

# City of Houston, Texas

Single Audit Report for the  
Year Ended June 30, 2012

# 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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2012. Our report includes a reference to other auditors. 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"). Other auditors audited 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% percent 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 0.5% and 1.2%, respectively, of the assets and revenues of the governmental discretely presented component units) or any business-type discretely presented component units (except for Houston First Corporation, which represents 72.0% and 70.65%, respectively, of the assets and revenues of the business-type discretely presented component units), rather such financial statements were audited by other auditors, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported 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, significant 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 previously. 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 2012-1. 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 18, 2012.

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 & Touche LLP*

December 18, 2012

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* ("OMB Circular A-133"), 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, 2012. 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 or 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and UGMS. Those standards, OMB Circular A-133, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and UGMS and which are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, 2012-4, and 2012-5.

## **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 or 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, 2012-4, and 2012-5. *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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 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 City as of and for the year ended June 30, 2012, and have issued our report thereon dated December 18, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 additional 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 expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements 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's Touche LLP*

December 18, 2012

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL AWARDS

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
<b>Office of National Drug Control Policy</b>			
<b>Direct Awards</b>			
Meth Initiative Group	07.G09HN0001A	G09HN0001A	\$ (3,455)
Meth Initiative Group	07.G10HN0001A	G10HN0001A	6,435
Major Drug Squads	07.G09HN0001A	G09HN0001A	648
Major Drug Squads	07.G10HN0001A	G10HN0001A	112,196
Houston Intl Support	07.G09HN0001A	G09HN0001A	(33,034)
Houston Intl Support	07.G10HN0001A	G10HN0001A	21,420
Truck, Air, Rail, Port	07.G09HN0001A	G09HN0001A	(207,598)
Truck, Air, Rail, Port	07.G10HN0001A	G10HN0001A	302,756
Narcotics Operations	07.G09HN0001A	G09HN0001A	12,376
Narcotics Operations	07.G10HN0001A	G10HN0001A	39,005
Houston Money Launder	07.G09HN0001A	G09HN0001A	162,169
Houston Money Launder	07.G10HN0001A	G10HN0001A	(34,924)
Gang & Nontrad Squad	07.G09HN0001A	G09HN0001A	99,732
Gang & Nontrad Squad	07.G10HN0001A	G10HN0001A	185,817
Target NARC Enforce	07.G09HN0001A	G09HN0001A	393,780
Target NARC Enforce	07.G10HN0001A	G10HN0001A	(58,436)
<b>Total Office of National Drug Control Policy</b>			<b>\$ 998,887</b>
<b>Executive Office of the President</b>			
<b>Direct Awards</b>			
<i>High Intensity Drug Trafficking Areas Program</i>			
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	8,212
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	43,266
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	94,935
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	552,311
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	143,432
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	67,136
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	154,945
High Intensity Drug Trafficking Areas Program	95.001	G11HN0001A	327,682
<b>Total High Intensity Drug Trafficking Areas Program</b>			<b>1,391,919</b>
<b>Total Executive Office of the President</b>			<b>\$ 1,391,919</b>
<b>U.S. Department of Agriculture Food and Nutrition Service</b>			
<b>Pass-Through Awards</b>			
<i>Baylor College of Medicine</i>			
Grants for Agricultural Research_Compertitive Research Grants	10.206	2008-55215-18875	\$ 71,920
<b>Total Baylor College of Medicine</b>			<b>71,920</b>
<i>Texas Department of State Health Service</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2007-020879-001	(1)
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2010-033575-001	1,872
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2011-037179	3,114,359



CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2012-039983	8,293,925
<b>Total Texas Department of State Health Service</b>			<b>11,410,155</b>
<i>Texas Department of Agriculture Food and Nutrition Service</i>			
Summer Food Service Program for Children	10.559	11TX1011007	1,547,878
Summer Food Service Program for Children	10.559	CE-01525	1,051,467
<b>Total Texas Department of Agriculture Food and Nutrition Service</b>			<b>2,599,345</b>
<b>Total U.S. Department of Agriculture Food and Nutrition Service</b>			<b>\$ 14,081,420</b>

**U. S. Department of Housing & Urban Development**

**Direct Awards**

*Office of Community Planning & Development*

Community Development Block Grants/Entitlement Grants	14.218	B05MC480018	\$ 50,563
Community Development Block Grants/Entitlement Grants	14.218	B06MC480018	25,143
Community Development Block Grants/Entitlement Grants	14.218	B07MC480018	27,826
Community Development Block Grants/Entitlement Grants	14.218	B08MC480018	(215,963)
Community Development Block Grants/Entitlement Grants	14.218	B09MC480018	1,833,292
Community Development Block Grants/Entitlement Grants	14.218	B10MC480018	4,693,430
Community Development Block Grants/Entitlement Grants	14.218	B11MC480018	18,367,562
Community Development Block Grants/Entitlement Grants	14.218	B04MC480018	1,291,059
Community Development Block Grants/Entitlement Grants	14.218	B03MC480018	311,583
Community Development Block Grants/Entitlement Grants	14.218	B00MC480018	6,236
Community Development Block Grants/Entitlement Grants	14.218	B99MC480018	8,792
Community Development Block Grants/Entitlement Grants	14.218	B98MC480018	144,783
Community Development Block Grants/Entitlement Grants	14.218	B97MC480018	6,143
Community Development Block Grants/Entitlement Grants	14.218	B96MC480018	15,949
Community Development Block Grants/Entitlement Grants	14.218	B94MC480018	482
Community Development Block Grants/Entitlement Grants	14.218	B93MC480018	65,008
Community Development Block Grants/Entitlement Grants	14.218	B-11-MN-48-0400	6,404
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-48-0400	3,367,401
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-48-0400	(2,476)
<b>Total Community Development Block Grant</b>			<b>30,003,217</b>
Emergency Solutions Grant Program	14.231	S10MC480002	139,130
Emergency Solutions Grant Program	14.231	E11MC480002	1,236,863
<b>Total Emergency Solutions Grant Program</b>			<b>1,375,993</b>
Home Investment Partnerships Program	14.239	M00MC480206	12,500
Home Investment Partnerships Program	14.239	M99MC480206	126,157
Home Investment Partnerships Program	14.239	M98MC480206	1,031,961
Home Investment Partnerships Program	14.239	M97MC480206	763
Home Investment Partnerships Program	14.239	M96MC480206	260,977
Home Investment Partnerships Program	14.239	M95MC480206	288,976
Home Investment Partnerships Program	14.239	M02MC480206	493,110
Home Investment Partnerships Program	14.239	M01MC480206	1,414,114
Home Investment Partnerships Program	14.239	M93MC480206	-
Home Investment Partnerships Program	14.239	M03MC480206	50,940
Home Investment Partnerships Program	14.239	M06MC480206	71,250
Home Investment Partnerships Program	14.239	M08MC480206	102,500
Home Investment Partnerships Program	14.239	M09MC480206	350,252
Home Investment Partnerships Program	14.239	M10MC480206	5,287,219
Home Investment Partnerships Program	14.239	M11MC480206	594,845

