

City of Houston, Texas

Single Audit Report for the
Year Ended June 30, 2010

CITY OF HOUSTON, TEXAS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor, Members of
City Council and City Controller of the
City of Houston, Texas

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 Houston, Texas (the "City"), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 30, 2010. We did not audit the financial statements of the Firefighter's Relief and Retirement Pension Trust Fund, the Municipal Employees' Pension Trust Fund, and the Police Officers' Pension Trust Fund, blended component units of the City, which, in aggregate, represent 100% of the assets of the pension trust funds, within the fiduciary funds. In addition, we did not audit the financial statements of the Houston Area Water Corporation, a nonmajor business-type enterprise fund, which represents 0% and 0% of the assets and revenues of business-type activities of the City. We also did not audit the financial statements of any governmental discretely presented component units (except for the Houston Area Library Automated Network and Lamar Terrace Public Improvement District), which represent .1% and 1%, respectively, of the assets and revenues of the governmental discretely presented component units or any business-type (except Houston Zoo Inc.), which represent 20% and 29%, respectively, of the assets and revenues of the business-type discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for such business-type activities, pension trust funds, and governmental and business — type discretely presented component units, is based solely on the reports of the other auditors. The City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which requires the measurement, recognition, and display of intangible assets for the year ended June 30, 2010. The City also adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which requires the measurement, recognition, and display of derivative instruments for the year ended June 30, 2010. In addition, the City restated beginning net assets related to a change in the composition of discretely presented governmental component units. We conducted our audit 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, and the State of Texas *Uniform Grant Management Standards* ("UGMS"). This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. None of the financial statements audited by other auditors (except for the Houston Business Development Inc. and the Midtown Redevelopment Authority, governmental discretely presented component units) were audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs identified as 2010-1 to be a material weakness.

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*.

We noted certain matters that we reported to management of the City in a separate letter dated November 30, 2010.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response, and we express no opinion on it.

This report is intended solely for the information and use of management, the Mayor, Members of City Council, the City Controller, others within the City, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte Touche LLP

November 30, 2010

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE AWARD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

To the Honorable Mayor, Members of
City Council and City Controller of the
City of Houston, Texas

Compliance

We have audited the City of Houston, Texas (the "City") compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement*, and the State of Texas *Uniform Grant Management Standards* ("UGMS") that could have a direct and material effect on each of the City's major federal and state programs for the year ended June 30, 2010. The City's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit. The City's basic financial statements include the operations of Houston Business Development Inc., a governmental discretely presented component unit, which received \$2,528,739 in federal awards which is not included in the schedule during the year ended June 30, 2010. Our audit, described below, did not include the operations of Houston Business Development Inc. because such component unit engaged other auditors to perform an audit in accordance with Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and UGMS. Those standards, OMB Circular A-133, 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 federal or state 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in items 2010-2, 2010-3 and 2010-5, in the accompanying schedule of findings and questioned costs, the City did not comply with the requirements regarding allowable costs related to the Public Safety Interoperable Communications Grant Program; Davis-Bacon Act related to the West Park Recycling Program; and reporting related to the Community Development Block Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements for those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2010. The results of our auditing procedures also disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and UGMS and which are described in the accompanying schedule of findings and questioned costs as items 2010-4 and 2010-6.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and UGMS, but not for the purpose of expressing an opinion of 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-2, 2010-3 and 2010-5 to be material weaknesses.

A significant deficiency in internal control over compliance is as deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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. We consider the deficiencies in internal control over compliance described in the accompany schedule of findings and questioned costs as items 2010-4 and 2010-6 to be significant deficiencies.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements 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 as of and for the year ended June 30, 2010, and have issued our report thereon dated November 30, 2010. We did not audit the financial statements of the Firefighter's Relief and Retirement Pension Trust Fund, the Municipal Employees' Pension Trust Fund, and the Police Officers' Pension Trust Fund, blended component units of the City, which, in aggregate, represent 100% of the assets of the pension trust funds, within the fiduciary funds. In addition, we did not audit the financial statements of the Houston Area Water Corporation, a nonmajor business-type enterprise fund, which represents 0% and 0% of the assets and revenues of business-type activities of the City. We also did not audit the financial statements of any governmental discretely presented component units (except for the Houston Area Library Automated Network and Lamar Terrace Public Improvement District), which represent .1% and 1%, respectively, of the assets and revenues of the governmental discretely presented component units or any business-type discretely presented component units (except Houston Zoo Inc.), which represent 20% and 29%, respectively, of the assets and revenues of the business-type discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for such business-type activities, pension trust funds, and governmental and business — type discretely presented component units, is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and UGMS and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Mayor, Members of City Council, the City Controller, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte's Tsuele LLP

November 30, 2010

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Executive Office of the President			
Office of National Drug Control Policy			
<i>Houston High Intensity Drug Trafficking Area (HIDTA)</i>			
HIDTA 2005	07.15PHNP500Z	I5PHNP500Z	719
Meth Initiative Group	07.18PHNP500Z	I8PHNP500Z	3,932
Meth Initiative Group	07.18PHNP500Z	I8PHNP500Z	14,885
Major Drug Squad / 10	07.17PHNP500A	I7PHNP500A	104,088
Major Drug Squads	07.18PHNP500Z	I8PHNP500Z	133,264
Major Drug Squads	07.18PHNP500Z	I8PHNP500Z	(95,765)
Houston Intl Support CNT / 4	07.17PHNP501	I7PHNP501	(2,047)
Houston Intl Support	07.18PHNP500Z	I8PHNP500Z	156,385
Houston Intl Support	07.18PHNP500Z	I8PHNP500Z	(2,988)
Truck, Air, Rail, Port / 2	07.14PHNP502	I4PHNP502	20
Truck, Air, Rail, Port / 5	07.17PHNP502	I7PHNP502	(18)
Truck, Air, Rail, Port	07.18PHNP500Z	I8PHNP500Z	826,528
Truck, Air, Rail, Port	07.18PHNP500Z	I8PHNP500Z	(56,372)
Narcotics Oper Ctrl Int / 11	07.17PHNP503	I7PHNP503	(638)
Narcotics Operations	07.18PHNP500Z	I8PHNP500Z	45,453
Narcotics Operations	07.18PHNP500Z	I8PHNP500Z	277,669
Houston Money Launder / 11	07.17PHNP520	I7PHNP520	(5,571)
Houston Money Launder	07.18PHNP500Z	I8PHNP500Z	26,617
Houston Money Launder	07.18PHNP500Z	I8PHNP500Z	160,510
Gang & Nontrad Squad / 6	07.17PHNP525	I7PHNP525	56,004
Gang & Nontrad Squad	07.18PHNP500Z	I8PHNP500Z	455,977
Gang & Nontrad Squad	07.18PHNP500Z	I8PHNP500Z	(7,312)
Target NARC Enforce / 6	07.17PHNP533	I7PHNP533	322,591
Target NARC Enforce	07.18PHNP500Z	I8PHNP500Z	815,570
Target NARC Enforce	07.18PHNP500Z	I8PHNP500Z	(264,422)
HIDTA 2006	07.16PHNP500Z	I6PHNP500Z	71,977
Drug Traffic Org	07.IP6PHNP534	IP6PHNP534	223
Total Office of National Drug Control Policy			\$ 3,037,282

Department of Agriculture

National Institute of Food and Agriculture

Department of Agriculture Passed Through ---

TX Dept. of AG

Grants for Agricultural Research_Competitive Research Grants	10.206	2008-55215-18875	45,644
Grants for Agricultural Research_Competitive Research Grants	10.206	2008-55215-18875	98,602
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2007-020879-001	2,042

