

CITY OF HOUSTON, TEXAS
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Houston, Texas (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2016.

Our report includes a reference to other auditors who audited the financial statements of the Firefighters' 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 the aggregate, represent 100% of the assets and net position 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 Houston Area Library Automated Network and Lamar Terrace Public Improvement District), which represent 7.5%, (15.4)% and 9.2%, respectively, of the assets, net position (deficit), and revenues of the governmental activities or any business-type discretely presented component units which represents 6.5%, 25.6% and 13.9%, respectively, of the assets, net position, and revenues of the business-type activities. 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. Except for the Hardy/Near Northside Redevelopment Authority, OST/Alameda Corridors Redevelopment Authority, and Uptown Development Authority, which were audited under *Governmental Auditing Standards* all other governmental and Business-Type discretely presented component units audited by other auditors were not audited in accordance with *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2016-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2016-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McConnell & Sons LLP Benko, Finley, White & Co.

November 30, 2016
Houston, Texas

**Independent Auditors' Report on Compliance for Each Major Federal and State Program
and Report on Internal Control over Compliance Required by the Uniform Guidance and
the State of Texas Uniform Grant Management Standards**

To the Honorable Mayor, Members of
City of Houston, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the City of Houston, Texas (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas *Uniform Grants 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, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal and State of Texas statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of the State of Texas UGMS. Those standards, the Uniform Guidance and the State of Texas 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas 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 a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas UGMS

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 30, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State of Texas UGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the

auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The City's basic financial statements include the operations of the aggregate discretely presented component units which are not included in the schedule during the year ended June 30, 2016. Our audit did not include the operations of the aggregate discretely presented component units because the entities engaged other auditors to perform their respective audits. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

McConnell & Sons LLP *Bunker, Finley, White & Co.*

November 30, 2016
Houston, Texas

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FEDERAL AWARDS

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
U.S. Department of Agriculture Food and Nutrition Services				
Direct Awards				
Farmers' Market Supplemental Nutrition Assistance Program Support Grants	10.545	SNAP-FSUP-15-TX-01	\$ -	\$ 820
Total Direct Awards			-	820
Pass-Through Awards				
<i>Texas Department of State Health Services</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2015-047284	\$ -	\$ 2,835,740
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2016-048773-001	-	8,356,190
<i>Texas Department of State Health Services</i>			-	11,191,930
<i>Texas Department of Agriculture Food and Nutrition Services</i>				
Child and Adult Care Food Program	10.558	CE ID 01525	-	1,023,832
Summer Food Service Program for Children	10.559	CE ID 01525	-	1,534,065
<i>Total Texas Department of Agriculture Food and Nutrition Services</i>			-	2,557,897
Total Pass-Through Awards			\$ -	\$ 13,749,827
Total U.S. Department of Agriculture Food and Nutrition Services			\$ -	\$ 13,750,647
U.S. Department of Housing and Urban Development				
Direct Awards				
Community Development Block Grants/Entitlement Grants	14.218	B00MC480018	\$ -	\$ 2,037
Community Development Block Grants/Entitlement Grants	14.218	B06MC480018	-	(3,026)
Community Development Block Grants/Entitlement Grants	14.218	B07MC480018	45	31,617
Community Development Block Grants/Entitlement Grants	14.218	B08MC480018	-	1,482
Community Development Block Grants/Entitlement Grants	14.218	B09MC480018	-	284,590
Community Development Block Grants/Entitlement Grants	14.218	B10MC480018	-	2,008,264
Community Development Block Grants/Entitlement Grants	14.218	B11MC480018	195	150,740
Community Development Block Grants/Entitlement Grants	14.218	B12MC480018	18,979	1,733,193
Community Development Block Grants/Entitlement Grants	14.218	B13MC480018	77,308	3,539,525
Community Development Block Grants/Entitlement Grants	14.218	B14MC480018	1,252,459	8,354,421
Community Development Block Grants/Entitlement Grants	14.218	B15MC480018	806,483	13,102,741
Community Development Block Grants/Entitlement Grants	14.218	B08MN480400	-	13,800
Community Development Block Grants/Entitlement Grants	14.218	B11MN480400	-	456,247
Community Development Block Grants/Entitlement Grants	14.218	PRL0055-56-60-61 PRL2062	-	25,074,198
			2,155,469	54,749,829
Emergency Solutions Grant Program	14.231	E11MC480002	-	6,344
Emergency Solutions Grant Program	14.231	E13MC480002	-	8,848
Emergency Solutions Grant Program	14.231	E14MC480002	1,375,176	1,782,651
Emergency Solutions Grant Program	14.231	E15MC480002	174,050	174,050
			1,549,226	1,971,893
Home Investment Partnerships Program	14.239	M07MC480206	-	(221,000)
Home Investment Partnerships Program	14.239	M10MC480206	-	(16,904)
Home Investment Partnerships Program	14.239	M11MC480206	-	3
Home Investment Partnerships Program	14.239	M12MC480206	-	400,656
Home Investment Partnerships Program	14.239	M13MC480206	-	1,464,477
Home Investment Partnerships Program	14.239	M14MC480206	-	(154,505)
Home Investment Partnerships Program	14.239	M15MC480206	-	1,154,842
Home Investment Partnerships Program	14.239	RPL0051-57-66 ADH0041	-	15,262,471
			-	17,890,040

