

Tarrant County, Texas

Single Audit Reports for the Year Ended
September 30, 2016

TARRANT COUNTY, TEXAS

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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 Commissioners' Court
Tarrant County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County, Texas (the County), as of and for the year ended September 30, 2016, 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 28, 2017. Our report includes a reference to other auditors who audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which represent all of the aggregate discretely presented component units, as described in our report on Tarrant County's financial statements. This report does not include the result of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

March 28, 2017

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 THE *UNIFORM GUIDANCE*

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on Compliance for Each Major Federal Program

We have audited Tarrant County's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which received federal and state awards not included in the County's Schedules of Expenditures of Federal and State Awards for the year ended September 30, 2016. Our audit, described below, did not include the operations of the Tarrant County Hospital District or the Mental Health and Mental Retardation of Tarrant County because the entities engaged other auditors to perform audits in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), as applicable. This report does not include the results of the other auditors' testing of internal control over compliance or over compliance that are reported on separately by those auditors.

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 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 the audit requirements of the 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 County'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 County's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 major programs for the year ended September 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 the 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 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 County'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 major 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-003 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2017, which contained unmodified opinions on those financial statements. Our report includes reference to other auditors who audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which represent all of the aggregate discretely presented component units, as described in our report on Tarrant County's 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 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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Deloitte & Touche LLP

June 8, 2017, except for our Report on the Schedule of Expenditures of Federal Awards required by Uniform Guidance, for which the date is March 28, 2017

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

The Honorable County Judge and Commissioners Court
Tarrant County, Texas

Report on Compliance for Each Major State Program

We have audited Tarrant County's (the "County") compliance with the types of compliance requirements described in the State of Texas *Uniform Grant Management Standards* ("UGMS") that could have a direct and material effect on each of the County's major state programs for the year ended September 30, 2016. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which received federal and state awards not included in the County's Schedules of Expenditures of Federal and State Awards for the year ended September 30, 2016. Our audit, described below, did not include the operations of the Tarrant County Hospital District or the Mental Health and Mental Retardation of Tarrant County because the entities engaged other auditors to perform audits in accordance with UGMS, as applicable. This report does not include the results of the other auditors' testing of internal control over compliance or over compliance that are reported on separately by those auditors.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each of the Major State Programs

In our opinion, the 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 major state programs for the year ended September 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with UGMS and which are described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002 and 2016-004. Our opinion on each major state program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with UGMS, 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 County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that

were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002 and 2016-004 that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of State Awards Required by UGMS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2017, which contained unmodified opinions on those financial statements. Our report includes reference to other auditors who audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, which represent all of the aggregate discretely presented component units, as described in our report on Tarrant County's 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 State Awards is presented for purposes of additional analysis as required by the UGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of State Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Deloitte & Touche LLP

June 8, 2017, except for our Report on the Schedule of Expenditures of State Awards required by UGMS, for which the date is March 28, 2017

Tarrant County, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2016

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Grant/Contract Number	Federal Expenditures	Federal Amounts Passed-Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
National School Lunch Program	10.555	01352	111,168	0
National School Lunch Program	10.555	01352	17,178	0
Total CFDA 10.555 & Child Nutrition Cluster			128,346	0
Special Supplemental Nutrition Program for Women, Infants and Children				
Pass-Through from Texas Department of State Health Services	10.557	2015-047383	25,236	0
Pass-Through from Texas Department of State Health Services	10.557	2016-048874-001	7,877,718	0
Total CFDA 10.557			7,902,954	0
Total U.S. Department of Agriculture				
			8,031,300	0
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants/Entitlement Grants - 38th Year	14.218	B12-UC-48-0001	6,240	0
Community Development Block Grants/Entitlement Grants - 39th Year	14.218	B13-UC-48-0001	460,950	0
Community Development Block Grants/Entitlement Grants - 40th Year	14.218	B14-UC-48-0001	855,640	0
Community Development Block Grants/Entitlement Grants - 41st Year	14.218	B15-UC-48-0001	1,714,147	29,272
Community Development Block Grants/Entitlement Grants - 42nd Year	14.218	B16-UC-48-0001	131,430	0
Total CFDA 14.218 & CDBG Entitlement Grants Cluster			3,168,407	29,272
Community Development Block Grants/Non-Entitlement Grants (NSP)				
	14.228	B08-UN-48-0002	9,179	0
Emergency Solutions Grant Program - 40th Year				
Emergency Solutions Grant Program - 40th Year	14.231	E-14-UC-48-0001	2,718	0
Emergency Solutions Grant Program - 41st Year	14.231	E-15-UC-48-0001	183,956	109,349
Emergency Solutions Grant Program - 42nd Year	14.231	E-16-UC-48-0001	16,967	12,687
Total CFDA 14.231			203,641	122,036
Continuum of Care Program				
Continuum of Care Program	14.267	TX0114L6T011306	(689)	0
Continuum of Care Program	14.267	TX0115L6T011306	8,098	8,098
Continuum of Care Program	14.267	TX0287L6T011302	20,254	20,252
Continuum of Care Program	14.267	TX0259L6T011302	23,109	23,109
Continuum of Care Program	14.267	TX0321L6T011301	5,505	5,505
Continuum of Care Program	14.267	TX0362L6T011300	11,986	11,986
Continuum of Care Program	14.267	TX0102L6T011306	22,474	22,474
Continuum of Care Program	14.267	TX0102L6T011407	85,550	81,934
Continuum of Care Program	14.267	TX0114L6T011407	94,332	92,967
Continuum of Care Program	14.267	TX0093L6T011407	146,004	145,729
Continuum of Care Program	14.267	TX0097L6T011407	12,209	12,194
Continuum of Care Program	14.267	TX0115L6T011407	61,717	59,152
Continuum of Care Program	14.267	TX0116L6T011407	130,569	125,847
Continuum of Care Program	14.267	TX0104L6T011407	298,323	288,648
Continuum of Care Program	14.267	TX0113L6T011407	470,320	237,014
Continuum of Care Program	14.267	TX0287L6T011403	144,969	139,412
Continuum of Care Program	14.267	TX0259L6T011403	91,748	88,592
Continuum of Care Program	14.267	TX0321L6T011402	117,890	115,761
Continuum of Care Program	14.267	TX0362L6T011401	115,831	110,395
Continuum of Care Program	14.267	TX0381L6T011400	85,558	79,478
Continuum of Care Program	14.267	TX0114L6T011508	19,396	17,744
Continuum of Care Program	14.267	TX0093L6T011508	133,412	123,586
Continuum of Care Program	14.267	TX0116L6T011508	12,987	11,130
Continuum of Care Program	14.267	TX0113L6T011508	335,181	159,557
Total CFDA 14.267			2,446,733	1,980,564
Shelter Plus Care				
	14.238	TX0320C6T011100	78,628	0
Home Investment Partnerships Program - 20th Year				
Home Investment Partnerships Program - 20th Year	14.239	M11-DC-48-0200	(18)	0
Home Investment Partnerships Program - 21st Year	14.239	M12-DC-48-0200	91,220	0
Home Investment Partnerships Program - 22st Year	14.239	M13-DC-48-0200	247,408	0
Home Investment Partnerships Program - 23rd Year	14.239	M14-DC-48-0200	725,180	0
Home Investment Partnerships Program - 24th Year	14.239	M15-DC-48-0200	799,862	0
Home Investment Partnerships Program - 24th Year	14.239	M16-DC-48-0200	350,000	0
Total CFDA 14.239			2,213,652	0
Housing Opportunities for Persons with AIDS				
	14.241	TX-H140024	370,437	353,602
Pass-Through from Texas Department of State Health Services	14.241	2015-002563-00	4,111	4,111
Pass-Through from Texas Department of State Health Services	14.241	2016-004101-00	10,246	10,246
Total CFDA 14.241			384,794	367,959