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2008-024649	(2,178)
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2010-033575-001	9,274,606
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2009-030104-001	<u>3,124,835</u>
Total Texas Department of Agriculture			<u>12,543,550</u>
<i>Department of Agriculture Passed Through --- TX Dept. of AG</i>			
Summer Food Service Program for Children	10.559	10TX1011007	1,149,240
Summer Food Service Program for Children	10.559	09TX1011007	<u>1,403,383</u>
Total Department of Agriculture Passed Through --- TX Dept. of Agriculture:			<u>2,552,623</u>
Total Department of Agriculture			<u>\$ 15,096,173</u>
Department of Commerce			
Economic Development Administration Economic Development_Support for Planning Organizations	11.302	08-01-03113.01	<u>147,000</u>
National Telecommunications And Information Administration Passed Through Public Safety Interoperable Communication Grant Program	11.555	2007-GS-H7-0044	<u>7,020,384</u>
Total Department of Commerce			<u>\$ 7,167,384</u>
U. S. Department of Housing & Urban Development :			
Community Development Block Grant Community Development Block Grants/Entitlement Grants	14.218	B05MC480018	14,558
Community Development Block Grants/Entitlement Grants	14.218	B06MC480018	803,036
Community Development Block Grants/Entitlement Grants	14.218	B07MC480018	1,586,909
Community Development Block Grants/Entitlement Grants	14.218	B08MC480018	5,292,023
Community Development Block Grants/Entitlement Grants	14.218	B09MC480018	20,496,853
Community Development Block Grants/Entitlement Grants	14.218	B04MC480018	264,105

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Community Development Block Grants/Entitlement Grants	14.218	B03MC480018	118,429
Community Development Block Grants/Entitlement Grants	14.218	B02MC480018	6,215
Community Development Block Grants/Entitlement Grants	14.218	B01MC480018	(11,908)
Community Development Block Grants/Entitlement Grants	14.218	B99MC480018	23,104
Community Development Block Grants/Entitlement Grants	14.218	B98MC480018	(312)
Community Development Block Grants/Entitlement Grants	14.218	B97MC480018	65
Community Development Block Grants/Entitlement Grants	14.218	B96MC480018	8,455
Community Development Block Grants/Entitlement Grants	14.218	B95MC480018	13,528
Community Development Block Grants/Entitlement Grants	14.218	B93MC480018	6,831
Community Development Block Grants/Entitlement Grants	14.218	B92MC480018	53,750
Community Development Block Grants/Entitlement Grants	14.218	B89MC480018	441
Community Development Block Grants/Entitlement Grants	14.218	B88MC480018	3,824
Community Development Block Grants/Entitlement Grants	14.218	B84MC480018	1
Community Development Block Grants/Entitlement Grants	14.218	B94MC480018	<u>2,209</u>
Total Community Development Block Grant			<u>28,682,116</u>
Texas Dept. Of Housing & Community Affair Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.218	B-09-MN-48-0400	421,590
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	70090001	15,017,469
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.218	77090000117	3,078,286
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	B-06-DG-48-0002	<u>5,123,725</u>
Total Texas Dept. Of Housing & Community Affair			<u>23,641,071</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Emergency Shelter Grants Program			
Emergency Shelter Grants Program	14.231	S05MC480002	58,337
Emergency Shelter Grants Program	14.231	S06MC480002	1,153
Emergency Shelter Grants Program	14.231	S08MC480002	93,370
Emergency Shelter Grants Program	14.231	S09MC480002	1,102,537
Emergency Shelter Grants Program	14.231	S04MC480002	9,189
Total Emergency Shelter Grants Program			<u>1,264,585</u>
Home Investment Partnerships Program			
Home Investment Partnerships Program	14.239	M00MC480206	581,061
Home Investment Partnerships Program	14.239	M98MC480206	877,276
Home Investment Partnerships Program	14.239	M97MC480206	740,821
Home Investment Partnerships Program	14.239	M09MC480206	9,885,231
Home Investment Partnerships Program	14.239	M94MC480206	155,000
Home Investment Partnerships Program	14.239	M95MC480206	546,065
Home Investment Partnerships Program	14.239	M02MC480206	305,541
Home Investment Partnerships Program	14.239	M01MC480206	2,314,641
Home Investment Partnerships Program	14.239	M93MC480206	98,386
Home Investment Partnerships Program	14.239	M03MC480206	234,909
Home Investment Partnerships Program	14.239	M06MC480206	4,633,235
Home Investment Partnerships Program	14.239	M07MC480206	4,419,911
Home Investment Partnerships Program	14.239	M08MC480206	8,104,585
Home Investment Partnerships Program	14.239	M04MC480206	2,347,448
Home Investment Partnerships Program	14.239	M05MC480206	3,532,190
Total HOME Investment Partnerships Program			<u>38,776,301</u>
Housing Opportunities for Persons with AIDS			
Housing Opportunities for Persons with AIDS	14.241	TX21H05-F003	483,289
Housing Opportunities for Persons with AIDS	14.241	TX21H04-F003	291,290
Housing Opportunities for Persons with AIDS	14.241	TX21H03-F003	122,130
Housing Opportunities for Persons with AIDS	14.241	TX21H02-F003	29,191
Housing Opportunities for Persons with AIDS	14.241	TX21H01-F003	16,506

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Housing Opportunities for Persons with AIDS	14.241	TX21H06-F003	274,624
Housing Opportunities for Persons with AIDS	14.241	TX21H07-F003	1,429,037
Housing Opportunities for Persons with AIDS	14.241	TX-H09-F003	1,629,689
Housing Opportunities for Persons with AIDS	14.241	TX-H08-F004	<u>3,948,628</u>
Total Housing Opportunities for Persons with AIDS			<u>8,224,384</u>
CDBG/Brownfield Economic Development Initiative Community Development Block Grants/Brownfields Economic Development Initiative	14.246	B05SPTX0985	120,280
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	E95EZ480006	<u>32,160</u>
Total CDBG/Brownfield Economic Development Initiative			<u>152,440</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing			
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900	TXLHB0310-05	41
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900	TXLHB0459-09	2,958
Lead-Based Paint Hazard Control in Privately- Owned Housing	14.900	TXLHB0378-07	<u>1,120,103</u>
Total Lead-Based Paint Hazard Control in Privately Owned Housing			<u>1,123,103</u>
Lead Hazard Reduction Demonstration Grant Program			
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0031-04	891
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0202-09	2,624
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHDO175-07	<u>1,161,696</u>
Total Lead Hazard Reduction Demonstration Grant Program			<u>1,165,211</u>
Total U. S. Department of Housing & Urban Development			<u>\$ 103,029,213</u>
Department of the Interior			
Fish and Wildlife Service			
Partners for Fish and Wildlife	15.631	1448-20181-08-G580	<u>10,000</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
National Park Service Outdoor Recreation_Acquisition, Development and Planning	15.916	48-001075	<u>319,774</u>
Total Department of the Interior			<u>\$ 329,774</u>
Department of Justice			
Combined DNA Index System Shared Forfeiture Property	16.000		<u>1,212,710</u>
Office of Juvenile Justice and Delinquency Prevention National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2008-DN-BX-K205	<u>119,418</u>
Governor's Office Criminal Justice Division Juvenile Justice and Delinquency Prevention_ Allocation to States	16.540	JA-09-J21-21566-01	55,101
Juvenile Accountability Block Grants	16.523	JB-06-J20-13322-09	12
Juvenile Accountability Block Grants	16.523	JB-08-J20-13322-11	124,688
Juvenile Accountability Block Grants	16.523	JB-07-XXX-13322-10	18,965
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2090701	218,147
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1269	1,293,413
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2006DJ BX 0286	457,567
Edward Byrne Memorial Justice Assistance	16.738	DH-06-A10-18445-01	(1,750)
Crime Victim Assistance	16.575	VA-08-V30-13592-09	929
Crime Victim Assistance	16.575	VA-08-V30-13592-10	<u>27,167</u>
Total Governor's Office Criminal Justice Division			<u>2,194,239</u>
Crime Laboratory Improvement Combined Offender Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2008-DD-BX-0332	307,136
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2008-DD-BX-0471	277,100

