

City of Houston, Texas

Single Audit Report for the
Year Ended June 30, 2011

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, 2011, which collectively comprises the City's basic financial statements and have issued our report thereon dated December 2, 2011. 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. We 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. 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 pension trust funds and governmental and business-type discretely presented component units, is based on the reports of the other auditors. The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" for the year ended June 30, 2011. 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). None of the financial statements audited by other auditors (except for Houston Business Development, Inc., a governmental discretely presented component unit) were audited in accordance with *Government Auditing Standards*. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies or material weaknesses. We did not identify any deficiencies in internal controls over financial reporting that we considered to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting, and is listed as finding 2011-1. 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.

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 December 2, 2011.

The City's response 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 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's Touche LLP

December 2, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, 2011. The City's major federal and state programs are identified in the summary of auditor's 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.

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 (OMB A-133)*, 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 and 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 of the City's compliance with those requirements.

As described in item 2011-5 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding matching related to the Herman Brown Park Program. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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, 2011. The results of our auditing procedures also disclosed other 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 2011-2, 2011-3, 2011-4, 2011-6 and 2011-7.

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 the 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 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.

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 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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-5 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-2, 2011-3, 2011-4, 2011-6 and 2011-7 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 responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal and State Awards

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, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 2, 2011 which contained an unqualified opinion on the financial statements. 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. We 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. 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 pension trust funds and governmental and business-type discretely presented component units, is based 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal and State Awards 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 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

January 6, 2012

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Executive Office of the President			
Direct Awards			
<i>Office of National Drug Control Policy</i>			
Meth Initiative Group	07.I8PHNP500Z	I8PHNP500Z	\$ 3,537
Meth Initiative Group	07.G09HN0001A	G09HN0001A	4,580
Meth Initiative Group	07.G10HN0001A	G10HN0001A	14,912
Major Drug Squads	07.I8PHNP500Z	I8PHNP500Z	112,416
Major Drug Squads	07.G09HN0001A	G09HN0001A	(1,408)
Major Drug Squads	07.G10HN0001A	G10HN0001A	42,622
Houston Intl Support	07.I8PHNP500Z	I8PHNP500Z	4,236
Houston Intl Support	07.G09HN0001A	G09HN0001A	17,231
Houston Intl Support	07.G10HN0001A	G10HN0001A	143,154
Truck, Air, Rail, Port	07.I8PHNP500Z	I8PHNP500Z	145,343
Truck, Air, Rail, Port	07.G09HN0001A	G09HN0001A	99,314
Truck, Air, Rail, Port	07.G10HN0001A	G10HN0001A	597,920
Narcotics Operations	07.I8PHNP500Z	I8PHNP500Z	101,710
Narcotics Operations	07.G09HN0001A	G09HN0001A	(40,787)
Narcotics Operations	07.G10HN0001A	G10HN0001A	308,751
Houston Money Launder	07.I8PHNP500Z	I8PHNP500Z	187,188
Houston Money Launder	07.G09HN0001A	G09HN0001A	(170,083)
Houston Money Launder	07.G10HN0001A	G10HN0001A	196,299
Gang & Nontrad Squad	07.I8PHNP500Z	I8PHNP500Z	154,957
Gang & Nontrad Squad	07.G09HN0001A	G09HN0001A	(8,822)
Gang & Nontrad Squad	07.G10HN0001A	G10HN0001A	394,286
Target NARC Enforce	07.I8PHNP500Z	I8PHNP500Z	319,163
Target NARC Enforce	07.G09HN0001A	G09HN0001A	10,080
Target NARC Enforce	07.G10HN0001A	G10HN0001A	716,726
Total Office of National Drug Control Policy			<u>3,353,325</u>
Total Executive Office of the President			<u>\$ 3,353,325</u>
U.S. Department of Agriculture			
Pass-Through Awards			
<i>Baylor College of Medicine</i>			
Grants for Agricultural Research_Compertitive Research Grants	10.206	2008-55215-18875	\$ 8,731
Grants for Agricultural Research_Compertitive Research Grants	10.206	2008-55215-18875	147,717
Total Baylor College of Medicine			<u>156,448</u>
<i>Texas Department of State Health Service</i>			
Special Supplemental Nutrition Program for Women, Infants, and Childi	10.557	2008-024649	(282)
Special Supplemental Nutrition Program for Women, Infants, and Childi	10.557	2009-030104-001	1,689
Special Supplemental Nutrition Program for Women, Infants, and Childi	10.557	2010-033575-001	3,254,031
Special Supplemental Nutrition Program for Women, Infants, and Childi	10.557	2011-037179	8,694,316
Total Texas Department of State Health Service			<u>11,949,754</u>
<i>Texas Department of Agriculture Food and Nutrition Service</i>			
Summer Food Service Program for Children	10.559	10TX1011007	1,374,004
Summer Food Service Program for Children	10.559	11TX1011007	1,034,981
Total Texas Department of Agriculture Food and Nutrition Service			<u>2,408,985</u>
Total U.S. Department of Agriculture			<u>\$ 14,515,187</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA	Grant Award	Expenditures
Program Title	Number	Number	
U. S. Department of Housing & Urban Development			
Direct Awards			
<i>Community Development Block Grant</i>			
Community Development Block Grants/Entitlement Grants	14.218	B05MC480018	\$ 240,999
Community Development Block Grants/Entitlement Grants	14.218	B06MC480018	1,160,903
Community Development Block Grants/Entitlement Grants	14.218	B07MC480018	208,383
Community Development Block Grants/Entitlement Grants	14.218	B08MC480018	581,233
Community Development Block Grants/Entitlement Grants	14.218	B09MC480018	5,054,591
Community Development Block Grants/Entitlement Grants	14.218	B10MC480018	17,138,555
Community Development Block Grants/Entitlement Grants	14.218	B04MC480018	544,480
Community Development Block Grants/Entitlement Grants	14.218	B03MC480018	1,100
Community Development Block Grants/Entitlement Grants	14.218	B02MC480018	29,168
Community Development Block Grants/Entitlement Grants	14.218	B01MC480018	55,868
Community Development Block Grants/Entitlement Grants	14.218	B00MC480018	9,486
Community Development Block Grants/Entitlement Grants	14.218	B99MC480018	2,056
Community Development Block Grants/Entitlement Grants	14.218	B98MC480018	(463)
Community Development Block Grants/Entitlement Grants	14.218	B97MC480018	(4,434)
Community Development Block Grants/Entitlement Grants	14.218	B96MC480018	(27,144)
Community Development Block Grants/Entitlement Grants	14.218	B95MC480018	12,088
Community Development Block Grants/Entitlement Grants	14.218	B93MC480018	276
Community Development Block Grants/Entitlement Grants	14.218	B92MC480018	8,289
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-48-0400	(419,114)
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-48-0400	3,736,696
Total Community Development Block Grant			28,333,016
<i>Emergency Shelter Grants Program</i>			
Emergency Shelter Grants Program	14.231	S05MC480002	69,246
Emergency Shelter Grants Program	14.231	S09MC480002	216,310
Emergency Shelter Grants Program	14.231	S10MC480002	1,183,425
Emergency Shelter Grants Program	14.231	S04MC480002	3,464
Total Emergency Shelter Grants Program			1,472,445
<i>HOME Investment Partnerships Program</i>			
Home Investment Partnerships Program	14.239	M99MC480206	145,722
Home Investment Partnerships Program	14.239	M98MC480206	1,000
Home Investment Partnerships Program	14.239	M96MC480206	1
Home Investment Partnerships Program	14.239	M95MC480206	467,519
Home Investment Partnerships Program	14.239	M02MC480206	1,000
Home Investment Partnerships Program	14.239	M01MC480206	1,651,126
Home Investment Partnerships Program	14.239	M93MC480206	-
Home Investment Partnerships Program	14.239	M03MC480206	41,539
Home Investment Partnerships Program	14.239	M06MC480206	149,319
Home Investment Partnerships Program	14.239	M07MC480206	(7,335)
Home Investment Partnerships Program	14.239	M08MC480206	324,020
Home Investment Partnerships Program	14.239	M09MC480206	2,551,411
Home Investment Partnerships Program	14.239	M10MC480206	2,176,067
Home Investment Partnerships Program	14.239	M04MC480206	717,609
Home Investment Partnerships Program	14.239	M05MC480206	168,557
Total HOME Investment Partnerships Program			8,387,555