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Direct Awards (cont'd)				
Housing Opportunities for Persons with AIDS	14.241	TX21H03-F003	4,892	4,892
Housing Opportunities for Persons with AIDS	14.241	TX21H07-F003	11,307	11,307
Housing Opportunities for Persons with AIDS	14.241	TXH09F003	78,387	78,387
Housing Opportunities for Persons with AIDS	14.241	TXH10F003	77,078	77,078
Housing Opportunities for Persons with AIDS	14.241	TXH11F003	409,409	409,409
Housing Opportunities for Persons with AIDS	14.241	TXH12F003	357,021	357,021
Housing Opportunities for Persons with AIDS	14.241	TXH13F003	595,675	595,675
Housing Opportunities for Persons with AIDS	14.241	TXH14F003	5,661,319	5,661,319
Housing Opportunities for Persons with AIDS	14.241	TX-H08-F004	7,367	7,367
Housing Opportunities for Persons with AIDS	14.241	TX-H15-F004	932,595	1,189,669
Housing Opportunities for Persons with AIDS	14.241	HWA0009	-	2,446,494
			<u>8,135,050</u>	<u>10,838,618</u>
Community Development Block Grants_Section 108 Loan Guarantees	14.248	HSBDC001	-	929,841
Community Development Block Grants_Section 108 Loan Guarantees	14.248	HSBDC001	-	1,862,467
			<u>-</u>	<u>2,792,308</u>
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0260-13	-	1,023,991
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0288-15	-	345,355
			<u>-</u>	<u>1,369,346</u>
Total Direct Awards			<u>\$ 11,839,745</u>	<u>\$ 89,612,034</u>
Pass-Through Awards				
<i>Texas Department of Housing and Community Affair</i>				
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	70090001	\$ -	\$ 1,559
<i>Total Texas Department of Housing and Community Affair</i>			<u>-</u>	<u>1,559</u>
<i>Texas General Land Office</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	13-181-000-7294	-	15,958,703
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	13-181-000-7295	-	2,573,249
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	14-236-000-8329	-	1,934,274
<i>Total Texas General Land Office</i>			<u>-</u>	<u>20,466,226</u>
Total Pass-Through Awards			<u>\$ -</u>	<u>\$ 20,467,785</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 11,839,745</u>	<u>\$ 110,079,819</u>
U.S. Department of the Interior Fish and Wildlife Service				
Pass-Through Awards				
Harris County Judge's Office Coastal Impact Assistance Program	15.668	F12AF01247	\$ -	\$ 17,028
<i>Total Harris County Judge's Office</i>			<u>-</u>	<u>17,028</u>
Total Pass-Through Awards			<u>\$ -</u>	<u>\$ 17,028</u>
Total U.S. Department of the Interior Fish and Wildlife Service			<u>\$ -</u>	<u>\$ 17,028</u>

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
U.S. Department of Justice				
Direct Awards				
Shared Forfeiture Property- Justice	16.000		\$ -	\$ 2,755,435
			-	2,755,435
Missing Children's Assistance	16.543	2012-MC-FX-K053	-	142,319
Missing Children's Assistance	16.543	2015-MC-FX-K046	-	286,900
			-	429,219
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2011-DN-BX-0002	-	320
			-	320
DNA Backlog Reduction Program	16.741	2011-DN-BX-K427	-	3,288
DNA Backlog Reduction Program	16.741	2013-DN-BX-0067	-	148,472
			-	151,760
Public Safety Partnership and Community Policing Grants	16.710	2010ULWX0026	-	13,912
Public Safety Partnership and Community Policing Grants	16.710	2011ULWX0028	-	1,224,324
Public Safety Partnership and Community Policing Grants	16.710	2013ULWX0025	-	724,910
			-	1,963,146
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0536	-	69,626
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-1068	-	896,419
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0832	1,076,543	1,076,543
			1,076,543	2,042,588
Economic High-Tech and Cyber Crime Prevention	16.752	2013-ZP-BX-0006	-	1,360
			-	1,360
Total Direct Awards			\$ 1,076,543	\$ 7,343,828
Pass-Through Awards				
<i>State of Texas - Governor's Office Criminal Justice Division</i>				
Juvenile Accountability Block Grants	16.523	1332216	\$ -	\$ 2,767
			-	2,767
Crime Victim Assistance	16.575	1359215	-	2,225
Crime Victim Assistance	16.575	1359216	-	40,637
			-	42,862
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2581003	-	9,757
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2588603	-	15,375
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2588604	-	104,629
			-	129,761
<i>Total State of Texas - Governor's Office Criminal Justice Division</i>			-	175,390
Total Pass-Through Awards			\$ -	\$ 175,390
Total U.S. Department of Justice			\$ 1,076,543	\$ 7,519,218

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
U.S. Department of Transportation				
Direct Awards				
Airport Improvement Program	20.106	3-48-0110-038	\$ -	\$ 320,982
Airport Improvement Program	20.106	3-48-0111-091	-	212,550
Airport Improvement Program	20.106	3-48-0111-097	-	422,448
Airport Improvement Program	20.106	3-48-0111-100	-	26,221
Airport Improvement Program	20.106	3-48-0111-102-2014	-	551,589
Airport Improvement Program	20.106	3-48-0111-103-2015	-	13,888,014
Airport Improvement Program	20.106	MOA-460B-RWSL	-	414,055
			-	15,835,859
Highway Planning and Construction	20.205	TCSP2001(001)	-	15,248
			-	15,248
National Motor Carrier Safety	20.218	FM-MHP-0187-14-01-00	-	65,600
National Motor Carrier Safety	20.218	FM-MHP-0230-15-01-00	-	317,420
			-	383,020
National Infrastructure Investments	20.933	DTFH61-13-G-00004	-	1,327,668
			-	1,327,668
Total Direct Awards			\$ -	\$ 17,561,795
Pass-Through Awards				
<i>State of Texas - Department of Transportation</i>				
Highway Planning and Construction	20.205	CSJ 0912-70-064	\$ -	\$ 4,650,363
Highway Planning and Construction	20.205	CSJ 0912-70-065	-	6,803
Highway Planning and Construction	20.205	CSJ 0912-70-078	-	3,314
Highway Planning and Construction	20.205	CSJ 0912-70-082	-	2,303,599
Highway Planning and Construction	20.205	CSJ 0912-71-459	-	125,804
Highway Planning and Construction	20.205	CSJ 0912-72-046	-	429,856
Highway Planning and Construction	20.205	CSJ 0912-72-072	-	385,950
Highway Planning and Construction	20.205	CSJ 0912-72-276	-	1,284,771
Highway Planning and Construction	20.205	CSJ 0912-72-289	-	961,213
Highway Planning and Construction	20.205	CSJ 0912-72-308	-	822,396
Highway Planning and Construction	20.205	CSJ 0912-72-309	-	772,304
Highway Planning and Construction	20.205	CSJ 0912-72-310	-	61,556
			-	11,807,929
State and Community Highway Safety*	20.600	2016-HOUSTONP-S-1YG-0013	-	515,180
State and Community Highway Safety*	20.600	2016-HOUSTONP-S-1YG-0019	-	210,332
State and Community Highway Safety*	20.600	585EG139	-	164,488
State and Community Highway Safety*	20.600	585EG140	-	77,388
			-	967,388
National Priority Safety Programs*	20.616	585EGF6363	-	48,745
National Priority Safety Programs*	20.616	585EGF6470	-	627
National Priority Safety Programs*	20.616	5863GF6219	-	53,849
National Priority Safety Programs*	20.616	2016-HOUSTONPDCIOT-00034	-	69,771
			-	172,992
<i>Total State of Texas Department of Transportation</i>			-	12,948,309
<i>Houston-Galveston Area Council</i>				
Highway Planning and Construction	20.205	C76123	-	155,000
<i>Total Houston-Galveston Area Council</i>			-	155,000
Total Pass-Through Awards			\$ -	\$ 13,103,309
Total U.S. Department of Transportation			\$ -	\$ 30,665,104

