

# **City of Omaha, Nebraska**

Single Audit Reports

December 31, 2017



**City of Omaha, Nebraska**  
**Year Ended December 31, 2017**

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# City Of Omaha, Nebraska

## Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2017

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Restated Total Federal Expenditures
U.S. Department of Housing and Urban Development:				
Community Development Block Grants/Entitlement Grants Program Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-(13)-MC-31-0002	\$ -	\$ 115,994
Community Development Block Grants/Entitlement Grants	14.218	B-(14)-MC-31-0002	-	69,549
Community Development Block Grants/Entitlement Grants	14.218	B-(15)-MC-31-0002	234,517	829,302
Community Development Block Grants/Entitlement Grants	14.218	B-(16)-MC-31-0002	162,192	717,090
Community Development Block Grants/Entitlement Grants	14.218	B-(17)-MC-31-0002	302,681	1,597,123
Community Development Block Grants/Entitlement Grants	14.218		-	122,727
Subtotal for CFDA 14.218 - CDBG/Entitlement Grants Program Cluster			699,390	3,451,785
Community Development Block Grants/State-Administered Small Cities Program:				
Neighborhood Stabilization Program - 3	14.228	B-11-MN-31-0001	-	121,077
Neighborhood Stabilization Program - 3	14.228		-	22,769
Passed through Nebraska Department of Economic Development:				
Neighborhood Stabilization Program	14.228	0910S23	-	10,807
Subtotal for CFDA 14.228			-	154,653
Emergency Solutions Grants Program:				
Emergency Solutions Program - 2015	14.231	E15MC310001	2,778	2,778
Emergency Solutions Program - 2016	14.231	E16MC310001	338,964	338,964
Subtotal for CFDA 14.228			341,742	341,742
Shelter Plus Care Program:				
Shelter Plus Care - 2016	14.238	NE0039L7D011506	135,210	144,935
HOME Investment Partnerships Program:				
HOME Investment Partnership Program	14.239	M-13-DC-31-0203	-	341,065
HOME Investment Partnership Program	14.239	M-14-DC-31-0203	118,488	1,003,117
HOME Investment Partnership Program	14.239	M-15-DC-31-0203	352,278	512,922
HOME Investment Partnership Program	14.239	M-16-DC-31-0203	-	260,525
HOME Investment Partnership Program	14.239	M-17-DC-31-0203	-	257,914
HOME Investment Partnership Program	14.239		-	484,113
Subtotal for CFDA 14.239			470,766	2,859,656
Fair Housing Assistance Program State and Local Program:				
Fair Housing Assistance Program - 2010	14.401	FF207K107008	-	3,391
Fair Housing Assistance Program - 2014	14.401	FF207K147008	-	1,670
Fair Housing Assistance Program - 2015	14.401	FF207K157009	-	25,825
Fair Housing Assistance Program - 2016	14.401	FF207K167008	-	122,262
Subtotal for CFDA 14.401			-	153,148
Lead Hazard Reduction Demonstration Grant Program:				
2015 Lead Hazard Reduction Demonstration	14.905	NELHD0278-15	141,132	722,327
Total U.S. Department of Housing and Urban Development			1,788,240	7,828,246
U.S. Department of Interior:				
Historic Preservation Fund Grants-in-Aid Program:				
Passed through State of Nebraska Historical Society:				
Historic Preservation Fund Grants-in-Aid - 2015/16	15.904	2015/16 GRANT	-	32,966
Historic Preservation Fund Grants-in-Aid - 2016/17	15.904	2016/17 GRANT	-	7,314
Subtotal for CFDA 14.401			-	40,280
Total U.S. Department of Interior			-	40,280