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2007-DD-BX-0597	714,063
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2007-DD-BX-0593	<u>(1,979)</u>
Total Crime Laboratory Improvement Combined Offender			<u>1,296,320</u>
Executive Office for Weed & Seed Community Capacity Development Office	16.595	2007-WS-Q7-0259	21,346
Community Capacity Development Office	16.595	2008-WS-QX-0089	103,222
Community Capacity Development Office	16.595	2008-WS-QX-0089	<u>39,712</u>
Total Executive Office for Weed & Seed			<u>164,280</u>
Bureau of Justice Assistance Bulletproof Vest Partnership Program	16.607		<u>27,636</u>
Sam Houston State University Project Safe Neighborhoods	16.609	32120SO27	(538)
Project Safe Neighborhoods	16.609	321-20-B128	2,121
Project Safe Neighborhoods	16.609	S04D77205	(21)
Project Safe Neighborhoods	16.609	321-20-S036	(302)
Project Safe Neighborhoods	16.609	321-20-S038	(20)
Project Safe Neighborhoods	16.609	321-20-B127	48,297
Project Safe Neighborhoods	16.609	2008-GP-CX-0068	12,949
Project Safe Neighborhoods	16.609	321-20-B125	27,880
Project Safe Neighborhoods	16.609	321-20-B145	28,276
Project Safe Neighborhoods	16.609	321-20-S054	5,838
Project Safe Neighborhoods	16.609	321-20-S053	810
Project Safe Neighborhoods	16.609	321-20-B129	13,400
Project Safe Neighborhoods	16.609	321-20-B147	13,571
Project Safe Neighborhoods	16.609	321-20-B126	<u>48,712</u>
Total Sam Houston State University			<u>200,973</u>
Office Community Oriented Policing Services Public Safety Partnership and Community Policing Grants	16.710	2005CKWX0224	365,417

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Public Safety Partnership and Community Policing Grants	16.710	2003INWX0003	2,150,592
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0054	<u>3,410,396</u>
Total Office Community Oriented Policing Services			<u>5,926,405</u>
National Institute of Justice Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K130	<u>185,513</u>
Paul Coverdell Forensic Sciences Improvement Grant			
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	321-20-B146	31,462
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	17319-06	239,660
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	17319-05	<u>1</u>
Total Paul Coverdell Forensic Sciences Improvement Grant			<u>271,123</u>
Total Department of Justice			<u><u>\$ 11,598,616</u></u>
Department of Labor			
Department of Labor Employment Training Administration Passed Through WIA Dislocated Workers	17.260	73330	<u>62,892</u>
Total Department of Labor			<u><u>\$ 62,892</u></u>
Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-48-0110-33-2007	1,135,918
Airport Improvement Program	20.106	3-48-0110-32-2007	242,925
Airport Improvement Program	20.106	3-48-0110-035	813,294
Airport Improvement Program	20.106	3-48-0111-075	1,625,982
Airport Improvement Program	20.106	3-48-0290-021	299,542
Airport Improvement Program	20.106	3-48-0111-078	957,473
Airport Improvement Program	20.106	3-48-0111-079	12,304,289
Airport Improvement Program	20.106	3-48-0111-080	10,000,000
Airport Improvement Program	20.106	3-48-0110-037	6,492,325
Airport Improvement Program	20.106	3-48-0110-83	3,878,982
Airport Improvement Program	20.106	3-48-0111-084	2,501,123
Airport Improvement Program	20.106	3-48-0290-18	1,081,231

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Airport Improvement Program	20.106	3-48-0111-070-2008	234,412
Total Federal Aviation Administration			<u>41,567,496</u>
Federal Highway Administration			
Highway Planning and Construction	20.205	TCSP-TX096(001)-55BO	43,919
Highway Planning and Construction	20.205	TCSE004-Q69	52,020
Highway Planning and Construction	20.205	CSJ:#0912-72-171	45,611
Highway Planning and Construction	20.205	CSJ:0912-72-067	61,449
Highway Planning and Construction	20.205	CSJ:0912-72-010	40,000
Highway Planning and Construction	20.205	CSJ0912-71-634	758,623
Highway Planning and Construction	20.205	CSJ0912-72-19/23/22/21	215,455
Highway Planning and Construction	20.205	CSJ0912-72-215	1,177,386
Highway Planning and Construction	20.205	CSJ0912-71-739	150,839
Highway Planning and Construction	20.205	CSJ0912-71-705	24,997
Highway Planning and Construction	20.205	CSJ0912-72-070	2,422,165
Recreational Trails Program	20.219	RT0615	<u>99,889</u>
Total Federal Highway Administration			<u>5,092,352</u>
State & Community Highway Safety			
State and Community Highway Safety	20.600	060504A1BR	(207)
State and Community Highway Safety	20.600	070701A1AM	(22)
State and Community Highway Safety	20.600	070701A1AM	(89)
State and Community Highway Safety	20.600	070701A1AM	(180)
State and Community Highway Safety	20.600	070701A1AM	(90)
State and Community Highway Safety	20.600	070701B1AA	(102)
State and Community Highway Safety	20.600	588EGF6057	22
State and Community Highway Safety	20.600	ISC-6-1263	1,455
State and Community Highway Safety	20.600	2SC-6-1263	202,551
State and Community Highway Safety	20.600	STEP 2009 CMV	236,169
State and Community Highway Safety	20.600	STEP 2009 CMV	356,515
State and Community Highway Safety	20.600	STEP 2009 CMV	428,256
State and Community Highway Safety	20.600	STEP 2009 COMPREHENSIVE	348,512
State and Community Highway Safety	20.600	STEP 2009 COMPREHENSIVE	211,890
State and Community Highway Safety	20.600	STEP IDM	119,689
State and Community Highway Safety	20.600	STEP IDM	94,336

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	070202B1BE	<u>(34)</u>
Total State & Community Highway Safety			<u>1,998,670</u>
Federal Motor Carrier Safety Administration National Motor Carrier Safety	20.218	27XX48MH08HOUS15780	<u>266,654</u>
Total Department of Transportation			<u>\$ 48,925,172</u>
Department of Treasury			
Shared Forfeiture Property - Treasury	21.000		<u>\$ 510,088</u>
U.S. General Services Administration			
Donation of Federal Surplus Personal Property	39.003		<u>\$ 437,913</u>
Institute of Museum and Library Services			
Texas State Library and Archive Comm			
Grants to States	45.310	476-09009	7,274
Grants to States	45.310	470-09010	160,065
Grants to States	45.310	476-10014	38,303
Grants to States	45.310	470-10014	400,738
Grants to States	45.310	771-10030	245,479
Grants to States	45.310	713-10008	25,000
Grants to States	45.310	771-08006	(54)
Grants to States	45.310	771-09021	<u>70,284</u>
Total Texas State Library and Archive Comm			<u>947,089</u>
Laura Bush 21st Century Library Program Laura Bush 21st Century Librarian Program	45.313	RE-01-06-0088	<u>99,882</u>
Total Institute of Museum and Library Services			<u>\$ 1,046,972</u>
U. S. Environmental Protection Agency			
Air Pollution Control Program Support			
Air Pollution Control Program Support	66.001	582-8-72687	119,859
Air Pollution Control Program Support	66.001	582-8-72687	<u>303,500</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Total Air Pollution Control Program Support			<u>423,359</u>
Studies, Surveys Demonstrations Clean Air Act Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-96620501-0	23,754
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-96648301-0	27,729
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	XA-96665901-0	<u>475,632</u>
Total Studies, Surveys Demonstrations Clean Air Act			<u>527,115</u>
Office of the Chief Financial Officer Passed Through Congressionally Mandated Projects	66.202	582-7-72659	<u>65,604</u>
Texas Water Development Board Capitalization Grants for Clean Water State Revolving Funds	66.458	128200	923,377
Capitalization Grants for Clean Water State Revolving Funds	66.458	132500	4,274,890
Capitalization Grants for Clean Water State Revolving Funds	66.458	L060016	2,737,307
Capitalization Grants for Clean Water State Revolving Funds	66.458	L070016	<u>10,690,273</u>
Total Texas Water Development Board			<u>18,625,847</u>
Office of Water Water Pollution Control State, Interstate, and Tribal Program Support.	66.419	582-8-80189	<u>144,191</u>
Texas Commission on Environmental Quality Passed Through National Estuary Program	66.456	582-8-84969	<u>3,289</u>
Brownfields Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF96682001-01	91,028