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
U.S. Department of Treasury				
Direct Awards				
<i>Shared Forfeiture Property - Treasury</i>	21.000		\$ -	\$ 203,922
Total U.S. Department of Treasury			\$ -	\$ 203,922
U.S. Institute of Museum and Library Services				
Direct Awards				
National Leadership Grants	45.312	SP-02-15-0019-15	\$ -	\$ 12,667
			-	12,667
Total Direct Awards			\$ -	\$ 12,667
Pass-Through Awards				
<i>Texas State Library and Archive Commission</i>				
Grants to States	45.310	479-15007	\$ -	\$ 41,143
Grants to States	45.310	479-16006	-	44,341
Grants to States	45.310	723-15007	-	6,040
<i>Total Texas State Library and Archive Commission</i>			-	91,524
Total Pass-Through Awards			\$ -	\$ 91,524
Total U.S. Institute of Museum and Library Services			\$ -	\$ 104,191
U. S. Environmental Protection Agency				
Direct Awards				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	00F94701	\$ -	\$ 18,387
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	00F94801	-	23,000
			-	41,387
Total Direct Awards			\$ -	\$ 41,387
Pass-Through Awards				
<i>Texas Commission on Environmental Quality</i>				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	582-15-50041	\$ -	\$ 82,044
			-	82,044
Performance Partnership Grants	66.605	582-12-40054	-	358,153
			-	358,153
<i>Total Texas Commission on Environmental Quality</i>			-	440,197
<i>Texas Water Development Board</i>				
Capitalization Grants for Clean Water State Revolving Funds	66.458	L110062	-	839,968
Capitalization Grants for Clean Water State Revolving Funds	66.458	L120030	-	6,706,747
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000149	-	27,844,417
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000223	-	19,501,290
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000382	-	2,527,089
			-	57,419,511
Capitalization Grants for Drinking Water State Revolving Funds	66.468	L1000222	-	25,048,133
Capitalization Grants for Drinking Water State Revolving Funds	66.468	LF1000263	-	174,904
			-	25,223,037
<i>Total Texas Water Development Board</i>			-	82,642,548
Total Pass-Through Awards			\$ -	\$ 83,082,745
Total U. S. Environmental Protection Agency			\$ -	\$ 83,124,132

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
U.S. Department Of Health and Human Services				
Direct Awards				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	PS6004670	\$ -	\$ 879,648
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	U52PS004670-02	-	718,413
			-	1,598,061
Injury Prevention and Control Research and State and Community Based Programs	93.136	CE002063-04	-	47,544
Injury Prevention and Control Research and State and Community Based Programs	93.136	CE002063-05	-	185,750
			-	233,294
Immunization Cooperative Agreements	93.268	5NH23IP000734-04-00	-	1,507,566
Immunization Cooperative Agreements	93.268	IP000734-03	-	1,736,170
Immunization Cooperative Agreements	93.268	CCH622532A	-	2,131,405
			-	5,375,141
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CK000368-01S1	-	63,029
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CK000368-02S1	-	283,661
			-	346,690
Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces	93.332	NAVCA140138-01	162,771	471,654
			162,771	471,654
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	CK000368-01	-	117,283
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	CK000368-02	-	442,711
			-	559,994
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	6NH23IP000734-04-01	-	66,803
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	IP00734-03S1	-	235,638
			-	302,441
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	1259-01	-	238,045
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	93.753	5UE1EH001259-02	-	38,632
			-	276,677
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	CK000368-01S2	-	514,066
			-	514,066
HIV Prevention Activities_Health Department Based	93.940	PS003255-05	-	323,031
HIV Prevention Activities_Health Department Based	93.940	PS003672-04	1,147,761	3,785,897
HIV Prevention Activities_Health Department Based	93.940	1U62PS005050-01	-	378,083
HIV Prevention Activities_Health Department Based	93.940	5U62PS003672-05	972,921	3,044,890
			2,120,682	7,531,901

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Direct Awards (Cont'd)				
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS004027-03	-	669,125
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS004947-01	-	584,870
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	PS004947-02	-	52,977
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	1U62PS005092-01	-	66,409
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	5U62PS004027-04	-	669,317
			-	2,042,698
Total Direct Awards			\$ 2,283,453	\$ 19,252,617
Pass-Through Awards				
<i>Texas Department of Aging and Disability Services</i>				
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	539-11-0022-00001 2015-EAP-15	\$ -	\$ 1,921
Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	539-16-00014-00001 2016-EAP-16	38,842	38,842
			38,842	40,763
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	539-11-0022-00001 2015-OAG-15	7,411	9,874
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	539-16-00014-00001 2016-OAG-16	113,540	113,540
			120,951	123,414
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	539-11-0022-00001 2015-3D-15	69,233	85,511
Special Programs for the Aging Title III, Part D_Disease Prevention and Health Promotion Services	93.043	539-16-00014-00001 2016-3D-16	120,516	153,381
			189,749	238,892
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	539-11-0022-00001 2015-3B-15	155,306	1,242,969
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	539-16-00014-00001 2016-3B-16	259,648	1,823,717
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	539-11-0022-00001 2015-ADM-15	-	271,184
Special Programs for the Aging Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	539-16-00014-00001 2016-ADM-16	-	565,655
			414,954	3,903,525
Special Programs for the Aging Title III, Part C_Nutrition Services**	93.045	539-11-0022-00001 2015-3C1-15	461,068	466,317
Special Programs for the Aging Title III, Part C_Nutrition Services**	93.045	539-16-00014-00001 2016-3C1-16	1,510,420	1,529,663
Special Programs for the Aging Title III, Part C_Nutrition Services**	93.045	539-11-0022-00001 2015-3C2-15	564,317	566,876
Special Programs for the Aging Title III, Part C_Nutrition Services**	93.045	539-16-00014-00001 2016-3C2-16	1,903,287	1,922,808
			4,439,092	4,485,664
National Family Caregiver Support, Title III, Part E	93.052	539-11-0022-00001 2015-3E-15	75,816	357,966
National Family Caregiver Support, Title III, Part E	93.052	539-16-00014-00001 2016-3E-16	242,544	737,281
			318,360	1,095,247