**City Of Omaha, Nebraska**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended December 31, 2017**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Restated Total Federal Expenditures
U.S. Department of Justice:				
Law Enforcement Assistance - Narcotics and Dangerous Drugs -				
Laboratory Analysis Program:				
DEA - Marijuana Eradication	16.001	2017-85	\$ -	\$ 5,000
DEA - Drug Task Force	16.001		-	34,678
Subtotal for CFDA 16.001			-	39,678
Juvenile Justice and Delinquency Prevention Program:				
Passed through State of Nebraska Commission on Law				
Enforcement and Criminal Justice:				
2015 Title II	16.540	15-JJ-004	3,974	3,974
Mini-Grants Program:				
Reimbursements	16.xxx	Task Force Overtime	-	71,534
Passed through Federal Bureau of Investigation:				
Reimbursements	16.xxx	FY17 Equipment Purchase	-	1,900
Subtotal for CFDA 16.xxx			-	73,434
National Institute of Justice Research, Evaluation, and Development				
Project Grants:				
2014 Cold Case DNA	16.560	2014-DN-BX-K085	-	36,500
Violence Against Women Formula Grants:				
Passed through State of Nebraska Commission on Law				
Enforcement and Criminal Justice:				
NCC VAWA - 2015	16.588	15-VW-0714	74,800	128,642
NCC VAWA - 2016	16.588	16-VW-0707	70,921	116,909
Subtotal for CFDA 16.588			145,721	245,551
Grants to Encourage Arrest Policies and Enforcement of Protection				
Orders Program:				
ENC. ARREST POL. - GEAP 2011	16.590	2011-WE-AX-0018	29,014	52,658
Improving Criminal Justice Response - 2016	16.590	2016-WE-AX-0041	45,029	106,132
Subtotal for CFDA 16.590			74,043	158,790
Project Safe Neighborhoods Program:				
2015 Project Safe Neighborhoods	16.609	2015-GP-BX-0005	70,515	110,723
2016 Project Safe Neighborhoods	16.609	2016-GP-BX-0008	23,217	71,000
Subtotal for CFDA 16.609			93,732	181,723
Public Safety Partnership and Community Policing Grants:				
2014 COPS Hiring Grant	16.710	2014-UL-WX-0048	-	91,124
2015 COPS Hiring Grant	16.710	2015-UL-WX-0035	-	40,040
2016 COPS Hiring Grant	16.710	2016-UL-WX-0032	-	14,379
Subtotal for CFDA 16.710			-	145,543
Special Data Collections and Statistical Studies Program:				
2016 National Crime Statistics Exchange	16.734	2016-FU-CX-K062	179,498	187,873
Edward Byrne Memorial Justice Assistance Grant Program:				
2014 Justice Assistance (JAG)	16.738	2014-DJ-BX-0891	87,806	172,470
2015 Justice Assistance (JAG)	16.738	2015-DJ-BX-0270	135,657	215,070
2016 Justice Assistance (JAG)	16.738	2016-DJ-VX-0918	-	21,949
Passed through State of Nebraska Commission on Law				
Enforcement and Criminal Justice:				
Operation Probation Check	16.738	16-DA-0313	-	7,635
Subtotal for CFDA 16.738			223,463	417,124



**City Of Omaha, Nebraska**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended December 31, 2017**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Restated Total Federal Expenditures
Equitable Sharing Program: General Seized Assets	16.922	Justice	\$ -	\$ 563,535
Total U.S. Department of Justice			<u>720,431</u>	<u>2,053,725</u>
U.S. Department of Transportation: Highway Planning and Construction Cluster: Passed through Omaha-Council Bluffs Metropolitan Area Planning Agency:				
Highway Planning and Construction	20.205	MAPA 17504101201	-	28,354
Highway Planning and Construction	20.205	MAPA 18504101201	-	33,903
Passed through Nebraska Department of Transportation:				
Highway Planning and Construction	20.205	STPC-5011(8)	-	172,150
Highway Planning and Construction	20.205	BRO-5026(11)	-	15,824
Highway Planning and Construction	20.205	MAPA-5037(18)	-	2,240
Highway Planning and Construction	20.205	MAPA-28(116)	-	218,347
Highway Planning and Construction	20.205	MAPA-5127(1)	-	411,917
Highway Planning and Construction	20.205	HSIP-64-7(127)	-	1,632
Highway Planning and Construction	20.205	SRTS-28(96)	-	13,485
Highway Planning and Construction	20.205	STPC-5011(9)	-	88,518
Subtotal for CFDA 20.205 - Highway Planning and Construction Cluster			<u>-</u>	<u>986,371</u>
Highway Safety Cluster: State and Community Highway Safety: Passed through State of Nebraska Department of Highway Safety:				
State and Community Highway Safety	20.600	08-40	-	137,240
State and Community Highway Safety	20.600	213 Click-it or Ticket	-	17,979
State and Community Highway Safety	20.600	213 Selective Alcohol OT	-	12,006
State and Community Highway Safety	20.600	213 Selective Traffic OT	-	27,478
State and Community Highway Safety	20.600	213-YDYDYL	-	39,240
Subtotal for CFDA 20.600			<u>-</u>	<u>233,943</u>
National Priority Safety Programs: Passed through State of Nebraska Department of Highway Safety:				
National Priority Safety Programs	20.616	213 Click-it or Ticket	-	15,907
National Priority Safety Programs	20.616	213 Selective Alcohol OT	-	14,922
National Priority Safety Programs	20.616	Traffic Training - DRE	-	4,068
Subtotal for CFDA 20.616			<u>-</u>	<u>34,897</u>
Subtotal for Highway Safety Cluster			<u>-</u>	<u>268,840</u>
Total U.S. Department of Transportation			<u>-</u>	<u>1,255,211</u>
U.S. Department of Treasury: Equitable Sharing Program: General Seized Assets	21.000	Treasury	-	407,782
Total U.S. Department of Treasury			<u>-</u>	<u>407,782</u>



