



DALLAS COUNTY, TEXAS

Federal Single Audit

September 30, 2014

DALLAS COUNTY, TEXAS

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Independent Auditors' 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*

The Honorable County Judge
and the Commissioners' Court:

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Dallas County, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Dallas County's basic financial statements, and have issued our report thereon dated March 23, 2015. Our report includes a reference to another auditor who audited the financial statements of the Dallas County Hospital District of Dallas County, which represents all of the discretely component unit, as described in our report on Dallas County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County'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 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 Dallas County'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 Dallas County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dallas County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

March 23, 2015



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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

The Honorable County Judge
and the Commissioners' Court:

Report on Compliance for Each Major Federal Program

We have audited Dallas County, Texas' (Dallas County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dallas County's major federal programs for the year ended September 30, 2014. Dallas County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Dallas County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dallas County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and modified audit opinions on compliance. However, our audit does not provide a legal determination of Dallas County's compliance.

Basis for Qualified Opinion on the Equitable Sharing program

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of Dallas County with CFDA 16.922-Equitable Sharing program as described in finding number 2014-002 for Equipment and Real Property Management, because we were unable to obtain a complete listing of equipment. Consequently, we were unable to determine whether Dallas County complied with the requirements applicable to that program.



As described in the accompanying schedule of findings and questioned costs, Dallas County did not comply with requirements regarding CFDA 16.922 Equitable Sharing program as described below:

Finding number	CFDA number	Program (or cluster) name	Compliance requirement
2014-001	16.922	Equitable Sharing	Activities Allowed or Unallowed/Allowable Costs
2014-003	16.922	Equitable Sharing	Procurement Suspension and Debarment

Compliance with such requirements is necessary, in our opinion, for Dallas County to comply with the requirements applicable to that program.

Qualified Opinion on the Equitable Sharing program

In our opinion, except for the possible effects of the matter related to finding number 2014-002 and the noncompliance related to findings number 2014-001 and 2014-003 described in the Basis for Qualified Opinion paragraph, Dallas County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Equitable Sharing program for the year ended September 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Dallas County 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 other major federal programs for the year ended September 30, 2014.

Other Matters

Dallas County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Dallas County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of Dallas County 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 Dallas County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dallas County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002 and 2014-003 to be material weaknesses.

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 did not identify any significant deficiencies.

Dallas County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Dallas County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dallas County, Texas (the County) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 23, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 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 financial statements or to the 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 financial statements as a whole.

KPMG LLP

April 21, 2015, except for our report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, for which the date is March 23, 2015.

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Health and Human Services:				
Texas Department of State Health Services:				
Program:				
Hansen's Disease National Ambulatory Care Program:				
Federal:				
Pass Through:				
870514 Hansen's Disease		2014-00028-00	\$ 64,279	—
870515 Hansen's Disease		2015-000028-00	6,007	—
Total Indirect			70,286	—
Total Program			70,286	—
Total CFDA NA.000			70,286	—
U.S. Department of Agriculture:				
Texas Health and Human Services Commission:				
Program:				
School Breakfast Program:				
Federal:				
Pass Through:				
51101 Juvenile Department School Breakfast Program	10.553	2003-705	283,293	—
Total Indirect			283,293	—
Total Program			283,293	—
Total CFDA 10.553			283,293	—
U.S. Department of Agriculture:				
Texas Health and Human Services Commission:				
Program:				
National School Lunch Program:				
Federal:				
Pass Through:				
5110-5116 Juvenile Department School Lunch/Snack Program	10.555	057-204	565,114	—
Total Indirect			565,114	—
Total Program			565,114	—
Total CFDA 10.555			565,114	—
Total Child Nutrition Cluster			848,407	—
U.S. Elections Assistance Commission:				
Program:				
Electronic Absentee Systems for Elections:				
Federal:				
Direct:				
230812 EASE Grant	12.217	H98210-12-1-0032	32,110	—
Total Direct			32,110	—
Total Program			32,110	—
Total CFDA 12.217			32,110	—
U.S. Department of Housing and Urban Development:				
Program:				
Community Development Block/Entitlement Grants:				
Federal:				
Direct:				
Community Development Block Grants	14.218	B-08-UC-48-0003	51,397	10,120
Community Development Block Grants	14.218	B-09-UC-48-0003	87,750	—
Community Development Block Grants	14.218	B-10-UC-48-0003	122,596	—
Community Development Block Grants	14.218	B-11-UC-48-0003	241,778	38,539
Community Development Block Grants	14.218	B-12-UC-48-0003	294,562	138,425
Community Development Block Grants	14.218	B-13-UC-48-0003	1,287,578	397,090
Total Direct			2,085,661	584,174
Total Program			2,085,661	584,174
Total CFDA 14.218			2,085,661	584,174
Total CDBG – Entitlement Grants Cluster			2,085,661	584,174
U.S. Department of Housing and Urban Development:				
Program:				
Emergency Shelter Grant Program:				
Federal:				
Direct:				
960012 Emergency Shelter Grant	14.231	E11-UC-48-0005	12,877	12,877
960013 Emergency Solution Grant	14.231	E12-UC-48-0005	122,306	113,981
Total Direct			135,183	126,858
Total Program			135,183	126,858
Total CFDA 14.231			135,183	126,858
U.S. Department of Housing and Urban Development:				
Program:				
Shelter Plus Care:				
Federal:				
Direct:				
290613 Shelter Plus Care	14.238	TX0307L6T001202	206,634	206,634
290614 Shelter Plus Care	14.238	TX0307L6T001303	17,032	17,032
Total Direct			223,666	223,666
Total Program			223,666	223,666
Total CFDA 14.238			223,666	223,666