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
<i>Housing Opportunities for Persons with AIDS</i>			
Housing Opportunities for Persons with AIDS	14.241	TX21H05-F003	477,721
Housing Opportunities for Persons with AIDS	14.241	TX21H04-F003	289,640
Housing Opportunities for Persons with AIDS	14.241	TX21H03-F003	331,678
Housing Opportunities for Persons with AIDS	14.241	TX21H06-F003	393,760
Housing Opportunities for Persons with AIDS	14.241	TX21H07-F003	295,182
Housing Opportunities for Persons with AIDS	14.241	TX-H08-F004	743,789
Housing Opportunities for Persons with AIDS	14.241	TX-H09-F003	3,574,884
Housing Opportunities for Persons with AIDS	14.241	TX-H10-F003	2,976,132
Total Housing Opportunities for Persons with AIDS			<u>9,082,786</u>
<i>CDBG/Brownfield Economic Development Initiative</i>			
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	E95EZ480006	94,601
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	B-04-SP-TX-0766	37,000
Total CDBG/Brownfield Economic Development Initiative			<u>131,601</u>
<i>Lead-Based Paint Hazard Control in Privately-Owned Housing</i>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TXLHB0310-05	(712)
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TXLHB0378-07	466,264
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TXLHB0459-09	1,007,817
Total Lead-Based Paint Hazard Control in Privately Owned Housing			<u>1,473,369</u>
<i>Lead Hazard Reduction Demonstration Grant Program</i>			
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0031-04	(795)
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHDO175-07	566,491
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHDO202-09	947,812
Total Lead Hazard Reduction Demonstration Grant Program			<u>1,513,508</u>
Total Direct Awards			<u>\$ 50,394,280</u>
Pass-Through Awards			
<i>Texas Department Of Housing & Community Affair</i>			
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	70090001	\$ 33,237,190
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	77090000117	78,345
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	B-06-DG-48-0002	6,508,090
Total Pass-Through Awards			<u>\$ 39,823,625</u>
Total U. S. Department of Housing & Urban Development			<u>\$ 90,217,905</u>
U.S. Department of the Interior			
Pass-Through Awards			
<i>Texas Parks & Wildlife Department</i>			
Outdoor Recreation_Acquisition, Development and Planning	15.916	48-001075	\$ 2,121
Total U.S. Department of the Interior			<u>\$ 2,121</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
U.S. Department of Justice			
Direct Awards			
<i>Shared Forfeiture Property</i>	16.000		<u>\$ 1,750,825</u>
<i>Combined DNA Index System</i>			
<i>National Institute of Justice Research, Evaluation, and Development Project Grants</i>	16.560	2008-DN-BX-K205	<u>93,028</u>
<i>Crime Laboratory Improvement Combined Offender Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</i>	16.580	2008-DD-BX-0471	<u>286,566</u>
<i>Executive Office for Weed & Seed</i>			
Community Capacity Development Office	16.595	2007-WS-Q7-0259	3,731
Community Capacity Development Office	16.595	2009-WS-QX-0025	95,823
Community Capacity Development Office	16.595	2010-WS-QX-0020	98,452
Total Executive Office for Weed & Seed			<u>198,006</u>
<i>Office Community Oriented Policing Services</i>			
<i>Public Safety Partnership and Community Policing Grants</i>	16.710	2005CKWX0224	<u>153,000</u>
<i>Office of Juvenile Justice and Delinquency Prevention</i>			
<i>Enforcing Underage Drinking Laws Program</i>	16.727	80912	<u>53,744</u>
<i>Bureau of Justice Assistance</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-0119	(34)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2006-DJ-BX-0286	(12)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1269	513,896
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0596	478,119
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1284	89,798
Economic High-Tech and Cyber Crime Prevention	16.752	2010-MU-BX-0013	169,875
Congressionally Recommended Awards	16.753	2010-DD-BX-0529	107,887
Congressionally Recommended Awards	16.753	2009-D1-BX-0276	125,462
Congressionally Recommended Awards	16.753	2009-D1-BX-0275	315,493
Total Bureau of Justice Assistance			<u>1,800,484</u>
<i>National Institute of Justice</i>			
Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K130	602,728
Forensic DNA Backlog Reduction Program	16.741	2010-DN-BX-K112	216,719
Total National Institute of Justice			<u>819,447</u>
Total Direct Awards			<u>\$ 5,155,100</u>
Pass-Through Awards			
<i>State of Texas - Governor's Office Criminal Justice Division</i>			
Juvenile Accountability Block Grants	16.523	JB-08-J20-13322-11	\$ 19,134
Juvenile Accountability Block Grants	16.523	JB-09-J20-13322-12	118,308
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	JA-09-J21-21566-01	39,316
Crime Victim Assistance	16.575	VA-08-V30-13592-10	3,333
Crime Victim Assistance	16.575	VA-10-V30-13592-11	32,043
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DH-06-A10-18445-01	(177)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ-09-J20-23283-01	137,721
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CD-10-A10-17319-07	174,263
Total State of Texas - Governor's Office Criminal Justice Division			<u>523,941</u>
<i>National Association of VOCA Assist Administrators</i>			
<i>Crime Victim Assistance/Discretionary Grants</i>	16.582	11-125	<u>3,167</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
<i>Sam Houston State University</i>			
Project Safe Neighborhoods	16.609	321-20-B128	77,929
Project Safe Neighborhoods	16.609	321-20-B48C	30,803
Project Safe Neighborhoods	16.609	321-20-C03C	39,733
Project Safe Neighborhoods	16.609	321-20-B125	(3,113)
Project Safe Neighborhoods	16.609	321-20-C03F	13,912
Project Safe Neighborhoods	16.609	321-20-B145	65
Project Safe Neighborhoods	16.609	321-20-C52K	12,733
Project Safe Neighborhoods	16.609	321-20-B147	48,728
Project Safe Neighborhoods	16.609	321-20-C52E	13,497
Project Safe Neighborhoods	16.609	321-20-B126	33
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	321-20-B146	11,163
Total Sam Houston State University			245,483
Total Pass-Through Awards			\$ 772,591
Total U.S. Department of Justice			\$ 5,927,691
U.S. Department of Transportation			
Direct Awards			
<i>Federal Aviation Administration</i>			
Airport Improvement Program	20.106	3-48-0111-078	\$ 345,802
Airport Improvement Program	20.106	3-48-0111-086	1,452,985
Airport Improvement Program	20.106	3-48-0111-087	15,708,243
Airport Improvement Program	20.106	3-48-0111-085	8,712,728
Airport Improvement Program	20.106	3-48-0110-037	2,307,675
Airport Improvement Program	20.106	3-48-0111-082	76,716
Airport Improvement Program	20.106	3-48-0111-056	(4,308)
Airport Improvement Program	20.106	3-48-0111-090	2,524,164
Airport Improvement Program	20.106	3-48-0111-091	2,134,685
Airport Improvement Program	20.106	3-48-0111-089	10,349,425
Airport Improvement Program	20.106	3-48-0290-018	(24,415)
Airport Improvement Program	20.106	3-48-0110-035	443,325
Total Federal Aviation Administration			44,027,025
<i>Federal Highway Administration</i>			
Highway Planning and Construction	20.205	TCSP-TX096(001)-55BO	78,389
Highway Planning and Construction	20.205	06TX001	34,979
Highway Planning and Construction	20.205	TCSP2001(001)	5,149
Highway Planning and Construction	20.205	TCSE010-Q680	239,362
Total Federal Highway Administration			357,879
<i>Federal Motor Carrier Safety Administration</i>			
National Motor Carrier Safety	20.218	27XX48MH08HOUS15780	39
National Motor Carrier Safety	20.218	MH10486000000	240,637
Total Federal Motor Carrier Safety Administration			240,676
Total Direct Awards			\$ 44,625,580