**City Of Omaha, Nebraska**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended December 31, 2017**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Restated Total Federal Expenditures
U.S. Environmental Protection Agency:				
Clean Water State Revolving Fund Cluster:				
Passed through State of Nebraska Department of Environmental Quality:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C317734	\$ -	\$ 431,860
Superfund State Political Subdivision, and Indian Tribe Site - Specific Cooperation Agreements:				
2015 EPA Lead Soil	66.802	V-97748601-0	905,267	2,654,853
Total U.S. Environmental Protection Agency			<u>905,267</u>	<u>3,086,713</u>
Executive Office of the President:				
High Intensity Drug Trafficking Areas Program:				
High Intensity Drug Trafficking Areas Program - METRO/COOR #15	95.001	G15MW0008A	-	686
High Intensity Drug Trafficking Areas Program - METRO/COOR #16	95.001	G16MW0008A	-	255,546
High Intensity Drug Trafficking Areas Program - METRO/COOR #17	95.001	G17MW0008A	-	180,963
Subtotal for CFDA 95.001			<u>-</u>	<u>437,195</u>
Total Executive Office of the President			<u>-</u>	<u>437,195</u>
U.S. Department of Homeland Security:				
Mini-Grants Program:				
Mini-Grants	97.xxx	K-9	-	9,500
Reimbursements	97.xxx	Project Extra Mile	-	6,432
Subtotal for CFDA 97.xxx			<u>-</u>	<u>15,932</u>
Assistance to Firefighters Grant Program:				
Assistance to Firefighters Grant	97.044	EMW-2014-FP-00935	-	108,645
Homeland Security Grant Program:				
Passed through Nebraska Emergency Management Agency:				
2015 State Homeland Security Program	97.067	EMW-2015-SS-00079-S01	-	134,197
2016 State Homeland Security Program	97.067	EMW-2016-SS-00084-S01	-	219,131
Subtotal for CFDA 97.067			<u>-</u>	<u>353,328</u>
National Explosives Detection Canine Team Program:				
Passed through Transportation and Security Administration:				
National Explosives Detection Canine Team Program	97.072	HST02-15-NCP458	-	202,000
Mini-Grants Program:				
Passed through Metropolitan Police Department:				
Mini-Grants	97.126	Inauguration Detail	-	31,514
Total Department of Homeland Security			<u>-</u>	<u>711,419</u>
Total expenditures of federal awards			<u>\$ 3,413,938</u>	<u>\$ 15,820,571</u>



**City Of Omaha, Nebraska**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2017**

**Note 1: Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial award programs of the City of Omaha, Nebraska (the "City") for the year ended December 31, 2017. The City's basic financial statements include the operations of Heartland Workforce Solutions (HWS), a discretely presented component unit, which received approximately \$2,255,000 in Federal awards which is not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2017. The City's reporting entity is defined in note 1 to the City's basic financial statements. For the purposes of the schedule, federal awards include grants, contracts, loans, and loan guarantee agreements entered into directly between the City and agencies and departments of the federal government or passed through other government agencies or other organizations. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position or cash flows, where applicable, of the City of Omaha, Nebraska.

**Note 2: Basis of Accounting**

Expenditures reported in the schedule are on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3: Outstanding Loan Principal Balances**

The federal loan programs listed subsequently are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 2017 consists of:

<b>CFDA Number</b>	<b>Program Name</b>	<b>Outstanding Balance at December 31, 2017</b>
14.218	Community Development Block Grant	\$ 114,719
14.228	Neighborhood Stabilization Program	21,756
14.239	HOME Investment Partnership Program	425,641

**City Of Omaha, Nebraska**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2017**



**Note 4: Restatement**

This Schedule has been restated due to the identification of additional expenditures under the Highway Planning and Construction Program (CFDA 20.205) requiring the Highway Planning and Construction Cluster to be considered a major program and tested as such. Changes from the previously issued Schedule to include an increase in federal expenditures under CFDA 20.205 from \$282,236 to \$986,371.