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
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FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Pass-Through Awards (Cont'd)				
Nutrition Services Incentive Program**	93.053	539-11-0022-00001 2015-NSIP-15	543,278	543,278
Nutrition Services Incentive Program**	93.053	539-16-00014-00001 2016-NSIP-16	1,464,455	1,464,455
			<u>2,007,733</u>	<u>2,007,733</u>
Medicare Enrollment Assistance Program	93.071	539-11-0022-00001 2015-ACA-MIPPA2	-	38,356
Medicare Enrollment Assistance Program	93.071	539-16-00014-00001 2016-ACA-MIPPA2	-	20,664
Medicare Enrollment Assistance Program	93.071	539-15-94901 2015-MIPPA3-15	-	24,281
			<u>-</u>	<u>83,301</u>
Lifespan Respite Care Program	93.072	539-15-94901 2015-ADRC-TXLRP	-	7,168
			<u>-</u>	<u>7,168</u>
State Health Insurance Assistance Program	93.324	539-11-0022-00001 2015-CMS-17	-	(3,145)
State Health Insurance Assistance Program	93.324	539-16-00014-00001 2016-CMS-17	-	117,417
State Health Insurance Assistance Program	93.324	539-16-00014-00001 2016-CMS-17-02	-	35,635
			<u>-</u>	<u>149,907</u>
Medical Assistance Program	93.778	539-15-94901 ADRC OPER MFP-15	-	90,975
			<u>-</u>	<u>90,975</u>
Money Follows the Person Rebalancing Demonstration	93.791	539-15-94901 ADRC HNP/ACL-15	-	11,421
Money Follows the Person Rebalancing Demonstration	93.791	539-16-0031-00003 ADRC HNP/LCA-16	-	95,606
Money Follows the Person Rebalancing Demonstration	93.791	539-11-0022-00001 2015-MFPD-15	10,447	10,447
Money Follows the Person Rebalancing Demonstration	93.791	539-16-00014-00001 2016-MFPD-16	14,882	14,882
			<u>25,329</u>	<u>132,356</u>
<i>Total Texas Department of Aging & Disability Services</i>			<u>7,555,010</u>	<u>12,358,945</u>
<i>Texas Department of State Health Services</i>				
Public Health Emergency Preparedness	93.069	2015-001159	-	24,967
Public Health Emergency Preparedness	93.069	2015-001208	-	20,918
Public Health Emergency Preparedness	93.069	2015-001219	-	156,414
Public Health Emergency Preparedness	93.069	2015-047249	-	675
Public Health Emergency Preparedness	93.069	2015-047409	-	176,868
Public Health Emergency Preparedness	93.069	2016-001159	-	223,392
Public Health Emergency Preparedness	93.069	2016-001208	-	454,339
Public Health Emergency Preparedness	93.069	2016-001219	-	1,203,342
Public Health Emergency Preparedness	93.069	2016-004035-00	-	123,898
			<u>-</u>	<u>2,384,813</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	2015-003629	-	362,385
			<u>-</u>	<u>362,385</u>

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
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FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Pass-Through Awards (Cont'd)				
Hansen's Disease National Ambulatory Care Program	93.215	2015-001077	-	30,395
Hansen's Disease National Ambulatory Care Program	93.215	2016-001077-00	-	52,329
			-	82,724
Immunization Cooperative Grants	93.268	2015-001078	-	285,858
Immunization Cooperative Grants	93.268	2016-001078	-	1,184,822
			-	1,470,680
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2015-001348	-	1,098,758
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2016-001348-00	-	717,565
			-	1,816,323
Preventive Health and Health Services Block Grant	93.991	2015-047243	-	27,412
Preventive Health and Health Services Block Grant	93.991	2016-003837	-	22,041
Preventive Health and Health Services Block Grant	93.991	2016-001186	-	229,862
			-	279,315
Maternal and Child Health Services Block Grant to the States	93.994	2015-046150	-	100,408
Maternal and Child Health Services Block Grant to the States	93.994	2015-047142	-	44,105
Maternal and Child Health Services Block Grant to the States	93.994	2016-003868	-	134,278
Maternal and Child Health Services Block Grant to the States	93.994	2016-003932	-	161,257
Maternal and Child Health Services Block Grant to the States	93.994	2016-048876-001	-	61,242
			-	501,290
<i>Texas Department of State Health Services</i>			-	6,897,530
<i>Houston-Galveston Area Council</i>				
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	AG1229	-	4,856
<i>Total Houston-Galveston Area Council</i>			-	4,856
<i>The University of Texas Health Science Center</i>				
Environmental Health	93.113	0010389A	-	67,067
<i>Total University of Texas Health Science Center</i>			-	67,067
<i>Women's Family Planning and Health Association of Texas</i>				
Family Planning_Services	93.217	WHFPT15	-	491,101
Family Planning_Services	93.217	WHFPT16	-	122,660
<i>Total Women's Family Planning and Health Association of Texas</i>			-	613,761
<i>Council of State and Territorial Epidemiologists</i>				
NON-ACA/PPHF-Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424	CSTE-2015	-	4,356
<i>Total Council of State and Territorial Epidemiologists</i>			-	4,356
<i>National Association of County and City Health Officials</i>				
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations- financed in part by Prevention and Public Health Funds (PPHF)	93.524	2015-121402	-	7,163
<i>Total National Association of County and City Health Officials</i>			-	7,163
<i>Texas Health and Human Services Commission</i>				
Temporary Assistance for Needy Families	93.558	529-16-0003-000	-	540,851
<i>Total Texas Health and Human Services Commission</i>			-	540,851
<i>Gulf Coast Workforce Board</i>				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2815CCMC07	-	27,675
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2816CCMC07	-	103,697
<i>Total Gulf Coast Workforce Board</i>			-	131,372