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Housing and Urban Development:				
Program:				
HOME Investment Partnerships Program:				
Federal:				
Direct:				
HOME Investment Partnerships Program	14.239	M-10-UC-48-0221	\$ 94,203	—
HOME Investment Partnerships Program	14.239	M-11-UC-48-0221	208,359	—
HOME Investment Partnerships Program	14.239	M-12-UC-48-0221	322,491	—
HOME Investment Partnerships Program	14.239	M-13-UC-48-0221	7,500	—
Total Direct			<u>632,553</u>	<u>—</u>
Total Program			<u>632,553</u>	<u>—</u>
Total CFDA 14.239			<u>632,553</u>	<u>—</u>
City of Dallas:				
Program:				
Housing Opportunities for Persons with AIDS:				
Federal:				
Pass Through:				
820013 Housing Opportunities for Persons With AIDS	14.241	13-1564	1,268,952	—
820113 Housing Opportunities for Persons with AIDS (HOPWA)	14.241	13-1564	88,827	—
Total Indirect			<u>1,357,779</u>	<u>—</u>
Total Program			<u>1,357,779</u>	<u>—</u>
Department of State Health Services:				
Program:				
Housing Opportunities for Persons with AIDS:				
Federal:				
Pass Through:				
820314 DSHS HOPWA/HIV	14.241	2013-043224-001	26,877	26,877
820315 DSHS HOPWA/HIV	14.241	2014-002568-00	41,631	41,631
820414 DSHS Program HIV HOPWA	14.241	2013-043224-001	2	—
Total Indirect			<u>68,510</u>	<u>68,508</u>
Total Program			<u>68,510</u>	<u>68,508</u>
Total CFDA 14.241			<u>1,426,289</u>	<u>68,508</u>
U.S. Department of Housing and Urban Development:				
Program:				
Section 8 Housing Choice Vouchers:				
Federal:				
Direct:				
800114 Section 8 Housing Choice Vouchers	14.871	TX559	30,683,326	—
805004 Section 8 Voucher Program Admin Fee 467	14.871	TX559	17,127	—
805105 Section 8 Undesignated Fund Balance	14.871	TX559	10,546	—
806014 Section 8 – Homeownership Program 467	14.871	TX559	237,115	—
Total Direct			<u>30,948,114</u>	<u>—</u>
Total Program			<u>30,948,114</u>	<u>—</u>
Total CFDA 14.871			<u>30,948,114</u>	<u>—</u>
Total Housing Voucher Cluster			<u>30,948,114</u>	<u>—</u>
U.S. Department of Justice:				
Program:				
Violence Against Women Act Court Training and Improvement Grants:				
Federal:				
Direct:				
251112 Domestic Violence Court Enhancement	16.013	2011-WC-AX-K011	48,298	—
251114 Domestic Violence Court Enhancement	16.013	2013-FL-AX-0012	101,513	—
251214 OVW FY 2013 Domestic Violence Mentor Court Program	16.013	2013-FL-AX-0003	5,558	—
Total Direct			<u>155,369</u>	<u>—</u>
Total Program			<u>155,369</u>	<u>—</u>
Total CFDA 16.013			<u>155,369</u>	<u>—</u>
Office of the Governor, Criminal Justice Division:				
Program:				
Juvenile Accountability Block Grants:				
Federal:				
Pass Through:				
701214 Dallas County Juvenile Drug Court	16.523	JB-12-23630-04	81,012	—
701215 Dallas County Juvenile Drug Court	16.523	JB-23630-05	6,634	—
730214 Juvenile Case Management System	16.523	JB-12-XXX-13292-15	57,546	—
730215 Juvenile Case Management System	16.523	JB-13292-16	6,531	—
Total Indirect			<u>151,723</u>	<u>—</u>
Total Program			<u>151,723</u>	<u>—</u>
Total CFDA 16.523			<u>151,723</u>	<u>—</u>
Office of Justice Programs/Bureau of Justice Assistance:				
Program:				
Supervised Visitation, Safe Havens for Children:				
Federal:				
Direct:				
601314 Safe Havens: Supervised Visit & Safe Exchange Program	16.527	2013-FL-AX-K017	104,329	104,329
Total Direct			<u>104,329</u>	<u>104,329</u>
Total Program			<u>104,329</u>	<u>104,329</u>
Total CFDA 16.527			<u>104,329</u>	<u>104,329</u>

