48-0009	13,373,031	7,832,322	86,309
08-09 Neighborhood Stabilization Program-HERA	14.218	B-08-MN-48-0002	7,932,555	79,358	-
Subtotal CFDA # 14.218			111,953,059	12,209,262	86,309
U.S. Department of Housing and Urban Development					
Community Development Block Grants_Section 108 Loan Guarantees					
Community Develop. Block Grant - S108 Loan Guarantees	14.248	B-09-MC-48-0009	7,600,000	12,680	-
Community Develop. Block Grant - S108 Loan Guarantees	14.248	B-09-MC-48-0009-B	8,492,000	172,399	-
Community Develop. Block Grant - S108 Loan Guarantees	14.248	B-09-MC-48-0009-A	11,750,000	152,162	-
Subtotal CFDA # 14.248			27,842,000	337,241	-
U.S. Department of Housing and Urban Development					
Emergency Solution Grant Program					
Emergency Solutions	14.231	E-16-MC-48-0009	1,211,466	244,363	83,538
Emergency Solutions	14.231	E-17-MC-48-0009	3,117,540	628,324	392,758
Subtotal CFDA #14.231			4,329,006	872,687	476,296
U.S. Department of Housing and Urban Development					
Passed through Dallas County Emergency Solution Grant Program Emergency Solutions	14.231	E-16-UC-48-0003	90,684	90,684	-
Subtotal CFDA #14.231			90,684	90,684	-

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
U.S. Department of Housing and Urban Development					
Home Investment Partnerships Program					
Home Investment Partnership Agreement 02-03	14.239	M-02-MC-48-0203	\$ 7,703,000	\$ 3,073	\$ -
Home Investment Partnership Agreement 04-05	14.239	M-04-MC-48-0203	8,952,836	23,741	-
Home Investment Partnership Agreement 05-06	14.239	M-05-MC-48-0203	8,471,506	122,220	-
Home Investment Partnership Agreement 06-07	14.239	M-06-MC-48-0203	7,960,845	19,999	-
Home Investment Partnership Agreement 09-10	14.239	M-09-MC-48-0203	8,492,632	120	-
Home Investment Partnership Agreement 12-13	14.239	M-12-MC-48-0203	4,700,686	10,950	-
Home Investment Partnership Agreement 13-14	14.239	M-13-MC-48-0203	4,240,210	4,434	-
Home Investment Partnership Agreement 14-15	14.239	M-14-MC-48-0203	4,365,818	122,591	-
Home Investment Partnership Agreement 15-16	14.239	M-15-MC-48-0203	3,956,627	399,407	-
Home Investment Partnership Agreement 16-17	14.239	M-16-MC-48-0203	<u>4,132,323</u>	<u>2,808,339</u>	<u>-</u>
Subtotal CFDA #14.239			62,976,483	3,514,874	-
U.S. Department of Housing and Urban Development					
Housing Opportunities for Persons with AIDS					
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	TXH15-F001	\$ 5,637,374	\$ 178,028	\$ 144,239
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	TXH16-F001	6,409,124	1,118,529	784,804
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	TXH17-F001	6,470,345	4,555,213	3,466,661
Competitive Housing Opportunities for Person w/AIDs	14.241	TX-H160005	<u>746,853</u>	<u>257,510</u>	<u>216</u>
Subtotal CFDA #14.241			19,263,696	6,109,280	4,395,920
U.S. Department of Housing and Urban Development					
Continuum of Care Program					
CoC Grant-My Residence Program-Rapid Re-Housing FY18	14.267	TX0085L6T001609	\$ 421,215	\$ 310,787	\$ -
CoC Grant-Shelter Plus Care-PSH FY18	14.267	TX0072L6T001609	1,463,770	1,407,161	-
CoC Grant-Shelter Plus Care-ORC FY18	14.267	TX0050L6T001609	101,408	61,601	-
CoC Grant-Gateway to Permanent Supportive Housing	14.267	TX0236L6T001608	<u>692,063</u>	<u>659,884</u>	<u>-</u>
Subtotal CFDA # 14.267			2,678,456	2,439,433	-
U.S. Department of Housing and Urban Development					
Fair Housing Assistance Program_State and Local					
Fair Housing Assistance Program (FHAP)	14.401	FF206K126005	\$ 361,943	\$ 10,144	\$ -
Fair Housing Assistance Program (FHAP)	14.401	FF206K136005	356,889	3,021	-
Fair Housing Assistance Program (FHAP)	14.401	FF206K146005	293,750	74,436	-
Fair Housing Assistance Program (FHAP)	14.401	FF206K156005	274,825	112,792	-
Fair Housing Assistance Program (FHAP)	14.401	FF206K166005	20,000	714	-
Fair Housing Assistance Program (FHAP)	14.401	FF206K166005	277,350	75,811	-
Fair Housing Assistance Program (FHAP)	14.401	FF206K176005	<u>284,850</u>	<u>2,758</u>	<u>-</u>
Subtotal CFDA # 14.401			<u>1,869,607</u>	<u>279,676</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			231,002,991	25,853,137	4,958,525
U.S. Dept. of Justice, Office of Juvenile Justice and Delinquency					
Missing Children's Assistance					
Internet Crimes Against Children Task Force	16.543	2016-MC-FX-K034	\$ 1,431,249	\$ 370,213	\$ 137,953
Subtotal CFDA #16.543			1,431,249	370,213	137,953