Section 8 Housing Choice Vouchers - Administrative Reserve (Pre-FY2004)	14.871	N/A	1,603	0
Section 8 Housing Choice Vouchers - Administrative Reserve (Post-FY2004)	14.871	N/A	27,198	0
Section 8 Housing Choice Vouchers - Homeownership Administration	14.871	TX431AFHV03	52	0
Section 8 Housing Choice Vouchers - Administration (CY12)	14.871	TX21V431000082	(1,629)	0
Section 8 Housing Choice Vouchers - Administration (CY14)	14.871	TX21V431000082	71	0
Section 8 Housing Choice Vouchers - Administration (CY15)	14.871	TX21V431000082	524,386	0
Section 8 Housing Choice Vouchers - Administration (CY16)	14.871	TX21V431000082	1,403,521	0
Section 8 Housing Choice Vouchers - Portability	14.871	TX21V431000082	587,278	0
Section 8 Housing Choice Vouchers(CY12)	14.871	TX21V431000082	(30,681)	0
Section 8 Housing Choice Vouchers(CY14)	14.871	TX21V431000082	(5,628)	0
Section 8 Housing Choice Vouchers(CY15)	14.871	TX21V431000082	4,306,501	0
Section 8 Housing Choice Vouchers(CY16)	14.871	TX21V431000082	13,649,935	0
Section 8 Housing Choice Vouchers (VASH)(CY15)	14.871	TX431MSC	103,733	0
Section 8 Housing Choice Vouchers (VASH)(CY16)	14.871	TX431VO0177	310,731	0
Total CFDA 14.871 & Housing Voucher Cluster			<u>20,877,071</u>	<u>0</u>
Family Self-Sufficiency Program (CY15)	14.896	TX431-FSS-6APH-2014	9,015	0
Family Self-Sufficiency Program (CY16)	14.896	TX431-FSS-6APH-2015	183,935	0
Total CFDA 14.896			<u>192,950</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development			<u>29,575,055</u>	<u>2,499,831</u>
U.S. DEPARTMENT OF JUSTICE				
Juvenile Justice and Delinquency Prevention				
Pass-Through from Texas Office of the Governor, CJD	16.540	1328717	51,076	0
Total CFDA 16.540			<u>51,076</u>	<u>0</u>
Missing Children's Assistance				
Pass-Through from City of Dallas Police Department	16.543	2013-MC-FX-K036	16,000	0
Total CFDA 16.543			<u>16,000</u>	<u>0</u>
Crime Victim Assistance				
Pass-Through from Texas Office of the Governor, CJD	16.575	VA-13739-16	(16,743)	0
Pass-Through from Texas Office of the Governor, CJD	16.575	1373917	26,930	0
Pass-Through from Texas Office of the Governor, CJD	16.575	2461705	42,843	0
Total CFDA 16.575			<u>53,030</u>	<u>0</u>
Drug Court Discretionary Grant Program				
Pass-Through from Mental Health Mental Retardation Tarrant County	16.585	E151766	453	0
Total CFDA 16.585			<u>453</u>	<u>0</u>
Violence Against Women Formula Grants				
Pass-Through from Texas Office of the Governor, CJD	16.588	2710803	40,092	0
Pass-Through from Texas Office of the Governor, CJD	16.588	3101801	5,476	0
Total CFDA 16.588			<u>45,568</u>	<u>0</u>
State Criminal Alien Assistance Program (S.C.A.A.P.)				
	16.606	2016-AP-BX-0388	317,999	0
Edward Byrne Memorial Justice Assistance Grant Program				
Pass-Through from the City of Fort Worth, Texas	16.738	2013-DJ-BX-0364	22,259	0
Pass-Through from the City of Fort Worth, Texas	16.738	2014-DJ-BX-0297	24,744	0
Pass-Through from the City of Fort Worth, Texas	16.738	2014-DJ-BX-0297	72,584	0
Total CFDA 16.738			<u>119,587</u>	<u>0</u>
DNA Backlog Reduction Program				
DNA Backlog Reduction Program	16.741	2014-DN-BX-0088	363,537	0
DNA Backlog Reduction Program	16.741	2015-DN-BX-0058	106,290	0
Total CFDA 16.741			<u>469,827</u>	<u>0</u>
Second Chance Act Prisoner Reentry Initiative				
	16.812	2011-RY-BX-K009	42,996	0
Equitable Sharing Program (Asset Forfeiture Funds)-Sheriff				
	16.922	N/A	50,239	0
Total U.S. Department of Justice			<u>1,166,775</u>	<u>0</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning & Construction - Courtesy Patrol Program				
Pass-Through from Texas Department of Transportation	20.205	02-4XXF5001	4,639	0
Pass-Through from Texas Department of Transportation	20.205	02-6XXF5001	1,230,813	0
Total CFDA 20.205 & Highway Planning and Construction Cluster			<u>1,235,452</u>	<u>0</u>
Enhanced Mobility of Seniors and Individuals with Disabilities				
Pass-Through from North Central Texas Council of Governments	20.513	FTA-5310	102,221	102,221
Total CFDA 20.513 & Transit Services Program Cluster			<u>102,221</u>	<u>102,221</u>
National Priority Safety Programs				
Pass-Through from Texas Department of Transportation	20.616	2015-TarrantC-G-1YG-0197	(17,263)	0