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Justice: Office of Juvenile Justice and Delinquency Prevention Program: Juvenile Justice and Delinquency Prevention Allocation to States: Federal: Pass Through: 640112 Internet Crimes against Children	16.543	2010-MC-CX-K037	\$ 20,793	—
Total Indirect			20,793	—
Total Program			20,793	—
Total CFDA 16.543			20,793	—
U. S. Department of Justice: Office of the Governor, Criminal Justice Division: Program: Crime Victim Assistance: Federal: Pass Through: 600814 Child Victim's Assistant	16.575	VA-13-V30-15793-13	55,328	—
600815 Child Victim's Assistant	16.575	VA-15793-14	6,624	—
Total Indirect			61,952	—
Total Program			61,952	—
U.S. Department of Justice: Dallas Community Supervision and Corrections: Program: Residential Substance Abuse Treatment for State Prisoners: Federal: Pass Through: 100414 RSAT Wilmer	16.575	RT-12-A10-14879-15	181,650	—
Total Indirect			181,650	—
Total Program			181,650	—
Total CFDA 16.575			243,602	—
U.S. Department of Justice: Office of the Governor, Criminal Justice Division: Program: Violence Against Women Formula Grants: Federal: Pass Through: 602914 Violence Against Women Formula	16.588	WF-10-V30-26690-01	487,385	—
602915 Violence Against Women Formula	16.588	WF-26690-02	17,225	—
Total Indirect			504,610	—
Total Program			504,610	—
Total CFDA 16.588			504,610	—
U.S. Department of Justice: Program: Encourage to Arrest Policies and Enforcement of Protection Orders Program: Federal: Direct: 620013 DC Domestic Violence Project	16.590	2012-WE-AX-0015	478,591	—
Total Direct			478,591	—
Total Program			478,591	—
Total CFDA 16.590			478,591	—
U.S. Department of Justice: Office of the Governor, Criminal Justice Division: Program: Edward Byrne Memorial Justice Assistance Grant Program: Federal: Pass Through: 700614 Juvenile Residential Drug Treatment Center	16.593	RT-13-A10-14874-16	124,873	—
Total Indirect			124,873	—
Total Program			124,873	—
Total CFDA 16.593			124,873	—
U.S. Department of Justice: Program: State Criminal Alien Assistance Program: Federal: Direct: 47220 SCAAP 2009	16.606	2009-1902	796,272	—
Total Direct			796,272	—
Total Program			796,272	—
Total CFDA 16.606			796,272	—
U.S. Department of Justice: Program: Bulletproof Vest Partnership Program: Federal: Direct: 48050-12 Bulletproof Vest Program FY 12	16.607	2012BOBX11057434	(3,770)	—
Total Direct			(3,770)	—
Total Program			(3,770)	—
Total CFDA 16.607			(3,770)	—

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Justice:				
Program:				
Prison Rape Elimination Act:				
Federal:				
Direct:				
762013 PREA Implementation Project Grant	16.735	2010-RP-BX-K001	\$ 46,549	—
Total Direct			46,549	—
Total Program			46,549	—
Total CFDA 16.735			46,549	—
U.S. Department of Justice:				
City of Dallas:				
Program:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Federal:				
Pass Through:				
202011 Justice Assistance Grant FY11	16.738	2011-DJ-BX-2895	130,371	—
202012 Justice Assistance Grant FY12	16.738	2012-DJ-BX-0199	143,799	—
202013 Justice Assistance Grant FY13	16.738	2013-DJ-BX-0502	65,733	—
Total Indirect			339,903	—
Total Program			339,903	—
U.S. Department of Justice:				
Office of the Governor, Criminal Justice Division:				
Program:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Federal:				
Pass Through:				
100414 RSAT Wilmer	16.738	DJ-11-A10-14879-15	355,311	—
Total Indirect			355,311	—
Total Program			355,311	—
Total CFDA 16.738			695,214	—
Total JAG Program Cluster			695,214	—
U. S. Department of Justice				
National Institute of Justice				
Program:				
Forensic DNA Backlog Reduction Program:				
Federal:				
Direct:				
340013 DNA Backlog Reduction Program	16.741	2012-DN-BX-0083	163,420	—
340014 DNA Backlog Reduction Program	16.741	2012-DN-BX-0083	14,948	—
Total Direct			178,368	—
Total Program			178,368	—
Total CFDA 16.741			178,368	—
U.S. Department of Justice:				
Program:				
Coverdell Forensic Science Improvement:				
Federal:				
Direct:				
340313 Enhancement of Local Crime Lab & Medical Examiner Services	16.742	2012-CD-BX-0072	114,423	—
Total Direct			114,423	—
Total Program			114,423	—
Total CFDA 16.742			114,423	—
U.S. Department of Justice:				
Program:				
Bureau of Justice Assistance				
Federal:				
Direct:				
660614 Wrongful Conviction Review Program	16.746	2013-FA-BX-0005	78,898	—
Total Direct			78,898	—
Total Program			78,898	—
Total CFDA 16.746			78,898	—
U.S. Department of Justice:				
Program:				
Edward Byrne Memorial Justice Assistance Grant Program:				
Federal:				
Direct:				
202511 National Justice Information Sharing Initiative	16.751	2010-DB-BX-K060	67,700	—
Total Direct			67,700	—
Total Program			67,700	—
Total CFDA 16.751			67,700	—