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**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***

**Independent Auditor's Report**

The Honorable Mayor  
and Members of the City Council  
City of Omaha, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Omaha, Nebraska (the City), as of and for the year ended December 31, 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 July 25, 2018. Our report includes a reference to other auditors who audited the financial statements of Heartland Workforce Solutions, Inc., as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

***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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 City's Response to Findings***

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

### ***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 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.

*BKD, LLP*

Omaha, Nebraska  
July 25, 2018

**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**

**Independent Auditor's Report**

The Honorable Mayor  
and Members of the City Council  
City of Omaha, Nebraska

**Report on Compliance for Each Major Federal Program**

We have audited the City of Omaha's (the City) 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 City's major federal programs for the year ended December 31, 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.

The City's basic financial statements include the operations as of June 30, 2017 of Heartland Workforce Solutions (HWS), a discretely presented component unit, which received approximately \$2,255,000 in federal awards which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2017. Our audit, described below, did not include the operations of HWS because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

***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* 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 of Omaha 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 December 31, 2017.

### ***Other Matter***

This report is replacing a previously issued report dated July 25, 2018 due to the identification of additional expenditures under the Highway Planning and Construction Program (CFDA 20.205) requiring the Highway Planning and Construction Cluster to be considered a major program and tested as such. Changes from the previously issued report include an increase in federal expenditures reported under CFDA 20.205 Highway Planning and Construction Program along with an increase in total federal expenditures, inclusion of the Highway Planning and Construction Cluster as a major program in the Summary of Auditor's Results, and the addition of finding 2017-002.

### **Report on Internal Control over Compliance**

Management of the City of Omaha 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2017-002, that we consider to be a material weakness.

The City's response to the internal audit control over compliance finding identified in our audit is described in the accompany schedule of findings and questioned costs and corrective action plan. The City'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 City of Omaha, Nebraska as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 25, 2018, which contained unmodified opinions 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 awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, 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.

*BKD, LLP*

Omaha, Nebraska  
August 7, 2019



**City of Omaha, Nebraska**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2017**



7. The City's major programs were:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Community Development Block Grants/Entitlement Grants Cluster	14.218
Highway Planning and Construction Cluster	20.205
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The City qualified as a low-risk auditee?  Yes  No



**City of Omaha, Nebraska**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2017**



**Findings Required to be Reported by *Government Auditing Standards***

Reference Number	Finding
2017-001	<p><b>Proposed Audit Adjustments</b></p> <p><b>Criteria or Specific Requirement</b> – Management is responsible for the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).</p> <p><b>Condition</b> – The preparation of the City’s financial statements required proposed adjusting journal entries for proper financial statement presentation. See 2016-001, 2015-001 and 2014-001.</p> <p><b>Context</b> – City procedures did not allow for the proper evaluation of potential adjustments that, individually or in the aggregate, have a significant effect on the financial statements at year-end.</p> <p><b>Effect</b> – Current year adjustments were identified and proposed in connection with the financial statement audit</p> <p><b>Cause</b> – City controls did not identify all potential adjustments that had a significant effect on the financial statements at year-end.</p> <p><b>Recommendation</b> – Management should review procedures to help ensure that controls are in place that will allow for the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions (Management’s Response)</b> – City management has reviewed the proposed adjustments and will ensure that the recommended procedures are incorporated in future fiscal year financial statements.</p>

**City of Omaha, Nebraska**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2017**



**Findings Required to be Reported by the Uniform Guidance**

Reference Number	Finding
2017-002	<p><b>Schedule of Expenditures of Federal Award Preparation CFDA No. 20.205 Highway Planning and Construction Cluster</b></p> <p><b>Department of Transportation, Award Number – None Provided, Multiple Award Years</b></p> <p><b>Passed through Nebraska Department of Transportation</b></p> <p><b><i>Criteria or Specific Requirement</i></b> – In accordance with 2 Part 200.510, auditees receiving federal funds must prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the value and type of federal assistance received each year. The federal Office of Management and Budget issues instructions on how to prepare this schedule. Key information to be reports includes the catalog of federal domestic assistance (CFDA) number provided in the federal awards/subaward agreements and associated expenditures incurred in the fiscal year. At the City of Omaha, the City Finance Department prepares the SEFA based on information in the accounting system and additional information provided by various departments receiving federal funds.</p> <p><b><i>Condition</i></b> – Total expenditures of \$282,236 originally reported for the Highway Planning and Construction Cluster were increased to \$986,371 for year ended December 31, 2018.</p> <p><b><i>Questioned Costs</i></b> – None</p> <p><b><i>Context</i></b> – During testing for the 2018 compliance audit, we identified expenditures incurred in 2017 that had not been reported in the 2017 schedule of expenditures for this program. Expenditures from 2017 were accumulated and added to the 2017 schedule and the program was tested as a Type A Program. Sampling was not used in identifying the additional expenditures.</p>