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA	Grant Award	Expenditures
Program Title	Number	Number	
Pass-Through Awards			
<i>State of Texas - Department of Transportation</i>			
Highway Planning and Construction	20.205	CSJ0912-71-705	\$ 3,670
Highway Planning and Construction	20.205	CSJ0912-72-070	18,284
Highway Planning and Construction	20.205	CSJ0912-72-215	2,190,261
Highway Planning and Construction	20.205	CSJ0912-71-739	191
Highway Planning and Construction	20.205	CSJ0912-71-634	5,036,473
Highway Planning and Construction	20.205	CSJ0912-72-140	200,000
Highway Planning and Construction	20.205	CSJ-0912-72-171	39,297
Highway Planning and Construction	20.205	CSJ-0912-72-169	449,201
Highway Planning and Construction	20.205	CSJ-0912-72-220	731,977
Highway Planning and Construction	20.205	CSJ:0912-72-067	70,088
State and Community Highway Safety	20.600	070701A1AM	(7)
State and Community Highway Safety	20.600	STEP 2009 CMV	247,505
State and Community Highway Safety	20.600	070701A1AM	(17)
State and Community Highway Safety	20.600	2009-HoustonP-S-MYG-yr1-0108	297,742
State and Community Highway Safety	20.600	070701B1AA	(196)
State and Community Highway Safety	20.600	STEP 2009 CMV	297,678
State and Community Highway Safety	20.600	070701A1AM	(43)
State and Community Highway Safety	20.600	2009-HoustonP-S-MYG-yr1-0108	156,199
State and Community Highway Safety	20.600	STEP 2009 CMV	389,590
State and Community Highway Safety	20.600	STEP IDM	102,747
State and Community Highway Safety	20.600	060504A1BR	(25)
State and Community Highway Safety	20.600	2SC-6-1263	3,865
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	070202B1BE	(73)
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	STEP IDM	71,589
Occupant Protection Incentive Grants	20.602	2011-HoustonPD-CIOT-00028	44,276
Total State of Texas - Department of Transportation			<u>10,350,272</u>
<i>State of Texas - Department of Parks & Wildlife</i>			
Recreational Trails Program	20.219	RT0615	<u>111</u>
Total Pass-Through Awards			<u>\$ 10,350,383</u>
Total U.S. Department of Transportation			<u>\$ 54,975,963</u>
U.S. Department of Treasury			
Direct Awards			
<i>Shared Forfeiture Property - Treasury</i>	21.000		<u>\$ 338,115</u>
Total U.S. Department of Treasury			<u>\$ 338,115</u>
National Aeronautics and Space Administration			
Pass-Through Awards			
<i>University Corporation for Atmospheric Research</i>	43.001	Z11-87947	<u>\$ 600</u>
Total National Aeronautics and Space Administration			<u>\$ 600</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
U.S. National Endowment for the Humanities			
Direct Awards			
<i>Laura Bush 21st Century Librarian Program</i>	45.313	RE-01-06-0088	<u>\$ 361</u>
Pass-Through Awards			
<i>Texas State Library and Archive Commission</i>			
Grants to States	45.310	476-10014	\$ 7,435
Grants to States	45.310	476-11030	42,654
Grants to States	45.310	470-08008	(259)
Grants to States	45.310	470-09010	(374)
Grants to States	45.310	470-10014	139,121
Grants to States	45.310	470-11032	446,735
Grants to States	45.310	771-10030	58,344
Grants to States	45.310	771-11040	255,100
Grants to States	45.310	723-11001	16,567
<i>Total Texas State Library and Archive Commission</i>			<u>\$ 965,323</u>
Total U.S. National Endowment for the Humanities			<u><u>\$ 965,684</u></u>
U. S. Environmental Protection Agency			
Direct Awards			
<i>Studies, Surveys, Demonstrations, Clean Air Act</i>			
<i>Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act</i>	66.034	XA-96665901-0	<u>\$ 118,399</u>
<i>Climate Showcase</i>			
<i>Climate Showcase Communities Grant Program</i>	66.041	AF83453001-0	<u>217,893</u>
<i>Brownfields</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96682001-01	48,103
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96681901-01	82,644
<i>Total Brownfields</i>			<u>130,747</u>
Total Direct Awards			<u>\$ 467,039</u>
Pass-Through Awards			
<i>Texas Commission on Environmental Quality</i>			
Air Pollution Control Program Support	66.001	582-8-72687	\$ 34
Air Pollution Control Program Support	66.001	582-10-86413	385,590
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	582-7-72659	12,109
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	582-11-86422	54,243
Nonpoint Source Implementation Grants	66.460	582-9-77097	129,575
<i>Total Texas Commission on Environmental Quality</i>			<u>581,551</u>
<i>Texas Water Development Board</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	132500	1,267,525
Capitalization Grants for Clean Water State Revolving Funds	66.458	L060016	387,881
Capitalization Grants for Clean Water State Revolving Funds	66.458	L070016	1,734,426
<i>Total Texas Water Development Board</i>			<u>3,389,832</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Total Pass-Through Awards			\$ 3,971,383
Total U. S. Environmental Protection Agency			\$ 4,438,422
U.S. Department of Energy			
Direct Awards			
<i>Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance.</i>			
	81.117	DE-FC36-08GO18100	\$ 30,612
Total U.S. Department of Energy			\$ 30,612
U.S. Department of Education			
Pass-Through Awards			
<i>State of Texas - Governor's Office Criminal Justice Division Safe and Drug-Free Schools and Communities _State Grants</i>			
	84.186	ED-07-J20-19220-01	\$ 35,234
Total U.S. Department of Education			\$ 35,234
U.S. Department Of Health and Human Services			
Direct Awards			
<i>Centers for Disease Control & Prevention</i>			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CCU600445-26	\$ 1,111
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-27	(252)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-28	(1,121)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-29	1,187,579
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-30	1,062,730
Immunization Grants	93.268	IP622532-07	1,489
Immunization Grants	93.268	IP622532-08	1,713,549
Immunization Grants	93.268	IP622532-09	1,283,055
Immunization Grants	93.268	CCH622532A	7,789,140
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS000904-04	57,083
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	CI623672-05S3	560,375
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	PS000904-03	30,383
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507	CD001272-02	28,413
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements	93.521	CI000918-01	16,522

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523	PS003278-01	206,194
HIV Prevention Activities_Health Department Basesd	93.940	CCU023512-04	500
HIV Prevention Activities_Health Department Basesd	93.940	PS023512-05S1	(3,405)
HIV Prevention Activities_Health Department Basesd	93.940	PS023512-06	2,554,657
HIV Prevention Activities_Health Department Basesd	93.940	PS023512-07	2,233,013
HIV Prevention Activities_Health Department Basesd	93.940	PS000977-01	237,170
HIV Prevention Activities_Health Department Basesd	93.940	PS003255-01	180,420
HIV Prevention Activities_Health Department Basesd	93.940	PS000775-02	(454)
HIV Prevention Activities_Health Department Basesd	93.940	PS000775-03	253,760
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001552-01	4,689
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001552-02	51,509
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001447-01	(5,525)
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001447-03	98,261
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	PS003212-01	990,918
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	CCU623559-03	4,118
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-02	2,410
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-03	858,035
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-04	583,001
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-02	485,412
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-03	23,267
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001447-02	110,960
Total Centers for Disease Control & Prevention			22,598,966
<i>National Institute of Health</i> Cancer Cause and Prevention Research	93.393	CA137802-01A1	4,208
Total Direct Awards			\$ 22,603,174
Pass-Through Awards			
<i>Texas Department of Aging & Disability Services</i> Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2011-EAP-13	\$ 42,096
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Servives for Older Individuals	93.042	2011-OAG-13	98,817
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2010-3D-13	41,888
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2011-3D-13	132,573
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2010-3B-13	858,235
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2011-3B-13	1,612,680