Pass-Through from Texas Department of Transportation	20.616	2016-TarrantC-G-1YG-0126	125,795	0
Total CFDA 20.616 & Highway Safety Cluster			<u>108,532</u>	<u>0</u>
Total U.S. Department of Transportation			<u>1,446,205</u>	<u>102,221</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CDC - Prospective Comparison of the TST vs IGRAs				
Pass-Through from UNTHSC at Fort Worth	93.000	RF0051-2015-001	17,368	0
Pass-Through from UNTHSC at Fort Worth	93.000	200-2011-41271	152,437	0
Pass-Through from UNTHSC at Fort Worth	93.000	200-2011-41271	387	0
Total CFDA 93.000			<u>170,192</u>	<u>0</u>
Medical Reserve Corps Small Grant Program				
Pass-Through from NACCHO	93.008	MRC-11-0155	1,180	0
Pass-Through from NACCHO	93.008	MRC-13-0155	1	0
Total CFDA 93.008			<u>1,181</u>	<u>0</u>
Public Health Emergency Preparedness				
Pass-Through from Texas Department of State Health Services	93.069	2016-001175-02	228,219	0
Pass-Through from Texas Department of State Health Services	93.069	2016-001167-01	1,133,047	0
Pass-Through from Texas Department of State Health Services	93.069	2016-001169-01	311,507	0
Pass-Through from Texas Department of State Health Services	93.069	2016-004054-00	138,195	0
Total CFDA 93.069			<u>1,810,968</u>	<u>0</u>
Hospital Preparedness Program & Public Health Emergency Preparedness				
Pass-Through from Texas Department of State Health Services	93.074	2016-004161-00	199,389	0
Pass-Through from Texas Department of State Health Services	93.074	2015-03659-01	371,756	0
Total CFDA 93.074			<u>571,145</u>	<u>0</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
Pass-Through from Texas Department of State Health Services	93.116	2015-001391-00	(2,137)	0
Pass-Through from Texas Department of State Health Services	93.116	2016-001391-00	400,266	0
Total CFDA 93.116			<u>398,129</u>	<u>0</u>
Coordinated Services & Access to Research for Women, Infants, Children and Youth	93.153	6-H12HA24819-04-03	279,127	204,012
Coordinated Services & Access to Research for Women, Infants, Children and Youth	93.153	5-H12HA24819-05-00	25,655	7,568
Total CFDA 93.153			<u>304,782</u>	<u>211,580</u>
Immunization Cooperative Agreements				
Pass-Through from Texas Department of State Health Services	93.268	2016-001142-00	525,421	0
Pass-Through from Texas Department of State Health Services	93.268	2016-001142-01	113,185	0
Total CFDA 93.268			<u>638,606</u>	<u>0</u>
Centers for Disease Control & Prevention - Investigations & Technical Assistance	93.283	ISDS-0909-01	3,599	0
Centers for Disease Control & Prevention - Investigations & Technical Assistance	93.283	1U50OE000070-01	172,212	0
Centers for Disease Control & Prevention - Investigations & Technical Assistance	93.283	5-NU50OE000070-02-00	15,558	0
Total CFDA 93.283			<u>191,369</u>	<u>0</u>
National Implementation and Dissemination for Chronic Disease Prevention				
Pass-Through from National WIC Association	93.328	TBD	46,302	0
Pass-Through from National WIC Association	93.328	TBD	992	0
Total CFDA 93.328			<u>47,294</u>	<u>0</u>
Building Capacity of the Public Health System to Improve Population Health				
Pass-Through from National Association of County and City Health Officials	93.524	2015-012809	14,694	0
Pass-Through from National Association of County and City Health Officials	93.524	2015-110306	22,211	0
Total CFDA 93.524			<u>36,905</u>	<u>0</u>
Promoting Safe and Stable Families				
Pass-Through from Texas Department of Family and Protective Services	93.556	24186673	279,971	209,103
Pass-Through from Texas Department of Family and Protective Services	93.556	24186673-01	24,066	15,295
Total CFDA 93.556			<u>304,037</u>	<u>224,398</u>
Temporary Assistance for Needy Families				
Pass-Through from Texas Department of State Health Services	93.558	2015-047030-001B	14,087	0
Pass-Through from Texas Department of State Health Services	93.558	2015-047030-04	23,464	0
Pass-Through from Texas Health and Human Services Commission	93.558	529-16-0003	709,607	0
Pass-Through from Texas Health and Human Services Commission	93.558	529-16-0003-00007A	85,718	0
Total CFDA 93.558 & TANF Cluster			<u>832,876</u>	<u>0</u>
Refugee and Entrant Assistance-State Administered Programs				
Pass-Through from Texas Department of State Health Services	93.566	2015-01163-00	469	0
Pass-Through from Texas Department of State Health Services	93.566	2016-01163-00	1,422,637	0
Total CFDA 93.566			<u>1,423,106</u>	<u>0</u>
Grants to States for Access and Visitation Programs				