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Home Investment Partnerships Program	14.239	M04MC480206	384,009
Home Investment Partnerships Program	14.239	M05MC480206	178,192
<b>Total HOME Investment Partnerships Program</b>			<b>10,647,765</b>
Housing Opportunities for Persons with AIDS	14.241	TX21H05-F003	1,074,383
Housing Opportunities for Persons with AIDS	14.241	TX21H02-F003	120,100
Housing Opportunities for Persons with AIDS	14.241	TX21H06-F003	(59,794)
Housing Opportunities for Persons with AIDS	14.241	TX21H07-F003	49,635
Housing Opportunities for Persons with AIDS	14.241	TX-H08-F004	386,606
Housing Opportunities for Persons with AIDS	14.241	TX-H09-F003	916,909
Housing Opportunities for Persons with AIDS	14.241	TX-H10-F003	3,651,548
Housing Opportunities for Persons with AIDS	14.241	TX-H11-F003	2,053,429
<b>Total Housing Opportunities for Persons with AIDS</b>			<b>8,192,816</b>
<i>CDBG/Brownfield Economic Development Initiative</i>			
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	E95EZ480006	20,473
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	B-04-SP-TX-0766	(149,115)
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	B00SPTX0377	-
<b>Total CDBG/Brownfield Economic Development Initiative</b>			<b>(128,642)</b>
<i>Lead-Based Paint Hazard Control in Privately-Owned Housing</i>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TXLHB0378-07	(2,201)
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	TXLHB0459-09	1,150,606
<b>Total Lead-Based Paint Hazard Control in Privately Owned Housing</b>			<b>1,148,405</b>
<i>Lead Hazard Reduction Demonstration Grant Program</i>			
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0031-04	152
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0175-07	(911)
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0202-09	910,450
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0231-11	5,693
<b>Total Lead Hazard Reduction Demonstration Grant Program</b>			<b>915,384</b>
<b>Total Direct Awards</b>			<b>\$ 52,154,938</b>
<b>Pass-Through Awards</b>			
<i>Texas Department Of Housing &amp; Community Affair</i>			
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	77090000117	\$ (30,487)
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	B-06-DG-48-0002	(45)
<b>Total Texas Department of Housing and Community Affair</b>			<b>(30,532)</b>
<i>Texas General Land Office</i>			
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	70090001	22,263,761
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	DRS010070	6,875,975

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	DRS010070	629,511
<i>Total Texas General Land Office</i>			<u>29,769,247</u>
<b>Total Pass-Through Awards</b>			<b>\$ 29,738,715</b>
<b>Total U. S. Department of Housing &amp; Urban Development</b>			<b>\$ 81,893,653</b>
<b>U.S. Department of the Interior</b>			
<b>Direct Awards</b>			
<i>U.S. Department of the Interior Save America's Treasures</i>	15.929	48-09-ML-0947	\$ 300,000
<b>Total U.S. Department of the Interior</b>			<b>\$ 300,000</b>
<b>U.S. Department of Justice</b>			
<b>Direct Awards</b>			
<i>Shared Forfeiture Property</i>	16.000		<b>\$ 1,879,889</b>
<i>National Institute of Justice</i>			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2008-DN-BX-K205	70,113
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2011-DN-BX-0002	271,171
DNA Backlog Reduction Program	16.741	2009-DN-BX-K130	190,053
DNA Backlog Reduction Program	16.741	2010-DN-BX-K112	594,154
<i>Total National Institute of Justice</i>			<u>1,125,491</u>
<i>Crime Laboratory Improvement Combined Offender</i>			
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2008-DD-BX-0471	100,147
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2007-DD-BX-0593	27
<i>Total Crime Laboratory Improvement Combined Offender</i>			<u>100,174</u>
<i>Executive Office for Weed &amp; Seed</i>			
<i>Community Capacity Development Office</i>	16.595	2010-WS-QX-0020	<u>58,503</u>
<i>Office of Community Oriented Policing Services</i>			
Public Safety Partnership and Community Policing Grants	16.710	2011CKWXK009	67,726
Public Safety Partnership and Community Policing Grants	16.710	2005CKWX0224	131,483
Public Safety Partnership and Community Policing Grants	16.710	2010ULWX0026	1,018,616
Public Safety Partnership and Community Policing Grants	16.710	2003INWX00003	268
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0054	1,912
<i>Total Office of Community Oriented Policing Services</i>			<u>1,220,005</u>
<i>Bureau of Justice Assistance</i>			
Bulletproof Vest Partnership Program	16.607	2009-BO-BX-09049840	52,185
Bulletproof Vest Partnership Program	16.607	2010-BO-BX-10053454	316,865
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-0119	47
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2006-DJ-BX-0286	39,383
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-1269	20
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1284	92,186
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-1284	714,072

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Economic High-Tech and Cyber Crime Prevention	16.752	2010-MU-BX-0013	29,974
Economic High-Tech and Cyber Crime Prevention	16.752	2011-DB-BX-0123	177,924
Congressionally Recommended Awards	16.753	2010-DD-BX-0529	144,729
Congressionally Recommended Awards	16.753	2010-DD-BX-0593	63,376
<b>Total Bureau of Justice Assistance</b>			<b>1,630,761</b>
<b>Total Direct Awards</b>			<b>\$ 6,014,823</b>
<b>Pass-Through Awards</b>			
<i>State of Texas - Governor's Office Criminal Justice Division</i>			
Juvenile Accountability Block Grants	16.523	JB-10-J20-13322-13	\$ 145,073
Juvenile Accountability Block Grants	16.523	JB-09-J20-13322-12	42,435
Crime Victim Assistance	16.575	VA-10-V30-13592-11	3,033
Crime Victim Assistance	16.575	VA-11-V30-13592-12	33,251
Edward Byrne Memorial Justice Assistance Grant Program	16.738	24772-01	21,122
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DH-06-A10-18445-01	(155)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ-09-J20-23283-01	26,881
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	17319-08	59,218
<b>Total State of Texas - Governor's Office Criminal Justice Division</b>			<b>330,858</b>
<i>Sam Houston State University</i>			
Project Safe Neighborhoods	16.609	321-20-B128	(321)
Project Safe Neighborhoods	16.609	321-20-S038	(3)
Project Safe Neighborhoods	16.609	321-20-B125	37
Project Safe Neighborhoods	16.609	321-20-C03F	8,688
Project Safe Neighborhoods	16.609	321-20-B145	6,552
Project Safe Neighborhoods	16.609	321-20-C52K	5,375
Project Safe Neighborhoods	16.609	321-20-B147	(5)
Project Safe Neighborhoods	16.609	321-20-C52E	3,862
Project Safe Neighborhoods	16.609	321-20-B126	(493)
Project Safe Neighborhoods	16.609	321-20-C52F	19,860
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	321-20-B146	31
<b>Total Sam Houston State University</b>			<b>43,583</b>
<i>Texas Alcoholic Beverage Commission</i>			
Enforcing Underage Drinking Laws Program	16.727	80912	2,387
Enforcing Underage Drinking Laws Program	16.727	80017	13,342
<b>Total Texas Alcoholic Beverage Commission</b>			<b>15,729</b>
<b>Total Pass-Through Awards</b>			<b>\$ 390,170</b>
<b>Total U.S. Department of Justice</b>			<b>\$ 6,404,993</b>

**U.S. Department of Transportation**

**Direct Awards**

*Federal Aviation Administration*

Airport Improvement Program	20.106	3-48-0111-92	\$ 4,709,524
Airport Improvement Program	20.106	3-48-0111-087-2010	3,003,190
Airport Improvement Program	20.106	3-48-0111-093	6,517,491
Airport Improvement Program	20.106	3-48-0111-088-2010	12,862
Airport Improvement Program	20.106	3-48-0110-094	2,983,570
Airport Improvement Program	20.106	3-48-0111-081	1,004,337
Airport Improvement Program	20.106	3-48-0110-037	21,053
Airport Improvement Program	20.106	3-48-0111-082	7,672
Airport Improvement Program	20.106	3-48-0111-091-2011	996,084