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL AWARDS Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2009-ADM-13	95
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2010-ADM-13	266,563
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2011-ADM-13	729,401
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2010-ADRC-13	67,623
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	2010-3C1-13	549,865
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	2011-3C1-13	1,398,213
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	2010-3C2-13	1,281,322
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	2011-3C2-13	1,591,948
Special Programs for the Aging Title IV and Title II Discretionary Projects	93.048	2011-ADRCDP-13	8,119
National Family Caregiver Support, Title III, Part E	93.052	2010-3E-13	182,154
National Family Caregiver Support, Title III, Part E	93.052	2011-3E-13	896,312
Nutritional Services Incentive Program	93.053	2010-NSIP-13	61,725
Nutritional Services Incentive Program	93.053	2011-NSIP-13	1,001,175
Medicare Enrollment Assistance Program	93.071	2009-MIPPA-ADRC	7,549
Medicare Enrollment Assistance Program	93.071	2009-MIPPA-AAA	85,969
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	2010-ADRC-MIPPA #2	94,669
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	2011-AAA-MIPPA#2	6,231
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2011-CMS-16	57,163
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2012-CMS-16	14,009
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MIPPA	66,482
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MSEA	43,499
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2011-MIPPA-MIPPA#2	315
Money Follows the Person Rebalancing Demonstration	93.791	2011-ADRC-13	24,401
Total Texas Department of Aging & Disability Services			11,221,091
<i>Neighborhood Centers Inc.</i>			
Special Programs for the Aging Title IV and Title II Discretionary P	93.048	NCI2643	44,395
<i>Texas Department of State Health Services</i>			
Public Health Emergency Preparedness	93.069	2009-032263-001	165,637
Public Health Emergency Preparedness	93.069	2010-035851-001	1,063,697
Public Health Emergency Preparedness	93.069	2009-032288-001	45,415
Public Health Emergency Preparedness	93.069	2010-035655-001	174,236
Public Health Emergency Preparedness	93.069	2010-033401-001	141,372
Public Health Emergency Preparedness	93.069	2010-033535-001	1,444,542
Public Health Emergency Preparedness	93.069	2009-031684-001	244,226
Public Health Emergency Preparedness	93.069	2010-035636-001	509,307
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2010-033728-001	985
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2011-037397-001A	10,233
Childhood Lead Poisoning Prevention Projects State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	2010-035181	91,123
Hansen's Disease National Ambulatory Care Program	93.2010	2010-034525-001	49,100
Hansen's Disease National Ambulatory Care Program	93.2011	2011-037574-001	49,164
Family Planning Services	93.217	2011-037104-001	137,227
Family Planning Services	93.217	2010-034286-001A	54,405
Occupational Safety and Health Program	93.262	7460011640D-2007	(10,816)

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
Immunization Grants	93.268	2008-023575-001	3,320
Immunization Grants	93.268	2009-028712-001	1,595
Immunization Grants	93.268	2010-031792-001	168,060
Immunization Grants	93.268	2011-035541-001	505,391
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022930-001	24,067
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022965	202
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2010-035072-001	735,143
Social Services Block Grant	93.667	2010-034935	46,921
National Bioterrorism Hospital Preparedness Program	93.889	2009-032310-001	6,872
National Bioterrorism Hospital Preparedness Program	93.889	2010-035147-001	42,351
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2009-030647-001	2,219
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2010-034551	866,332
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2011-037547	676,382
Preventive Health & Health Services Block Grant	93.991	2011-035590	176,152
Preventive Health & Health Services Block Grant	93.991	2010-032807	73,585
Maternal and Child Health Services Block Grant to the States	93.994	2009-029513-001	41,633
Maternal and Child Health Services Block Grant to the States	93.994	2011-037077	124,620
Maternal and Child Health Services Block Grant to the States	93.994	2010-034618	62,328
Maternal and Child Health Services Block Grant to the States	93.994	2011-035909	109,636
Maternal and Child Health Services Block Grant to the States	93.994	2009-029841-001	147
Maternal and Child Health Services Block Grant to the States	93.994	2010-031678	35,623
Maternal and Child Health Services Block Grant to the States	93.994	2011-036628	245,257
Total Texas Department of State Health Services			8,117,689
<i>The Association of Public Health Laboratories</i>			
<i>Centers for Disease Control and Prevention_ Investigations and Technical Assistance</i>	93.283	2011-TBNAAT	41,188
<i>Gulf Coast Workforce Board</i>			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	06260C07FY06	(19)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	06260C07FY07	15,016
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	06260C07FY10	(615)
Total Gulf Coast Workforce Board			14,382
<i>Houston-Galveston Area Council</i>			
Social Services Block Grant	93.667	755-10	2,457,230
Social Services Block Grant	93.667	755.1-10	627,640
Social Services Block Grant	93.667	235-07	(439)
Total Houston-Galveston Area Council			3,084,431
<i>Fred Hutchinson Cancer Research Center</i>			
<i>Allergy, Immunology and Transplantation Research</i>	93.855	0000698635	32,793
<i>Harris County Public Health Environment Services</i>			
HIV Emergency Relief Project Grants	93.914	10GEN0180	166,229
HIV Emergency Relief Project Grants	93.914	10GEN2790	87,936
Total Harris County Public Health Environment Services			254,165
<i>National Association of County & City Health Officials</i>			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	2010-012102	3,648
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.	93.938	2010-102702	9,011
Total National Association of County & City Health Officials			12,659

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
<i>Houston Independent School District Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.</i>	93.938	HISD-AE-09	<u>54,059</u>
Total Pass-Through Awards			<u>\$ 22,876,852</u>
Total U.S. Department Of Health and Human Services			<u>\$ 45,480,026</u>
Corporation for National and Community Services			
Pass-Through Awards			
<i>America's Promise Program Development and Innovation Grants</i>	94.007	OJCAP-016104	<u>\$ 5,475</u>
Total Corporation for National and Community Services			<u>\$ 5,475</u>
U.S. Department of Homeland Security			
Direct Awards			
<i>Federal Emergency Management Agency (FEMA)</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-3216-EM	<u>\$ 3,345</u>
Total Direct Awards			<u>\$ 3,345</u>
Pass-Through Awards			
<i>Texas Department of Public Safety</i>			
Non-Profit Security Program	97.008	07-SR-35000-01	\$ (47,099)
Non-Profit Security Program	97.008	08-SR-35000-01	7,191,204
Non-Profit Security Program	97.008	09-SR-35000-05	4,180,278
Non-Profit Security Program	97.008	10-SR-35000-01	767,660
Emergency Management Performance Grants	97.042	2010TX-EMPG-0357	150,108
Interoperable Emergency Communications	97.055	08-SR-35000-17	31,599
Total Texas Department of Public Safety			<u>12,273,750</u>
<i>Governor's Division of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EM-3294-TX	3,936,893
Metropolitan Medical Response System	97.071	2007-GE-T7-0024	(567)
Metropolitan Medical Response System	97.071	2008-GE-T8-0034	167,588
Metropolitan Medical Response System	97.071	2009-SS-T9-0064	70,194
State Homeland Security Program	97.073	08-SR-35000-01	543,823
State Homeland Security Program	97.073	09-SR-35000-05	300,811
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	08-35000-01	1,440,398
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	09-35000-01	224,322
Total Governor's Division of Emergency Management			<u>6,683,462</u>
<i>Neighborhood Centers</i>			
Presidential Declared Disaster Assistance - Disaster Housing Operations for Individuals and Households	97.049	NCI2424	<u>615,520</u>
<i>Texas Commission on Environmental Quality</i>			
Homeland Security Biowatch Program	97.091	582-7-72676	(170)
Homeland Security Biowatch Program	97.091	582-10-86407	697,843
Total Texas Commission on Environmental Quality			<u>697,673</u>
<i>Harris County Housing Authority</i>			
Disaster Housing Assistance Grant	97.109	FOC-HCHA-09	152,179
Disaster Housing Assistance Grant	97.109	FOC-HCHA-08	378
Total Harris County Housing Authority			<u>152,557</u>
<i>Houston Housing Authority</i>			