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
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FOR THE YEAR ENDED JUNE 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Pass-Through Awards (Cont'd)				
<i>Harris County Public Health Environment Services</i>				
HIV Emergency Relief Project Grants	93.914	15GEN0051/15GEN1087	-	57,835
HIV Emergency Relief Project Grants	93.914	16GEN0186	-	70,380
<i>Total Harris County Public Health Environment Services</i>			-	128,215
Total Pass-Through Awards			\$ 7,555,010	\$ 20,754,116
Total U.S. Department Of Health and Human Services			\$ 9,838,463	\$ 40,006,733
Corporation for National and Community Service				
Direct Awards				
Social Innovation Fund	94.019	11SIHDC001	-	169,320
Total Corporation for National and Community Service			-	169,320
Office of National Drug Control Policy				
Direct Awards				
High Intensity Drug Trafficking Areas Program	95.001	G14HN0001A	-	131,773
High Intensity Drug Trafficking Areas Program	95.001	G15HN0001A	-	2,903,326
High Intensity Drug Trafficking Areas Program	95.001	G16HN0001A	-	1,425
			-	3,036,524
Total Office of National Drug Control Policy			\$ -	\$ 3,036,524
U.S. Department of Homeland Security				
Direct Awards				
Assistance to Firefighters Grant	97.044	EMW-2014-FO-02023	-	759,092
			-	759,092
Port Security Grant Program	97.056	EMW-2013-PU-00259-S01	-	137,799
Port Security Grant Program	97.056	EMW-2014-PU-00192-S01	-	519,950
Port Security Grant Program	97.056	EMW-2015-PU-00254-S01	-	381,955
			-	1,039,704
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2014-FH-00682	-	1,046,268
			-	1,046,268
Securing the Cities Program	97.106	EMW-2014-FH-00682	-	66,270
			-	66,270
Total Direct Awards			\$ -	\$ 2,911,334

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
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<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Award / Pass-Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Pass-Through Awards				
<i>Texas Office of the Governor, Division of Emergency Management</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4223-TX	\$ -	\$ 3,241,658
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	EM 3294-TX	-	(7,033)
<i>Total Texas Office of the Governor, Division of Emergency Management</i>			-	3,234,625
<i>Texas Office of the Governor, Homeland Security</i>				
Homeland Security Grant Program	97.067	EMW-2015-SS-00080	-	58,491
Homeland Security Grant Program	97.067	EMW-2015-SS-00080-S01	-	3,656,325
<i>Total Texas Office of the Governor, Homeland Security</i>			-	3,714,816
<i>Texas Department of Public Safety</i>				
Emergency Management Performance Grants	97.042	15TX-EMPG-0357	-	263,403
			-	263,403
Homeland Security Grant Program	97.067	13-SR 35000-02	-	55,945
Homeland Security Grant Program	97.067	13-SR 35000-02&35000-3	-	7,724,403
Homeland Security Grant Program	97.067	13-SR 35000-18	-	50,005
Homeland Security Grant Program	97.067	14-SR 35000-01	-	95,048
			-	7,925,401
<i>Total Texas Department of Public Safety</i>			-	8,188,804
<i>Texas Commission on Environmental Quality</i>				
Homeland Security Biowatch Program	97.091	582-16-60020	-	583,655
<i>Total Texas Commission on Environmental Quality</i>			-	583,655
Total Pass-Through Awards			\$ -	\$ 15,721,900
Total U.S. Department of Homeland Security			\$ -	\$ 18,633,234
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 22,754,751	\$ 307,309,872
			<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
<u>Cluster Title</u>				
* Highway Safety Cluster			\$ -	\$ 1,140,380
** Aging Cluster			6,861,779	10,396,922
Total of Cluster Federal Awards			\$ 6,861,779	\$ 11,537,302

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL
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STATE AWARDS

<u>Program Title</u>	<u>Grant Award / Pass- Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Awards Expenditures</u>
Direct Award			
<i>Office of the Attorney General</i>			
Victim Coordinator Liaison	OAG-1553759	\$ -	\$ 322
Victim Coordinator Liaison	OAG-1662345	-	30,649
<i>Total Office of the Attorney General</i>		-	30,971
<i>Office of the Governor Criminal Justice Division</i>			
Internet Crimes A/C-T/F	IC-14-A10-27452-01	-	(47,664)
Internet Crimes A/C-T/F	2745202	-	273,609
JCMP	2686102	-	5,211
JCMP	2686103	-	59,606
<i>Total Office of the Governor Criminal Justice Division</i>		-	290,762
<i>Texas Automobile Theft Prevention Authority</i>			
HACTF /23	2015-T01-CITY OF- 00024	-	185,868
HACTF /24	608-16-HPD-0000	-	633,006
<i>Total Texas Automobile Theft Prevention Authority</i>		-	818,874
<i>Texas Department of Aging and Disability Services</i>			
ADRC Operations SGR	539-16-0031-00003 ADRC-SGR-16	-	432,053
ADRC Promoting Independence	539-15-94901 2015-PI-15	-	11,779
ADRC Promoting Independence	539-16-0031-00003 2015-PI-16	-	16,818
DADS MIPPA 3	539-16-0031-00003 2016-MIPPA3-16	-	22,975
Lifespan Resp Care Program	539-14-0190	4,774	53,482
Lifespan Resp Care Program	539-14-0190-00002	-	99,923
State General Revenue	539-11-0022-00001 2015-SGR-15	16,142	16,142
State General Revenue	539-16-00014-00001 2016-SGR-16	672,485	672,485
<i>Total Texas Department of Aging and Disability Services</i>		693,401	1,325,657
<i>Texas Department of Housing and Community Affair</i>			
HHSP GR	63140001773	-	56
HHSP GR	63160002289	494,813	564,292
HHSP GR 2	63150002043	377,022	1,241,750
AYBR	1001995	-	2,625
<i>Total Texas Department of Housing and Community Affair</i>		871,835	1,808,723
<i>Texas Department of State Health Services</i>			
CHS TTL V Prenatal Dental	2015-046010	-	22,827
CHS TTL V Prenatal Dental	2016-003884	-	9,297
Community Diabetes	2016-003872	-	61,288
IDCU Surveillance	2016-3777	-	54,347
IDCU/SUR Ebola	2016-003853	-	38,110
IDCU Flu-Lab	2015-001097	-	3,306
IDCU Flu-Lab	2016-001097	-	5,402
IDCU Foodborne	2015-046169	-	16,756
Local Public Health Services	2015-001186	-	70,519
Milk and Dairy	2015-046345	-	15,275
Tuberculosis Elimination	2015-001451	-	474,216
Tuberculosis Elimination	2016-001451	-	1,456,603
<i>Total Texas Department of State Health Services</i>		-	2,227,946