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
U.S. Department of Justice					
Passed through the Office of Governor, Criminal Justice Division					
Crime Victim Assistance					
Dallas Police Department Victim Services '16	16.575	2015-VA-GX-0009	\$ 109,469	\$ 27,093	\$ -
Subtotal CFDA #16.575			109,469	27,093	-
U.S. Department of Justice, Bureau of Justice Assistance					
Economic High-Tech and Cyber Crime Prevention					
Intellectual Property Taskforce Grant	16.752	2016-ZP-BX-0003	\$ 358,534	\$ 174,995	\$ -
Subtotal CFDA #16.752			358,534	174,995	-
U.S. Department of Justice, Bureau of Justice Assistance					
Passed through the Research Triangle Institute International					
Special Data Collections and Statistical Studies					
FY2012 National Crime Statistics Exchange Project Grant	16.734	2012-MU-MU-K003	\$ 135,300	\$ 135,300	\$ -
Subtotal CFDA # 16.734			135,300	135,300	-
U.S. Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program					
Edward Byrne Memorial Justice Assistance Grant Program 2014	16.738	2014-DJ-BX-0908	\$ 951,372	\$ 84,745	\$ -
Edward Byrne Memorial Justice Assistance Grant Program 2015	16.738	2015-DJ-BX-0841	834,930	48,076	-
Edward Byrne Memorial Justice Assistance Grant Program 2016	16.738	2016-DJ-BX-0186	911,484	258,473	-
Edward Byrne Memorial Justice Assistance Grant Program 2017	16.738	2016-DJ-BX-0834	900,568	123,465	-
Subtotal CFDA #16.738			3,598,354	514,759	-
U.S. Department of Justice					
Confiscated Monies - Federal					
Confiscated Monies - U.S. Department of Treasury	16.unknown	N/A	\$ -	\$ 411,320	\$ -
	16.unknown	N/A	-	251,898	-
Subtotal Confiscated Monies - Federal			-	663,218	-
Total U.S. Department of Justice			<u>\$ 5,632,906</u>	<u>\$ 1,885,578</u>	<u>\$ 137,953</u>
U.S. Department of Transportation, Federal Aviation Administration					
Airport Improvement Program Grant					
Airport Improvement Program Grant Fund	20.106	3-48-0062-42	\$ 1,669,177	\$ 76,919	\$ -
Airport Improvement Program Grant Fund	20.106	3-48-0062-51	988,086	278,047	-
Airport Improvement Program Grant Fund	20.106	3-48-0062-53	1,617,738	198,720	-
Airport Improvement Program Grant Fund	20.106	3-48-0062-54	5,025,000	22,094	-
Airport Improvement Program Grant Fund	20.106	3-48-0062-55	3,966,149	86,401	-
Total CFDA # 20.106			<u>13,266,150</u>	<u>662,181</u>	<u>-</u>
Total U.S. Department of Transportation, Federal Aviation Administration			<u>\$ 13,266,150</u>	<u>\$ 662,181</u>	<u>\$ -</u>
National Highway and Traffic Safety Administration					
Passed through Texas Department of Transportation					
State and Community Highway Safety Grant Program					
The Comprehensive Selective Traffic Enforcement Program	20.600	2018-DALLAS-S-1YG-0018	\$ 999,949	\$ 873,605	\$ -
Subtotal CFDA # 20.600			999,949	873,605	-