Pass-Through from Texas Office of the Attorney General	93.597	13-C0109	53,250	0
Pass-Through from Texas Office of the Attorney General	93.597	17-C0126	4,892	0
Total CFDA 93.597			<u>58,142</u>	<u>0</u>
Foster Care Title IV-E				
Pass-Through from Texas Department of Family and Protective Services (CPS)	93.658	23941254	50,110	0
Pass-Through from Texas Department of Family and Protective Services (CPS)	93.658	23941254	49,176	0
Pass-Through from Texas Department of Family and Protective Services (DA)	93.658	23941256	70,852	0
Pass-Through from Texas Department of Family and Protective Services (DA)	93.658	23941256	183,292	0
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2010-220	216,769	0
Pass-Through from Texas Juvenile Justice Division	93.658	TJPC-E-2011-220	273,777	0
Total CFDA 93.658			<u>843,976</u>	<u>0</u>
Cancer Prevention and Control Programs				
Pass-Through from Texas Department of State Health Services	93.752	2015-047030-001B	33,195	0
Total CFDA 93.752			<u>33,195</u>	<u>0</u>
Medical Assistance Program (Medicaid Administrative Claims)				
Pass-Through from Texas Department of Health and Human Services	93.778	7560011706-OE-01	240,927	0
Total CFDA 93.778 & Medicaid Cluster			<u>240,927</u>	<u>0</u>
HIV Emergency Relief Project Grants				
HIV Emergency Relief Project Grants	93.914	6-H89HA00047-20-03	2,162,821	1,372,282
HIV Emergency Relief Project Grants	93.914	6-H89HA00047-21-02	2,150,096	1,462,509
Total CFDA 93.914			<u>4,312,917</u>	<u>2,834,791</u>
HIV Care Formula Grants (Ryan White Part B)				
Pass-Through from Texas Department of State Health Services	93.917	2015-001453-03	395,151	233,124
Pass-Through from Texas Department of State Health Services	93.917	2016-004109-01	550,197	341,520
Total CFDA 93.917			<u>945,348</u>	<u>574,644</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6-H76HA00123-24-02	316,387	229,578
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6-H76HA00123-25-03	446,845	257,981
Total CFDA 93.918			<u>763,232</u>	<u>487,559</u>
HIV Prevention Activities-Health Department Based				
Pass-Through from Texas Department of State Health Services	93.940	2015-001322-00	24,828	0
Pass-Through from Texas Department of State Health Services	93.940	2016-001322-00	313,063	0
Pass-Through from Texas Department of State Health Services	93.940	2015-001372-00	26,840	0
Total CFDA 93.940			<u>364,731</u>	<u>0</u>
HIV/AIDS Surveillance				
Pass-Through from Texas Department of State Health Services	93.944	2016-001372-00	88,706	0
Total CFDA 93.944			<u>88,706</u>	<u>0</u>
Preventive Health Services - STD Control Grants				
Pass-Through from Texas Department of State Health Services	93.977	2015-001322-00	116,976	0
Pass-Through from Texas Department of State Health Services	93.977	2016-001322-00	382,632	0
Total CFDA 93.977			<u>499,608</u>	<u>0</u>
Preventive Health and Health Services Block Grant				
Pass-Through from Texas Department of State Health Services	93.991	2016-001216-00	249,812	0
Total CFDA 93.991			<u>249,812</u>	<u>0</u>
Total U.S. Department of Health and Human Services			<u>15,131,184</u>	<u>4,332,972</u>
U.S. DEPARTMENT OF HOMELAND SECURITY/FEMA				
Emergency Food and Shelter National Board Program	97.024	Phase XXXII	480	0
Homeland Security Grant Program				
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	14-GA-48439-04	72,617	0
Pass-Through from Texas Department of Public Safety-Emergency Mgmt.	97.067	14-SR-48439-02	2,500	0
Pass-Through from Texas Office of the Governor, HSGD	97.067	2984801	129,108	0
Pass-Through from Texas Office of the Governor, HSGD	97.067	2984901	1,883	0
Pass-Through from Texas Office of the Governor, HSGD	97.067	2985001	35,693	0
Pass-Through from Texas Office of the Governor, HSGD	97.067	3000601	8,422	0
Pass-Through from Texas Office of the Governor, HSGD	97.067	3000501	1,062	0
Total CFDA 97.067			<u>251,285</u>	<u>0</u>
Total U.S. Department of Homeland Security/FEMA			<u>251,765</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>55,602,284</u>	<u>6,935,024</u>