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
<i>Disaster Housing Assistance Grant</i>	97.109	FOC-HHA-08	<u>189</u>
Total Pass-Through Awards			\$ 20,423,151
Total U.S. Department of Homeland Security			\$ 20,426,496
TOTAL EXPENDITURES OF FEDERAL Non-ARRA AWARDS			\$ 240,712,856
<u>American Recovery and Reinvestment Act</u>		<u>ARRA</u>	
U. S. Department of Housing & Urban Development			
Direct Awards			
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	B-09-MY-48-0018	\$ 1,721,319
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	S-09-MY-48-0002	<u>5,874,285</u>
Total Direct Awards			\$ 7,595,604
Pass-Through Awards			
<i>Child Care Council of Greater Houston</i> <i>Homelessness Prevention and Rapid Re-Housing Program</i> <i>(Recovery Act Funded)</i>	14.257	4600009462	<u>\$ 611,535</u>
Total Pass-Through Awards			\$ 611,535
Total U. S. Department of Housing & Urban Development			\$ 8,207,139
U.S. Department of Justice			
Direct Awards			
<i>Bureau of Justice Assistance</i> <i>Recovery Act - Edward Byrne Memorial Justice Assistance Grant</i> <i>(JAG) Program / Grants To Units Of Local Government</i>	16.804	2009-SB-B9-0717	<u>\$ 5,892,096</u>
Total Direct Awards			\$ 5,892,096
Pass-Through Awards			
<i>State of Texas - Governor's Office Criminal Justice Division</i> Edward Byrne Memorial Justice Assistance Grant Program	16.738	EF-09-V30-22964-01	\$ 67,549
Edward Byrne Memorial Justice Assistance Grant Program	16.738	EF-09-V30-22967-01	71,994
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	SU-09-A10-22629-01	<u>109,248</u>
Total State of Texas - Governor's Office Criminal Justice Division			248,791
Total Pass-Through Awards			\$ 248,791
Total U.S. Department of Justice			\$ 6,140,887

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
U.S. Department of Transportation			
Direct Awards			
<i>Federal Aviation Administration</i>			
<i>Airport Improvement Program</i>	20.106	3-48-0290-22	<u>\$ 85,681</u>
Total Direct Awards			<u>\$ 85,681</u>
Pass-Through Awards			
<i>Texas Department of Transportation</i>			
Highway Planning and Construction	20.205	0912-70-022	\$ 2,221,987
Highway Planning and Construction	20.205	0912-00-421	4,990,255
Highway Planning and Construction	20.205	0912-70-020	564,762
Highway Planning and Construction	20.205	0912-70-038	2,622,160
Highway Planning and Construction	20.205	0912-70-036	487,828
<i>Total Texas Department of Transportation</i>			<u>10,886,992</u>
Total Pass-Through Awards			<u>\$ 10,886,992</u>
Total U.S. Department of Transportation			<u>\$ 10,972,673</u>
U. S. Environmental Protection Agency			
Direct Awards			
<i>National Clean Diesel Emissions Reduction Program</i>	66.039	EPA-ARRA-OAR-0TAQ09-06	<u>\$ 1,106,360</u>
Total U. S. Environmental Protection Agency			<u>\$ 1,106,360</u>
U.S. Department of Energy			
Direct Awards			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000965	<u>\$ 3,552,227</u>
Total Direct Awards			<u>\$ 3,552,227</u>
Pass-Through Awards			
<i>Texas Comptroller of Public Accounts</i>			
State Energy Program	81.041	CS0087	\$ 46,566
State Energy Program	81.041	CS0020	50,000
<i>Total Texas Comptroller of Public Accounts</i>			<u>96,566</u>
<i>Texas Department of Housing & Community</i>			
Weatherization Assistance for Low-Income Persons	81.042	16090000689	13,019,687
<i>Total Texas Department of Housing & Community</i>			<u>13,019,687</u>
Total Pass-Through Awards			<u>\$ 13,116,253</u>
Total U.S. Department of Energy			<u>\$ 16,668,480</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL AWARDS	Federal CFDA Number	Grant Award Number	Expenditures
Program Title			
U.S. Department Of Health and Human Services			
Direct Awards			
<i>Centers for Disease Control & Prevention</i>			
ARRA - Immunization	93.712	3U50CI623672-05S1	\$ 81,559
ARRA - Immunization	93.712	3H23IP622532-07S1	340,580
ARRA -Health Information Technology and Public Health	93.729	C1000810-01	135,544
Total Centers for Disease Control & Prevention			<u>557,683</u>
Total Direct Awards			<u>\$ 557,683</u>
Pass-Through Awards			
<i>U T MD Anderson Cancer Center</i>			
Trans-NIH Recovery Act Research Support	93.701	28638/98113847	\$ 13,879
Trans-NIH Recovery Act Research Support	93.701	28638/98113847	104,246
Total U T MD Anderson Cancer Center			<u>118,125</u>
<i>Texas Department of Aging & Disability Services</i>			
Aging Home-Delivered Nutrition Services for States	93.705	38005012	49,440
Aging Congregate Nutrition Services for States	93.707	CGM-93.707	11,464
Total Texas Department of Aging & Disability Services			<u>60,904</u>
<i>Gulf Coast Community Services Association</i>			
ARRA - Community Services Block Grant	93.710	EWP-93.710	82,640
Total Gulf Coast Community Services Association			<u>82,640</u>
Total Pass-Through Awards			<u>\$ 261,669</u>
Total U.S. Department Of Health and Human Services			<u>\$ 819,352</u>
TOTAL EXPENDITURES OF FEDERAL ARRA AWARDS			<u>\$ 43,914,891</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 284,627,747</u>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>STATE AWARDS</u>	<u>Grant Award Number</u>	<u>Expenditures</u>
<u>Program Title</u>		
Direct Awards		
<i>Texas Governor's Office Criminal Justice Division</i>		
After School Achievement Program	SF-11-J20-21566-02	\$ 53,339
Asset Forfeiture	NA	3,344,518
Gang Disruption Initiative	CO-11-A10-24292-01	222,832
Total Texas Governor's Office Criminal Justice Division		3,620,689
<i>Texas Automobile Theft Prevention Authority</i>		
HACTF/18	SA-T04-10054-10	210,301
HACTF/19	SA-T04-10054-11	820,716
Total Texas Automobile Theft Prevention Authority		1,031,017
<i>Texas Comptroller of Public Accounts</i>		
Tobacco Compliance /13	NA	14,539
Tobacco Compliance /14	NA	116,429
Total Texas Comptroller of Public Accounts		130,968
<i>Texas Department of State Health Services</i>		
Milk & Dairy Product Testing	2010-031950	7,844
Milk & Dairy Product Testing	2011-035204	39,865
Tuberculosis Elimination Prevention	2010-032847-001	235,870
Tuberculosis Elimination Prevention	2011-036067	1,128,196
Community Health Services - Title V Family Planning	2010-032606	1
Community Health Services - Title V Family Planning	2011-037014	68,429
Milk & Dairy Lab Analysis	2011-035292	19,160
Community Based Obesity Prevention	2010-034868	106,636
HIV Rapid Testing	2010-034649	580,421
HIV Rapid Testing	2011-035183	472,564
Get Moving Houston Physical Fitness Campaign	2008-027701-001	175
Enhanced Influenza Surveillance and Response	2010-031523-001	20,976
Enhanced Influenza Surveillance and Response	2011-036052	40,980
Infectious Disease Control Unit /Flue Lab	2010-031532-001	1,163
Community Health Services - Title V Family Planning	2010-034243	627
Tuberculosis Social Services	2010-034804	199,016
Total Texas Department of State Health Services		2,921,923
<i>Texas Department of Public Safety</i>		
Operation Loanstar	BSOC-OP-LS-023	(370)
Total Texas Department of Public Safety		(370)
<i>Texas Department of Transportation</i>		
Hermann Trail TXDOT	CSJ091271805	220,419
Local Transportation	CSJ-0912-72-171	4,678
Local Transportation	CSJ-0912-72-169	28,075
Total Texas Department of Transportation		253,172
<i>Texas Department of Aging & Disability Services</i>		
State General Revenue	2011-SGR-13	435,176
State Highway Transportation Demand Response	2011-SHF-13	36,065
Total Texas Department of Aging & Disability Services		471,241
<i>Texas Department of Housing & Community Affair</i>		
Homeless Housing & Services Program	63100000891	4,712,155
Total Texas Department of Housing & Community Affair		4,712,155
<i>Texas Health & Human Services Commission</i>		
Nurse Family Partnership Program	HHSC 529-08-0110	373,065
Nurse Family Partnership Program	HHSC 529-08-0110-00012A	370,626
Total Texas Health & Human Services Commission		743,691