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

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September 30, 2018

Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
National Highway and Traffic Safety Administration					
Passed through Texas Department of Transportation					
National Priority Safety Programs					
Impaired Driving Mobilization Selective Traffic Enforcement Program	20.616	2018-DALLAS-IDM-00011	\$ 38,655	\$ 25,697	\$ -
National Priority Safety Program-"Click It or Ticket" Mobilization Grant	20.616	2018-DALLAS-CIOT-00001	<u>75,000</u>	<u>71,500</u>	<u>-</u>
Subtotal CFDA # 20.616			<u>113,655</u>	<u>97,197</u>	<u>-</u>
Total National Highway and Traffic Safety Administration			<u>\$ 1,113,604</u>	<u>\$ 970,802</u>	<u>\$ -</u>
U.S. Department of Transportation, Federal Highway Administration					
Passed through Texas Department of Transportation					
Highway Planning and Construction					
Traffic Safety Program	20.205	188XXH7007	\$ 400,000	\$ 127,867	\$ -
Traffic Signal Timings Update	20.205	CSJ 0918-47-016, 017	496,212	142,600	-
Traffic Signal Improvement at Nine Intersections on Loop 12	20.205	CSJ 0353-05-088	196,452	1,398	-
Traffic Signal Improvement at Seven Locations on Loop 12	20.205	CSJ 0353-05-082	130,549	486	-
Federal Railway-Highway Crossing Program Grant	20.205	CSJ 918-47-151	113,195	2,780	-
Traffic Signal Improvement at Seven Locations.	20.205	CSJ 0581-01-141, 0918-47-104, 105, 106, 107, 108, 109	167,391	40,907	-
Traffic Signal Improvement at Five Locations	20.205	CSJ 0918-47-120, 123, 124, 125, 127	112,734	28,062	-
TxDoT Traffic Signal Construction and Improvement at 5 Intersections	20.205	CSJ 0918-46-280, 0918-47-121, 0918-47-122, 0918-47-126, 0918-47-129	101,280	40,734	-
TxDoT Traffic Signal Improvement at 7 Off System Intersec-HSIP Project	20.205	CSJ 0918-47-152,154, 156, 158, 159, 162, 163	145,692	52,852	-
TxDot Traffic Signals - U.S. Hwy 67 and I-35E Corridor Project	20.205	CSJ 0442-02-088, 0261-03-030, 0196-03-0269, 0918-47-177	405,425	28,242	-
TxDoT Traffic Signal-7 Intersect Imp-Frankford, various-HSIP	20.205	CSJ 0918-46-291,0918-47-153, 155, 157, 160, 0161, 164.	145,692	37,161	-
Rosemont Safe Routes to School Ped Imp Project	20.205	CSJ: 0918-47-138	69,566	12,305	-
Advanced Traffic Management System Upgrade Project	20.205	CSJ:0918-47-094 & 095	3,318,877	2,224,292	-
Trinity Skyline Trail from Sylvan Avenue to Campion Trail	20.205	CSJ: 0918-47-139	2,989,994	122,324	-
Katy Trail Ext Phase III	20.205	CSJ 0918-45-587/CMAQ	2,480,000	19,501	-
Dolphin Road/Hatcher Street	20.205	CSJ 0918-45-372	<u>3,755,560</u>	<u>142,750</u>	<u>-</u>
Subtotal CFDA # 20.205			<u>15,028,619</u>	<u>3,024,261</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 15,028,619</u>	<u>\$ 3,024,261</u>	<u>\$ -</u>
National Endowment for the Humanities					
Passed through Humanities Texas					
Promotion of the Humanities Federal/State Partnership					
Texas Czechs: Rooted in Tradition	45.129	2018-5288	\$ 1,000	\$ 1,000	\$ -
Total National Endowment for the Humanities			1,000	1,000	-
U.S. Department of Education/Institute of Museum and Library Service					
Passed through Texas State Library and Archives Commission					
Grants to States					
TSLAC - Special Projects Grant	45.310	478-18006	\$ 75,000	\$ 46,163	\$ -
2019 Special Projects Grant Program	45.310	SPP-19004	75,000	6,358	-
Interlibrary Loan 17-18	45.310	LS-00-17-0044-17	<u>68,749</u>	<u>68,749</u>	<u>-</u>
Subtotal CFDA # 45.310			<u>218,749</u>	<u>121,270</u>	<u>-</u>
Total U.S. Department of Education			<u>\$ 218,749</u>	<u>\$ 121,270</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
U.S. Environmental Protection Agency					
Passed through Texas Commission on Environmental Quality: Surveys, Studies, Research, Investigation, Demonstrations, and Special Purchase Activities Relating to the Clean Air Act Texas PM 2.5 Monitoring	66.034	582-15-50039	\$ 67,587	\$ 64,718	\$ -
Subtotal CFDA # 66.034			67,587	64,718	-
U.S. Environmental Protection Agency					
Passed through Texas Commission on Environmental Quality: Performance Partnership Grants Ambient Air Monitoring	66.605	582-18-80089	\$ 367,790	\$ 156,618	\$ -
Subtotal CFDA # 66.605			367,790	156,618	-
Total U.S. Environmental Protection Agency			\$ 435,377	\$ 221,336	\$ -
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services Projects of Regional and National Significance SAMHSA - Adult Treatment Drug Court Expansion Project	93.243	5H79TI025045-03	\$ 305,074	\$ 225,390	\$ 86,818
Subtotal CFDA # 93.243			305,074	225,390	86,818
Total U.S. Department of Health and Human Services			\$ 305,074	\$ 225,390	\$ 86,818
U.S. Department of Homeland Security					
Passed through Texas Department of Public Safety Emergency Management Performance Grants Emergency Management Performance Grant (EMPG)	97.042	171X-EMPG-0008	\$ 159,444	\$ 159,443	\$ -
Subtotal CFDA # 97.042			159,444	159,443	-
U.S. Department of Homeland Security					
Passed through Federal Emergency Management Agency Assistance to Firefighters Grant 2016 Assistance to Firefighters Grant	97.044	EMW-2016-FO-06095	\$ 128,484	\$ 114,467	\$ -
2016 Assistance to Firefighters Grant	97.044	EMW-2016-FP-00475	197,764	196,699	-
Subtotal CFDA # 97.044			326,248	311,166	
U.S. Department of Homeland Security					
Passed through FEMA Region 6 Cooperating Technical Partners FEMA Region VI - Cooperating Technical Partners	97.045	EMW-2015-CA-00076	\$ 788,250	\$ 14,176	\$ -
FEMA Region VI - Cooperating Technical Partners	97.045	EMT-2016-CA-00028-S01	869,250	251,786	-
Subtotal CFDA # 97.045			1,657,500	265,962	-