See notes to Schedules of Expenditures of Federal and State Awards

Tarrant County, Texas
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2016

State Grantor/ Pass-Through Grantor Program Title	Grant/Contract Number	State Expenditures	State Amounts Passed-Through to Subrecipients
TEXAS DEPARTMENT OF STATE HEALTH SERVICES			
State Services	2016-003756-01	478,595	457,147
HIV Care Formula Grants (Ryan White Part B)	2015-001453-00	192,726	192,726
HIV Prevention Activities-Health Department Based (HIV Prevention)	2016-001323-00	557,242	0
TB/PC-Tuberculosis Control	2016-001447-00	595,324	0
TB/PC-Tuberculosis Control	2016-001447-01	64,562	0
Immunization Division	2016-001142-01	660,926	0
Infectious Disease Control Unit/FLU Lab	2016-001152-00	6,456	0
Healthy Texas Babies	2015-047506-00	(207)	0
Healthy Texas Babies	2016-048295-00	78,498	0
Healthy Texas Babies	2016-048295-02	4,864	0
Ebola Activities	2016-003812-00	67,512	0
Preventive Health and Health Services Block Grant	2016-001216-00	19,025	0
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	2015-047030-001B	38,303	0
State-Based Comprehensive Breast & Cervical Cancer Early Detection Program	2015-047030-04	9,056	0
Milk & Dairy/ FFS	2014-044063-001	23,601	0
Milk & Dairy/ FFS	2015-046344-00	162,139	0
Milk & Dairy/ FFS	2016-0149926	15,405	0
Respiratory Virus Surveillance Project	2016-003749-00	9,032	0
Foodborne Illness Surveillance & Investigation	2016-003773-00	84,086	0
Foodborne Illness Surveillance & Investigation	2016-003773-01	7,557	0
Total Texas Department of State Health Services		3,074,702	649,873
TEXAS OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION			
Family Drug Court	2016-SF-ST-0015-1969709	45,495	0
Family Drug Court	1969710	3,750	0
Veterans Court Project	DC-22852-06	2,235	0
Veterans Court Project	2285207	283,291	0
Veterans Court Project	2285208	20,356	0
Reaching Independence through Self Empowerment (RISE)	2589504	139,728	0
Reaching Independence through Self Empowerment (RISE)	2589505	11,008	0
Life Skills Training	2016-SF-ST-0015-2554004	73,434	0
Life Skills Training	2554005	6,536	0
First Offender Program	2016-SF-ST-0015-2570704	47,040	0
DIRECT Court Program	2985201	181,640	0
DIRECT Court Program	2985202	15,969	0
Mental Health Diversion Court Program	1828910	105,225	0
Mental Health Diversion Court Program	1828911	190	0
Misdemeanor DWI Court	2928401	46,522	0
Misdemeanor DWI Court	2928402	8,949	0
Felony Alcohol Intervention Program	SF-20458-06	(6)	0
Felony Alcohol Intervention Program	2045807	130,725	0
Felony Alcohol Intervention Program	2045808	17,086	0
Total Texas Office of the Governor, Criminal Justice Division		1,139,173	0

TEXAS DEPARTMENT OF MOTOR VEHICLES/AUTO BURGLARY AND THEFT PREVENTION AUTHORITY

Tarrant Regional Auto Crimes Task Force	2015-T01-Tarrant-00025	(2,518)	0
Tarrant Regional Auto Crimes Task Force	608-16-2200000	1,061,461	0
Tarrant Regional Auto Crimes Task Force	608-17-2200000	61,420	0
Total Texas Department of Motor Vehicles/Auto Burglary and Theft Prevention Authority		<u>1,120,363</u>	<u>0</u>

TEXAS DEPARTMENT OF TRANSPORTATION

Highway Planning & Construction - Courtesy Patrol Program	02-4XXF5001	1,160	0
Highway Planning & Construction - Courtesy Patrol Program	02-6XXF5001	307,703	0
Transportation Infrastructure Fund	N/A	70,067	0
High Occupancy Vehicle Enforcement	02-4XXF5003	122,030	0
Total Texas Department of Transportation		<u>500,960</u>	<u>0</u>

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Pass-Through From North Central Texas Council of Governments

Local Initiatives Projects - Emissions Task Force	582-8-89958	(35,181)	0
Local Initiatives Projects - Emissions Task Force	582-14-40126	503,646	0
Total Texas Commission on Environmental Quality		<u>468,465</u>	<u>0</u>

TEXAS HEALTH AND HUMAN SERVICES COMMISSION

Pass-Through From Mental Health Mental Retardation of Tarrant County

Foster Care Treatment	N/A	3,080	0
Total Texas Health and Human Services Commission		<u>3,080</u>	<u>0</u>

TEXAS OFFICE OF THE ATTORNEY GENERAL

Bilingual Victims Assistance Coordinator	1662154	40,488	0
Bilingual Victims Assistance Coordinator	1772540	6,626	0
Texas Statewide Automated Victim Notification Service (SAVNS)	1660505	75,025	0
Total Texas Office of the Attorney General		<u>122,139</u>	<u>0</u>