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96681901-0	<u>25,728</u>
Total Brownfields			<u>116,756</u>
Total U. S. Environmental Protection Agency			<u>\$ 19,906,161</u>
Department of Energy			
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance.	81.117	DE-FC36-08GO18100	<u>69,389</u>
Total Department of Energy			<u>\$ 69,389</u>
Department of Education			
Safe and Drug-Free Schools and Communities _ State Grants	84.186	ED-09J2119220-03	52,581
Safe and Drug-Free Schools and Communities _ State Grants	84.186	ED-08-J20-19220-02	<u>487</u>
Total Department of Education			<u>\$ 53,069</u>
Health and Human Services/Texas Department of Aging & Disability Services			
Special Programs for the Aging Title VII - Chapter 3 Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2010-EAP-13	41,745
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2009-EAP-13	<u>1,597</u>
Total Special Programs for the Aging Title VII - Chapter 3			<u>43,342</u>
Special Programs for the Aging Title VII - Chapter 2 Special Programs for the Aging Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	2010-OAG-13	<u>100,019</u>
Special Programs for the Aging Title III - Part D Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2010-EAP-13	127,192
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2009-EAP-13	<u>79,375</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Total Special Programs for the Aging Title III - Part D			<u>206,567</u>
Special Programs for the Aging Title III - Part B			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2007-3B-13	121
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2008-3B-13	(280)
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2009-3B-13	907,779
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2010-3B-13	1,542,346
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2007-ADM-13	108
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2010-ADM-13	627,442
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2009-ADRC-13	11,214
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2010-ADRC-13	149,169
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2008-ADM-13	(222)
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2009-ADM-13	<u>211,664</u>
Total Special Programs for the Aging Title III - Part B			<u>3,449,341</u>
Special Programs for the Aging Title III - Part C			
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	2009-3C1-13	499,114

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	93.045	2010-3C1-13	821,365
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	93.045	2010-3C2-13	1,572,580
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	93.045	2009-3C2-13	<u>699,482</u>
Total Special Programs for the Aging Title III - Part C			<u>3,592,541</u>
Special Programs for the Aging_ Title IV_ and Title II_ Discretionary Projects Special Programs for the Aging_ Title IV_ and Title II_ Discretionary Projects	93.048	2009-IKE-13	<u>37,500</u>
Alzheimer's Disease Demonstration Grants Alzheimer's Disease Demonstration Grants to States	93.051	2008-ALZ-13	<u>107</u>
National Family Caregiver Support National Family Caregiver Support, Title III, Part E	93.052	2008-3E-13	-
National Family Caregiver Support, Title III, Part E	93.052	2010-3E-13	868,066
National Family Caregiver Support, Title III, Part E	93.052	2009-3E-13	<u>342,646</u>
Total National Family Caregiver Support			<u>1,210,711</u>
Nutrition Services Incentive Program Nutritional Services Incentive Program	93.053	2010-NSIP-13	1,143,306
Nutritional Services Incentive Program	93.053	2009-NSIP-13	<u>674,336</u>
Total Nutrition Services Incentive Program			<u>1,817,643</u>
Centers for Medicare & Medicaid Services Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MIPPA	36,280
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MSEA	18,028
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2011-CMS-16	13,095
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2010-CMS-16	<u>62,985</u>
Total Centers for Medicare & Medicaid Services			<u>130,388</u>
Medicare Enrollment Assistance Program Medicare Enrollment Assistance Program	93.071	2009-MIPPA-ADRC	40,550

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Medicare Enrollment Assistance Program	93.071	2009-MIPPA-AAA	23,758
Total Medicare Enrollment Assistance Program			<u>64,308</u>
Total Texas Department of Aging & Disability Services			<u>\$ 10,652,467</u>
Centers for Disease Control & Prevention			
Project Grants & Cooperative Agreements for TB Control			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CCU600445-26	2,020
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-27	(834)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2009-030762-001	12,128
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2010-033728-001	40,960
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-29	1,006,708
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-28	<u>1,099,047</u>
Total Project Grants & Cooperative Agreements for TB Control			<u>2,160,028</u>
Immunization Grants			
Immunization Grants	93.268	CCH622532-04	1,316
Immunization Grants	93.268	IP622532-06	122
Immunization Grants	93.268	IP622532-07	1,715,471
Immunization Grants	93.268	IP62253208	1,086,420
Immunization Grants	93.268	CCH622532A	<u>12,042,982</u>
Total Immunization Grants			<u>14,846,312</u>
CDC & Investigations & Technical Assistance			
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	CCU623672	1,125
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	CI623672-04	(7,509)
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	C1623672-05	703,348
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-028270-001	145,880
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	PS000904-03	57,020
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	PS000904-02	<u>83,529</u>
Total CDC & Investigations & Technical Assistance			<u>983,392</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
HIV Prevention Activities			
HIV Prevention Activities_Health Department Based	93.940	CCU023512-04	2,714
HIV Prevention Activities_Health Department Based	93.940	PS023512-	4,410,120
HIV Prevention Activities_Health Department Based	93.940	PS023512-06	2,786,359
HIV Prevention Activities_Health Department Based	93.940	PS000977-01	32
HIV Prevention Activities_Health Department Based	93.940	PS000977-01	166,465
HIV Prevention Activities_Health Department Based	93.940	PS000977-02	296,082
HIV Prevention Activities_Health Department Based	93.940	PS000775-03	802,198
HIV Prevention Activities_Health Department Based	93.940	PS000775-02	<u>337,712</u>
Total HIV Prevention Activities			<u>8,801,683</u>
Enhanced HIV / AIDS PE			
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001552-01	3,773
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001447-01	85,101
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	CCU623559-03-3	3,652
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001020-01	445
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001020-02	711,353
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001020-03	590,139
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	CCU624424-04	228

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001611-02	37,449
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001447-02	69,146
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS001611-01	<u>478,368</u>
Total Enhanced HIV / AIDS PE			<u>1,979,654</u>
Total Centers for Disease Control & Prevention			<u>\$ 28,771,069</u>
Administration for Children and Families			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04ASAPGCW	(1,731)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	06260C07FY10	30,705
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	06260C07FY08	<u>16,090</u>
Total Administration for Children and Families			<u>\$ 45,064</u>
Texas Department of State Health Service			
Hansen's Disease National Ambulatory Care Program			
Hansen's Disease - 10	93.2010	2010-034525-001	44,785
Hansen's Disease - 09	93.2009	2009-030542-001	<u>47,999</u>
Total Hansen's Disease			<u>92,784</u>
Family Planning Services			
Family Planning_Services	93.217	2010-032908	26,327
Family Planning_Services	93.217	2010-034286	108,597
Family Planning_Services	93.217	2009-029394-001	<u>50,881</u>
Total Family Planning Services			<u>185,805</u>
Occupation Safety & Health Research Projects			
Occupational Safety and Health Program	93.262	7460011640D-2007	<u>113,871</u>
Bioterror Prepared			
National Bioterrorism Hospital Preparedness Program	93.889	2009-032310-001	31,538
Public Health Emergency Preparedness	93.069	2009-032263-001	1,410,238
Public Health Emergency Preparedness	93.069	2009-032288-001	176,831
Public Health Emergency Preparedness	93.069	2010-033401-001	175,179
Public Health Emergency Preparedness	93.069	2010-033535-001	2,650,564
Public Health Emergency Preparedness	93.069	2009-031684-001	373,858
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	7460011640-06-10	1,923

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022930-001	35,590
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-028268-001	151,867
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022965	374
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-208019-001	39,360
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2009-031091-001	318,926
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2009-031305-001	<u>542,678</u>
Total Bioterror Prepared			<u>5,908,926</u>
HIV / AIDS Surveillance			
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2008-025429-001	38
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2010-030647-001-	813,041
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2009-030647-001	<u>953,759</u>
Total HIV / AIDS Surveillance			<u>1,766,838</u>
Local Public Health Services			
Preventive Health & Health Services Block Grant	93.991	2010-032807	283,530
Preventive Health & Health Services Block Grant	93.991	2009-028163-001	<u>56,439</u>
Total Local Public Health Services			<u>339,969</u>
Child Health Services			
Maternal and Child Health Services Block Grant to the States	93.994	2009-029513-001	11,201
Maternal and Child Health Services Block Grant to the States	93.994	2009-029513-001	195,175
Maternal and Child Health Services Block Grant to the States	93.994	2010-031678	159,957
Maternal and Child Health Services Block Grant to the States	93.994	2010-034618	15,548
Maternal and Child Health Services Block Grant to the States	93.994	2009-029841-001	<u>26,733</u>
Total Child Health Services			<u>408,613</u>
Harris County Public Health Environ Services			
HIV Emergency Relief Project Grants	93.914	09GEN0074	169,098
HIV Emergency Relief Project Grants	93.914	10GEN0180	73,108
Special Projects of National Significance	93.928	08-GEN1135	32,254