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Airport Improvement Program	20.106	3-48-0110-035	71,846
<b>Total Federal Aviation Administration</b>			<b>19,327,629</b>
<i>Federal Highway Administration</i>			
Highway Planning and Construction	20.205	06TX001	436,241
Highway Planning and Construction	20.205	TCSP2001(001)	6,397
Highway Planning and Construction	20.205	TCSE010-Q680	54,011
Highway Planning and Construction	20.205	TCSP-TX096(001)-55BO	13,358
<b>Total Federal Highway Administration</b>			<b>510,007</b>
<i>Federal Motor Carrier Safety Administration</i>			
<b>National Motor Carrier Safety</b>	20.218	MH10486000000	<b>172,815</b>
<b>Total Direct Awards</b>			<b>\$ 20,010,451</b>
<b>Pass-Through Awards</b>			
<i>State of Texas - Department of Transportation</i>			
Highway Planning and Construction	20.205	CSJ-0912-72-220	\$ 152,976
Highway Planning and Construction	20.205	CSJ-0912-72-197	1,209,326
Highway Planning and Construction	20.205	CSJ-0912-70-078	128,310
Highway Planning and Construction	20.205	CSJ-0912-72-067	8,463
Highway Planning and Construction	20.205	CSJ0912-70-020	39,966
Highway Planning and Construction	20.205	CSJ-0912-70-038	91,508
Highway Planning and Construction	20.205	CSJ-0912-71-634	1,079,143
Highway Planning and Construction	20.205	CSJ-0912-72-220	1,439
State and Community Highway Safety	20.600	070701A1AM	42
State and Community Highway Safety	20.600	588EGF6057	42
State and Community Highway Safety	20.600	STEP 2009 CMV	47,020
State and Community Highway Safety	20.600	FC74433	183,511
State and Community Highway Safety	20.600	070701A1AM	(5)
		2009-HoustonP-S-MYG-yr1-	
State and Community Highway Safety	20.600	0108	38,933
State and Community Highway Safety	20.600	FC74433	205,938
State and Community Highway Safety	20.600	070701B1AA	(2)
State and Community Highway Safety	20.600	STEP 2009 CMV	62,395
State and Community Highway Safety	20.600	FC74432	248,820
		2009-HoustonP-S-MYG-yr1-	
State and Community Highway Safety	20.600	0108	25,254
State and Community Highway Safety	20.600	FC74433	105,171
State and Community Highway Safety	20.600	070701A1AM	(24)
State and Community Highway Safety	20.600	STEP 2009 CMV	124,656
State and Community Highway Safety	20.600	FC74433	243,343
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	STEP IDM	32
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	070202B1BE	52
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	STEP IDM	121,187
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	2012-HOUPD-IDM-00010	72,702
Occupant Protection Incentive Grants	20.602	2SC-6-1263	24
Occupant Protection Incentive Grants	20.602	2011-HoustonPD-CIOT-00028	4,005
Occupant Protection Incentive Grants	20.602	2012-HoustonPD-CIOT-00028	48,731
<b>Total State of Texas - Department of Transportation</b>			<b>4,242,958</b>
<b>Total Pass-Through Awards</b>			<b>\$ 4,242,958</b>
<b>Total U.S. Department of Transportation</b>			<b>\$ 24,253,409</b>

**U.S. Department of Treasury**

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL AWARDS

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
<b>Direct Awards</b>			
<i>Shared Forfeiture Property - Treasury</i>	21.000		\$ 717,391
<b>Total U.S. Department of Treasury</b>			<b>\$ 717,391</b>
<b>National Aeronautics and Space Administration</b>			
<b>Pass-Through Awards</b>			
<i>University Corporation for Atmospheric Research     Science</i>	43.001	Z11-87947	\$ 67,957
<b>Total National Aeronautics and Space Administration</b>			<b>\$ 67,957</b>
<b>U.S. Institute of Museum and Library Services</b>			
<b>Pass-Through Awards</b>			
<i>Texas State Library and Archive Commission</i>			
Grants to States	45.310	476-11030	\$ 2,045
Grants to States	45.310	476-12006	44,700
Grants to States	45.310	470-11032	199,515
Grants to States	45.310	470-12001	303,282
Grants to States	45.310	771-11040	38,684
Grants to States	45.310	771-12007	69,883
Grants to States	45.310	723-11001	3,356
Grants to States	45.310	479-12004	57,191
<b>Total Texas State Library and Archive Commission</b>			<b>\$ 718,656</b>
<b>Total U.S. Institute of Museum and Library Services</b>			<b>\$ 718,656</b>
<b>U. S. Environmental Protection Agency</b>			
<b>Direct Awards</b>			
<i>Climate Showcase</i>			
<b>Climate Showcase Communities Grant Program</b>	66.041	AF83453001-0	<b>\$ 163,752</b>
<i>Office of Chemical Safety and Pollution Prevention</i>			
<b>Research, Development, Monitoring, Public Education,         Training, Demonstrations, and Studies</b>	66.716	X8-00F30801	<b>2,206</b>
<i>Office of Solid Waste and Emergency Response</i>			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96682001-01	6,998
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96681901-01	51,046
<b>Total Office of Solid Waste and Emergency Response</b>			<b>58,044</b>
<b>Total Direct Awards</b>			<b>\$ 224,002</b>
<b>Pass-Through Awards</b>			
<i>Texas Commission on Environmental Quality</i>			
Air Pollution Control Program Support	66.001	582-10-86413	\$ 108,311
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	582-11-86422	73,317
Nonpoint Source Implementation Grants	66.460	582-10-90464	53,053
Nonpoint Source Implementation Grants	66.460	582-9-77097	9,646
Performance Partnership Grants	66.605	582-12-10016	328,643
<b>Total Texas Commission on Environmental Quality</b>			<b>572,970</b>

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
<i>Texas Water Development Board</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	L110062	276,931
Capitalization Grants for Clean Water State Revolving Funds	66.458	L100067	8,940,821
<b>Total Texas Water Development Board</b>			<b>9,217,752</b>
<b>Total Pass-Through Awards</b>			<b>\$ 9,790,722</b>
<b>Total U. S. Environmental Protection Agency</b>			<b>\$ 10,014,724</b>
<b>U.S. Department of Energy</b>			
<b>Direct Awards</b>			
<i>Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance.</i>			
	81.117	DE-FC36-08GO18100	<b>\$ 28,768</b>
<b>Total U.S. Department of Energy</b>			<b>\$ 28,768</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Direct Awards</b>			
<i>Centers for Disease Control &amp; Prevention</i>			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	CCU600445-26	\$ (900)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-27	254
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-28	(970)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-29	896
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-30	1,083,083
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS600445-31	999,104
Injury Prevention and Control Research and State and Community Based Programs	93.136	CE002063-01	117,148
Immunization Cooperative Agreements	93.268	CCH622532-04	226
Immunization Cooperative Agreements	93.268	IP622532-06	(263)
Immunization Cooperative Agreements	93.268	IP622532-07	(165)
Immunization Cooperative Agreements	93.268	IP622532-08	14,837
Immunization Cooperative Agreements	93.268	IP622532-09	1,650,921
Immunization Cooperative Agreements	93.268	IP622532-10	1,054,955
Immunization Cooperative Agreements	93.268	CCH622532A	2,387,385
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS000904-04	30,083
Adult Viral Hepatitis Prevention and Control	93.270	5U51PS000904-05	48,019
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	CI623672-05S3	480,603
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	CK000226-01	217,730
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507	CD001272-01	41,686
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507	CD001272-02	210,086

