

City of Plano, Texas

Single Audit Report

September 30, 2017

City of Plano
Single Audit Report
For the Fiscal Year Ended September 30, 2017
Table of Contents

Page

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal and State Awards	6
Notes to Schedule of Expenditures of Federal and State Awards	8
Schedule of Findings and Questioned Costs.....	9



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 3, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018



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

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Plano, Texas (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated January 3, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures,

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2017

FEDERAL GRANTOR \ PASS THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	GRANTOR OR PASS-THROUGH GRANTOR'S NUMBER	PROGRAM AWARD EXPENDITURES	PASSED THROUGH SUBRECIPIENTS
DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY:				
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	2984501	\$ 127,595	\$ -
Homeland Security Grant Program	97.067	2942702	115,537	-
Homeland Security Grant Program	97.067	3161801	18,295	-
Homeland Security Grant Program	97.067	3162201	46,145	-
Homeland Security Grant Program	97.067	3311001	<u>92,800</u>	<u>-</u>
Total CFDA 97.067			400,372	
Passed through Texas A&M Engineering Extension Service:				
National Urban Search and Rescue Response System	97.025	Hurricane Maria	<u>9,675</u>	<u>-</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>410,047</u>	<u>-</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0035	1,111,601	197,256
HOME Investment Partnerships Program	14.239	M-16-MC-480234	<u>238,949</u>	<u>110,817</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,350,550</u>	<u>308,073</u>
DEPARTMENT OF JUSTICE:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0496	21,950	-
Drug Enforcement Administration Task Force 2	16.UNK		1,315	-
Federal Bureau of Investigation Computer Crime Lab Task Force	16.UNK		15,779	-
Federal Bureau of Investigation Cyber Crime Task Force	16.UNK		13,077	-
Federal Bureau of Investigation Joint Terrorism Task Force	16.UNK		<u>17,145</u>	<u>-</u>
TOTAL DEPARTMENT OF JUSTICE			<u>69,266</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION:				
Passed through Dallas Area Rapid Transit:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		21,000	-
Passed through Texas Department of Transportation:				
Windhaven - Spring Creek to West City	20.205	CSJ: 0918-24-143	87,661	-
State and Community Highway Safety	20.600	2017-PlanoPD-S-1YG-0020	<u>136,628</u>	<u>-</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>245,289</u>	<u>-</u>
DEPARTMENT OF TREASURY:				
Direct Programs:				
North Texas Financial Crimes Task Force	21.UNK	N/A	6,999	-
Department of the Treasury Equitable Sharing	21.016	N/A	<u>813,548</u>	<u>-</u>
TOTAL DEPARTMENT OF TREASURY			<u>820,547</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES:				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	SFY2017	49,687	-
Texas State Library and Archives Commission Research Institute for Public Libraries	45.310	SFY2016	336	-
Texas State Library and Archives Commission Special Projects	45.310	478-17019	46,144	-
Texas State Library and Archives Commission Impact Grant Program	45.310	475-17011	9,960	-
Texas State Library and Archives Commission Texas Reads	45.310	451-17008	<u>5,000</u>	<u>-</u>
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>111,127</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 3,006,826</u>	<u>\$ 308,073</u>

See accompanying notes to schedule of expenditures of federal and state awards.

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2017

STATE GRANTOR \ PASS THROUGH GRANTOR PROGRAM TITLE	GRANTOR OR PASS-THROUGH GRANTOR'S NUMBER	PROGRAM AWARD EXPENDITURES
TEXAS DEPARTMENT OF PUBLIC SAFETY, TEXAS DIVISION OF EMERGENCY MANAGEMENT:		
Passed through the City of Dallas:		
Texas Task Force 2	Van Zandt Tornadoes	\$ 1,167
Texas Task Force 2	Harvey 2017 17-0021	29,441
Passed through Texas A&M Engineering Extension Service:		
Texas Task Force 1	April Severe Weather #2 17-0010	5,025
Texas Task Force 1	Hurricane Harvey 17-0021	<u>35,162</u>
TOTAL TEXAS DEPARTMENT OF PUBLIC SAFETY, TEXAS DIVISION OF EMERGENCY MANAGEMENT		<u>70,795</u>
TEXAS DEPARTMENT OF STATE HEALTH SERVICES:		
Passed through North Central Texas Trauma Regional Advisory Council, Inc.:		
EMS Trauma Care System Program	N/A	<u>4,171</u>
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		<u>4,171</u>
TEXAS PARKS AND WILDLIFE DEPARTMENT:		
Direct Programs:		
Conservation License Plates Grants	487419	<u>30,000</u>
TOTAL TEXAS PARKS AND WILDLIFE DEPARTMENT		<u>30,000</u>
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS:		
Direct Programs:		
Law Enforcement Officer Standards and Education	N/A	<u>50,453</u>
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		<u>50,453</u>
TEXAS OFFICE OF THE GOVERNOR/CRIMINAL JUSTICE DIVISION:		
Direct Programs:		
Body Worn Camera Program	3225001	<u>120,825</u>
TOTAL TEXAS OFFICE OF THE GOVERNOR/CRIMINAL JUSTICE DIVISION		<u>120,825</u>
ATTORNEY GENERAL OF TEXAS:		
Direct Programs:		
Texas Crime Victims Compensation	N/A	<u>33,727</u>
TOTAL ATTORNEY GENERAL OF TEXAS		<u>33,727</u>
CRIMINAL INVESTIGATION:		
Direct Programs:		
State/Local Criminal Investigation	N/A	<u>124,823</u>
TOTAL CRIMINAL INVESTIGATION		<u>124,823</u>
TOTAL STATE ASSISTANCE		<u>\$ 434,794</u>

See accompanying notes to schedule of expenditures of federal and state awards.

City of Plano, Texas

Notes to Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2017

1. General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

2. Subrecipients

Program Title	Federal CFDA #	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$ 197,256
HOME Investment Partnership Program	14.239	110,817
		\$ 308,073

3. Loans

At September 30, 2017, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$792,412 and \$72,291, respectively.

4. Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2017

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS:

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None noted
- c. Noncompliance material to the financial statements noted? Yes No

FEDERAL AWARDS:

- d. An unmodified opinion was issued for the major program.
- e. Internal control over major program:
 - Material weakness(es) identified? Yes No
 - Significant deficiencies identified that are not considered to be material weakness(es)? Yes None noted
- f. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

g. Identification of Major Programs

<u>CFDA Number</u>	<u>Program Title</u>
21.016	Department of the Treasury Equitable Sharing

- h. Dollar threshold used to distinguish between type A and type B programs: \$750,000
- i. Auditee qualified as low-risk auditee? Yes No

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2017

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Year Findings and Questioned Costs

None