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
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<u>Program Title</u>	<u>Grant Award / Pass- Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Awards Expenditures</u>
<i>Texas Health and Human Services Commission</i>			
Nurse Family Partnership	529-08-0110-00012D	-	109,592
<i>Total Texas Health and Human Services Commission</i>		-	109,592
<i>Texas Parks and Wildlife Department</i>			
Community Outdoor Outreach Program	52-000586	-	34,341
<i>Total Texas Parks and Wildlife Department</i>		-	34,341
<i>Texas State University</i>			
Tobacco Sting /4	-	-	33,844
Tobacco Sting /5	-	-	68,380
<i>Total Texas State University</i>		-	102,224
Total Direct Awards		\$ 1,565,236	\$ 6,749,090
Pass-Through Awards			
<i>Harris County Protective Services</i>			
CYD Campo DEL SOL	C15/0171	\$ -	\$ 20,039
CYD United Minds	C74877	-	29,795
<i>Total Harris County Protective Services</i>		-	49,834
<i>Houston-Galveston Area Council</i>			
RRWM	15-16-G15	-	9,120
HGAC-Clean Rivers	C75404-NCA	-	26,217
HGAC-Clean Rivers	C76397-NCA	-	18,598
<i>Total Houston - Galveston Area Council</i>		-	53,935
Total Pass-Through Awards		\$ -	\$ 103,769
TOTAL EXPENDITURES OF STATE AWARDS		\$ 1,565,236	\$ 6,852,859

See notes to the Schedule of Expenditures of Federal and State Awards

CITY OF HOUSTON, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

1. The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activities, respectively, of the City of Houston, Texas (the “City”) under programs of the federal and state governments for the year ended June 30, 2016. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* (UGMS). Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in, the preparation of the basic financial statements.
2. Expenditures reported on the schedules are 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. Such expenditures are recognized following, as applicable, either the cost principles contained in the Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (Codified in 2 CFR Part 225) or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards Uniform Guidance, or UGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
3. Federal and state awards provided to subrecipients are treated as expenditure when the City is notified by the subrecipient of the expenditure. 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. Negative amounts shown on the schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
4. The City did not elect to use the 10% de minimis indirect cost rate since it either charges indirect cost specifically approved in a grant award document or, when allowed, allocates indirect cost rate previously approved from its cognizant agency. These rates determine the recovery of indirect costs incurred from the delivery of federal and state grant funded programs and Enterprise and Internal Service Fund charge backs.
5. Federal and state awards are reported in the City's Comprehensive Annual Financial Report (CAFR) as follows (in thousands):

	Federal	State
Grant Funds	\$ 163,673	\$ 6,853
Housing and Urban Development	42,199	-
Asset Forfeiture (Special Revenue Funds)	2,959	-
Enterprise Fund - Combined Utility System (TX Water Board)	82,643	-
Enterprise Fund - Airport System Fund	15,836	-
Total	\$ 307,310	\$ 6,853

CITY OF HOUSTON, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

6. **Noncash Awards** – The City received donated vaccines directly from the federal government under CFDA No. 93.268, which were reported at assessed value provided by the federal agency. The amount of such donated vaccines issued/consumed for the year ended June 30, 2016 was \$2,131,405 and was reported as federal award expenditures in the schedule of expenditures of federal awards. The value of donated vaccines as of year ended June 30, 2016 is \$413,769.
7. **Loan Outstanding** – The City had the following direct federal loan balances outstanding at June 30, 2016 that were reported as federal award expenditures in the schedule of expenditures of federal awards.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding June 30, 2016</u>
Community Development Block Grant	14.218	\$ 25,074,198
HOME Investment Partnerships Program	14.239	\$ 15,262,471
Housing Opportunities for Persons with HIV/AIDS	14.241	\$ 2,446,494
Section 108 Guaranteed Loan Program	14.248	\$ 1,862,467

8. **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.
9. **Subsequent Event** – On October 6, 2016, the City wrote off an amount of \$1,540,646 to a grantee with respect to a loan under the Section 108 Guaranteed Loan Program (CFDA 14.248) and simultaneously entered an Agreement of Resolution that will require bridge financing on future economic development projects proposed by the City which should also meet the grantee’s economic development underwriting criteria.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

I. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the basic financial statements expressed an unmodified opinion.
2. A material weakness and a significant deficiency in internal control over financial reporting were identified.
3. No instances of noncompliance considered material to the basic financial statements were disclosed in the audit.
4. The independent auditors' report on compliance with requirements applicable to major federal and state award programs expressed an unmodified opinion for all major programs.
5. No material weakness or significant deficiency in internal control over compliance with requirements applicable to a major federal or state program was identified.
6. No audit findings were identified that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The City's major programs were:

Name of Major Federal/State Programs	CFDA Number
Aging Cluster	93.044, 93.045, 93.053
Immunization Cooperative Agreements	93.268
Homeland Security Grant Program	97.067
HIV Prevention Activities Health Department Based	93.940
Disaster Grants –	97.036
Public Assistance (Presidentially Declared Disasters)	
Home Investment Partnerships Program	14.239
Capitalization Grants for Drinking Water State Revolving Funds	66.468
Capitalization Grants for Clean Water State Revolving Funds	66.458
State General Revenue	N/A – State
HACTF State Program	N/A – State
HHSP State Program	N/A – State

8. For federal awards and state awards, a dollar threshold of \$3,000,000 and \$750,000, respectively, was used to distinguish between Type A and Type B programs, as defined in the Uniform Guidance and State of Texas UGMS.
9. The City did not qualify as a low-risk auditee, as defined in the Uniform Guidance and the State of Texas UGMS.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

II. FINANCIAL STATEMENT FINDINGS SECTION

FINDING NO. 2016-001 – MATERIAL WEAKNESS IN INTERNAL CONTROL OVER SWAPS AND DEBT REFUNDING TRANSACTIONS

Condition and Cause – During our review of the City’s debt transactions for the year, we identified the following weaknesses in internal controls over debt related accounts that when taken together, are considered a material weakness:

- In our review of the City’s calculation and recording of the fair value change of its swap accounts, a hedging derivative instrument, we noted the related deferred outflow of resources account and the related liability balances as of June 30, 2016, were both understated by \$11.3 million. The error was due to the failure to properly obtain a fair market valuation for recording the year-end balance for its reduced notional and hypothetical swaps.
- An error was noted on the City’s calculation of gain or loss for the refunding of a long-term debt. This was due to the failure to exclude the bond proceeds from a portion of the bond offering related to new money in determining the reacquisition price for the refunded debt. As a result, deferred outflow of resources due to bond refunding and interest expense during the year were both overstated by \$244 million and \$1.4 million, respectively.