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Award Number</b>	<b>Expenditures</b>
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	34,796
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	CI000918-02	588,672
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523	PS003278-01	655,456
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523	PS003626-01	472,768
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants- financed solely by 2012 Prevention and Public Health Funds	93.531	DP003528-01	136,323
PPHF 2012: Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds	93.539	IP000549-01	19,809
HIV Prevention Activities_Health Department Based	93.940	CCU023512-04	402
HIV Prevention Activities_Health Department Based	93.940	PS023512	(2,523)
HIV Prevention Activities_Health Department Based	93.940	PS023512-06	2,471
HIV Prevention Activities_Health Department Based	93.940	PS023512-07	3,149,017
HIV Prevention Activities_Health Department Based	93.940	PS003672-01	2,846,440
HIV Prevention Activities_Health Department Based	93.940	PS003255-01	246,696
HIV Prevention Activities_Health Department Based	93.940	PS003255-02	183,916
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001552-02	58,966
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001552-03	119,020
HIV Demonstration, Research, Public and Professional Education Projects	93.941	PS001447-03	31,020
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	PS003212-01	492,244
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	PS003212-02	436,019
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	CCU623559-03	2,321
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-02	507
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-03	(12,795)
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-04	852,232
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001020-05	647,150



CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	U62/CCU624424-03	(2,148)
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	CCU624424-04	1,715
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-01	313
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-02	(12,691)
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-03	468,524
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS)Surveillance	93.944	PS001611-04	3,439
<b>Total Centers for Disease Control &amp; Prevention</b>			<b>19,754,797</b>
<i>National Institute of Health</i>			
Cancer Cause and Prevention Research	93.393	CA137802-01A1	1,988
Cancer Cause and Prevention Research	93.393	CA137802-02	50,814
<b>Total National Institute of Health</b>			<b>52,802</b>
<b>Total Direct Awards</b>			<b>\$ 19,807,599</b>
<b>Pass-Through Awards</b>			
<i>Texas Department of Aging &amp; Disability Services</i>			
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2012-EAP-13	\$ 42,788
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	2012-OAG-13	94,899
Special Programs for the Aging_Title III, Part Disease Prevention and Health Promotion Services	93.043	2011-3D-13	39,821
Special Programs for the Aging_Title III, Part Disease Prevention and Health Promotion Services	93.043	2012-3D-13	55,488
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2011-3B-13	495,691
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2012-3B-13	1,132,261
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2011-ADM-13	187,597
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2012-ADM-13	631,308
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2010-ADRC-13	(175)
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2011-3C1-13	554,492
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2012-3C1-13	1,333,999
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2011-3C2-13	782,885
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	2012-3C2-13	1,748,315
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	2011-ADRCDP-13	17,364
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	2012-ADRCDP-13	5,411
National Family Caregiver Support, Title III, Part E	93.052	2011-3E-13	116,064
National Family Caregiver Support, Title III, Part E	93.052	2012-3E-13	490,154

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Nutritional Services Incentive Program	93.053	2011-NSIP-13	124,412
Nutritional Services Incentive Program	93.053	2012-NSIP-13	795,837
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	2010-ADRC-MIPPA #2	120,440
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	2011-AAA-MIPPA#2	70,646
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2012-CMS-16	66,749
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2013-CMS-16	12,736
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MIPPA	28
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2009-MIPPA-MSEA	1,172
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	2011-MIPPA-MIPPA#2	28,785
Money Follows the Person Rebalancing Demonstration	93.791	2011-ADRC-13	25,726
Money Follows the Person Rebalancing Demonstration	93.791	2012-ADRC-13	21,272
<b>Total Texas Department of Aging &amp; Disability Services</b>			<b>8,996,165</b>
<i>Neighborhood Centers Inc.</i>			
<b>Special Programs for the Aging Title IV and Title II Discretionary Projects</b>	93.048	NCI2643	<b>35,844</b>
<i>Texas Department of State Health Services</i>			
Public Health Emergency Preparedness	93.069	2009-032263-001	(8)
Public Health Emergency Preparedness	93.069	2010-035851	60,060
Public Health Emergency Preparedness	93.069	2011-038940	1,156,178
Public Health Emergency Preparedness	93.069	2009-032288-001	(5,658)
Public Health Emergency Preparedness	93.069	2010-035655	31,806
Public Health Emergency Preparedness	93.069	2011-038795	187,347
Public Health Emergency Preparedness	93.069	2010-033535-001	477,161
Public Health Emergency Preparedness	93.069	2012-040281	123,384
Public Health Emergency Preparedness	93.069	2010-035636	19,117
Public Health Emergency Preparedness	93.069	2011-038941	350,249
Environmental Public Health and Emergency Response	93.070	2012-040142	78,346
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2011-037397-001A	9,959
Childhood Lead Poisoning Prevention Projects_State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	2010-035181	10,467
Hansen's Disease National Ambulatory Care Program	93.2009	2009-030542-001	8
Hansen's Disease National Ambulatory Care Program	93.2010	2010-034525-001	1
Hansen's Disease National Ambulatory Care Program	93.2011	2011-037574-001	47,339
Hansen's Disease National Ambulatory Care Program	93.2012	2012-040643	57,721
Family Planning_Services	93.217	2011-037104-001	28,722
Family Planning_Services	93.217	2012-039916	108,967
Family Planning_Services	93.217	2012-040723	30,566
Immunization Cooperative Grants	93.268	2008-023575-001	(634)
Immunization Cooperative Grants	93.268	2011-035541	123,972
Immunization Cooperative Grants	93.268	2012-039053	1,029,842
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	7460011640-06-10	188
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022930-001	6,596

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2008-022965	94
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	2010-035072-001	286,318
National Bioterrorism Hospital Preparedness Program	93.889	2010-035147-001	553
National Bioterrorism Hospital Preparedness Program	93.889	2011-038400	22,636
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2009-030647-001	455
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2010-034551	402
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2011-037547	920,154
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2012-040465	745,667
Preventive Health & Health Services Block Grant	93.991	2010-032807	(19,911)
Preventive Health & Health Services Block Grant	93.991	2011-035590	115,655
Maternal and Child Health Services Block Grant to the States	93.994	2008-024094	(43)
Maternal and Child Health Services Block Grant to the States	93.994	2011-037077	96,879
Maternal and Child Health Services Block Grant to the States	93.994	2011-035909	87,018
Maternal and Child Health Services Block Grant to the States	93.994	2012-039875	131,597
Maternal and Child Health Services Block Grant to the States	93.994	2011-036628	57,107
Maternal and Child Health Services Block Grant to the States	93.994	2012-039475	191,198
<b>Total Texas Department of State Health Services</b>			<b>6,567,475</b>
<i>Houston-Galveston Area Council</i>			
Social Services Block Grant	93.667	755-10	64
Social Services Block Grant	93.667	755.1-10	1,094,552
<b>Total Houston-Galveston Area Council</b>			<b>1,094,616</b>
<i>Community HealthCare</i>			
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	371100000000	14,682
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	371100027001	15,031
<b>Total Community HealthCare</b>			<b>29,713</b>
<i>Fred Hutchinson Cancer Research Center</i>			
<b>Allergy, Immunology and Transplantation Research</b>	93.855	0000720871	<b>1,336</b>
<i>Harris County Public Health Environment Services</i>			
HIV Emergency Relief Project Grants	93.914	10GEN2790	142,286
HIV Emergency Relief Project Grants	93.914	11GEN1987	64,930
<b>Total Harris County Public Health Environment Services</b>			<b>207,216</b>
<i>Houston Independent School District</i>			
<b>Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems.</b>	93.938	HISD-AE-09	<b>11,987</b>
<b>Total Pass-Through Awards</b>			<b>\$ 16,944,352</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>\$ 36,751,951</b>
<b>U.S. Department of Homeland Security</b>			
<b>Pass-Through Awards</b>			
<i>Texas Department of Public Safety</i>			
Non-Profit Security Program	97.008	2003-TU-TX-0003	\$ (268)

CITY OF HOUSTON, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**FEDERAL AWARDS**