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**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	2010-012102	25
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	HISD-AE-08	(15,098)
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	HISD-AE-09	54,371
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	2008-102201	<u>6,872</u>
Total Harris County Public Health Environ Services			<u>320,630</u>
Total Texas Department of State Health Service			<u>\$ 9,137,435</u>
Houston-Galveston Area Council			
Social Services Block Grant	93.667	HGACFC73736	795,767
Social Services Block Grant	93.667	2010-034935	1,090
Social Services Block Grant	93.667	235-07	<u>4,517</u>
Total Social Services Block Grant			<u>\$ 801,374</u>
Total Department of Health and Human Services			<u>\$ 49,407,409</u>
Corp of National and Community Service			
Program Development and Innovation Grants	94.007	OJCAP-016104	<u>7,167</u>
Total Corp of National and Community Service			<u>\$ 7,167</u>
Department of Homeland Security			
Urban Areas Security Initiative			
Urban Areas Security Initiative	97.008	2005GET54025	(333,714)
Urban Areas Security Initiative	97.008	09-SR-35000-05	418,762
Urban Areas Security Initiative	97.008	2006-GE-T6-0068	274,452
Urban Areas Security Initiative	97.008	2007-GE-T7-0024	6,489,987
Urban Areas Security Initiative	97.008	2008-GE-T8-0034	<u>4,726,911</u>
Total Urban Areas Security Initiative			<u>11,576,398</u>
Airport Security			
Airport Checked Baggage Screening Program	97.100	EDS-TSA-IAH	<u>4,895,680</u>
Department of Public Safety Passed Through			
Emergency Management Performance Grants	97.042	09TX-EMPG-0357	150,108
Metropolitan Medical Response System	97.071	233-03-0067	6,973
Metropolitan Medical Response System	97.071	2008-GE-T8-0034	152,697
Metropolitan Medical Response System	97.071	2007-GE-T7-0024	<u>180,717</u>
Total Department of Public Safety Passed Through			<u>490,495</u>

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Department of Homeland Security Presidential Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households	97.049	NCI2424	<u>1,153,843</u>
State Homeland Security Program State Homeland Security Program	97.073	2008-GE-T8-0034	<u>260,964</u>
Law Enforcement Terrorism Prevention Program Law Enforcement Terrorism Prevention Program	97.074	2007-GE-T7-0024	<u>631,245</u>
Buffer Zone Protection Program Buffer Zone Protection Program	97.078	2008-BZ-T8-0007	<u>192,273</u>
Governor's Division of Emergency Management Regional Catastrophic Preparedness Grant Program (97.111	2008-CP-T8-0023	<u>2,755,407</u>
Total Department of Homeland Security			<u>\$ 21,956,304</u>
City of Houston			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EM-3294-TX	45,160,220
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-3216-EM	<u>(3,766)</u>
Total City of Houston			<u>\$ 45,156,455</u>
Environmental Protection Agency			
Homeland Security Biowatch Program	97.091	582-10-86407	565,012
Homeland Security Biowatch Program	97.091	582-7-72676	<u>117,767</u>
Total Environmental Protection Agency			<u>\$ 682,778</u>
Housing Authority			
Disaster Housing Assistance Grant	97.109	FOC-HCHA-09	466,492
Disaster Housing Assistance Grant	97.109	FOC-HCHA-08	(112,788)
Disaster Housing Assistance Grant	97.109	FOC-HHA-08	<u>(94,636)</u>

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Total Housing Authority			<u>\$ 259,068</u>
American Recovery and Reinvestment Act			
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	ARRA14.253	B-09-MY-48-0018	1,891,132
Homelessness Prevention and Rapid Re-Housing Program	ARRA14.257	S09-MY-48-0002	1,579,685
Homelessness Prevention and Rapid Re-Housing Program	ARRA14.257	4600009462	195,791
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program / Grants To Units Of Local Government	ARRA16.804	2009-SB-B9-0717	7,648,639
Airport Improvement Program	ARRA20.106	3-48-0290-22	4,699,545
Weatherization Assistance for Low-Income Persons	ARRA81.042	16090000689	1,311,235
Energy Efficiency and Conservation Block Grant Program	ARRA81.128	DE-EE0000965	12,999,231
Aging Home-Delivered Nutrition Services for States	ARRA93.705	38005012	225,944
Aging Congregate Nutrition Services for States	ARRA93.707	09-04-2009	552,746
Aging Congregate Nutrition Services for States	ARRA93.707	1RC2 MD004783 01	19,194
ARRA - Community Services Block Grant	ARRA93.710	10-07-2009	87,360
ARRA - Immunization	ARRA93.712	3U50CI623672-05S1	33,906
ARRA - Immunization	ARRA93.712	3H23IP622532-07S1	161,408
National Clean Diesel Emissions Reduction Program	ARRA66.039	EPA-ARRA-OAR-0TAQ09-0	1,010,556
Total American Recovery and Reinvestment Act			<u>\$ 32,416,371</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 361,155,649</u>
			(Concluded)

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

STATE AWARDS		
Program Title	Grant Award Number	Expenditures
Alief Independent School District Alief ISD / Katrina SV	C70168	<u>\$ (288)</u>
Harris County Protective Services		
United Minds	C72072	9,359
United Minds	C72072	37,250
CYD Campo Del Sol	50000018-2010	38,598
CYD Campo Del Sol	C72071	<u>34,960</u>
Total Harris County Protective Services		<u>\$ 120,167</u>
Houston - Galveston Area Council		
FY10 Solid Waste Imp	10-16-G04	5,189
Reuse Warehouse	08-16-G12	3,361
West Park Recycling	09-16-G13	391,883
HGAC-Clean Rivers	CR 73605	23,951
HGAC-Clean Rivers	CR08-70665	<u>54,307</u>
Total Houston - Galveston Area Council		<u>\$ 478,691</u>
Office of the Governor CJD Asset Forfeiture State	NA - Special revenue fund	<u>\$ 5,591,402</u>
Texas Automobile Theft Prevention Authority		
HACTF/18	ABTPA	815,592
Major Access Shop / 17	ABTPA	<u>308,207</u>
Total Texas Automobile Theft Prevention Authority		<u>\$ 1,123,799</u>
Texas Comptroller of Public Accounts		
Tobacco Compliance / 13	State funded	130,721
Tobacco Compliance / 12	State funded	<u>53,626</u>
Total Texas Comptroller of Public Accounts		<u>\$ 184,347</u>
Texas Department of Public Safety		
Houston Joint Operations Int	C70363	(1,184)
Operation Loanstar	State funded	<u>(2,743)</u>
Total Texas Department of Public Safety		<u>\$ (3,927)</u>

(continued)

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

STATE AWARDS		
Program Title	Grant Award Number	Expenditures
Texas Department of State Health Services		
Milk & Dairy	2009-028494-001	8,071
Milk & Dairy	2010-031950	40,160
Tuberculosis Elimin	7460011640-06-07	130
Tuberculosis Elimin	7460011640C-07-01	120
Tuberculosis Elimin	2008-023237	(222)
Tuberculosis Elimin	2009-028744-001	299,523
Tuberculosis Elimin	2010-032847-001	1,301,464
Immunization State	7460011640A-07-02	74
Immunization State	2008-023575-001	(247)
Immunization State	2009-028712-001	164,107
Immunization State	2010-031792-001	491,314
CHS_FAM Plan Title V	2010-034243	51,708
CHS_FAM Plan SV Title V	2010-032606	41,060
CHS_FAM Plan SV Title V	2009-029555-001	32,309
HIV Rapid Testing	2010-034649	155,189
Get Moving Houston	2008-027701-001	34,830
Enhanced Influenza	2009-030780-001	10,645
Enhanced Influenza	2010-031523-001	34,877
IDUC Flu-Lab	2010-031532-001	3,737
Total Texas Department of State Health Services		<u><u>\$ 2,668,849</u></u>
Healthy Family Initiative		
Nurse Family Partnership	0380800107001	4,727
Texas Dept. of Aging & Disability Services		
State General Rev	2010-SGR-13	420,830
State Highway Transportation	2010-SHF-12	35,977
State General Rev - IKE Hurricane	200-SIKE-13	469,556
Total Texas Dept. of Aging & Disability Services		<u><u>\$ 926,363</u></u>
Texas Parks & Wildlife Department		
Houston Park Adventure	52000528	9,984
Sylvester Turner PK3	50-000403	600,000
Total Texas Parks & Wildlife Department		<u><u>\$ 609,984</u></u>
Texas State Library and Archive Comm		
Loan Star	442-10002	272,344
Loan Star	442-08234	167,900
Total Texas State Library and Archive Comm		<u><u>\$ 440,244</u></u>