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

<u>STATE AWARDS</u>	<u>Grant Award Number</u>	<u>Expenditures</u>
<u>Program Title</u>		
<i>Texas Parks & Wildlife Department</i>		
Houston Hermann Brown Park Improvement	50-000004	930,779
Houston Park Adventure	52000528	24,168
Houston Sagemont Community Center	50-000001	761,613
Houston Townwood Park	50-000402	797,128
Houston West Gray Adaptive Recreation Trail	RT-0715	100,000
Total Texas Parks & Wildlife Department		2,613,688
<i>Texas State Library and Archives Commission</i>		
Loans Star Library 2010	442-10002	191,107
Loans Star Library 2011	442-11541	261,855
Total Texas State Library and Archives Commission		452,962
Total Direct Awards		\$ 16,951,136
Pass-Through Awards		
<i>Harris County Protective Services</i>		
CYD Campo Del Sol	C72071	\$ 35,017
CYD Youth Leadership	C73996-NCA	50,712
United Minds YLC	C72072	8,325
Total Harris County Protective Services		94,054
<i>Healthy Family Initiative</i>		
Nurse Family Partnership	0380800107001	(223,045)
Total Healthy Family Initiative		(223,045)
<i>Houston - Galveston Area Council</i>		
Drop-Off Roll-Off	10-16-G05	254,873
FY10 Solid Waste	10-16-G04	79,891
HGAC-Clean Rivers	CR 73605	44,206
Total Houston - Galveston Area Council		378,970
Total Pass-Through Awards		\$ 249,979
TOTAL EXPENDITURES OF STATE AWARDS		\$ 17,201,115

CITY OF HOUSTON, TEXAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

1. The accompanying schedule of expenditures of federal and state awards (SEFA) 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB A-133) 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.

Federal and state awards provided to subrecipients are treated as an expenditure when the City is notified by the subrecipient of the expenditure.

2. Federal and state awards are reported in the City's Comprehensive Annual Financial Report (CAFR) as follows (in thousands):

	Federal	State
Grant Funds	\$ 223,487	\$ 13,856
FEMA Assistant Grant - Hurricane IKE	3,937	
Capital Projects Funds	7,483	
Nonmajor Governmental Funds	2,089	3,345
Enterprise Fund - Combined Utility System Fund	3,519	
Enterprise Fund - Airport System Fund	44,113	
	<hr/>	
Total	<u>\$ 284,628</u>	<u>\$ 17,201</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	\$7,789,140
Value of vaccines on hand	93.268	339,214

6. **Loans Outstanding** — The City had the following loan balances outstanding at June 30, 2011. 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	\$ 24,637,132
HOME Investment Partnerships Program	14.239	14,023,219
Section 108 Guaranteed Loan Program	14.248	2,464,172
Texas Water Development Board	66.458	22,290,593

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	\$ 2,197,782
Emergency Shelter Grants Program	14.231	1,243,390
Housing Opportunities for Persons with AIDS	14.241	910,412
Juvenile Justice and Delinquency Prevention_Allocation to States	16.540	16,665
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	42,326
Special Programs for the Aging Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	99,121
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	108,588
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	592,102
Special Programs for the Aging Title III, Part C_Nutrition Services	93.045	4,974,355
National Family Caregiver Support, Title III, Part E	93.052	389,838
Nutrition Services Incentive Program	93.053	1,119,947
Public Health Emergency Preparedness	93.069	1,204
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523	125,546
Social Services Block Grant	93.667	619,150
HIV Prevention Activities-Health Department Based	93.940	2,117,437
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	<u>282,375</u>
Total		<u>\$ 14,840,238</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	\$ 5,179,446
Aging Home - Delievered Nutrition Services for States	93.705	34,766
Aging Congregate Nutrition Services for States	93.707	<u>23,567</u>
Total		<u>\$ 5,237,779</u>

9. The following is the state subrecipient cash disbursements:

Program Title	Grant Award Number	Amount Provided to Subrecipients
ASAP-CJD	SF-11-J20-21566-02	\$ 24,413
HACTF/18	SA-T04-10054-10	14,611
HACTF/19	SA-T04-10054-11	30,762
Nurse Family Partnership Program	HHSC 529-08-0110	13,945
Nurse Family Partnership Program	HHSC 529-08-0110-00012A	14,213
Tuberculosis Social Services	2010-034804	135,680
State General Revenue	2011-SGR-13	435,176
State Hi-Way Transportation	2011-SHF-13	36,065
HIV Rapid Testing	2011-035183	<u>798,244</u>
Total		<u>\$ 1,503,109</u>

10. The following is the schedule of expenditure of federal awards by cluster:

<u>Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
CHILD NUTRITION CLUSTER		
Summer Food Service Program for Children (SFSPC)	10.559	2,408,985
Total Child Nutrition Cluster		<u>2,408,985</u>
CDBG-ENTITLEMENT GRANT CLUSTER		
Community Development Block Grants/Entitlement Grants	14.218	28,333,015
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	1,721,319
Total CDBG-Entitlement Grant Cluster		<u>30,054,334</u>
CDBG- STATE-ADMINISTERED CDBG CLUSTER		
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program)	14.228	39,823,625
Total CDBG-State-Administered CDBG Cluster		<u>39,823,625</u>
JAG Program Cluster		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,358,854
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	109,248
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	5,892,096
Total JAG Program Cluster		<u>7,360,198</u>

Agency	Cluster Title	Federal CFDA Number	Expenditures
DOT	Highway Planning and Construction Cluster		
	Highway Planning and Construction	20.205	20,338,085
	Recreational Trails Program	20.219	111
	Total Highway Planning and Construction Cluster		20,338,196
DOT	Highway Safety Cluster		
	State and Community Highway Safety	20.600	1,495,038
	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	71,516
	Occupant Protection	20.602	44,276
	Total Highway Safety Cluster		1,610,830
HHS	Aging Cluster		
	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	3,534,597
	Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	4,821,348
	Nutritional Services Incentive Program	93.053	1,062,900
	ARRA - Aging Home-Delivered Nutrition Services for States	93.705	49,440
	ARRA - Aging Congregate Nutrition Services for States	93.707	11,464
	Total Aging Cluster		9,479,749
HHS	Immunization Cluster		
	Immunization	93.268	13,267,384
	ARRA - Immunization	93.712	422,140
	Total Immunization Cluster		13,689,524
HHS	CSBG Center		
	ARRA-Community Services Block Grants	93.710	82,640
	Total CSBG Center		82,640
	CCDF Cluster		
HHS	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	14,383
	Total CCDF Cluster		14,383
	Grand Total of Cluster Federal Awards		\$ 124,862,464

CITY OF HOUSTON, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

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, but was not 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, one of which as considered to be a material weakness.
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 Herman Brown Park program for matching.
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
Community Development Block Grant (a)	14.218
CDBG TX Action Plan / DIDR	14.228
Housing Opportunities for Persons With AIDS	14.241
Community Development Block Grant — ARRA (a)	ARRA14.253
Homelessness Prevention and Rapid Rehousing Program — ARRA	ARRA14.257
Edward Byrne Memorial JAG (b)	16.738
Edward Byrne Memorial JAG — ARRA (b)	ARRA16.738, ARRA16.803, ARRA16.804
Airport Improvement Program (c)	20.106
Airport Improvement Program — ARRA (c)	ARRA20.106
Highway Planning and Construction (d)	20.205, 20.219
Highway Planning and Construction — ARRA (d)	ARRA20.205
Weatherization Assistance for Low-Income Persons — ARRA	ARRA81.042
Energy Efficiency and Conservation Block Grant — ARRA	ARRA81.128
Social Services Block Grant	93.667
Urban Area Security Initiative	97.008
Herman Brown Park	State
HIV Rapid Testing	State
HHSP	State
Nurse Family Partnership	State
Sagemont Park	State
Townwood Park	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, or as defined by the Texas UGMS, for the Federal and State single audit, respectively.