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Non-Profit Security Program	97.008	08-SR-35000-01	3,652,915
Non-Profit Security Program	97.008	09-SR-35000-05	12,564,970
Non-Profit Security Program	97.008	10-SR-35000-01	4,253,086
Hazard Mitigation Grant	97.039	FEMA-1780-DR-TX	19,800
Emergency Management Performance Grants	97.042	2011TX-EMPG-0357	172,624
Homeland Security Grant Program	97.067	11-SR-35000-02	426,625
Metropolitan Medical Response System	97.071	10-SR-35000-01	40,322
Buffer Zone Protection Program	97.078	10-SR-35000-02	1,520,166
<b>Total Texas Department of Public Safety</b>			<b>22,650,240</b>
<i>Governor's Division of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EM-3294-TX	1,555,497
Metropolitan Medical Response System	97.071	2009-SS-T9-0064	252,732
State Homeland Security Program	97.073	09-SR-35000-05	290,245
State Homeland Security Program	97.073	10-SR-35000-01	565,360
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	08-35000-01	(10,769)
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111	09-35000-01	1,396,182
<b>Total Governor's Division of Emergency Management</b>			<b>4,049,247</b>
<i>Texas Division of Emergency Management</i>			
Buffer Zone Protection Program	97.078	09-SR-35000-07	767,513
<b>Total Texas Commission on Environmental Quality</b>			<b>767,513</b>
<i>Texas Commission on Environmental Quality</i>			
Homeland Security Biowatch Program	97.091	582-7-72676	(613)
Homeland Security Biowatch Program	97.091	582-10-86407	746,506
<b>Total Texas Commission on Environmental Quality</b>			<b>745,893</b>
<i>Harris County</i>			
Port Security Grant Program	97.056	2007-GB-T7-K271	7,685,651
Port Security Grant Program	97.056	2009-PU-T9-K011	6,857,449
<b>Total Harris County</b>			<b>14,543,100</b>
<i>Houston Housing Authority</i>			
Disaster Housing Assistance Grant	97.109	FOC-HHA-08	(314)
<b>Total Pass-Through Awards</b>			<b>\$ 42,755,679</b>
<b>Total U.S. Department of Homeland Security</b>			<b>\$ 42,755,679</b>
<b>TOTAL EXPENDITURES OF FEDERAL Non-ARRA AWARDS</b>			<b>\$ 220,379,407</b>
<b><u>American Recovery and Reinvestment Act</u></b>		<b><u>ARRA</u></b>	
<b>U. S. Department of Commerce</b>			
<b>Pass-Through Awards</b>			
<i>Texas State Library and Archives Commission</i>			
<b>Broadband Technology Opportunities Program</b>	11.557	461-11018	<b>\$ 1,365,586</b>
<b>Total U.S. Department of Commerce</b>			<b>\$ 1,365,586</b>
<b>U. S. Department of Housing &amp; Urban Development</b>			
<b>Direct Awards</b>			

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL AWARDS

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	B-09-MY-48-0018	\$ 3,431,949
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	14.257	S-09-MY-48-0002	4,458,740
<b>Total Direct Awards</b>			<b>\$ 7,890,689</b>
<b>Pass-Through Awards</b>			
<i>Child Care Council of Greater Houston</i> <b>Homelessness Prevention and Rapid Re-Housing Program</b> (Recovery Act Funded)	14.257	4600009462	\$ 516,065
<b>Total Pass-Through Awards</b>			<b>\$ 516,065</b>
<b>Total U. S. Department of Housing &amp; Urban Development</b>			<b>\$ 8,406,754</b>

U.S. Department of Transportation

Pass-Through Awards

*Texas Department of Transportation*

Highway Planning and Construction	20.205	0912-70-022	\$ 2,935,516
Highway Planning and Construction	20.205	0912-00-421	(4,965)
Highway Planning and Construction	20.205	0912-70-020	2,295,678
Highway Planning and Construction	20.205	0912-70-038	(84,966)
<b>Total Texas Department of Transportation</b>			<b>5,141,263</b>

**Total Pass-Through Awards**

**\$ 5,141,263**

**Total U.S. Department of Transportation**

**\$ 5,141,263**

U.S. Department of Energy

Direct Awards

**Energy Efficiency and Conservation Block Grant Program**  
(EECBG)

81.128	DE-EE0000965	\$ 1,170,371
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**Total Direct Awards**

**\$ 1,170,371**

Pass-Through Awards

*Texas Comptroller of Public Accounts*

State Energy Program	81.041	CS0087	\$ 1,305,959
State Energy Program	81.041	CS1178	36,820
State Energy Program	81.041	CS0020	374,847
<b>Total Texas Comptroller of Public Accounts</b>			<b>1,717,626</b>

*Texas Department of Housing & Community*

Weatherization Assistance for Low-Income Persons	81.042	16090000689	11,266,797
<b>Total Texas Department of Housing &amp; Community</b>			<b>11,266,797</b>

**Total Pass-Through Awards**

**\$ 12,984,423**

**Total U.S. Department of Energy**

**\$ 14,154,794**

U.S. Department Of Health and Human Services

Direct Awards

*Centers for Disease Control & Prevention*

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL AWARDS

Program Title	Federal CFDA Number	Grant Award Number	Expenditures
ARRA - Immunization	93.712	3U50CI623672-05S1	\$ 42,509
ARRA - Immunization	93.712	3H23IP622532-07S1	43,773
ARRA –Health Information Technology and Public Health <i>Total Centers for Disease Control &amp; Prevention</i>	93.729	C1000810-01	<u>234,481</u>
<b>Total Direct Awards</b>			<b>\$ 320,763</b>
<b>Pass-Through Awards</b>			
<i>U T MD Anderson Cancer Center</i> <i>Trans-NIH Recovery Act Research Support</i>	93.701	32695/98113847	\$ 95,027
<i>Texas Department of Aging &amp; Disability Services</i> <i>Communities Putting Prevention to Work: Chronic Disease</i>	93.725	DSMT-93.725	<u>3,165</u>
<b>Total Pass-Through Awards</b>			<b>\$ 98,192</b>
<b>Total U.S. Department Of Health and Human Services</b>			<b>\$ 418,955</b>
<b>TOTAL EXPENDITURES OF FEDERAL ARRA AWARDS</b>			<b>\$ 29,487,352</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 249,866,759</b>

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012

STATE AWARDS

Program Title	Grant Award Number	Expenditures
<b>Direct Awards</b>		
<i>Texas Governor's Office Criminal Justice Division</i>		
After School Achievement Program	SF-11-J20-21566-02	\$ 19,985
After School Achievement Program	SF-11-J20-21566-03	\$ 35,431
Asset Forfeiture	NA	3,330,729
Gang Reduction	SF-12-J20-24646-01	34,765
Gang Disruption Initiative	CO-11-A10-24292-01	77,258
<b>Total Texas Governor's Office Criminal Justice Division</b>		<b>3,498,168</b>
<i>Texas Automobile Theft Prevention Authority</i>		
HACTF/19	SA-T04-10054-11	184,577
HACTF/20	SA-T04-10054-12	846,021
<b>Total Texas Automobile Theft Prevention Authority</b>		<b>1,030,598</b>
<i>Texas Comptroller of Public Accounts</i>		
Tobacco Compliance /14	NA	26,474
Tobacco Compliance /15	NA	116,415
<b>Total Texas Comptroller of Public Accounts</b>		<b>142,889</b>
<i>Texas Department of State Health Services</i>		
Milk & Dairy Product Testing	2011-035204	8,197
Tuberculosis Elimination Prevention	7460011640C-07-01	419
Tuberculosis Elimination Prevention	40318	(17)
Tuberculosis Elimination Prevention	2009-028744-001	(1,086)
Tuberculosis Elimination Prevention	2010-032847-001	9
Tuberculosis Elimination Prevention	2011-036067	241,427
Tuberculosis Elimination Prevention	2012-039418	922,287
Community Health Services - Title V Family Planning	2012-039831	44,469
Immunization State	7460011640A-07-02	(199)
Milk & Dairy Lab Analysis	2012-038791	37,675
Community Based Obesity Prevention	2010-034868	52,726
HIV Rapid Testing	2010-034649	(1,081)
HIV Rapid Testing	2011-035183	432,041
HIV Rapid Testing	2012-039146	470,143
Enhanced Influenza Surveillance and Response	2011-036052	15,748
Infectious Disease Control Unit /Flue Lab	2011-036180-001	4,834
Community Health Services - Title V Family Planning	2011-037014	140,163
RLSS - Local Public Health System	2012-039507	201,697
<b>Total Texas Department of State Health Services</b>		<b>2,569,452</b>
<i>Texas Department of Aging &amp; Disability Services</i>		
State General Revenue	2012-SGR-13	436,672
State Highway Transportation Demand Response	2012-SHF-13	36,209
Lifespan Respite Care	539-12-0000065728-M1	19,165
<b>Total Texas Department of Aging &amp; Disability Services</b>		<b>492,046</b>
<i>Texas Department of Housing &amp; Community Affair</i>		
Homeless Housing & Services Program	63100000891	929,827
Homeless Housing & Services Program	66120001333	59,901
Homeless Housing & Services Program	65120001385	14,112