The swap transaction is considered significant and complex to the City’s accounting process wherein third party service organizations were contracted to provide the necessary financial expertise to address the complexities. The refunding transaction, while also significant and complex, it requires a highly technical understanding of all the inputs to appropriately calculate the deferred refunding amount. In addition, the City experienced turnover in a key management position that is responsible for overseeing, analyzing, and ensuring the accuracy of debt related transactions and valuations. The City’s ability to appropriately address and research the complexities associated with the fiscal year ended June 30, 2016 debt transactions were significantly impacted due to the loss of the key personnel.

The City made the necessary adjustments to correct the errors identified and, as a result, our opinion on the City’s financial statements is unmodified.

Criteria – Paragraph 20 of the Governmental Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, states that derivative instruments should be measured at fair value and changes in fair values should be recognized through the application of hedge accounting.

Paragraph 4 of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, states that the difference between the reacquisition price and the net carrying value amount of the old debt should be deferred and amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Footnote 3 of the same statement defines reacquisition price as the amount to repay previously issued debt in a refunding transaction.

Effective internal controls over debts include processes and procedures for proper valuation of debt and related fund level accounts, ensuring the accuracy of debt transactions and ascertaining that debts are recorded in accordance with U.S. GAAP.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Effect or Potential Effect – Inaccurate valuation and recording of debt related transactions increases the risk that the related accounts and the financial statements as a whole would be misstated.

Recommendation – We recommend the City strengthen its internal control procedures over debt transactions to ensure:

- A more in-depth review and understanding of the fair value report related to its swap accounts by verifying that inputs, assumptions, measurements and methodologies used are in accordance with U.S. GAAP.
- Management obtains a reasonable assurance of controls placed in operation by third party service organization contracted to provide information that are relevant in the determination of account balances at year-end.
- Adequate research of technical guidance in determining the proper reporting and accounting treatment of unique and complex transactions.
- Key accounting personnel obtain training to develop the needed competencies to properly apply and implement complex accounting guidance.

Views of Responsible Officials – *Management does not agree with the material weakness finding and has following position:*

- *SWAP accounts – To mitigate risks related to the complexity of the non-routine transactions, the City relied on a third party service organization to provide the data related to the SWAP instruments and understand that a more thorough review of their work was needed.*
- *Refunding of long term debt – While the City experienced turnover, review procedures are in place and the error would have been detected prior to finalization of financial statements (transaction) during the final review. The proposed entry by the auditor was not accurate and the City corrected the error and accurately recorded the entry prior to the finalization of the financial statements. Further, the error had no material effect on the overall ending Net Position.*

Corrective Action Plan – *The following actions will be taken by the City:*

- *SWAP accounts – The Controller's Office will coordinate meetings with the applicable departments and the third party service organization to assure that the departments obtain the necessary information to report the transactions properly. The third party service organization will also be available to the departments in reference to the fair market value report.*
- *Refunding of long term debt – The City has filled key vacant positions and will also obtain additional training for existing and new debt accounting personnel as well as provide technical guidance and review of all debt transactions.*

Estimated Completion Date – *June 30, 2017*

City Contact Persons – *Deputy City Controller, Debt Division, Deputy City Controller, Financial Reporting Division, and Deputy Director of Finance for Public Works and Engineering Financial Management*

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

FINDING NO. 2016-002 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER ACCOUNTING AND REPORTING ACTIVITIES WITHIN CASH AND INVESTMENT POOLS

Condition – The City pools excess cash and investments on hand in order to maximize earnings. It reports “equity in cash and investments” in each fund participating in the respective cash and investment pools. It also maintains a “cash pool fund” and an “investment pool fund” to account for the collective cash and investment balances. Within those funds, however, the City does not properly account for or monitor the participating funds equity in the respective pools.

As of June 30, 2016, the “cash pool fund” had a negative balance though the combined funds were positive. The City’s accounting system does not track each fund’s equity in the pools by type and alternative accounting procedures had to be employed to assess the proper cash balance in each of the funds participating in the pool.

In connection with the 2016 Comprehensive Annual Financial Statements (CAFR), the City included a note to the financial statements to properly report each fund’s investment in the respective cash and investment pools using an allocation method; redefined cash and cash equivalents consistent with U.S. GAAP; and used a similar allocation method to properly report purchases and sales of investments in the statement of cash flows.

Criteria – Effective internal controls over financial reporting include processes and procedures for proper recording of transactions, monitoring of account balances, timely reconciliation of general ledger account details to control accounts, proper cut-off procedures and effective supervision, review and approval processes to ensure preparation of financial statements in conformity with U.S. GAAP.

Cause – Inadequate design of the financial reporting system and internal controls over monitoring and reconciliation of effected accounts in the general ledger.

Effect or Potential Effect – The absence of properly designed financial reporting system and control policies and procedures relevant to financial reporting processes and reconciliation of the pooled cash and investment account activity increases the risk that the City’s financial statements could contain misstatements.

Identification as a Repeat Finding – This is a repeat of Finding No. 2015-001 from the fiscal year 2015 report due to the systems effect on the pooled cash reporting process.

Recommendation – As recommended last year, the City should take appropriate steps to properly account for and monitor participating funds’ equity in the cash and investment pool funds. We accordingly recommend the following:

- Controller’s Office of Operations and Technical Services (OTS) and Treasury Operations should work with HITS to utilize capabilities within SAP to create and maintain system balancing “investment” and corresponding “equity” accounts for each fund participating in the cash and investment pools.
- Monitoring the “cash” and related “equity” accounts to appropriately flag accounts in jeopardy of incurring negative cash position.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

- Once created, each fund’s respective “investment”, “cash” and “equity” accounts should be balanced as part of the regular month end close process, similar to the balancing of interfund accounts.
- Hold regular meetings with participating fund stakeholders to ensure each stakeholder is in agreement with their respective equity positions in the pools.
- Formalize and document procedures used to account for balances within the pools and to allocate earnings within the pools as well as purchases and sales of investments to participating funds.

Views of Responsible Officials – *Management does not disagree with this finding.*

Corrective Action Plan – *Controller’s Office Financial Reporting, Treasury and Operations Divisions will continue working the HITS/ERP to develop new reports to calculate and monitor cash and investment equity in the pool funds. We will monitor cash status by fund when detail information is available and inform fund holders for transfers needed to cover a fund’s negative balance of cash.*

Estimated Completion Date – *June 30, 2017*

City Contact Person – *Deputy City Controller, Financial Reporting Division*

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

This section identifies findings involving major federal and state programs for noncompliance, material weaknesses and/or significant deficiencies related to internal control over compliance, as well as any instances of noncompliance required to be reported in accordance with 2 CFR Section 200.516(a).

No findings were noted.