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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Federal grantor/ pass-through grantor/ program title	CFDA Number	Federal/ pass-through grant number	Program award amount	Grant Expenditures	Amounts passed through to subrecipients
U.S. Department of Homeland Security, Federal Emergency Management Agency					
Passed through Texas Department of Public Safety					
Homeland Security Grant Program					
2015 Urban Area Security Initiative - UASI	97.067	EMW-2015-SS-00080-S01	\$ 3,603,379	\$ 1,608,414	\$ -
2015 Urban Area Security Initiative - Law Enforcement	97.067	EMW-2015-SS-00080-S01	2,224,983	1,514,509	-
2015 Urban Area Security Initiative - M&A	97.067	EMW-2015-SS-00080-S01	293,069	1,191	-
2015 State Homeland Security Response System	97.067	EMW-2015-SS-00080-S01	43,000	5,120	-
Homeland Security Grant Program					
2016 Urban Area Security Initiative - UASI	97.067	EMW-2016-SS-00056	3,421,472	3,281,058	-
Homeland Security Grant Program					
2016 Urban Area Security Initiative - Law Enforcement	97.067	EMW-2016-SS-00056	1,989,406	1,989,406	-
Homeland Security Grant Program					
2016 Urban Area Security Initiative - M&A	97.067	EMW-2016-SS-00056	174,194	131,394	-
Homeland Security Grant Program					
FY2017 Urban Area Security Initiative - UASI	97.067	EMW-2017-SS-00005	3,279,480	437,189	-
Homeland Security Grant Program					
FY2017 Urban Area Security Initiative - Law Enforcement	97.067	EMW-2017-SS-00005	2,095,069	48,761	-
Homeland Security Grant Program					
FY2017 Urban Area Security Initiative - M&A	97.067	EMW-2017-SS-00005	260,056	39,319	-
Homeland Security Grant Program					
FY2017 State Homeland Security	97.067	EMW-2017-SS-00005	<u>14,200</u>	<u>11,349</u>	<u>-</u>
Subtotal CFDA # 97.067			<u>17,398,308</u>	<u>9,067,710</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>\$ 19,541,500</u>	<u>\$ 9,804,281</u>	<u>\$ -</u>
Corporation for National and Community Service					
Volunteers in Service to America					
CNCS - AmeriCorp SISTA Grant 17-18	94.013	14VSWTX018	<u>\$ 60,000</u>	<u>\$ 27,628</u>	<u>\$ -</u>
Total Corporation for National and Community Service			<u>60,000</u>	<u>27,628</u>	<u>-</u>
Total Federal Assistance			<u>\$301,437,740</u>	<u>\$ 56,981,295</u>	<u>\$5,183,296</u>