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

STATE AWARDS

Program Title	Grant Award Number	Expenditures
<b>Total Texas Department of Housing &amp; Community Affair</b>		<b>1,003,840</b>
<i>Texas Health &amp; Human Services Commission</i>		
Nurse Family Partnership Program	HHSC 529-08-0110-00012A	79,306
Nurse Family Partnership Program	HHSC 529-08-0110-00012A	408,193
<b>Total Texas Health &amp; Human Services Commission</b>		<b>487,499</b>
<i>Texas Parks &amp; Wildlife Department</i>		
Houston Park Adventure	52000528	5,461
Houston Sagemont Community Center	50-000001	238,387
Houston Emancipation Park	55-000019	4,700
<b>Total Texas Parks &amp; Wildlife Department</b>		<b>248,548</b>
<i>Texas State Library and Archives Commission</i>		
Loans Star Library 2011	442-11541	130,983
<b>Total Texas State Library and Archives Commission</b>		<b>130,983</b>
<i>Texas Department of Public Safety</i>		
Operation Loanstar	BSOC-OP-LS-023	(434)
<b>Total Texas Department of Public Safety</b>		<b>(434)</b>
<i>State Energy Conversation Office</i>		
Alternative Fuel and Hybrid	CM1128	47,800
<b>Total State Energy Conversation Office</b>		<b>47,800</b>
<i>Texas State University</i>		
Tobacco Sting	C74636	59,287
<b>Total Texas State University</b>		<b>59,287</b>
<b>Total Direct Awards</b>		<b>\$ 9,710,676</b>
<b>Pass-Through Awards</b>		
<i>Harris County Protective Services</i>		
CYD Youth Leadership	C73996-NCA	\$ 41,301
CYD Youth Leadership	C73996-NCA	18,641
CYD United Minds	C73996-NCA	3,267
<b>Total Harris County Protective Services</b>		<b>63,209</b>
<i>Houston - Galveston Area Council</i>		
HGAC-Clean Rivers	CR 73605	43,589
HGAC-Clean Rivers	C-74366	30,163
<b>Total Houston - Galveston Area Council</b>		<b>73,752</b>
<b>Total Pass-Through Awards</b>		<b>\$ 136,961</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 9,847,637</b>



CITY OF HOUSTON, TEXAS

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

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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):

	<b>Federal</b>	<b>State</b>
Grant Funds	\$ 208,441	\$ 6,517
FEMA Assistant Grant - Hurricane IKE	1,556	
Capital Projects Funds	8,727	
Nonmajor Governmental Funds	2,597	3,331
Enterprise Fund - Combined Utility System Fund	9,218	
Enterprise Fund - Airport System Fund	19,328	
	<hr/>	
Total	<u>\$ 249,867</u>	<u>\$ 9,848</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 for the year ended June 30, 2012 as follows:

	<b>CFDA Number</b>	<b>Amount</b>
U.S. Department of Health and Human Services:		
Value of vaccines issued	93.268	\$2,109,871
Value of vaccines on hand	93.268	\$394,600

6. **Loans Outstanding** — The City had the following loan balances outstanding at June 30, 2012. Loans made during the year are included in the federal expenditures presented in the schedule.

<b>Program Title</b>	<b>CFDA Number</b>	<b>Amount Outstanding</b>
Community Development Block Grant	14.218	\$24,491,049
HOME Investment Partnerships Program	14.239	\$13,334,836
Section 108 Guaranteed Loan Program	14.248	\$2,084,404
Texas Water Development Board	66.458	\$111,100,903

7. The following is the federal subrecipient cash disbursements for the year ended June 30, 2012:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Community Development Block Grants/Entitlement Grants	14.218	\$ 5,654,155
Emergency Solutions Grant Program	14.231	1,453,627
Housing Opportunities for Persons with AIDS	14.241	8,471,139
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	28,768
Special Programs for the Aging Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	42,788
Special Programs for the Aging Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	94,899
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	62,835
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	318,426
Special Programs for the Aging Title III, Part C_Nutrition Services	93.045	4,642,069
National Family Caregiver Support, Title III, Part E	93.052	302,006
Nutrition Services Incentive Program	93.053	617,841
PPHF 2012 National Public Health Improvement Initiative	93.507	5,000
The Affordable Care Act: Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities	93.523	114,994
Social Services Block Grant	93.667	229,722
HIV Prevention Activities-Health Department Based	93.940	2,091,659
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	572,909
Maternal and Child Health Services Block Grant to the States	93.994	6,000
Total		<u>\$ 24,708,837</u>

8. The following is the federal American Recovery and Reinvestment Act subrecipient cash disbursements for the year ended June 30, 2012:

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Homelessness Prevention and Rapid Re-Housing Program	14.257	\$ 4,484,025
State Energy Program	81.041	34,799
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	<u>506,876</u>
Total		<u>\$ 5,025,700</u>

9. The following is the state subrecipient cash disbursements for the year ended June 30, 2012:

<b>Program Title</b>	<b>Grant Award Number</b>	<b>Amount Provided to Subrecipients</b>
ASAP-CJD	SF-11-J20-21566-02	\$ 5,053
HACTF/19	SA-T04-10054-11	16,831
HACTF/20	SA-T04-10054-12	32,897
Nurse Family Partnership Program	HHSC 529-08-0110-00012A	19,246
State General Revenue	2012-SGR-13	436,672
State Hi-Way Transportation	2012-SHF-13	36,209
Lifespan Respite Care	539-12-0000065728-M1	16,134
HIV Rapid Testing	2011-035183	359,057
HIV Rapid Testing	2012-039146	<u>321,515</u>
Total		<u>\$ 1,243,614</u>