TEXAS INDIGENT DEFENSE COMMISSION

Indigent Defense Formula Grant	212-16-220	1,625,657	0
Supplemental Capital Defense Formula Grant Program	212-16-220SC	139,009	0
Web-based Indigent Defense Appointment and Compliance Monitoring System	212-14-D09	304,222	0
Total Texas Indigent Defense Commission		<u>2,068,888</u>	<u>0</u>

TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

Promoting Safe and Stable Families - CYD Project	24186673	93,324	69,701
Promoting Safe and Stable Families - CYD Project	24186673-01	8,022	5,098
Total Texas Department of Family and Protective Services		<u>101,346</u>	<u>74,799</u>

TOTAL EXPENDITURES OF STATE AWARDS

<u>8,599,116</u>	<u>724,672</u>
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See notes to Schedules of Expenditures of Federal and State Awards

TARRANT COUNTY, TEXAS

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED SEPTEMBER 30, 2016

1. **Basis of Accounting**—The schedules of expenditures of federal and state awards were prepared on the modified accrual basis of accounting. Amounts reported as expenditures in the accompanying schedules of expenditures of federal and state awards may not agree with the amounts reported in the related federal and state financial reports filed with the grantor agencies because of accruals, which would be included in the next report filed with the agency.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unavailable revenues until earned. The accompanying schedules of expenditures of federal and state awards are presented on the modified accrual basis of accounting.

2. The period of availability for federal and state grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal and state project period extends 30 to 90 days beyond the federal and state project period ending date, in accordance with provisions in the *OMB Compliance Supplement* and *UGMS*.
3. The county participates in numerous federal and state 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 adjustments by the grantor agencies therefore, to the extent that the County has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at year-end, maybe impaired.
4. The County has not elected to use the 10% de minimis indirect cost rate for federal grant programs

TARRANT COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2016

Section I—Summary of Auditors' Results

- Financial Statements
 - Type of auditors' report issued on whether financial statements were prepared in accordance with GAAP: Unmodified
 - Internal control over financial reporting:
 - o Material weakness(es) identified? ___ yes X no
 - o Significant deficiency(ies) identified? ___ yes X none reported
 - Noncompliance material to financial statements noted? ___ yes X no
- Federal Awards
 - Internal control over major programs:
 - o Material weakness(es) identified? ___ yes X no
 - o Significant deficiency(ies) identified? X yes ___ none reported
 - Type of auditors' report issued on compliance for major programs: Unmodified
 - Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(1)? X yes ___ no
 - Identification of major federal programs:
 - o 14.218 Community Development Block Grants/Entitlement Grants—41st Year
 - o 14.239 Home Investment Partnerships Program
 - o 14.267 Continuum of Care Program
 - o 93.566 Refugee and Entrant Assistance-State Administered Programs
 - o 93.914 HIV Emergency Relief Project Grants
 - Dollar threshold used to distinguish between type A and type B programs: \$1,668,068
 - Auditee qualified as low-risk auditee? X yes ___ no

- State Awards
 - Internal control over major programs:
 - o Material weakness(es) identified? ___ yes X no
 - o Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes ___ none reported
 - Type of auditors' report issued on compliance for major programs: Unmodified
 - Any audit findings disclosed that are required to be reported in accordance with UGMS? X yes ___ no
 - Identification of major programs:
 - o Veterans Court Project
 - o State Services
 - o Highway Planning & Construction—Courtesy Patrol Program
 - o HIV Prevention Activities-Health Department Based (HIV Prevention)
 - o Indigent Defense Formula Grant
 - o Local Initiatives Projects—Emissions Task Force
 - Dollar threshold used to distinguish between type A and type B programs: \$300,000
 - Auditee qualified as low-risk auditee? X yes ___ no

Section II—Financial Statements Findings

None reported.

Section III—Award Findings and Questioned Costs

2016-001 CFDA 93.914 HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)—Department of Health and Human Resources (HHS) (All Contracts, All Years)

Contract #2016-001323 State Services—Department of State Health and Human Services (DSHS)

Eligibility—Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Criteria—For CFDA 93.914 HIV Emergency Grant, in accordance with 42 USC 300ff-15(a)(7)(A), “Eligible beneficiaries are individuals or families of individuals with HIV/AIDS. To the maximum extent practicable, services are to be provided to eligible individuals regardless of their ability to pay for the services and their current or past health condition.” The Health Resources and Services Administration (HRSA), an organization of the U.S. Department of Health and Human Resources, goes further to define what documentation is required to determine eligibility with

the circular "HIV/AIDS Bureau, Division of Metropolitan HIV/AIDS Programs and Division of State HIV/AIDS Programs National Monitoring Standards for Ryan White Part A and Part B Grantees: Universal—Part A and B." In this circular HRSA states "Documentation of eligibility determination required in client records, with copies of documents (e.g. *proof of HIV status, proof of residence, proof of income eligibility based on income limit..., proof of insurance, uninsured or underinsured*)." All documentation is required to determine eligibility.

For State Service, the "Eligibility to Receive HIV Services" (220.001) policy from Department of State Health Services (DSHS) found on their main webpage, states for determining eligibility the County must obtain/retain the following documentation, which are *proof of HIV status, residency, and income*.