See Notes to Schedule of Expenditures of Federal Awards

City of Dallas, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

September 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Dallas, Texas (the "City"). The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards received directly by the primary government from federal agencies, as well as federal awards passed through other government agencies, are included in the scope of the Federal Single 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) and are included on the Schedule of Expenditures of Federal Awards.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using accrual basis of accounting.

NOTE B - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards may not agree with the amounts reported in the related federal financial reports filed with grantor agencies because those reports, in some cases, are filed on a cash basis.

NOTE C - FEDERAL AWARDS RECONCILIATION (in thousands)

Intergovernmental Revenues per statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 82,637
Nonoperating revenues to proprietary funds from intergovernmental grants	662
Operating revenues to proprietary funds from intergovernmental grants - AVI	50
Less intergovernmental awards from state government (state expenditures)	(11,077)
Less intergovernmental awards from sources other than federal and state awards	<u>(15,291)</u>
Total expenditures per schedule of expenditures of Federal Awards	\$ <u>56,981</u>

City of Dallas, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

September 30, 2018

NOTE D - RELATIONSHIP OF EXPENDITURES

Any negative expenditures primarily represent a reallocation of grant expenditures between grant program years or reimbursements of grant expenditures by the General Fund resulting from grant budget overruns in the fiscal year after the year of expenditure recognition.

Amounts reported as expenditures on the accompanying Schedule of Expenditures of Federal Awards are equal to total grant revenues received as adjusted for the effect of the year-end accruals (Note C), plus the City's required matching contributions.

NOTE E - CONTINGENCIES

The City participates in several federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2018 may be impaired. Additionally, the City has received notification of potential non-compliance with certain federal programs and is responding to those letters. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

NOTE F - COMMUNITY DEVELOPMENT BLOCK GRANTS

The City has outstanding loan balances for the Community Development Block Grant - Section 108 loans as of September 30, 2018 as follows (in thousands):

<u>Program</u>	<u>Federal CFDA #</u>	<u>Amount</u>
City Wide Community Development Corp. (#VS0000026872)	14.248	\$ 8,492
Hamilton Atmos LP (#VS0000037007)	14.248	7,494
Teof Hotel, LP (VS86833)	14.248	<u>10,062</u>
		<u>\$26,048</u>

NOTE G - INDIRECT COST RATE

The City uses the applicable federally negotiated indirect cost rate and has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
City of Dallas, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, 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 21, 2019.

Our report includes a reference to other auditors who audited the financial statements of the Dallas Police and Fire Pension System, and the Supplemental Police and Fire Pension Plan of the City of Dallas, which are blended component units, and the Dallas Housing Acquisition and Development Corporation, and the Dallas Development Fund, which are discretely presented component units, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Dallas Housing Acquisition and Development Corporation and the Dallas Development Fund, audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

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 design 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 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 City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency in the City's internal control.

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*.

City's response to findings

The City's response to our finding, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the City's response.

Intended purpose

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 City'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 City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
March 21, 2019

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Members of the City Council
City of Dallas, Texas

Report on compliance for each major federal program

We have audited the compliance of City of Dallas, Texas (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* that could have a direct and material effect on each of its 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 the City’s 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* 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.

Other matters

The results of our audit procedures disclosed an instance of noncompliance, described in the accompanying schedule of findings and questioned costs as item 2018-003, that is required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the City's response.

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 compliance requirements that could have a direct and material effect on each major federal program to design audit 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 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-002, that we consider to be a material weakness in the City's internal control over compliance.

The City's response to the findings on internal control over compliance identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the City's 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.

Grant Thornton LLP

Dallas, Texas
June 28, 2019

GRANT THORNTON LLP1717 Main Street, Suite 1800
Dallas, TX 75201-4657**D** +1 214 561 2300**F** +1 214 561 2370**S** [linkd.in/grantthorntonus](https://www.linkedin.com/company/grantthorntonus)twitter.com/grantthorntonus**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
THE UNIFORM GUIDANCE**Honorable Mayor and Members of the City Council
City of Dallas, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dallas, 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 our report thereon dated March 21, 2019 expressed unmodified opinions on these financial statements. Our report included an emphasis of matter paragraph related to the City's adoption of new OPEB accounting and reporting standards. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to March 21, 2019.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such supplementary 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 basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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.