II. FINANCIAL STATEMENT FINDINGS SECTION

Program	Finding/Noncompliance	Questioned Cost
Financial Reporting	<p>Significant Deficiency in Internal Control — Finding 2011-1.</p> <p>Condition/Criteria — 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.</p> <p>Cause/Context — Nonperformance of analytical reviews of financial information and the processing of material journal entries without appropriate high level management approval, increases the risk that the City’s financial statements could contain material misstatements.</p> <p>Effect — Performing periodic analytical reviews of financial results as well as reviewing and approving material journal entries at a department level, should enhance the City’s ability to identify and correct potential misstatements in the City’s financial statements.</p> <p>Recommendation — Due to the City’s diverse operations, there is a need to perform high level analytical reviews at a department level, where the departmental management has a clearer picture of the financial results of the respective department. In addition, the review and approval of material journal entries at a high level of management within a department should mitigate the risk that a material misstatement to the financial statements could occur.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — The City will develop a procedure to support high level analytical reviews. A review of the journal entry approval level will also be made.</p> <p>Estimated Completion Date — September 30, 2012</p> <p>City Contact Person — Jim Locke, Assistant Director, Finance</p>	N/A

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

Program	Finding/Noncompliance	Questioned Cost
<p>Community Development Block Grant (CDBG) — CFDA #14.218, ARRA #14.253</p> <p>Housing Opportunities for Persons With AIDS (HOPWA) — CFDA #14.241</p>	<p>Compliance and Significant Deficiency Control Finding</p> <p>2011-2: Reporting</p> <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>The HUD60002 report filed for CDBG erroneously included the data related to the HOPWA grant. The City did not file a separate HUD60002 report for HOPWA, as the information was erroneously included in the report filed for CDBG.</p> <p>Criteria — In accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> (OMB A-133), 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 accurately with all required fields completed.</p> <p>Effect — Reports do not reflect correct grant expenditures.</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>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — As a process improvement, Housing and Community Development (HCDD) will verify year end data sources to ensure the identification of all grant sources relating to construction projects are properly itemized and listed on the applicable HUD60002.</p> <p>Estimated Completion Date — November 22, 2011</p> <p>City Contact Person — Pirooz Farhoomand, Division Manager, Housing and Community Development Department.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Energy Efficiency and Conservation Block Grant (EECBG) — CFDA #81.128	<p>Significant Deficiency Control Finding</p> <p>2011-3: Subrecipient Monitoring</p>	N/A
	<p>Condition — In testing the internal controls related to the EECBG program, we noted an overall weak control environment and understanding of the OMB A-133 requirements. The City appeared to have difficulty in differentiating between subrecipients and vendors and inconsistency in reporting.</p> <p>Criteria — In accordance with OMB A-133, the City is responsible for identifying subrecipients related to the grant, in order to properly monitor the activities of said subrecipients. In addition, the reporting requirements for this program require the City to report the number of awards made to subrecipients and vendors.</p> <p>Cause — Lack of controls in place to ensure subrecipients are appropriately identified by the City.</p> <p>Effect — Contracts between the City and related subrecipients could be inappropriately structured, lacking sufficient language required for contracts between pass through entities and subrecipients that receive federal funds. In addition, reports required to be filed under the grant could be inaccurate.</p> <p>Recommendation — The City should review current policies and OMB A-133 guidance. Each department should be aware of the requirements for subrecipients that receive federal or state awards, and the distinction between subrecipients and vendors. In addition, the City should ensure that each department is knowledgeable about grant agreements and the type of work performed by subrecipients.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — Since the sponsor of the grant, the Department of Energy (DOE), makes the reporting determination General Service Department (GSD) will continue to collaborate with the DOE to ensure that the proper designation has been made.</p> <p>Estimated Completion Date — On Going</p> <p>City Contact Person — Ja'nice Sparks, Deputy Assistant Director, General Services Department</p>	

Program	Finding/Noncompliance	Questioned Cost
Social Services Block Grant (SSBG) — CFDA #93.667	<p align="center">Compliance and Significant Deficiency Control Finding</p> <p>2011-4: Subrecipient Monitoring</p>	N/A
	<p>Condition — The City has not established, nor did the subrecipient contracts contain language regarding, a monitoring process for any subrecipient receiving SSBG funds.</p> <p>Criteria — In accordance with OMB A-133, the City is responsible for maintaining a monitoring process for all subrecipients who receive federal or state awards through the City. The subrecipients are to be monitored for compliance with grant requirements. In some cases, single audits are required for the entities that receive federal or state funding; any findings or other instances of noncompliance should be investigated. Contracts between the City and the subrecipients should include all required language regarding the OMB A-133 single audit requirements and related grant funding requirements. Management of the City is responsible for monitoring subrecipients of federal and state awards.</p> <p>Cause — Lack of controls in place to ensure subrecipients are adequately monitored by the City, and to ensure contracts include all language and terms required by OMB A-133 for subrecipients.</p> <p>Effect — Subrecipients could be inappropriately handling grant funds without proper monitoring by the City.</p> <p>Recommendation — The City should review current policies and subrecipient monitoring processes. Each department should be aware of the requirements for subrecipients that receive federal or state awards, and the distinction between subrecipients and vendors. In addition, the City should ensure that each department is knowledgeable about grant agreements and the type of work performed by subrecipients.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — Management will ensure that contracts contain language regarding a monitoring process for all sub-recipients who receive federal or state awards through the City.</p> <p>Estimated Completion Date — March 31, 2012</p> <p>City Contact Person — Celina G. Ridge, Assistant Director-Health and Human Services Department</p>	

Program	Finding/Noncompliance	Questioned Cost
Herman Brown Park — State	<p>Material Noncompliance and Material Weakness Control Finding</p>	\$69,221
	<p>2011-5: Matching</p> <p>Condition — The City did not properly track nor manage the matching requirements for the Herman Brown Park grant in accounting for grant expenditures. As a result, the City erroneously recorded \$69,221 of City-matched expenditures on the SEFA as State expenditures, causing the SEFA to be overstated. The amount is now properly shown in the fiscal year 2011 SEFA.</p> <p>Criteria — Management of the City is responsible for ensuring compliance with the grant agreements and contracts, and for properly accounting for the matching of local funds.</p> <p>Cause/Context — Lack of controls in place to ensure matching requirements are identified and met for the program, and that matched expenditures are appropriately recorded.</p> <p>Effect — Noncompliance with the State of Texas’ Uniform Grant Management Standards.</p> <p>Recommendation — The City should review current policies and procedures in identifying matching requirements for each grant agreement. Each department should be aware of the matching requirements, how the matching requirements will be met, and how to properly account for local matching of funds.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — The Parks and Recreation Department will review each grant thoroughly with the Finance Team, the Project Management Team and Administrative staff to assure that all have a proper understanding of the policies and procedures pertaining to local matching funds.</p> <p>All questionable items will be submitted to the Finance Department and/or the Grantor/Sponsor of the Grant for clarification. The Parks and Recreation Department will maintain a sub-ledger to assure that all matching fund requirements are met; and that all match funding is properly recorded.</p> <p>Estimated Completion Date — June 30, 2012</p> <p>City Contact Person — Cheryl D. Johnson, Deputy Director, Park & Recreation Department</p>	