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Justice:				
Drug Enforcement Agency:				
Program:				
State and Local Narcotics Control Assistance:				
Federal:				
Direct:				
91001 Confiscated Funds Constable Pct. 4 – Federal	16.922	N/A	\$ 6,193	—
91002 Sheriff Federal Asset Sharing	16.922	N/A	528,223	—
91004 Federal Forfeiture Funds Pct. 2	16.922	N/A	36,131	—
91005 Federal Forfeiture Funds Pct. 1	16.922	N/A	497	—
91006 Federal Forfeiture Funds Pct. 3	16.922	N/A	12,185	—
540 DA Forfeiture – Federal	16.922	N/A	127,643	—
Total Direct			<u>710,872</u>	<u>—</u>
Total Program			<u>710,872</u>	<u>—</u>
Total CFDA 16.922			<u>710,872</u>	<u>—</u>
U.S. Department of Transportation:				
North Central Texas Council of Governments:				
Program:				
Highway Planning and Construction:				
Federal:				
Pass Through:				
530413 Courtesy Patrol Program	20.205	18-2XXF5001	515,025	—
530414 Courtesy Patrol Program	20.205	18-4XXF5002	2,746,782	—
530415 Courtesy Patrol Program	20.205	18-4XXF5002	272,253	—
Total Indirect			<u>3,534,060</u>	<u>—</u>
Total Program			<u>3,534,060</u>	<u>—</u>
Total CFDA 20.205			<u>3,534,060</u>	<u>—</u>
Total Highway Planning & Construction Cluster			<u>3,534,060</u>	<u>—</u>
U.S. Department of Transportation:				
Texas Department of Transportation:				
Program:				
State and Community Highway Safety:				
Federal:				
Pass Through:				
530313 STEP Single Year – 2013 Comprehensive	20.600	2013-DallasCo-S-IYG-0064	(4,043)	—
530314 STEP Single Year – 2013 Comprehensive	20.600	584EGF5166	81,779	—
Total Indirect			<u>77,736</u>	<u>—</u>
Total Program			<u>77,736</u>	<u>—</u>
Total CFDA 20.600			<u>77,736</u>	<u>—</u>
Total Highway Safety Cluster			<u>77,736</u>	<u>—</u>
U.S. Department of Energy:				
Texas Department of Housing and Community Affairs:				
Program:				
Weatherization Assistance for Low-Income Persons:				
Federal:				
Pass Through:				
830513 DOE Weatherization	81.042	56130001927	236,135	—
832013 DOE Weatherization	81.042	56110001902	101,994	—
Total Indirect			<u>338,129</u>	<u>—</u>
Total Program			<u>338,129</u>	<u>—</u>
Total CFDA 81.042			<u>338,129</u>	<u>—</u>
U.S. Department of Education:				
Texas Education Agency:				
Program:				
Title I Grants to Local Education Agencies:				
Federal:				
Pass Through:				
750214 Title I Part A Improving Basic Program	84.010	14610101057950	397,642	—
750914 Title I Part D Subpart 2 Delinquent Programs	84.010	14610103057814	955,089	—
Total Indirect			<u>1,352,731</u>	<u>—</u>
Total Program			<u>1,352,731</u>	<u>—</u>
Total CFDA 84.010			<u>1,352,731</u>	<u>—</u>
Total Title I, Part A Cluster			<u>1,352,731</u>	<u>—</u>
U.S. Department of Education:				
Texas Education Agency:				
Program:				
Special Education Grants to States:				
Federal:				
Pass Through:				
750614 Individuals with Disabilities Act (IDEA)	84.027	146600010578146600	93,569	—
Total Indirect			<u>93,569</u>	<u>—</u>
Total Program			<u>93,569</u>	<u>—</u>
Total CFDA 84.027			<u>93,569</u>	<u>—</u>
Total Special Education Cluster (IDEA)			<u>93,569</u>	<u>—</u>

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Education:				
Region 10 Education Services (ESC10):				
Program:				
English Language Acquisition Grants:				
Federal:				
Pass Through:				
751114 Title III Part A LEP	84.365	14671001057950	\$ 3,901	—
Total Indirect			3,901	—
Total Program			3,901	—
Total CFDA 84.365			3,901	—
U.S. Department of Education:				
Region 10 Education Services (ESC10):				
Program:				
Improving Teacher Quality State Grants:				
Federal:				
Pass Through:				
750314 Title II Part A Teacher and Principal Training and Recruiting	84.367	14694501057950	51,766	—
Total Indirect			51,766	—
Total Program			51,766	—
Total CFDA 84.367			51,766	—
U.S. Department of Health and Human Services:				
National Assn of County and City Health Officials:				
Program:				
Medical Reserve Corps. Small Grant Program:				
Federal:				
Pass Through:				
890211 National Association of County and City Health Official Medical R Corp	93.008	MRC#11154	1,133	—
890212 National Association of County and City	93.008	MRC#12154	1,102	—
890213 National Association of County and City Health Official Medical R Corp	93.008	MRC # 13 154	1,949	—
890214 N Assoc. of CO. / City Health Officials Medical Reserve Corp (Donation)	93.008	5MRCSG101005-04-00	8,634	—
Total Indirect			12,818	—
Total Program			12,818	—
Total CFDA 93.008			12,818	—
U.S. Department of Health and Human Services:				
Dallas Area Agency on Aging:				
Program:				
Grants for Supportive Services and Senior Centers:				
Federal:				
Pass Through:				
840114 Nutrition Transportation 2014	93.044	2013 – 1437	290,183	—
Total Indirect			290,183	—
Total Program			290,183	—
Total CFDA 93.044			290,183	—
U.S. Department of Health and Human Services:				
Dallas Area Agency on Aging:				
Program:				
Special Programs for Aging Title III Part C Nutrition Services:				
Federal:				
Pass Through:				
840014 Nutrition 2014	93.045	2013-1437	305,882	—
840314 Congregate Meals	93.045	2013-1437	812,762	—
840315 Congregate Meals	93.045	2014-1203	1,241	—
Total Indirect			1,119,885	—
Total Program			1,119,885	—
Total CFDA 93.045			1,119,885	—
Total Aging Cluster			1,410,068	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
CPS – Laboratory Response Network – PHEP:				
Federal:				
Pass Through:				
872014 Bioterrorism Preparedness Lab	93.069	2014-001065-00	168,456	—
872015 CPS-Laboratory Response Network	93.069	2015-001065-00	6,403	—
872314 CPS/Bioterrorism Preparedness	93.069	2014-001110-00	1,273,768	—
872315 Public Health Emergency Preparedness (PHEP)	93.069	2015-001110-00	101,786	—
872514 CPS – Cities Readiness Initiative	93.069	2014-001112-00	363,213	—
872515 CPS Cities Readiness Initiative	93.069	2015-047015-001	15,867	—
874314 Bioterrorism Discretionary	93.069	2014-045405	1,002	—
Total Indirect			1,930,495	—
Total Program			1,930,495	—
Total CFDA 93.069			1,930,495	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
Federal:				
Pass Through:				
870714 Tuberculosis	93.116	2014-001403-00	723,237	—
870715 Tuberculosis	93.116	2015-001403-00	72,863	—
Total Indirect			796,100	—
Total Program			796,100	—
Total CFDA 93.116			796,100	—