**City of Omaha, Nebraska**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2017**



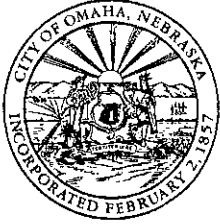
**Findings Required to be Reported by the Uniform Guidance - Continued**

Reference Number	Finding
2017-002	<p><b>Effect</b> – The federal government and pass-through entities rely on the SEFA information to be reported accurately. In addition, accurate SEFA information is relied upon by the auditors in order to perform the major program determination utilized to select the federal programs subjected to single audit procedures. The condition above resulted in the reissuance of the City’s 2017 Single Audit Report for restatement of the SEFA and inclusion of the Highway Planning and Construction Cluster as a major program.</p> <p><b>Cause</b> – Grant management at the City is decentralized and requires multiple departments to provide required information to the City’s finance department to facilitate the preparation of the SEFA. The amounts provided by Public Works personnel included only amounts that had been requested for reimbursement rather than total expenditures incurred.</p> <p><b>Identification as a Repeat Finding</b> – <i>Not applicable.</i></p> <p><b>Recommendation</b> – We recommend that all expenditures be identified and reconciled to the general ledger and reported on the SEFA for the Highway Planning and Construction Program.</p> <p><b>Views of Responsible Officials and Planned Corrective Actions (Management’s Response)</b> – City management agrees with the above finding. See separate report for planned corrective actions.</p>

**City of Omaha, Nebraska**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2017**



Reference Number	Summary of Finding	Status
2016-001	<p><b>Finding</b> – The preparation of the City’s financial statements required proposed adjusting journal entries for proper financial statement presentation.</p> <p><b>Reasons for Recurrence and Planned Corrective Action</b> – City management reviewed the proposed adjustments for the prior audit and made numerous changes and corrections for the current audit. Many of the adjustments identified in connection with the current audit were not repeat adjustments from the prior audit. City management has reviewed the proposed adjustments for the current audit and will ensure that the recommended procedures are incorporated in future fiscal year financial statements.</p>	<p>Partially Corrected  See 2017-001</p>



City of Omaha  
Jean Stothert, Mayor

July 24, 2018

BKD, LLP  
Certified Public Accounts  
1120 So. 101<sup>st</sup> St., Ste. 410  
Omaha, NE 68124

To Whom It May Concern:

Please include the response below as the City of Omaha's response to Audit finding 2017-001.

Reasons for Recurrence and Planned Corrective Action – City management reviewed the proposed adjustments for the prior audit and made numerous changes and corrections for the current audit. Many of the adjustments identified in connection with the current audit were not repeat adjustments from the prior audit. City management has reviewed the proposed adjustments for the current audit and will ensure that the recommended procedures are incorporated in the future year financial statements.

Sincerely,

Allen R. Herink  
City Comptroller

ARH/rl

**Finance Department**

Omaha/Douglas Civic Center  
1819 Farnam Street, Suite 1004  
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(402) 444-5417  
Telefax (402) 546-1150

**Stephen Curtiss**  
Finance Director

**Allen Herink**  
City Comptroller



City of Omaha  
Jean Stothert, Mayor

## Finance Department

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**Stephen B. Curtiss**  
Finance Director  
Acting City Comptroller

**Allen Herink**  
Finance Administrator

August 7, 2019

BKD, LLP  
Certified Public Accounts  
1120 So. 101<sup>st</sup> St., Ste. 410  
Omaha, NE 68124

To Whom It May Concern:

Please include the response below as the City of Omaha's response to Audit finding 2017-002.

Views of Responsible Officials and Planned Corrective Action – City management reviewed the proposed adjustments for the Highway Planning and Construction Program and restated the SEFA for the year ending December 31, 2017. City management has revised the procedures to include all expenditures incurred within the reporting period.

Sincerely,

Allen R. Herink  
Finance Administrator