Program	Finding/Noncompliance	Questioned Cost
Compliance and Significant Deficiency Control Finding		
2011-6: Special Tests & Provisions		
Community Development Block Grant (CDBG) — CFDA #14.218, ARRA #14.253	<p>Condition — In testing the special provisions for CDBG, 6 of the 14 items selected for testing had missing or incomplete documentation. The City was unable to furnish adequate documentation to prove they are in compliance with the Environmental Review and Rehabilitation Inspection special provisions of the grant agreement.</p> <p>Criteria — The grant sets forth multiple special provisions in the grant agreements that are direct and material for this cluster. These include federally funded projects to be subject to environmental review, and inspections of rehabilitation projects. OMB A-133 requires that special provisions be tested if material as they represent significant areas of compliance. Management of the City is responsible for ensuring all material provisions in the grant agreements are sufficiently met.</p> <p>Cause — Lack of controls in place to ensure documentation of environmental reviews and rehabilitation inspections are adequately maintained and kept on-hand for a reasonable amount of time.</p> <p>Effect — Without appropriate documentation, expenditures could be made that do not meet the criteria of the grant.</p> <p>Recommendation — The City should re-evaluate its procedures regarding maintaining adequate records when material special provisions in grant agreements are identified and documented.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — All selected items for testing pre-date the reorganization of the single family division. The division has since implemented a Quality Control process to ensure all proper documentation is complete and accurate.</p> <p>Estimated Completion Date — September 2010</p> <p>City Contact Person — Christon Butler, Deputy Assistant Director-Single Family Programs</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Compliance and Significant Deficiency Control Finding		
2011-7: Allowable Costs		
<p>Community Development Block Grant (CDBG) — CFDA #14.218 & ARRA #14.253</p> <p>Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) — CFDA #10.557</p> <p>Home Investment Partnerships Program (HOME) — CFDA #14.239</p> <p>Disaster Grants - Public Assistance (Disaster Recovery) — CFDA # 97.036</p> <p>Dolly and IKE Disaster Relief (DIDR) and HERA Neighborhood Stabilization (HERA NSP) Programs — CFDA # 14.228</p>	<p>Condition — Certain timesheets and related payroll expenditures were not appropriately accounted for in the correct fiscal periods nor coded to the correct grants, therefore causing the SEFA to be inaccurate. Several payroll expenditures were recorded under an original program that related to entire payroll periods for multiple personnel whom contributed time to both the original program and other programs. In addition, each entry of this type that is recorded to a program includes expenditures related to other programs, which are not allowable costs under the grant agreements and should not be charged to original program. Subsequent reversals and expenditure entries were recorded to reallocate the payroll expenses to the appropriate grant ID. However, the below reallocations did not occur until a subsequent fiscal year, at which point the expenses were recorded in the incorrect fiscal period for the grant, causing the SEFA to be inaccurate.</p> <p>Of the 20 payroll selections tested for CDBG single audit purposes, 1 expenditure represented an allocation of a payroll period from fiscal year 2010 in the amount of \$6,387 to Disaster Recovery.</p> <p>Of the 20 payroll selections tested for financial statement purposes, 3 expenditures represented allocations of a payroll period from fiscal year 2010.</p> <ul style="list-style-type: none"> • \$22,260 was charged to CDBG in fiscal year 2010 (pay period May 21, 2010) that was re-allocated in fiscal year 2011 to HOME and DIDR (CFDA 14.228) • \$305 was charged to CDBG in fiscal year 2010 that was re-allocated in fiscal year 2011 to HERA NSP (CFDA 14.228) • \$2,525 was charged to WIC for payroll from 6/12/2010 to 7/31/2011 and was re-allocated in fiscal year 2011 to the general fund (non-grant). <p>Criteria — Management of the City is responsible for ensuring all expenditures are correctly coded and recorded in each respective grant in the correct accounting periods.</p> <p>Cause — Lack of controls in place to ensure proper timesheet allocation of activities for personnel involved in administering multiple grants.</p> <p>Effect — Inappropriate controls over grant expenditures could allow charges to be made to incorrect grant programs.</p>	\$31,477

Program	Finding/Noncompliance	Questioned Cost
	<p>Recommendation — The City should re-evaluate its procedures regarding timesheet allocation and recording. An effort should be made to ensure that all time is accurately recorded based on time spent on various grant activities, and is recorded in the proper period.</p> <p>Views of Responsible Officials — Management does not disagree with this finding.</p> <p>Corrective Action Plan of Management — Starting August 20, 2011, the City moved to KRONOS, the City’s electronic timekeeping system. This system virtually eliminates the need for charge backs because time allocations are being recorded and charged to the correct grants during the pay period</p> <p>Estimated Completion Date — August 20, 2011</p> <p>City Contact Person — Renee Carrington, Assistant Director, Housing & Community Development Department, Finance Section.</p>	

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

Program	Finding/Noncompliance	Questioned Cost
	<p>Financial Reporting Finding 2010 - 1</p> <p>Finding — The City’s financial accounting and reporting process is not adequate to ensure that accounting transactions are being properly captured and reported by the City in its financial statements in a timely manner.</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>Status — The City formed a CAFR task force to implement the “Improvement Initiative and Opportunity for Single Audit Reporting” to ensure the reportable expenditures captured in Financial Report in timely manner.</p>	
	<p>Finding 2010- 2</p>	
<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>Finding — It was noted that a net total of \$11,545,985 was initially recorded in the wrong fiscal year related to the following programs: PSIC (was tested as a major program during the 2010 single audit), UASI, COPS and Federal Surplus Property Program (which 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> <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>Status — The City has been provided year-end closing Accounting & Reporting training to City personnel who are responsible for the year-end accrual process yearly. Changes to improve the year end accrual process have been implemented. Accrual information is now being reviewed.</p>	<p>N/A</p>

Program	Finding/Noncompliance	Questioned Cost
West Park Recycling — State	<p>Finding 2010-3</p> <p>Finding — It was noted that the City procured services through the Texas Procurement and Support Services Texas Multiple Awards Schedule and failed to obtain any certified payroll reports from the subcontractor.</p> <p>Recommendation — The City should monitor all subcontractor projects for compliance with Davis Bacon, regardless of procurement procedures.</p> <p>Status — The City’s procedures on Davis Bacon compliance have been updated to ensure that all requirements are met.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Compliance and Significant Deficiency Control Finding		
2010-4: Reporting		
<p>Public Safety Interoperable Communication Grant Program — CFDA #11.555</p> <p>Energy Efficiency and Conservation Block Grant — CFDA #81.128</p> <p>National Clean Diesel Program — CFDA #66.039</p> <p>HHSP — State</p> <p>HIV Prevention — CFDA #93.940</p> <p>Community Development Block Grant — CFDA #14.218</p>	<p>Finding — For the programs noted below, the City did not comply with reporting requirements required by the grants:</p> <p>Energy Efficiency and Conservation Block Grant, National Clean Diesel Program, HHSP, HIV Prevention, Community Development Block Grant, and the Public Safety Interoperable Communication Grant Program.</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 — The communication on submitting timely reports has taken place. Providing adequate documentation for any late findings, as well as, maintaining proper documentation of extension has been emphasized.</p>	N/A

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 1325 611">Finding — 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="548 636 1336 831">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="548 869 1330 961">Status — The City has provided the grant management training to city grant personnel. Staff has been assigned to verify that all our grants reported in the SEFA have correct CFDA numbers.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Significant Deficiency Control Finding		
2010-6: Allowable Costs		
Community Development Block Grant — CFDA #14.218	<p data-bbox="548 420 1328 546">Finding — Identified expenditures reflected in the Schedule of Expenditures of Federal and State Awards (“SEFA”) that are unallowable. Noted one out of nine payroll selections overcharged the grant for pension expense.</p> <p data-bbox="548 569 1328 632">Recommendation – The City should review and monitor all grant expenditures in order to ensure compliance.</p> <p data-bbox="548 667 1328 1400">Status — The City reviewed the payroll sections for the period charged to the HUD. The corrections were made because the original pension rate charged against CDBG was 14.7% while the transfer or manual chargeback calculation used a pension rate of 15.8% in error. This resulted in more funds being removed from CDBG than should have been removed. Since the original entries that charged payroll costs against CDBG (federal grant) were processed at a lower pension rate than the expenses moved to NSP Texas the overage was reversed. In addition, due to a misunderstanding of the coding on the timesheets 4 employees were included in the manual chargeback calculation that should not have been. Therefore, those expenditures were reversed as well, returning those expenses back to the originating grant, CDBG. The payroll expenses are transferred based on timesheets where an employee initially paid from CDBG actually worked for some time during the pay period on NSP Texas (federal grant). Since the original entries that charged payroll costs against CDBG (federal grant) were lower than the expenses moved to NSP Texas a reversal needed to be made. Because both the initially charged and subsequently charged grants are federal funds, the City respectfully requests that HUD allow the City to transfer funds from NSP Texas which was overcharged back to CDBG which undercharged.</p>	\$581