(continued)

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2010

STATE AWARDS		
Program Title	Grant Award Number	Expenditures
Texas Dept of Houston & Community Affair HHSP (State)	63100000891	357,473
Texas Commission on Environmental Quality Stuart(SIMS)PK ENHN	582-94126	10,000
Texas and Human Services Commission Nurse Family Partnership	HHSC 529-08-0110	179,111
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 12,690,944</u>
		(concluded)

CITY OF HOUSTON, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

1. The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal grant activity and state grant activity of the City of Houston, Texas (the “City”) and is presented on the modified accrual basis of accounting for the governmental funds and the accrual basis of accounting for the enterprise funds, which is described in Note 1 to the City’s financial statement. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (“OMB”) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Uniform Grant Management Standards* (“UGMS”). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.
2. Federal and state awards are reported in the City’s Comprehensive Annual Financial Report (“CAFR”) as follows (in thousands):

	Federal	State
Grant Funds	\$ 239,590	\$ 7,100
FEMA Assistant Grant — Hurricane IKE	45,160	
Capital Projects Funds	4,749	
Asset Forfeiture (Special Revenue Funds)	1,723	5,591
Enterprise Fund — Combined Utility System (TX Water Board)	18,770	
Enterprise Fund — Airport System Fund	<u>51,163</u>	<u> </u>
Total	<u>\$ 361,155</u>	<u>\$ 12,691</u>

3. Amounts reported in the schedule of expenditures of federal and state awards may not agree with the amounts reported in the related financial reports filed with grantor agencies because of accruals, which would be included in the next report filed with the agencies.
4. **Contingencies** — The City receives various grants to cover costs of specified programs. Final determination of eligibility of costs will be made by the grantors. Should any costs be found ineligible, the City will be responsible for reimbursing the grantors for these amounts.

5. **Noncash Awards** — Certain federal financial award programs do not involve cash awards to the City. These programs include donated vaccines and donated personal property as follows:

	CFDA Number	Amount
U.S. Department of Health and Human Services:		
Value of vaccines issued	93.268	\$ 12,042,982
Value of vaccines on hand	93.268	1,801,785
U.S. General Services Administration:		
Value of Federal Surplus Personal Property	39.003	437,913

6. **Loans Outstanding** — The City had the following loan balances outstanding at June 30, 2010. Loans made during the year are included in the federal expenditures presented in the schedule.

Program Title	CFDA Number	Amount Outstanding
Community Development Block Grant	14.218	\$ 24,821,882
HOME Investment Partnerships Program	14.239	14,137,196
Section 108 Guaranteed Loan Program	14.248	11,704,792

7. The following is the federal subrecipient cash disbursements:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	\$ 3,280,602
Emergency Shelter Grants Program	14.231	1,408,714
Housing Opportunities for Persons with AIDS	14.241	7,673,752
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	57,197
Special Programs for the Aging Title VII, Chapter 2_Long-Term Care Ombudsman Services for Older Individuals	93.042	107,167
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	136,688
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	580,970
Special Programs for the Aging Title III, Part C_Nutrition Services	93.045	3,340,463
National Family Caregiver Support, Title III, Part E	93.052	345,876
Nutrition Services Incentive Program	93.053	2,015,541
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	13,842
Immunization Grants	93.268	126,430
HIV Prevention Activities — Health Department Based	93.940	<u>3,784,423</u>
Total		<u>\$ 22,871,665</u>

8. The following is the federal American Recovery and Reinvestment Act subrecipient cash disbursements:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Homelessness Prevention and Rapid Re-Housing Program	14.257	\$ 2,026,050
Edward Byrne Memorial Justice Assistance Grant	16.804	7,648,059
Energy Efficiency and Conservation Block Grant Program	81.128	8,880,792
Aging Home — Delivered Nutrition Services for States	93.705	213,079
Aging Congregate Nutrition Services for States	93.707	<u>484,221</u>
Total		<u>\$ 19,252,201</u>

9. The following is the state subrecipient cash disbursements:

Program Title	Grant Award Number	Amount Provided to Subrecipients
Major Accessory Shop/17	ABTPA	\$ 20,692
HACTF/18	SA-T04-10054-10	34,404
Tuberculosis Elimination	2009-028744-001	57,124
State General Revenue	2010-SGR-13	420,830
State Hi-Way Transportation	2010-SHF-13	35,977
HIV Rapid Testing	2010-034649	<u>89,834</u>
Total		<u>\$ 658,861</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

I. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the basic financial statements expressed an unqualified opinion.
2. A significant deficiency in internal control over financial reporting was identified, which is considered to be a material weakness.
3. No instances of noncompliance considered material to the basic financial statements were disclosed in the audit.
4. Significant deficiencies in internal control over compliance with requirements applicable to federal and state award programs were identified, some of which were considered to be material weaknesses.
5. The independent auditors' report on compliance with requirements applicable to major federal and state award programs expressed an unqualified opinion for all major programs except for the Public Safety Interoperable Communications Grant for allowable costs, West Park Recycling for Davis Bacon Act and the Community Development Block Grant for reporting.
6. The audit disclosed findings required to be reported by OMB Circular A-133.

7. The City's major programs were:

Name of Major Federal/State Program	CFDA Number
WIC Supplemental Feeding	10.557
Public Safety Interoperable Communications Grant	11.555
Community Development Block Grant (a)	14.218
Community Development Block Grant Entitlement Grant — ARRA (a)	ARRA14.253
Home Investment Partnerships Program	14.239
Edward Byrne Memorial JAG — ARRA	ARRA16.804
Airport Improvement Program (d)	20.106
Airport Improvement Program — ARRA (d)	ARRA20.106
National Clean Diesel Emissions Reduction Program - ARRA	ARRA66.039
Capitalization Grants for Clean Water State Revolving Funds	66.458
Weatherization Assistance for Low-Income Persons — ARRA	ARRA81.042
Energy Efficiency and Conservation Block Grant — ARRA	ARRA81.128
Public Health Emergency Preparedness	93.069
Immunization Grants (c)	93.268
Immunization — ARRA (c)	ARRA93.712
HIV Prevention Activities	93.940
Special Programs for the Aging Title III, Part B & C and Nutrition Services Incentive Program (b)	93.044/93.045/93.053
Aging Home — Delivered Nutrition Services for States — ARRA (b)	ARRA93.705
Aging Congregate Nutrition Services for States — ARRA (b)	ARRA93.707
State General Revenue — IKE	State
West Park Recycling	State
Sylvester Turner PK3	State
State General Revenue	State
Major Accessory Shop Enforcement /HACTF	State
HHSP	State

- (a) Treated as a cluster of programs
- (b) Treated as a cluster of programs
- (c) Treated as a cluster of programs
- (d) Treated as a cluster of programs

8. For federal awards and state awards, a dollar threshold of \$3,000,000 and \$300,000, respectively, was used to distinguish between Type A and Type B programs, as defined in OMB Circular A-133.
9. The City did not qualify as a low-risk auditee, as defined in OMB Circular A-133, for the Federal single audit. The City did qualify as a low-risk auditee, as defined by Uniform Grant Management Standards, for the State single audit.