10. The following is the schedule of expenditure of federal awards for the year ended June 30, 2012 by cluster:

<u>Cluster Title</u>	<u>Federal CFDA</u>	<u>Expenditures</u>
<b>CHILD NUTRITION CLUSTER</b>		
Summer Food Service Program for Children	10.559	\$2,599,345
<b>Total Child Nutrition Cluster</b>		<b><u>\$2,599,345</u></b>
<b>CDBG-ENTITLEMENT GRANT CLUSTER</b>		
Community Development Block Grants/Entitlement Grants	14.218	\$30,003,217
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)(Recovery Act Funded)	14.253	\$3,431,949
<b>Total CDBG-Entitlement Grant Cluster</b>		<b><u>\$33,435,166</u></b>
<b>CDBG- STATE-ADMINISTERED CDBG CLUSTER</b>		
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii (State-Administered Small Cities Program)	14.228	\$29,738,715
<b>Total CDBG-State-Administered CDBG Cluster</b>		<b><u>\$29,738,715</u></b>
<b>Highway Planning and Construction Cluster</b>		
Highway Planning and Construction	20.205	\$3,221,138
Highway Planning and Construction - ARRA	20.205	\$5,141,263
<b>Total Highway Planning and Construction Cluster</b>		<b><u>\$8,362,401</u></b>
<b>JAG Program Cluster</b>		
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	\$893,556
<b>Total JAG Program Cluster</b>		<b><u>\$893,556</u></b>
<b>Highway Safety Cluster</b>		
State and Community Highway Safety	20.600	\$1,285,094
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	\$193,973
Occupant Protection	20.602	\$52,760
<b>Total Highway Safety Cluster</b>		<b><u>\$1,531,827</u></b>
<b>Aging Cluster</b>		
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers	93.044	\$2,446,682
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	93.045	\$4,419,691
Nutritional Services Incentive Program	93.053	\$920,249
<b>Total Aging Cluster</b>		<b><u>\$7,786,622</u></b>
<b>Immunization Cluster</b>		
Immunization	93.268	\$6,261,076
ARRA - Immunization	93.712	\$86,282
<b>Total Immunization Cluster</b>		<b><u>\$6,347,358</u></b>
<b>Grand Total of Cluster Federal Awards</b>		<b><u>\$ 90,694,990</u></b>

# CITY OF HOUSTON, TEXAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

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### 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, none of which were 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.
6. The audit disclosed findings required to be reported by OMB Circular A-133.
7. The City's major programs were:

<b>Name of Major Federal/State Program</b>	<b>CFDA Number</b>
Community Development Block Grant (a)	14.218
Port Security	97.056
Broadband Technology Opportunities Program - ARRA	ARRA11.557
Community Development Block Grant — ARRA (a)	ARRA14.253
Homelessness Prevention and Rapid Rehousing Program — ARRA	ARRA14.257
State Energy Program - ARRA	ARRA81.041
Weatherization Assistance for Low-Income Persons — ARRA	ARRA81.042
Airport Improvement Program	20.106
Highway Planning and Construction (b)	20.205
Highway Planning and Construction — ARRA (b)	ARRA20.205
Energy Efficiency and Conservation Block Grant — ARRA	ARRA81.128
Capitalization Grants for Clean Water State Revolving Funds	66.458
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228
Tuberculosis Elimination	State
Asset Forfeiture	State
Homeless Housing & Services Program (HHSP)	State

(a) Treated as a cluster of programs

(b) 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 and UGMS.
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	<b>Significant Deficiency in Internal Control — Finding 2012-1.</b>  <b>Condition/Criteria</b> — 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.  <b>Cause/Context</b> — 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.  <b>Effect</b> — 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.  <b>Recommendation</b> — 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.  <b>Views of Responsible Officials</b> — Management does not disagree with this finding.  <b>Corrective Action Plan of Management</b> — Establish a policy and procedure to determine a financial threshold to trigger an automatic review by respective Departments which will also be monitored by Finance Department. In addition, any unusual transactions will be reviewed by Finance and Controller’s Office as they occur.  <b>Estimated Completion Date</b> — Policy to be completed by March 15, 2013  <b>City Contact Person</b> — Arif Rasheed	



### III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

Program	Finding/Noncompliance	Questioned Cost
<b>Compliance and Significant Deficiency Control Finding</b>		
<b>2012-2: Allowable Costs/Cost Principles</b>		
Community Development Block Grant (CDBG) — CFDA #14.218, ARRA #14.253	<p><b>Condition</b></p> <p><i>CDBG:</i> During 2008, the City expended the entire budget of the grant. Expenditures were charged to the grant through 2012, until the City secured non-grant funding for the projects. The City did not seek reimbursement for any of the overspent expenditures, but they were included in the Statement of Expenditures of Federal Awards (SEFA) when incurred.</p>	\$1,827,123 (CDBG) \$39,033 (HOPWA)
Housing Opportunities for Persons With AIDS (HOPWA) — CFDA #14.241	<p><i>HOPWA:</i> In testing grant fund expenditures, two items in the sample selected for testing related to the reimbursement of subrecipient expenditures for the HOPWA grant. Expenditures were incurred in fiscal year 2011, but not processed by financial services until fiscal year 2012 where they were then charged to the SEFA. This indicates the fiscal year 2012 SEFA is overstated for this grant but has subsequently been adjusted.</p> <p><b>Criteria</b> — In accordance with OMB Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> (OMB A-133), all costs must be appropriately identified and allocated to the proper grants in the proper periods to ensure accurate expenditure reporting on the SEFA.</p>	
	<p><b>Cause/Context</b> — Lack of controls in place to ensure funding is received ahead of budget overruns.</p>	

**Effect** — The prior year SEFA schedules were overstated and the fiscal year 2012 SEFA is understated by the \$1,827,123 (CDBG) and \$39,033 (HOPWA) of questioned costs that were charged in prior years.

**Recommendation** — The City should review current policies and OMB A-133 guidance. The housing and community development department should thoroughly track budgeted versus actual expenditures, and secure additional funding ahead of time, if required, to prevent any future overspending of grant funds.

**Views of Responsible Officials** —

CDBG – Management does not disagree with this finding.

HOPWA – This issue has been addressed and Department has assigned additional staff to process expenditures/payments.

**Corrective Action Plan of Management** —

CDBG – The Housing and Community Development Department (HCDD) is seeking approval from City Council to use local funds to cover any shortages in budget for the current fiscal year.

HOPWA – The HCDD is rewriting the Public Services Policies and Procedures to ensure that expenditures are recorded in the proper period. Additional staff will be made available to assist.

**Estimated Completion Date** —

CDBG – February 15, 2013

HOPWA – March 31, 2013

**City Contact Person** —

CDBG – Steven Rawlinson

HOPWA – Melody Barr

Program	Finding/Noncompliance	Questioned Cost
Community Development Block Grant (CDBG) — CFDA #14.218, ARRA #14.253	<p><b>Compliance and Significant Deficiency Control Finding</b></p>	N/A
	<p><b>2012-3: Reporting</b></p> <p><b>Condition</b> — The City did not meet the Transparency Act reporting requirement for one federal award selected for testing. Information for the grant had not yet been entered into the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Prime recipients are required to report subawards by the end of the month following the month the subaward is obligated.</p> <p><b>Criteria</b> — OMB A-133 requires that direct recipients of grants who make first-tier subawards and contractors that award first-tier subcontracts report grant activity be reported in the FSRS.</p> <p><b>Cause</b> — Lack of controls in place to ensure reports are filed timely, supported by adequate accounting records, and are properly reviewed and approved prior to submission.</p> <p><b>Effect</b> — The City may not be in compliance with the requirements set forth in grant agreements or OMB A-133.</p> <p><b>Recommendation</b> — The City should re-evaluate its reporting procedures and implement new controls to ensure all reports are filed in accordance with the grant requirements and OMB A-133.</p> <p><b>Views of Responsible Officials</b> — Management does not disagree with this finding.</p> <p><b>Corrective Action Plan of Management</b> — The HCDD will develop a checklist for all grants to ensure all reports including the Federal Funding Accountability and Transparency Act are filed and updated in accordance with the grant requirements and OMB A-133.</p> <p><b>Estimated Completion Date</b> — February 15, 2013</p> <p><b>City Contact Person</b> — Steven Rawlinson</p>	