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
HIV/Substance Abuse and Mental Health Prevention:				
Federal:				
Pass Through:				
873614 HIV/Substance abuse and Metal Health Prevention	93.243	2014-003152-00	\$ 89,492	—
873615 Substance Abuse & Mental Health Prevention	93.243		(454)	—
Total Indirect			89,038	—
Total Program			89,038	—
Total CFDA 93.243			89,038	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Immunization Grants:				
Federal:				
Pass Through:				
870814 Immunization Registry	93.268	2014-001068-00	1,537,947	—
870815 Immunization Registry	93.268	2015-001068-00	53,209	—
871014 Immunization Registry P.I.	93.268	2014-001068-00	(33,140)	—
871015 Immunization Registry P.I.	93.268	2015-001068-00	5,987	—
871514 Adult Safety Net Program Income	93.268	2014-001068-00	(10,283)	—
Total Indirect			1,553,720	—
Total Program			1,553,720	—
Total CFDA 93.268			1,553,720	—
U.S. Department of Health and Human Services:				
Centers for Disease Control and Prevention				
Program:				
Strengthening Public Health Infrastructure				
Federal:				
Direct:				
890314 Strengthening Public Health Infrastructure	93.292	5U58CD001278-04	167,401	—
Total Indirect			167,401	—
Total Program			167,401	—
Total CFDA 93.292			167,401	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
HIV Prevention Plan to Address Gaps in Dallas Area:				
Federal:				
Pass Through:				
870414 HIV Prevention Plan	93.523	2014-001161-00	206,622	—
Total Indirect			206,622	—
Total Program			206,622	—
Total CFDA 93.523			206,622	—
U.S. Department of Health and Human Services:				
Attorney General of Texas:				
Program:				
Child Support Enforcement:				
Federal:				
Pass Through:				
31901 IV-D Fees Dist. Clerk	93.563	N/A	735,607	—
31902 IV-D Fees Constable	93.563	N/A	63,393	—
31903 IV-D Fees Sheriff	93.563	N/A	25,443	—
31903 IV-D Fees Child Support	93.563	N/A	1,203,662	—
31904 Child Support Customer Service	93.563	N/A	18,855	—
31905 Child Support IV-D Local Rule Incentive	93.563	N/A	88,179	—
Total Indirect			2,135,139	—
Total Program			2,135,139	—
Total CFDA 93.563			2,135,139	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Refugee and Entrant Assistance-State Administered Programs:				
Federal:				
Pass Through:				
870214 TB Refugee	93.566	2014-001035-00	1,334,049	—
870215 TB Refugee	93.566	2015-001035-00	56,044	—
Total Indirect			1,390,093	—
Total Program			1,390,093	—
Total CFDA 93.566			1,390,093	—
U.S. Department of Health and Human Services:				
Texas Department of Housing and Community Affairs:				
Program:				
Low-Income Home Energy Assistance:				
Federal:				
Pass Through:				
830014 CEAP Supplement	93.568	58130001961	1,860,570	—
830113 CEAP	93.568	58130001632	1,982,260	—
830114 CEAP	93.568	58140001800	1,089,476	—
830213 LIHEAP Weatherization	93.568	811300001725	1,167,225	—
830214 LIHEAP Weatherization	93.568	81140001877	744,185	—
Total Indirect			6,843,716	—
Total Program			6,843,716	—
Total CFDA 93.568			6,843,716	—