II. FINANCIAL STATEMENT FINDINGS SECTION

Program	Finding/Noncompliance	Questioned Cost
Financial Reporting	<p>Material Weakness in Internal Control — Finding 2010-1.</p> <p>Condition/Criteria — The City’s financial accounting and reporting process is not adequate to ensure that accounting transactions are being properly captured and recorded by the City in its financial statements in a timely manner.</p> <p>Cause/Context — Due to the City’s diverse operations, there are a number of complex accounting and financial reporting transactions that are entered into each year. The City was required to record a number of significant auditor-proposed adjustments to properly reflect the financial operations of the City. Included within these audit adjustments were items related to cash and investments, capital assets, accounts payable, as well as federal and state grant activities.</p> <p>Effect — Without changes being made to the City’s current financial reporting process, the City may produce untimely financial statements that are materially misstated.</p> <p>Recommendation: The City should evaluate its current financial accounting and reporting process. Within the evaluation there should be a critical review of the way in which financial information flows to and from departments and the City Controller’s Office. The City should also evaluate the current financial accounting and reporting structure to assure that there are adequate resources in place to limit the likelihood of future accounting errors.</p> <p>Views of Responsible Officials — City officials agree that the financial reporting and year-end close process is a lengthy and time consuming process that is subject to errors being made and that can be improved on.</p> <p>Corrective Action Plan of Management — City officials intend to form a team consisting of accountants and system personnel from several of the City departments to review the year-end financial accounting and reporting process and to make suggestions for improvements.</p> <p>Estimated Completion Date — June 30, 2011</p> <p>City Contact Person — Jack Alexander, Deputy Director Finance</p>	N/A

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

Program	Finding/Noncompliance	Questioned Cost						
Material Noncompliance and Material Weakness related to the PSIC Grant Program								
Finding 2010- 2: Allowable Costs								
<p>Public Safety Interoperable Communications (“PSIC”) Grant — CFDA #11.555</p> <p>Urban Area Security Initiative (“UASI”) — CFDA #97.008</p> <p>Community Oriented Policing Services (“COPS”) — CFDA #16.710</p> <p>Federal Surplus Property Program — CFDA #39.003</p>	<p>Condition — In accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>, the City is responsible for preparing the Schedule of Expenditures of Federal and State Awards (“SEFA”). At a minimum, the schedule is to include federal and state programs by federal and state agencies. During our testing of the financial statements, we noted certain errors as follows:</p> <p>For the programs listed below, we noted a net total of \$11,545,985 was initially recorded in the wrong fiscal year. The PSIC grant was tested as a major program during the 2010 single audit, while the UASI, COPS and Federal Surplus Property Program were not selected to be tested as major federal programs during the 2010 single audit. The expenditures were recorded to fiscal year 2011 when they should have been recorded to fiscal year 2010.</p> <table border="0" data-bbox="545 1016 1235 1146"> <tr> <td>Public Safety Interoperable Communications</td> <td style="text-align: right;">\$ 6,575,816</td> </tr> <tr> <td>Urban Area Security Initiative</td> <td style="text-align: right;">2,875,128</td> </tr> <tr> <td>Community Oriented Policing Services</td> <td style="text-align: right;">2,095,041</td> </tr> </table> <p>For the Federal Surplus Property Program, \$437,913 was improperly excluded from the fiscal year 2009 SEFA schedule. These amounts are now properly shown in the fiscal year 2010 SEFA.</p> <p>Criteria — Management of the City is responsible for proper preparation of the Schedule of Expenditures of Federal and State Awards</p> <p>Cause — The expenditures were recorded when paid, rather than when incurred or were not recorded at all.</p> <p>Effect — Noncompliance with OMB A-133 compliance requirements.</p>	Public Safety Interoperable Communications	\$ 6,575,816	Urban Area Security Initiative	2,875,128	Community Oriented Policing Services	2,095,041	N/A
Public Safety Interoperable Communications	\$ 6,575,816							
Urban Area Security Initiative	2,875,128							
Community Oriented Policing Services	2,095,041							

Program	Finding/Noncompliance	Questioned Cost
	<p>Recommendation: The City should review its policy and procedures related to the recording of transactions related to federal and state awards and provide adequate training for all departments receiving federal and state awards to ensure that expenditures are coded to the respective grant when incurred.</p>	
	<p>Views of Responsible Officials — City officials agree that the year-end accrual process is a manual, time consuming and cumbersome process that is subject to errors and omissions.</p>	
	<p>Corrective Action Plan of Management — City officials intend to increase the training provided to City personnel who are responsible for the year-end accrual process. Additionally, City officials will review the spreadsheets submitted with the accrual review information and will strengthen the review process over material expenditures.</p>	
	<p>Estimated Completion Date — May 31, 2011</p>	
	<p>City Contact Person — Jack Alexander, Deputy Director Finance</p>	

Program	Finding/Noncompliance	Questioned Cost
West Park Recycling — State	<p>Material Noncompliance and Material Weakness Control Finding</p> <p>2010-3: Davis-Bacon Act</p> <p>Condition — The City procured services through the Texas Procurement and Support Services Texas Multiple Awards Schedule (“TXMAS”) and failed to obtain any certified payroll reports from the subcontractor.</p> <p>Criteria — In accordance with State of Texas Uniform Grant Management Standards, all construction contracts in excess of \$2,000 financed by State assistance shall comply with the Davis-Bacon Act.</p> <p>Cause — The City believed that the subcontractor would be monitored by TXMAS and, therefore, did not obtain any certified payrolls.</p> <p>Effect — Without obtaining the certified payrolls, the City cannot ensure the subcontractors comply with prevailing wages.</p> <p>Recommendation: The City should monitor all subcontractor projects for compliance with Davis Bacon, regardless of procurement procedures.</p> <p>Views of Responsible Officials — City officials feel this is an isolated incident and is not indicative of the controls over Davis Bacon compliance.</p> <p>Corrective Action Plan of Management — The City will update its procedure to ensure all construction contracts expenditures are reviewed for Davis Bacon compliance.</p> <p>Estimated Completion Date — Immediate</p> <p>City Contact Person — Jack Alexander, Deputy Director Finance</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Compliance and Significant Deficiency Control Finding		
2010-4: Reporting		
Public Safety Interoperable Communication Grant Program — CFDA #11.555 Energy Efficiency and Conservation Block Grant — CFDA #81.128 National Clean Diesel Program — CFDA #66.039 HHSP — State HIV Prevention — CFDA #93.940 Community Development Block Grant — CFDA #14.218	<p>Condition — For the programs noted below, the City did not comply with reporting requirements required by the grants.</p> <p><i>Inaccurate Filings</i></p> <p>Energy Efficiency and Conservation Block Grant: The quarterly financial status report for the period ending March 31, 2010 was filed inaccurately.</p> <p><i>Late Filings</i></p> <p>National Clean Diesel Program: The semiannual 5700-52A, MBE/WBE Report for the period from 11/1/09 — 4/30/10 was not filed timely.</p> <p>HHSP: The Annual Audit Certification Form was not filed timely.</p> <p>HIV Prevention: The HIV Unique September 2008 to September 2009 Programmatic report was not filed timely.</p> <p>Community Development Block Grant: The Neighborhood Stabilization Program’s November 2009 and February 2010 Monthly Progress Reports were not filed timely.</p> <p><i>No Filings</i></p> <p>Public Safety Interoperable Communication Grant Program: Governor’s Division of Emergency Management requires quarterly progress reports. The City did not file two of its quarterly progress reports for fiscal year 2010 related to this grant.</p> <p>Criteria — In accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>, and the State of Texas, Uniform Grant Management Standards all reports must be filed appropriately and by the date required in the grant agreement.</p> <p>Cause/Context — Lack of controls in place to ensure the reports are filed appropriately and within the proper period of time.</p> <p>Effect — The City is not complying with the requirements set forth in the grant agreement.</p>	N/A

Program

Finding/Noncompliance

**Questioned
Cost**

Recommendation: The City should re-evaluate its reporting procedures and implement new controls to ensure all reports are filed in accordance with the grant requirements.

Views of Responsible Officials — City officials agree with these findings.

Corrective Action Plan of Management — City officials will send out a communication to all of the grant administrators reminding them of the need to file all reports timely and reminding them of the need to ensure that they have properly identified all of the reports that need to be filed. Personnel will also be reminded of the need to document the reasons for any late filings when they occur and of the need to keep any correspondence that may have been received from the applicable agency granting them a filing extension.