Dallas, Texas
June 28, 2019

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

Federal Awards

Internal control over major programs:	
Material weakness identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	Yes

Identification of Major Programs:

<u>Federal CFDA Number</u>	<u>Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, Children
14.241	Housing Opportunities for Persons with AIDS
14.267	Continuum of Care Program
20.205	Highway Planning and Construction
Dollar threshold used to distinguish between type A and type B programs	\$1,709,008
Auditee qualified as low-risk auditee?	No

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

**SECTION II - FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

Finding #: 2018-001

Type of Finding: Significant Deficiency

Criteria:

An entity should design, implement and maintain a system of internal controls over financial reporting, including Information Technology General Controls (ITGCs), to ensure complete and accurate financial reporting. ITGCs are the basic controls that can be applied to IT systems such as applications, operating systems, databases, and supporting IT infrastructure. The objectives of ITGCs are to ensure the integrity of the data and processes that the systems support.

Condition:

Twelve user accounts inspected had access to SAP_ALL authorization profile. SAP_ALL provides almost unrestricted access to ALL functionalities of SAP.

At the time of review, basis administrator (change promoters) had the ability to administer application-level security within SAP PDB environment. The combination of change management duties and security administration rights is considered a segregation of duties conflict.

Cause:

We noted that there was a lack of appropriate and sufficient review of end users with security administration access in SAP, including access to promote application changes in SAP.

Effect:

Having members (IT and Non-IT) in these profiles presents the risks that there are inappropriate checks to the activities performed by system administrators. Also, the risk exists that inappropriate changes (unintentional or intentional) could be made.

Questioned Costs:

None.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

Recommendation:

We recommend that the City have appropriate and sufficient controls in place to ensure that users with administrator rights should be limited and only include appropriate people and access to configurations, parameters and data should be restricted to authorized personnel. An annual user access review process should be completed regularly throughout the fiscal year to identify any inappropriate access rights. The City, additionally, should correct any inappropriate access rights.

View of Responsible Officials:

Management agrees with audit finding 2018-001. In the fall of 2017, Dallas Water Utilities (DWU) and Communications Information Systems (CIS) worked with the third-party SAP application administrator, Deloitte, to put a project in place to address segregation of duties conflicts, sensitive access, and create adaptable security role design. The project was completed, in two phases; and the changes moved to production in April 2018 and April 2019.

DWU and CIS have modified the procedures to conduct periodic user access review of SAP, updating the production system when/where necessary. The City is evaluating if it should acquire software tools or work with a third-party, for periodic monitoring of user profiles and access privileges. The periodic monitoring plan will be in place by December 2019.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding #: 2018-002
CFDA Number: 14.267
Federal Title: Continuum of Care (CoC) Program
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TX0085L6T001609/ TX0072L6T001609/ TX0050L6T001609/
TX0236L6T001608
Program Year: 2017 - 2018
Compliance Requirement: Eligibility, Housing Quality Standards, Reasonable Rental Rates
Type of Finding: Material Weakness

Criteria:

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

According to 24 CFR section 578.3, to be eligible to receive assistance under the CoC Program an individual or family must lack a fixed, regular, and adequate nighttime residence, which is defined as: (1) having a primary nighttime residence that is a public or private place not meant for human habitation; (2) living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotel and motels paid for by charitable organizations or by Federal, State, or local government programs); or (3) exiting an institution where (s)he has resided for 90 days or less and residing in an emergency shelter or place not meant for human habitation immediately before entering that institution. Controls for Eligibility should provide reasonable assurance that only eligible individuals and organizations receive assistance under Federal award programs, and that amounts provided to or on behalf of eligible individuals or groups of individuals were calculated in accordance with program requirements.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS -
Continued**

According to 24 CFR Section 582.395, housing assisted under the CoC Program must meet applicable housing quality standards. Before any assistance is provided on behalf of a participant, the non-Federal entity, or another entity acting on behalf of the non-Federal entity (other than the owner of the housing), must physically inspect each unit to assure that the unit meets housing quality standards. Non-Federal entities must also inspect all units annually during the grant period to ensure that units continue to meet housing quality standards. Controls related to Housing Quality Standards (HQS) should provide reasonable assurance of compliance with the applicable housing quality standards, and that inspections occur at the proper intervals during the grant period to ensure that the units continue to meet HQS. According to 24 CFR section 578.49(b)(1), when grants are used to pay for rent for all or a part of a structure, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent may not exceed rents currently being charged by the same owner for comparable unassisted space. Controls related to Reasonable Rental Rates should provide reasonable assurance that Federal awards are expended only for rent that has been determined to be reasonable and that amounts are properly calculated and valued.