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Refugee and Entrant Assistance Discretionary Grants:				
Federal:				
Pass Through:				
870214 TB Refugee	93.576	2014-001035-00	\$ 1,335	—
870215 TB Refugee	93.576	2015-001035-00	56	—
Total Indirect			1,391	—
Total Program			1,391	—
Total CFDA 93.576			1,391	—
U.S. Department of Health and Human Services:				
National Association of County & City Health Officials (NACCHO)				
Program:				
YMCA Pre-Diabetes Project				
Federal:				
Pass Through:				
890614 National Association of County & City Health Officials YMCA Pre-Diabetes Project	93.610	2014-070102	20,000	—
Total Indirect			20,000	—
Total Program			20,000	—
Total CFDA 93.610			20,000	—
U.S. Department of Health and Human Services:				
Texas Department of Family and Protective Services:				
Program:				
Foster Care -Title IV E:				
Federal:				
Pass Through:				
47530 CPS Attorney	93.658	23,357,384	580,078	—
47760 Child Specific Expense	93.658	23,380,594	26,283	—
Total Indirect			606,361	—
Total Program			606,361	—
Texas Juvenile Justice Department:				
Program:				
Foster Care – Title IV:				
Federal:				
Pass Through:				
710714 Title IV-E Federal Foster Care Program – Administration	93.658	TJJD-E-057-2014	10,931	—
Total Indirect			10,931	—
Total Program			10,931	—
Total CFDA 93.658			617,292	—
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
CPS – Laboratory Response Network – HPP:				
Federal:				
Pass Through:				
872814 CPS-LRN – HPP Preparedness and Prevention	93.889	2014-001064-00	11,599	—
Total Indirect			11,599	—
Total Program			11,599	—
Total CFDA 93.889			11,599	—
U.S. Department of Health and Human Services:				
Health Resources and Services Administration:				
Program:				
HIV Emergency Relief Project Grants:				
Federal:				
Direct:				
6550213 RW HIV/AIDS TEA 2009 Part A Formula Admin Agency	93.914	H89HA00014-23-00	3,413,359	2,926,867
6550214 RW HIV/AIDS TEA 2009 Part A Formula Admin Agency	93.914	H89HA00014-24-00	5,263,868	4,894,746
6550313 RW HIV/AIDS TEA 2009 Part A Formula Quality Management	93.914	H89HA00014-23-00	151,164	—
6550314 RW HIV/AIDS TEA 2009 Part A Formula Quality Management	93.914	H89HA00014-24-00	182,735	—
6550613 RW HIV/AIDS TEA 2009 Part A Formula	93.914	H89HA00014-23-00	34,352	—
6550614 RW HIV/AIDS TEA 2009 Part A Formula	93.914	H89HA00014-24-00	64,481	—
6550813 RW HIV/AIDS TEA 2009 Part A Supplemental	93.914	H89HA00014-23-02	3,111,997	3,062,294
6550814 RW HIV/AIDS TEA 2009 Part A Supplemental	93.914	H89HA00014-24-00	1,014,022	1,014,022
6550913 RW TMA 2006 Part A Supplemental	93.914	H89HA00014-23-02	67,967	—
6551013 RW HIV/AIDS TEA 2009 Minority AIDS Initiative Admin Agency	93.914	H89HA00014-23-00	481,238	462,576
6551014 RW HIV/AIDS TEA 2009 Minority AIDS Initiative Admin Agency	93.914	H89HA00014-24-00	584,888	560,786
6551113 RW HIV/AIDS TEA 2009 Minority AIDS Initiative Quality Management	93.914	H89HA00014-23-00	10,314	—
6551114 RW HIV/AIDS TEA 2009 Minority AIDS Initiative Quality Management	93.914	H89HA00014-24-00	13,652	—
6551213 RW HIV / AIDS Treatment Extension Act of 2009 MAI Offset	93.914	H89HA00014-23-02	49,789	49,789
6551313 RW HIV / AIDS Treatment Extension Act of 2009 MAI Offset	93.914	H89HA00014-23-02	28,371	28,371
Total Direct			14,472,197	12,999,451
Total Program			14,472,197	12,999,451
Total CFDA 93.914			14,472,197	12,999,451

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
HIV Care Formula Grants:				
Federal:				
Pass Through:				
6560014 DSHS PROGRAM: HIV-RYAN WHITE AA	93.917	2014-001459-00	\$ 348,799	—
6560015 DSHS PROGRAM: HIV-RYAN WHITE AA	93.917	2015-001459-00	23,042	—
6560314 DSHS PROGRAM – HIV-RYAN WHITE SD	93.917	2014-001459-00	3,176,876	3,176,876
Total Indirect			<u>3,548,717</u>	<u>3,176,876</u>
Total Program			<u>3,548,717</u>	<u>3,176,876</u>
Total CFDA 93.917			<u>3,548,717</u>	<u>3,176,876</u>
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
HIV Prevention:				
Federal:				
Pass Through:				
870315 AIDS Surveillance	93.940	2015-047008-001	20,901	—
872715 AIDS Surveillance Prenatal	93.940	2015-047015-001	4,586	—
870614 VD Epidemiology	93.940	2014-001333-00	190,380	—
874014 Syphilis Elimination Effort Program	93.940	2014-001333-00	52,035	—
874114 HIV Prevention Special Projects	93.940	2014-001333-00	14,476	—
Total Indirect			<u>282,378</u>	<u>—</u>
Total Program			<u>282,378</u>	<u>—</u>
Total CFDA 93.940			<u>282,378</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Human Immune Virus/Acquired Immune-Deficiency Syndrome Surveillance:				
Federal:				
Pass Through:				
870314 AIDS Surveillance	93.944	2014-001393-00	271,559	—
872714 AIDS Surveillance Prenatal	93.944	2015-047015-001	49,482	—
Total Indirect			<u>321,041</u>	<u>—</u>
Total Program			<u>321,041</u>	<u>—</u>
Total CFDA 93.944			<u>321,041</u>	<u>—</u>
U.S. Department of Health and Human Services:				
Department of State Health Services:				
Program:				
Preventive Health Services Sexually Transmitted Disease Control Grants:				
Federal:				
Pass Through:				
870614 VD Epidemiology	93.977	2014-001333-00	867,287	—
874014 Syphilis Elimination Effort Program	93.977	2014-001333-00	237,047	—
874114 HIV Prevention Special Projects	93.977	2014-001333-00	65,948	—
Total Indirect			<u>1,170,282</u>	<u>—</u>
Total Program			<u>1,170,282</u>	<u>—</u>
Total CFDA 93.977			<u>1,170,282</u>	<u>—</u>