Estimated Completion Date — December 31, 2010

City Contact Person — Jack Alexander, Deputy Director Finance

Program	Finding/Noncompliance	Questioned Cost
Community Development Block Grant — CFDA #14.218	<p data-bbox="548 304 1268 365">Material Noncompliance and Material Weakness Control Finding</p> <p data-bbox="548 386 776 411">2010-5: Reporting</p> <p data-bbox="548 453 1338 779">Condition — In accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i>, the City is responsible for preparing the Schedule of Expenditures of Federal and State Awards (“SEFA”). At a minimum, the schedule is to include federal and state programs by federal and state agencies. During our single audit testing, we noted \$3,347,788 of expenditures were originally reported as CFDA #14.256 and as American Recovery and Reinvestment Act (“ARRA”) expenditures. However, we noted that it should have been reported as CFDA #14.218 and they were not ARRA related.</p> <p data-bbox="548 804 1308 894">Criteria — Management of the City is responsible for proper preparation of the Schedule of Expenditures of Federal and State Awards</p> <p data-bbox="548 934 1268 995">Cause — The expenditures were recorded to the wrong grant within the City’s system.</p> <p data-bbox="548 1035 1313 1096">Effect — Noncompliance with OMB Circular A-133 compliance requirements.</p> <p data-bbox="548 1136 1338 1331">Recommendation — The City should continue its efforts to improve the overall quality of the process of consolidating and reviewing the awards received. The City should continue to review the information for completeness, accuracy, and reasonableness and monitor new grants or awards. In addition, the City should ensure that it is properly categorizing ARRA grants or awards.</p> <p data-bbox="548 1371 1304 1432">Views of Responsible Officials — City officials agree with this finding.</p> <p data-bbox="548 1472 1338 1596">Corrective Action Plan of Management — City officials will remind each of the grant administrators and the preparers of the SEFA of the need to properly categorize each grant and of the need to utilize the correct CFDA # in all reporting.</p> <p data-bbox="548 1635 1122 1661">Estimated Completion Date — March 31, 2011</p> <p data-bbox="548 1701 1338 1722">City Contact Person — Jack Alexander, Deputy Director Finance</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Community Development Block Grant — CFDA #14.218	Significant Deficiency Control Finding	
	2010-6: Allowable Costs	
	Condition — We identified expenditures reflected in the Schedule of Expenditures of Federal and State Awards (“SEFA”) that are unallowable.	\$581
	We identified that one out of nine payroll selections overcharged the grant for pension expense. The City used 15.7% to calculate the pension expenditure, when 14.7% should have been used, resulting in the City overcharging the grant by \$581.	
	Criteria — Management of the City is responsible for ensuring compliance with the grant agreements and contracts.	
	Cause/Context — The Community Development Block Grant was overcharged by incorrectly using 15.7%, as opposed to 14.7% for pension expense.	
	Effect — Noncompliance with the grant agreement.	
	Recommendation — The City should review and monitor all grant expenditures in order to ensure compliance.	
	Views of Responsible Officials — City officials reviewed this item and concluded that it was the result of a clerical calculation error made when transferring some expenses from one grant to another. It was determined to be an isolated incident.	
	Corrective Action Plan of Management — Procedures will be reinforced to ensure that all expense transfers are properly reviewed before posting.	
	Estimated Completion Date — December 31, 2010	
	City Contact Person — Jack Alexander, Deputy Director Finance	

IV. STATUS OF PRIOR-YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

Program	Finding/Noncompliance	Questioned Cost
Financial Reporting	Financial Reporting Finding 2009-1. Finding — While there was significant improvement in the City’s financial reporting process in the current year, the City should enhance this process by requiring responsible financial reporting personnel, at the department level, to perform analytical reviews of financial results on a periodic basis, and also review and approve material journal entries that affect their respective departmental financial results. Recommendations — Nonperformance of analytical reviews of financial information and the processing of material journal entries without appropriate high level management approval, enhances the risk that the City’s financial statement could contain material misstatements. Status — This finding has been repeated in fiscal year 2010 as finding 2010-1. Finding 2009-2.	N/A
HOME Investment Partnerships Program — CFDA #14.239	Finding — It was noted that the City improperly included \$34,000 of expenditures in the 2009 Schedule of Expenditures of Federal and State Awards (“SEFA”). The expenditures related to a transfer out of a grant fund to a special revenue fund and should not have been included as expenditures in the 2009 SEFA schedule. Recommendation — City departments that receive grants should work more closely with the finance department to determine that inappropriate expenditures are excluded from the SEFA. Status — In the preparation of the 2010 SEFA, each of the departments placed increased emphasis on their review procedures to ensure that only reportable expenditures are included in the SEFA. Finding 2009-3.	N/A
Immunization Federal — CFDA #93.268	Finding — Internal controls surrounding the recording of immunization usage and inventory balances were deficient, which resulted in the spreadsheet used by the City to track vaccination inventory usage and balances missing critical calculation formulas that created an error in inventory balances and inventory usage, in the amount of \$2,548,523. This resulted in the preliminary SEFA being misstated by the City.	N/A

Program	Finding/Noncompliance	Questioned Cost
Hazard Mitigation — CFDA #97.039 Loan Star Libraries Grant — State	<p>Recommendation — The City should maintain adequate records of vaccinations received and regularly reconcile the Receiving Logs to the Summary Vaccine Received Report. In addition, a review of the Summary Vaccine Report should be performed at least annually to ensure mathematical accuracy and completeness.</p> <p>Status: In FY2010, additional processes including self audits, mock audits and reconcilements were performed to ensure the accuracy of the inventory. As of July 1, 2010, the vaccine inventory is now accounted for using the SAP inventory accounting module.</p> <p>Finding 2009-4.</p> <p>Finding — For the programs noted below, the City did not comply with reporting requirements required by the grants.</p> <p><i>Late Filings</i></p> <p>Hazard Mitigation — The 3rd Quarter 2008 and 2nd Quarter 2009 and Reimbursement Requests were filed after the 30-day after quarter end submission requirement.</p> <p>Loan Star Libraries Grant — The quarterly financial status report for the period ending February 28, 2009 was submitted after the 30-day after quarter end submission requirement.</p> <p>Recommendation — The City should re-evaluate its reporting procedures and implement new controls to ensure all reports are filed in accordance with the grant requirements.</p> <p>Status — All City departments have been reminded of the importance of meeting all reporting requirements on a timely basis.</p>	N/A
Shared Forfeited Property — State	<p>Finding 2009-5.</p> <p>Finding — In accordance with the State of Texas, <i>Uniform Grant Management Standards</i> (“UGMS”), the City is responsible for preparing the Schedule of Expenditures of Federal and State Awards (“SEFA”). At a minimum, the schedule is to include federal and state programs by federal and state agencies. During our testing of the financial statements, we noted an error related to fixed asset purchases which were improperly excluded from the 2009 SEFA schedule.</p> <p>Recommendation — The City reviews these SAP transaction types with the ERP Department to improve the accounting. For future year’s SEFA schedules the City should analyze transfers to be certain all expenditures are included in the SEFA schedule.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Shared Forfeited Property — State	<p>Status — The City has put in place procedures to review fixed asset transactions to ensure that they are properly reported in the SEFA.</p> <p>Finding 2009-6.</p> <p>Finding — In accordance with the State of Texas, <i>Uniform Grant Management Standards</i> (“UGMS”), equipment acquired with state funds shall be maintained accurately and include (i) A description of the equipment, (ii) Manufacturer’s serial number, model number, state stock number, national stock number, or other identification number, (iii) Source of the equipment, including the award number, (iv) Whether title vests in the recipient or the state government, (v) Acquisition date or date received and cost, (vi) Information from which one can calculate the percentage of state participation in the cost of the equipment (not applicable to equipment furnished by the state government), (vii) Location and condition of the equipment and the date the information was reported, (viii) Unit acquisition cost, and (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the state awarding agency for its share.</p> <p>For the program noted, we identified equipment purchases reflected in the Schedule of Expenditures of Federal and State Awards that were not adequately tracked as required above.</p> <p>Recommendation — The City should review its policy and procedures related to the recording of transactions related to equipment purchases with state awards and to ensure that equipment purchases are properly maintained.</p> <p>Status — All grant related assets follow applicable City policies on capital assets.</p> <p>Finding 2009-7.</p>	N/A
Loan Star Libraries Grant — State	<p>Finding — We identified expenditures reflected in the Schedule of Expenditures of Federal and State Awards (SEFA) that related to prior fiscal years. Two out of twenty-five non-payroll selections subject to testing in the amount of \$17,650 were recorded in the wrong fiscal year. The expenditures were recorded as fiscal year 2009 expenditure when they should have been recorded as a fiscal year 2008 expenditure. The expenditures are shown in the fiscal year 2009 SEFA as they were not included in the fiscal year 2008 schedule.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
	<p>Recommendation — City managers should carefully review accruals and follow established policies and procedures for year-end accounting.</p>	
	<p>Status — The 2010 SEFA has been reviewed to ensure all expenditures are recorded in the proper period.</p>	