Condition:

We noted that there was a lack of appropriate and sufficient review of participant files to ensure the accuracy and completeness of these files, including the review of the information included in the files to support the provision of services.

Eligibility: One (1) of sixty (60) participant files reviewed was missing the Eligibility Checklist used to support a supervisory review and approval prior to providing benefits; and two (2) of sixty (60) participant files reviewed were missing the Tenant Rent Calculation Worksheet used to support the calculation and determination of monthly rent amounts to be paid on the participant's behalf in accordance with eligibility requirements.

Housing Quality Standards: One (1) of sixty (60) participant files reviewed was missing the Eligibility Checklist used to support a supervisory review of a passing Housing Quality Inspection report prior to monthly rental assistance payments being made.

Reasonable Rental Rates: One (1) of sixty (60) participant files reviewed was missing a properly completed Rent Reasonableness Determination form documenting that the City performed the reasonable rental rates analysis. One (1) of sixty (60) client files reviewed was missing the Eligibility Checklist used to document a supervisory review that a Reasonable Rental Rates analysis was performed and that the City is not providing rental assistance for units greater than Fair Market Value.

The sample was judgmentally selected.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

Cause:

Case Managers (1) failed to complete all appropriate documentation for eligibility determination prior to submitting the file to supervisor for review and approval; (2) failed to ensure the completion of the Housing Quality Inspection Report as support and documentation that the inspection was performed, and; (3) failed to complete all appropriate documentation to support the calculation of rent amounts to determine reasonable rental rates are being paid.

Program supervisor failed to provide appropriate and sufficient review of all aspects of the participant files after completion by the case manager to ensure all supporting documentation was obtained and adequately completed prior to final approval for provision of services to the participant.

Effect:

Failure to have adequate support for rent calculations and supervisory approval of client eligibility determination could result in participants who are not eligible of receiving assistance, and incorrect rental amounts being paid for by the City.

Failure to complete or perform the Housing Quality Inspection Report could result in the leasing of units that do not meet the applicable Housing Quality Standards.

Failure to perform and document the reasonable rental rates analysis, documented by the completion of the Rent Reasonableness Determination form, could result in the City paying rental rates that exceed the rates paid in comparable areas for comparable space, and that exceed rents currently being charged by the same owner for comparable unassisted space.

Questioned Costs:

None.

Identification of a repeat finding:

This is a repeat finding from the immediate previous audit (2017-001).

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

Recommendation:

We recommend that the City have appropriate and sufficient controls in place to ensure that (1) each participant's eligibility for rental amounts and rental payments is properly documented; (2) such documentation be maintained in the participant's files to support all amounts paid on the participant's behalf; and (3) the documentation is reviewed and approved by the supervisor. Additionally, appropriate and sufficient controls should be in place to ensure housing quality standards inspections are performed and properly documented and that such documentation be maintained in the participants' files to document the performance of the inspection. Also, controls should be in place to ensure that reasonable rental rates analysis is performed for all participants and that all files include the properly prepared and completed documentation to support the calculated rent amounts and determination of reasonableness. Additionally, we recommend that stronger internal controls be put in place to make certain a detailed supervisory review of client files is performed prior to the provision of services.

View of Responsible Officials:

Management agrees with audit finding 2018-002. Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to rent reasonableness, inspections, rent calculations, maintaining appropriate documentation, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

Finding #: 2018-003
CFDA Number: 14.267
Federal Title: Continuum of Care (CoC) Program
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TX0072L6T001609
Program year: 2017 - 2018
Compliance Requirement: Special Test: Reasonable Rental Rates
Type of Finding: Noncompliance

Criteria:

According to 24 CFR section 578.49(b)(1), when grants are used to pay for rent for all or a part of a structure, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent may not exceed rents currently being charged by the same owner for comparable unassisted space.