DALLAS COUNTY, TEXAS
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal grantor / pass-through grantor / other grantor / program title / grant title	Federal CFDA number	Grant number	Expenditure	Amounts passed to through subrecipients
Social Security Administration:				
Social Security Administration:				
Program:				
Social Security Disability Insurance:				
Federal:				
Direct:				
590013 Social Security Fraud Investigation	96.001	SS06-10-60012	\$ 184,207	—
590014 Social Security Fraud Investigation	96.001	SS06-10-60012	207,270	—
47750 Social Security Recovery	96.001	N/A	731,600	—
Total Direct			<u>1,123,077</u>	—
Total Program			<u>1,123,077</u>	—
Total CFDA 96.001			<u>1,123,077</u>	—
Total Disability Insurance/SSI Cluster			<u>1,123,077</u>	—
U.S. Department of Homeland Security:				
Governors Division of Emergency Management:				
Program:				
Urban Area Security Initiative:				
Federal:				
Pass Through:				
410713 Urban Areas Security Initiative	97.008	2010-SS-T0-0008	72,828	—
Total Indirect			<u>72,828</u>	—
Total Program			<u>72,828</u>	—
Total CFDA 97.008			<u>72,828</u>	—
Governors Division of Emergency Management:				
Program:				
Urban Area Security Initiative:				
Federal:				
Pass Through:				
410714 Urban Areas Security Initiative	97.067	EMW-2013-SS-00045	109,417	—
Total Indirect			<u>109,417</u>	—
Total Program			<u>109,417</u>	—
Total CFDA 97.067			<u>109,417</u>	—
U.S. Department of Homeland Security:				
Federal Emergency Management Agency:				
Program:				
Pre – Disaster Mitigation Program:				
Federal:				
Pass-Through:				
410913 Pre-Disaster Mitigation Program	97.047	PL-06-TX-2012-032	49,324	—
Total Indirect			<u>49,324</u>	—
Total Program			<u>49,324</u>	—
Total CFDA 97.047			<u>49,324</u>	—
U.S. Department of Homeland Security:				
Office of Health Affairs:				
Program:				
Homeland Security Biowatch Program:				
Federal:				
Direct:				
880113 Homeland Security (BIO WATCH)	97.091	HSHQVC-12-P-00113	32,467	—
880114 Homeland Security (BIO WATCH)	97.091	ROHB-13-00093	36,355	—
880115 Homeland Security (BIO WATCH)	97.091	ROHB-14-00077	7,029	—
Total Direct			<u>75,851</u>	—
Total Program			<u>75,851</u>	—
Total CFDA 97.091			<u>75,851</u>	—
Grand total federal			<u>\$ 84,733,181</u>	<u>17,283,862</u>

See accompanying notes to schedule of expenditures of federal awards.

DALLAS COUNTY, TEXAS

Notes to Schedule of Expenditures of Federal Awards

Year ended September 30, 2014

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal award programs of Dallas County, Texas (the County), except for the federal award programs of the Dallas County Hospital District (the District), a component unit of the County, which has been excluded. The District issued a separate single audit report for the year ended September 30, 2014. The County's reporting entity is defined in note 1.A to the County's basic financial statements.

(2) Basis of Accounting

The Schedule was prepared using the modified accrual basis of accounting. Federal award revenues are reported as intergovernmental revenues in the General Fund and the Special Revenue funds in the County's basic financial statements.

(3) Immunization Vaccines

Dallas County is a vaccine provider for the State of Texas Health Department Childhood Immunization Grant. The value of vaccines received from the State was \$4,487,504 for the fiscal year ended September 30, 2014. The vaccines are not awards under the grant and have not been included in the Schedule.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs

Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

 X yes _____ no

CFDA number	Name of state program or cluster
16.922	Equitable Sharing Program
Various	Highway Planning and Construction Cluster
93.568	Low-Income Home Energy Assistance
93.914	HIV Emergency Relief Project Grants

Dollar threshold used to distinguish between type A and type B programs:

Federal \$2,541,995

Auditee qualified as low-risk auditee?

Federal X yes _____ no

DALLAS COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2014

Section II – Financial Statement Findings

None Noted.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

Section III – Federal Award Findings and Questioned Costs

<u>Program name</u>	<u>CFDA</u>	<u>Expenditures</u>
Equitable Sharing Program	16.922	\$ 710,872

Federal Award Number: N/A

FINDING #2014-001: Activities Allowed or Unallowed/Allowable Costs

Criteria or Specific Requirement

Per OMB Circular A-87 (2 CFR Part 225), Attachment A, Paragraph C, to be allowable under Federal awards, costs must be necessary and reasonable for the performance and administration of Federal awards and be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit. In addition, based on the Guide to Equitable Sharing for State and Local Law Enforcement Agencies, published by the Department of Justice, a permissible use of the equitably shared funds is law enforcement training.

Condition

Control

The County’s policy is to have requests for payment provided to management for review prior to processing. However, the underlying support for the transactions included in the payment requests were not submitted as part of this review for this program. Thus, resulting in a deficiency in the design of this control.

Compliance

During our testwork over activities allowed and allowable costs for this major program, we selected a sample of 65 expenditures which totaled \$561,842. Within our sample, we noted one expenditure for \$51,191 related to bar dues for attorneys from the County’s District Attorney’s office. Expenditures related to bar dues are not considered to be expenditures related to law enforcement training as allowed per the Guide to Equitable Sharing for State and Local Law Enforcement Agencies published by the Department of Justice.

Questioned Costs

\$51,191 – The amount of the dues paid by the County.

Possible Asserted Cause and Effect

Management failed to establish and maintain an effective control environment over the allowable costs/allowable activities compliance requirement for this major program.

The effect of this absence of effective control procedures is an increased likelihood of noncompliance and questioned costs related to this compliance requirement.

An important element of this control environment is to ensure that there is proper oversight of the expenditures of the program by individuals that are knowledgeable of the program’s requirement and understand, which activities or costs are permissible or not under the program.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

Recommendation

We recommend the County's management design and implement control activities to ensure transactions are appropriately reviewed prior to processing.

View of the Responsible Officials

Funds have been deposited in County accounts where the County's management will maintain effective control activities to ensure transactions are appropriately reviewed prior to processing and allow for more transparency. Corrections for past errors have been made.