Program	Finding/Noncompliance	Questioned Cost
State Energy Program — CFDA #81.041	<p><b>Compliance and Significant Deficiency Control Finding</b></p> <p><b>2012-4: Equipment &amp; Real Property Management</b></p> <p><b>Condition</b> — In testing the Equipment &amp; Real Property Management compliance requirement of the State Energy Program, it was determined that one Purchase Orders (“PO”) selected for testing was not capitalized appropriately. The PO, dated 9/15/2011 was originally entered as a service order. As a result, no capitalization of the equipment (solar generators) received was possible at the time. The misclassification was not identified until the equipment was selected for audit testing. The City has since corrected this error, and has appropriately capitalized the generators as of June 30, 2012.</p> <p><b>Criteria</b> — In accordance with OMB A-133, the City is required to follow appropriate capitalization policies and properly record and track equipment upon acquisition of equipment purchased with grant funding.</p> <p><b>Cause/Context</b> — Lack of controls in place to ensure appropriate entry of Purchase Orders and capitalization of equipment.</p> <p><b>Effect</b> — The City may not be in compliance with the requirements set forth in the grant agreement or OMB A-133.</p> <p><b>Recommendation</b> — The City should re-evaluate its procedures regarding identifying and entering purchase orders and capitalizing equipment. Equipment purchased using grant funds should be tracked appropriately.</p> <p><b>Views of Responsible Officials</b> — Management does not disagree with the finding, however, General Services Department (GSD) believed that the generator should be capitalized once the project is completed and the sponsor releases its ownership claims.</p>	N/A

**Corrective Action Plan of Management** — Policies and Procedures are being developed to provide guidelines on purchases for similar types of equipment to ensure assets are capitalized properly.

**Estimated Completion Date** — March 2013

**City Contact Person** — Ja'nice Sparks

Program	Finding/Noncompliance	Questioned Cost
Energy Efficiency and Conservation Block Grant (EECBG) — CFDA #81.128	<p data-bbox="545 369 1136 432"><b>Compliance and Significant Deficiency Control Finding</b></p> <p data-bbox="545 453 954 478"><b>2012-5: Subrecipient Monitoring</b></p> <p data-bbox="545 516 1211 810"><b>Condition</b> — In testing the internal controls related to this program, we noted an overall weak control environment and understanding of the OMB A-133 requirements. Two of the four contracts reviewed between the City and entities designated as subrecipients receiving federal awards did not have sufficient language to ensure the City was fulfilling all responsibilities as a pass-through entity under OMB A-133.</p> <p data-bbox="545 831 1211 1062"><b>Criteria</b> — 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. This includes holding subrecipients to the same standards and federal requirements set forth by the federal awarding agency and OMB A-133, as indicated in subrecipient agreements.</p> <p data-bbox="545 1104 1211 1188"><b>Cause/Context</b> — Lack of controls in place to ensure contract language supports subrecipient designation and compliance with OMB A-133.</p> <p data-bbox="545 1220 1211 1346"><b>Effect</b> — Subrecipients could be unaware of federal agency and OMB A-133 requirements. In addition, the City may not be fulfilling all responsibilities of a pass-through entity under OMB A-133.</p> <p data-bbox="545 1367 1211 1598"><b>Recommendation</b> — The City should review current policies and OMB A-133 guidance. The department should be aware of the requirements for subrecipients that receive federal or state awards, the distinction between subrecipients and vendors, and the knowledge to structure contracts that support the designation of a subrecipient.</p> <p data-bbox="545 1619 1211 1677"><b>Views of Responsible Officials</b> — Management does not disagree with this finding.</p>	N/A

**Corrective Action Plan of Management** — GSD will review the current contracts issued for the program and any other federal or federal pass-through grants and execute retroactive amendments to the subrecipients which includes a statement stipulating the entity is a subrecipient to a federally funded project and as such is subject to all applicable OMB A-133 requirements. Going forward, GSD will ensure that future subrecipient agreements will be identified as such and OMB A-133 requirements will be included.

**Estimated Completion Date** — Ongoing.

**City Contact Person** — Ja'nice Sparks/Calvin Curtis

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

Program	Finding/Noncompliance	Questioned Cost
	<b>Financial Reporting Finding 2011-1.</b>	
	<b>Finding</b> — 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.	
	<b>Recommendation</b> — 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.	
	<b>Status</b> — Due to changes in personnel at management level, the corrective action plan was not completed and new procedures are being formulated, see finding 2012-1.	



Program	Finding/Noncompliance	Questioned Cost
<b>Compliance and Significant Deficiency Control Finding</b>		
<b>2011-2: Reporting</b>		
<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><b>Finding</b> — 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><b>Recommendation</b> — 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><b>Status</b> — The City provided the necessary documentation, HUD Forms 60002 to grantor and received communication that this finding was closed.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
Energy Efficiency and Conservation Block Grant (EECBG) — CFDA #81.128	<p><b>Significant Deficiency Control Finding</b></p> <p><b>2011-3: Subrecipient Monitoring</b></p>	N/A
	<p><b>Finding</b> — 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><b>Recommendation</b> — 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><b>Status</b> — The City provided a list of all subrecipients receiving HUD funds for 2011 and a copy of the Certifications used by the financial department when all grants are awarded. Further, the City’s Legal Department developed written agreements for subrecipients which were validated that correct written agreements were in place.</p>	

Program	Finding/Noncompliance	Questioned Cost
<b>Compliance and Significant Deficiency Control Finding</b>		
<b>2011-4: Subrecipient Monitoring</b>		
Social Services Block Grant (SSBG) — CFDA #93.667	<p><b>Finding</b> — The City has not established, nor did the subrecipient contracts contain language regarding, a monitoring process for any subrecipient receiving SSBG funds.</p> <p><b>Recommendation</b> — 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><b>Status</b> — A process has been put in place to review all CDBG/SSBG grant contracts for language regarding the subrecipient monitoring process.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
<b>Material Noncompliance and Material Weakness Control Finding</b>		
<b>2011-5: Matching</b>		
Herman Brown Park — State	<p><b>Finding</b> — 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><b>Recommendation</b> — 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><b>Status</b> — The Parks and Recreation Department (PARD) meets quarterly with General Services Department to review Capital Projects status. Invoices are submitted to PARD to request reimbursement. Each invoice is posted to a budget summary sheet before billing. This review assures the match is properly recorded. Further, accountability by PARD staff occurs through its opening review for each new program grant. This review includes the Program Manager, the grant writer and financial team. Staff is made aware of the contract requirements regarding expenditures, match/in-kind contributions, reporting and the timeline. Responsibilities are established and qualified by the team. The City received communication that the finding was closed.</p>	\$69,211

Program	Finding/Noncompliance	Questioned Cost
<b>Compliance and Significant Deficiency Control Finding</b>		
<b>2011-6: Special Tests &amp; Provisions</b>		
Community Development Block Grant (CDBG) — CFDA #14.218, ARRA #14.253	<p><b>Finding</b> — 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><b>Recommendation</b> — The City should re-evaluate its procedures regarding maintaining adequate records when material special provisions in grant agreements are identified and documented.</p> <p><b>Status</b> — The City provided the Certification Forms to be maintained in the individual files and certified to U.S. Department of Housing and Urban Development (HUD) that the required actions have been accomplished. The City received communication from HUD that the finding was closed.</p>	N/A

Program	Finding/Noncompliance	Questioned Cost
<b>Compliance and Significant Deficiency Control Finding</b>		
<b>2011-7: Allowable Costs</b>		
<p>Community Development Block Grant (CDBG) — CFDA #14.218 &amp; 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><b>Finding</b> — 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"> <li>• \$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)</li> <li>• \$305 was charged to CDBG in fiscal year 2010 that was re-allocated in fiscal year 2011 to HERA NSP (CFDA 14.228)</li> <li>• \$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).</li> </ul> <p><b>Recommendation</b> — 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>	\$31,477

**Status** — Effective August 20, 2011, the City instituted the KRONOS 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 respective pay period. The City received communication that the finding was closed.