Condition:

We noted one (1) of sixty (60) participant files reviewed was missing properly completed Rent Reasonableness Determination form documenting that the City performed the reasonable rental rates analysis and the Tenant Rent Calculation Worksheet used to support the calculation and determination of monthly rent amounts to be paid on the participant's behalf.

The sample was randomly selected.

Cause:

Case Managers failed to complete all appropriate documentation to support the calculation of rental amounts to determine reasonable rental rates are being paid.

Effect:

Failure to perform and document the reasonable rental rates analysis, documented by the completion of the Rent Reasonableness Determination form, could result in the City paying rental rates that exceed the rates paid in comparable areas for comparable space, and that exceed rents currently being charged by the same owner for comparable unassisted space.

City of Dallas, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 2018

Questioned Costs:

None

Identification of a repeat finding:

This is a repeat finding from the immediate previous audit (2017-002).

Recommendation:

We recommend that all files include the properly prepared and completed documentation to support the calculated rent amounts and determination of reasonableness and a supervisory review is performed to ensure that reasonable rental rates analysis are performed for all participants.

View of Responsible Officials:

Management agrees with audit finding 2018-003. Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to rent reasonableness, rent calculations, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 30, 2018

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding #: 2017-001

CFDA Number: 14.267

Federal Title: Continuum of Care (CoC) Program

Federal Agency: U.S. Department of Housing and Urban Development

Federal Award Number: TX0060L6T001508/TX0072L6T001508/TX0236L6T001507/
TX0050L6T001508/TX0085L6T001508

Program Year: 2016 - 2017

Compliance Requirement: Eligibility, Housing Quality Standards, Reasonable Rental Rates

Type of Finding: Material Weakness

Status of Prior Year Finding:

Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to rent reasonableness, inspections, rent calculations, maintaining appropriate documentation, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 30, 2018

Finding #: 2017-002
CFDA Number: 14.267
Federal Title: Continuum of Care (CoC) Program
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TX0072L6T001508
Program year: 2016 - 2017
Compliance Requirement: Special Test: Reasonable Rental Rates
Type of Finding: Noncompliance

Status of Prior Year Finding:

Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to rent reasonableness, inspections, rent calculations, maintaining appropriate documentation, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 30, 2018

Finding #: 2017-003
CFDA Number: 14.267
Federal Title: Continuum of Care (CoC) Program
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TX0072L6T001508/TX0050L6T001508
Program year: 2016 - 2017
Compliance Requirement: Special Test: Housing Quality Standards
Type of Finding: Noncompliance

Status of Prior Year Finding:

Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to rent reasonableness, inspections, rent calculations, maintaining appropriate documentation, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 30, 2018

Finding #: 2017-004
CFDA Number: 14.267
Federal Title: Continuum of Care (CoC) Program
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TX0072L6T001508
Program year: 2016 - 2017
Compliance Requirement: Eligibility
Type of Finding: Noncompliance

Status of Prior Year Finding:

Management has made the decision to transition the Continuum of Care projects to qualified nonprofit organizations, and the City will discontinue providing administration of the four Continuum of Care projects. The transition required consultation with the Department of Housing and Urban Development (HUD) and a Request for Competitive Sealed Proposal (RFCSP) to select qualified nonprofits to assume the grantee role. The City Council and HUD have approved two qualified nonprofit organizations to replace the City as grantee for two of the Continuum of Care projects. A new RFCSP is in progress to transition the remaining two Continuum of Care projects. Management continues to ensure that processes are being followed to comply with all HUD regulations, particularly those related to income eligibility, rent reasonableness, inspections, rent calculations, maintaining appropriate documentation, and a supervisory review of work performed throughout the transition period. Management expects the transfer of all four Continuum of Care projects to be complete by September 30, 2019.

City of Dallas, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 30, 2018

Finding #: 2017-005
CFDA Number: 14.241
Federal Title: Housing Opportunities for Persons with AIDS (HOPWA)
Federal Agency: U.S. Department of Housing and Urban Development
Federal Award Number: TXH16-F001
Program Year: 2016 - 2017
Compliance Requirement: Special Tests and Provisions: Community Residences
Type of Finding: Material Weakness and Material Non-compliance

Status of Prior Year Finding:

Management reviewed and updated the procedures for contracting with community residences to ensure that the required certifications were obtained prior to expenditure of funds. The required certification is included as part of the contract document. While the certification is a separate form and requires a separate signature, it has been incorporated as part of the contract execution process to ensure that the provisions are not inadvertently omitted. The finding was remediated in March 2018.