Both HRSA and DSHS states at every six months, eligibility must be reevaluated through a recertification, meaning the patient must provide updated documentation, or sign a self-attestation that no changes have occurred with their HIV diagnosis, Texas residency, insurance status, or income since initial eligibility determination. But after twelve months from the date eligibility was first determined, the patient must provide new documentation for re-determining eligibility.

Condition—The Tarrant County Preventive Medicine Clinic provided patients with services that were charged to HIV Emergency (Ryan White Part A) or State Services when the patient either presented out of date documentation or the documentation became non-compliant by being out of date due to the passage of time.

Questioned Costs—N/A

Context—1 out of 40 random selections for HIV Emergency (Ryan White Part A) and 1 out of 40 selections for State Services that contained an instance where a patient received medical assistance a year beyond the eligibility determination, without documentation of redetermination.

Effect—Without obtaining the proper documentation, there is a potential for an ineligible individual to receive grant-funded services.

Cause—There appears to be a lack of a sufficient review of the patients' files to ensure all documentation was provided and was not out of date.

Recommendation—HIV Emergency and State Service management should regularly review the patient files to ensure patient information is not out of date.

Views of Responsible Officials—See Corrective Action Plan.

2016-002 Contract #2016-001323 HIV Prevention Activities-Health Department Based (HIV Prevention)—Department of State Health and Human Services (DSHS)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Criteria—In accordance with the DSHS contract, Tarrant County must submit an "Activity Report," detailing the impact the funds of this program had on the community. This report is due March 28, 2016, September 30, 2016, and January 31, 2017. This report describes various programmatic performance for the required period.

Condition—During our testing of the non-financial reporting requirements, the various numbers presented in the two Comprehensive Activity Reports that were submitted during FY16 did not agree to the underlying data. The differences between the amounts reported and the underlying data amounts for each report are listed below:

Report	Due Date	Criteria	Amount Reported	Underlying Data
Comprehensive Activity Report	March 28, 2016	At least 75% of clients testing for HIV will receive results	1,163/1,168 or 99.5%	1,164/1,167 or 99.74%
		At least 95% of clients testing will receive results counseling	1,163/1,168 or 99.5%	32/32 or 100%
		HCV testing positive	11	9
		Condom Distribution—A minimum of 66,700 condoms will be distributed by January 31, 2017	73,802	45,560
		Condom Distribution—A minimum of 33 distribution sites will be established by January 31, 2017	32	36
Comprehensive Activity Report	September 30, 2016	At least 75% of clients testing for HIV will receive results	2,019/2,010 or 99.5%	2,005/2,013 or 99.6%
		At least 95% of clients testing will receive results counseling	2,019/2,010 or 99.5%	65/65 or 100%
		HCV testing positive	11	9
		Condom Distribution—A minimum of 66,700 condoms will be distributed by January 31, 2017	64,042	102,012
		Condom Distribution—A minimum of 33 distribution sites will be established by January 31, 2017	41	94

Questioned Costs—N/A

Context—2 out of the 2 reports were not accurately prepared from the underlying supporting information in the County's records.

Effect—Improper data reported to the grantor may impact the possible evaluation by the grantor of further continuance or additional funding of the program.

Cause—There appeared to be a lack of sufficient review to ensure the programmatic reporting is complete and accurate.

Recommendation—Management should implement a plan to have separate individuals gather/compile and review the compilation of the report for completeness and accuracy. Having one individual in charge of both responsibilities creates an opportunity for potential inaccuracies.

View of Responsible Officials—See Corrective Action Plan.

2016-003 Home Investment Partnership Program Grant (CFDA 14.239)—Community Development Department (CDD) (All Contracts, All Years)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Criteria—In accordance with 2016 Compliance Supplement, Part 4—Agency Program Requirements, the County must submit a performance report HUD 60002, Section 3 Summary Report, Economic Opportunities for Low and Very Low-Income Persons, (OMB No. 2529-0043). Form HUD-60002 has three parts which are to be completed for all programs covered by Section 3. Part I relates to employment and training, Part II of the form relates to contracting, and Part III summarizes recipients' efforts to comply with Section 3. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. As such, the County submits a Consolidated Annual Performance and Evaluation Report (CAPER) to the Department of Housing and Urban Development ("HUD") every year, and thus, the HUD 60002 shall utilize the same submission date (90 days after the grant's effective close out date).

Also, in accordance with HUD's instructions, the HUD 60002 "is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any public and Indian Housing programs that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to contracts and subcontracts in excess of \$100,000 awarded in connection with the Section-3-covered activity."

Condition—During our testing of the non-financial reporting requirements, we noted that the performance report HUD 60002 was not submitted to HUD during FY 2016. As the County completed a project (#3201) in excess of \$100,000, form HUD 60002 should have been submitted to HUD during FY 2016.

Questioned Costs—N/A

*Context—*1 annual performance report was not timely submitted to HUD.

*Effect—*Inadequate performance reporting can hinder program assessment by the grantor.

*Cause—*The County failed to submit the HUD 60002 report during FY 2016 for one of the projects in excess of \$100,000.

*Recommendation—*Management should have a reminder in place to alert them when a report due date is approaching.

*Views of Responsible Officials—*See Corrective Action Plan.

2016-004 Local Initiatives Projects—Emissions Task Force (Contract # 582-8-89958)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

*Criteria—*Per the grant contract, a Quality Arrest Report (QAR) is required to be submitted on a monthly basis after 15 days from the end of the month. The Quality Arrest Report is prepared by the Emissions Task Force Sergeant and reviewed by the Emission Task Force Commander to ensure completeness and accuracy of the report.