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

IV. STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS

FINDING NO. 2015-001 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER ACCOUNTING AND REPORTING ACTIVITIES WITHIN CASH AND INVESTMENT POOLS

Condition – The City pools excess cash and investments on hand in order to maximize earnings. It reports “equity in cash and investments” in each fund participating in the respective cash and investment pools. It also maintains a “cash pool fund” and an “investment pool fund” to account for the collective cash and investment balances. Within those funds, however, the City does not properly account for or monitor the participating funds equity in the respective pools. Within the “investment pool fund”, however, there are fund balance accounts amounting to \$1.9 billion.

During the course of the audit, we made inquiries of persons within the Controller’s Office of Operations & Technical Services (OTS) and the Treasury Operations and within the offices of Houston Information Technology Services Department (HITS) as to the basis for determining the “equity in cash and investments” balances within each of the participating funds as well as the fund balance accounts within the “investment pool fund”. We were unable to receive a complete or comprehensive explanation as to how the balances were determined.

Additionally, the City has historically defined cash and cash equivalents for purposes of the statement of cash flows for the enterprise funds to include the entire “equity in cash and investments”. This definition was inconsistent with the definition of cash and cash equivalents under generally accepted accounting principles (GAAP).

In connection with the 2015 Comprehensive Annual Financial Statements (CAFR), the City included a note to the financial statements to properly report each fund’s investment in the respective cash and investment pools using an allocation method; redefined cash and cash equivalents consistent with GAAP; and used a similar allocation method to properly report purchases and sales of investments in the statement of cash flows.

Recommendation – While the City made the above steps to ensure more accurate reporting within its 2015 CAFR, additional steps should be taken to properly account for and monitor participating funds equity in the cash and investment pool funds. We accordingly recommended the following:

- OTS and Treasury Operations should work with HITS to utilize capabilities within SAP to create and maintain system balancing “investment” and corresponding “equity” accounts for each fund participating in the cash and investment pools. This process would include reallocating the fund balance accounts within the “investment pool fund” as part of the “equity” accounts for the participating funds.
- Ensure persons responsible for monitoring the “investment” and “equity” accounts are properly trained.
- Once created, each funds respective “investment” and “equity” accounts should be balanced as part of the regular month end close process, similar to the balancing of interfund accounts.

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

- Hold regular meetings with participating fund stakeholders to ensure each stakeholder is in agreement with their respective equity positions in the pools.
- Formalize and document procedures used to account for balances within the pools and to allocate earnings within the pools as well as purchases and sales of investments to participating funds.

Status – *This finding is repeated in fiscal year 2016 as Finding No. 2016-002.*

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

FINDING NO. 2015-002 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL DEBT RELATED ACCOUNTS

Condition – During our audit of the City’s debt related accounts, we noted the following:

- As of June 30, 2015, The City’s Series 2001B Capital Appreciation Bonds were understated by \$4 million. The error occurred due to the fact that the City had accounted for the future principal payment to be made in September 2015 as a reduction to the principal. As a result, the present value of the bonds as of June 30, 2015 and the accretion interest expense were both understated by \$4 million for the year ended June 30, 2015. The present value is the amount that the City would have paid if the debt was terminated at June 30, 2015.
- In the City’s fund level reporting, a current year repayment of \$11 million on a long-term note payable was recorded as a negative entry to bonds proceeds rather than a principal payment expenditure.
- An annual payment of \$784,000 for a forward contract obtained during the fiscal year to guarantee the payment of the City’s Series 2013Q Tax and Revenue Certificate of Obligation at maturity was erroneously recorded as a principal retirement for that obligation. Consequently, the City also failed to book the annual payment to a separate investment account.

The City made the necessary adjustments to correct the affected June 30, 2015 balances of the above debt related accounts.

Recommendation – We recommended management continuously review debt accounting transactions to ensure they are accurate and are recorded in accordance with U.S. GAAP.

Status – *Corrective action was taken hence not a repeat finding in fiscal year 2016.*

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

FINDING NO. 2015-003 – SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER PREPARATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA) AND SCHEDULE OF EXPENDITURES OF STATE AWARDS (SESA)

Condition – During our review of both the SEFA and SESA as of June 30, 2015, we noted the following:

- An expenditure award of \$13 million was funded under a federal grant that was passed-through from a state government agency. This award was improperly included in the SESA instead of in the SEFA. Once the error was identified, it was corrected in the current fiscal year.
- A previously disallowed expenditure of \$3 million by a pass-through grantor was included as a federal expenditure in the current year’s SEFA through a general journal entry. The error was corrected in the current fiscal year. Additionally, no reimbursement was sought from the funding agency.

Recommendation – We recommended that designated personnel at the departmental level should be cognizant of the grant application and other related documents that would indicate the source of grant funding. Once awarded, grant documents should be thoroughly reviewed to confirm the source of funding, including identification of CFDA numbers. If the grant award document is missing such identification, representatives at the grantor agency should be approached to identify such missing information to avoid any misrepresentation on the SEFA / SESA. Additionally, grant set-up documents that form the basis of identification of the type of funds (i.e., federal, state or local) should be thoroughly reviewed before general ledger accounts / funds are set-up.

Status – *Corrective action was taken hence not a repeat finding in fiscal year 2016.*

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Questioned Cost</u>
	<p>FINDING NO. 2015-004 - COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH SPECIAL TESTS AND PROVISIONS (WAGE RATE REQUIREMENTS)</p>	
<p>Capitalization Grants for Clean Water State Revolving Funds – CFDA #66.458</p>	<p>Conditions – During the course of our test for the City’s compliance with the Wage Rate Requirements related to obtaining weekly certified payrolls from its prime and subcontractors, we noted no weekly certified payrolls were obtained from five of 40 prime contractors and 55 of 182 subcontractors selected for testing. Of the total weekly certified payrolls tested, we noted 162 were on file and found to be in compliance with the Wage Rate Requirements.</p> <p>Additionally, in three of 20 subcontractors’ agreements reviewed did not include provisions requiring compliance with the Davis Bacon Act provisions.</p> <p>Recommendation – The Office of Business Opportunity (OBO) should review current policies and the Wage Rate Requirements compliance requirement. OBO should implement a process that promotes communication between the department and the contractor and identifies missing or untimely certified payroll submissions. OBO should implement a process that promotes inclusion of Wage Rate Requirements clause in agreements with construction contractors.</p> <p>Status – <i>Corrective action was taken hence not a repeat finding in fiscal year 2016.</i></p>	<p>None noted</p>