It is agreed that State Bar dues are an impermissible use of federal forfeiture funds (they are an appropriate expenditure of State Bar dues). The District Attorney's Office has disbursed a check totaling \$153,876 (for three years of State Bar dues) from the District Attorney's state forfeiture account (such an expenditure is authorized under Code of Criminal Procedure, Art. 59.06 [d-4] [9]) to reimburse the Department of Justice federal forfeiture account.

A control environment has already been put in place to ensure that there is proper oversight of the expenditures of the program by individuals that are knowledgeable of the program's requirements and that understand which activities or costs are permissible or not under the programs. Such transactions will be appropriately reviewed prior to processing and allow for more transparency. The District Attorney's Office will maintain an effective control environment to ensure the procurement for all goods and services are processed through the County's Purchasing Department in accordance with Dallas County Code and the Guide to Equitable Sharing for State and Local Law Enforcement Agencies.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

<u>Program</u>	<u>CFDA</u>	<u>Expenditures</u>
Equitable Sharing Program	16.922	\$ 710,872

Federal Award Number: N/A

FINDING #2014-002: Equipment and Real Property Management

Criteria or Specific Requirement

Per 2 CFR Section 215.34 (f):

- (1) Equipment records shall be maintained accurately and shall include the following information:
 - (i) A description of the equipment.
 - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
 - (iii) Source of the equipment, including the award number.
 - (iv) Whether title vests in the recipient or the Federal Government.
 - (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
 - (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
 - (vii) Location and condition of the equipment and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.
- (2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.
- (3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

Condition

Control

Management failed to establish an effective control environment to ensure that the population of equipment was complete and accurate as of September 30, 2014.

Compliance

During our testwork over Equipment for this major program, the engagement team requested but was unable to obtain a complete listing of equipment. The listing obtained only included recent purchases and inquiry with management regarding the subject matter did not lead to resolution of the matter.

Questioned Costs

Undetermined

Possible Asserted Cause and Effect

The effect of this absence of effective control procedures is an increased likelihood of noncompliance and questioned costs related to this compliance requirement.

An important element of this control environment is to ensure that there are proper procedures in place for the maintenance of equipment and the related records. Proper procedures would include charging knowledgeable individuals with the responsibilities of maintaining and tracking the equipment and related records.

Recommendation

We recommend the County's management design and implement control activities to ensure proper records are maintained for equipment and that the equipment itself be tracked and accounted for at an appropriately detailed level.

View of the Responsible Officials

The County maintains a listing of property purchases (capital assets) valued at \$5,000 or more in accordance with Dallas County Code Section 70.361. The District Attorney's Office has developed a more complete list (of both capital and non-capital assets) of vehicles, equipment, firearms and personal equipment, furniture, computers, software, etc. for items seized via forfeiture or purchased with forfeiture funds. The District Attorney's Office management has designed and implemented control activities to ensure proper records are maintained in accordance with 2 CFR Section 215.34(f)(1) and Dallas County Code Section 90-373 for equipment/property and that the equipment/property itself is accounted for and tracked at an appropriately detailed level.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

<u>Program</u>	<u>CFDA</u>	<u>Expenditures</u>
Equitable Sharing Program	16.922	\$ 710,872

Federal Award Number: N/A

FINDING #2014-003: Procurement and Suspension and Debarment

Criteria or Specific Requirement

Per 2 CFR Part 215.46, procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:

- (a) Basis for contractor selection;
- (b) Justification for lack of competition when competitive bids or offers are not obtained; and
- (c) Basis for award cost or price.

Per 2 CFR 180.300, an entity shall do the following before entering into a covered transaction with an entity or person:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the contract related to the covered transaction.

Condition

Control

Through inquiry with management, purchases for goods and services for this major program are not processed through the County's Purchasing Department. Therefore, the procurement transactions related to this program were not subject to the County's established control environment.

Compliance

During our testwork over Procurement and Suspension and Debarment for this major program, we selected all three (3) entities with which the County entered into a covered transaction during the fiscal year. For one of three entities selected, the procurement documentation of significant history of the procurement, including the rationale for the method of the procurement, selection of the contract type, contractor selection, or rejection, and the basis of the contract price did not exist.

For each of the three entities, there was not any documentation that the County performed the necessary procedures to ensure that the entities were not suspended or debarred as described above. We independently performed a search for the three entities and determined that they were not suspended or debarred.

DALLAS COUNTY, TEXAS

Schedule of Findings and Questioned Costs

September 30, 2014

Questioned Costs

None

Possible Asserted Cause and Effect

The County's management failed to establish an effective control environment over purchases of goods and services related to this major program.

The effect of this absence of effective control procedures is an increased likelihood of noncompliance and questioned costs related to this compliance requirement.

Recommendation

We recommend Management establish and maintain an effective control environment to ensure that the procurement of all goods and services related to this major program are processed through the County's Purchasing Department.

View of the responsible officials

The District Attorney's Office will maintain an effective control environment to ensure the procurement for all goods and services are processed through the County's Purchasing Department in the future in accordance with 2 CFR Part 215.46 with particular attention that the necessary procedures are followed to ensure that the entities are not suspended or debarred in accordance with 2 CFR 180.300. A control environment has already been put in place to ensure that there is proper oversight of the expenditures of the program by individuals that are knowledgeable of the program's requirements and understand which activities or costs are permissible or not under the programs. Such transactions will be appropriately reviewed prior to processing.

Checks and balances have been and are being implemented to ensure that proper procedures will be implemented and enforced now and in the future.