*Condition—*The QAR was prepared and review by the same employee, the Emission Task Force Commander. Also, during our compliance testing of the QAR, the County was not able to provide documentation support for the information summarized within the QAR.

Questioned Costs—N/A

*Context—*4 out of 12 random selections of quality arrest reports were not properly reviewed prior to being submitted and the supporting documentation was not available for review.

*Effect—*Failure to have segregation of duties in place could lead to a report being improperly prepared. Further, the lack of adequate supporting documentation does not allow for the report to be properly reviewed retroactively or verified through audit procedures when necessary.

*Cause—*The County failed to have segregation of duties due to improper staffing. Also, the supporting documentation was not maintained in a manner that is readily available to support the QARs.

*Recommendation—*Management should implement additional procedures to always include a report reviewer to ensure the QAR is reviewed and properly supported prior to being submitted.

*Views of Responsible Officials—*See Corrective Action Plan.

TARRANT COUNTY, TEXAS

CORRECTIVE ACTION PLAN (AS PREPARED BY COUNTY MANAGEMENT) FOR THE YEAR ENDED SEPTEMBER 30, 2016

2016-001 CFDA 93.914 HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)—Department of Health and Human Resources (HHS)

Contract #2016-001323 State Services—Department of State Health and Human Services (DSHS) (Ryan White HIV/AIDS Program Part B)

Eligibility—Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Recommendation—HIV Emergency and State Service management should regularly review the patient files to ensure patient information is not out of date.

Responsible Party—Ann Salyer-Caldwell, Deputy Director Public Health

Corrective Action Plan—Patient proof of income, residency and ID are checked upon each visit to the clinic. Appointment reminders are made the day before the appointment and any documents needed are requested to be brought to the visit. If the patient does not bring the items requested, they may be rescheduled in order to obtain them or will be seen at the clinic if the clinic supervisor or clinician deems it necessary.

The Preventative Medicine Clinic is seeking guidance from the Tarrant County HIV Administrative Agency, the North Central Texas Planning Council and the Texas Department of State Health Services to discuss consistent gaps in patient documentation and possible ramifications of denying services until resolved. Additionally, we will consider the use of self-attestations, as this is an allowable though not preferred method for the State program for six-month recertification.

Expected Completion Date—September 30, 2017

2016-002 Contract #2016-001323 HIV Prevention Activities-Health Department Based (HIV Prevention)—Department of State Health and Human Services (DSHS)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Recommendation—Management should implement a plan to have separate individuals gather/compile and review the compilation of the report for completeness and accuracy. Having one individual in charge of the responsibilities creates an opportunity for potential inaccuracies.

Responsible Party—Sandra Sentell, Operations Manager Public Health

Corrective Action Plan—Adult Health Services will utilize a sign-off form to document that separate individuals are preparing the report and reviewing it for completeness and accuracy. The HIV Prevention Supervisor will prepare the report. The Operations Manager will review it for completeness and accuracy. Additionally, the Division Manager will give a final review before the report is submitted.

Expected Completion Date—July 29, 2017

2016-003 Home Investment Partnership Program Grant (CFDA 14.239)—Community Development Department (CDD)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Recommendation—Management should have a reminder in place to alert them when a report due date is approaching.

Responsible Party—Patricia Ward, Director of Community Development

Corrective Action Plan—There were no HOME construction contracts in an amount greater than \$100,000 during this reporting period. Contracts were for CHDO set-aside and single-family housing rehabilitation (less than \$25,000).

Tarrant County Community Development will document the files and submit the Annual Section 3 Summary Report to HUD stating \$0 expended in Part II: Contracts Award Section.

Expected Completion Date—May 24, 2017

2016-004 Local Initiatives Projects—Emissions Task Force (Contract # 582-8-89958)

Reporting: Significant Deficiency in Controls and Non-Compliance with Grant Requirements

Recommendation—Management should implement additional procedures to always include a report reviewer to ensure the QAR is reviewed and properly supported prior to being submitted.

Responsible Party—Monty Gage, Commander Emissions Enforcement Task Force

Corrective Action Plan—Changes have been made to the statistics tracking spreadsheet to now include the arrest dates so it will correspond to relevant case numbers. The DPS report form has also been altered to include the personnel numbers of staff assigned to the Task Force, all case numbers related to investigations, charges filed and arrests made during the reporting period. These changes will allow for immediate retrieval of supporting documentation to allow the report to be reviewed or verified through audit procedures. Signature lines have been added for the preparer, a reviewer and the Chief's approval to document segregation of duties.

Expected Completion Date—May 23, 2017

TARRANT COUNTY, TEXAS

STATUS OF PRIOR YEAR FINDINGS (AS PREPARED BY COUNTY MANAGEMENT) FOR THE YEAR ENDED SEPTEMBER 30, 2016

2015-001 User Access Management and Security—Significant Deficiency in Controls

Status—Corrected.

2015-002 CFDA 14.871 Section 8 Housing Choice Voucher Program—Department of Housing and Urban Development

Special Tests: Selection from the Waiting List—Significant Deficiency in Controls and Noncompliance with Grant Requirements

Status—Corrected.

2015-003 Contract #02-3XXF5006 & 02-4XXF5001 Highway Planning and Construction—Courtesy Patrol Program in the Transportation Infrastructure Fund Grant—Texas Department of Transportation

CFDA 10.557 Supplemental Nutrition Program Women, Infants and Children ("WIC")—Passed Through the Texas Department of State Health Services

CFDA 93.917 HIV Care Formula Grants (Ryan White Part B)—Passed Through the Texas Department of State Health Services

Status—Corrected.