

CITY OF HOUSTON, TEXAS
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2018

CITY OF HOUSTON, TEXAS

TABLE OF CONTENTS

JUNE 30, 2018

	<u>PAGE</u>
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 <i>Government Auditing Standards</i>	1-2
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	3-5
Schedule of Expenditures of Federal and State Awards for the Year Ended June 30, 2018	6-18
Notes to the Schedule of Expenditures of Federal and State Awards for the Year Ended June 30, 2018	19-20
Schedule of Findings and Questioned Costs for the Year Ended June 30, 2018	21-28
Corrective Action Plan for the Year Ended June 30, 2018	29-30
Schedule of Prior Year Audit Findings for the Year Ended June 30, 2018	31-32

**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, 2018, 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 29, 2018.

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 6.4%, (7.6%) and 7.9%, respectively, of the assets, net position (deficit), and revenues of the governmental activities or any business-type discretely presented component units which represents 5.7%, 14.9% and 12.5%, 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 Houston Forensic Science Center, Midtown 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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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*.

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.



November 29, 2018
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 Council and City Controller of the
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, 2018. 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, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the State of Texas UGMS, and which are described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002 and 2018-003. Our opinion on each major federal and state program is not modified with respect to these matters.

The City's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001, 2018-002 and 2018-003 that we consider to be significant deficiencies.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 29, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal 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, 2018. 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 & Jones LLP Banks, Finley, White & Co.

November 29, 2018
Houston, Texas

CITY OF HOUSTON, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

FEDERAL AWARDS

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
US Department of Agriculture Food and Nutrition Services					
Direct Awards					
Farmers' Market Supplemental Nutrition Assistance Program Support Grants	10.545	SNAP-FSUP-15-TX-01	-	\$ -	\$ 124,721
Total Direct Awards				\$ -	\$ 124,721
Pass-Through Awards					
<i>Texas Health and Human Services Commission</i>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	176TX506W1003	2017-049799-01	-	2,740,095
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	186TX507W1003	2017-049799-01	-	7,969,964
<i>Total Texas Health and Human Services Commission</i>				-	10,710,059
<i>Texas Department of Agriculture Food and Nutrition Services</i>					
Child and Adult Care Food Program	10.558	176TX332N1050	TX101100701525	-	101,374
Child and Adult Care Food Program	10.558	176TX332N1050	TX101100701525	-	653,074
				-	754,448
Summer Food Service Program for Children	10.559	176TX332N1099	TX101100701525	-	530,568
Summer Food Service Program for Children	10.559	176TX332N1099	TX101100701525	-	376,392
				-	906,960
<i>Total Texas Department of Agriculture Food and Nutrition Services</i>				-	1,661,408
Total Pass-Through Awards				\$ -	\$ 12,371,467
Total US Department of Agriculture Food and Nutrition Services				\$ -	\$ 12,496,188
US Department of Housing and Urban Development					
Direct Awards					
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-48-0018	-	\$ -	\$ 263
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-48-0018	-	-	2,215
Community Development Block Grants/Entitlement Grants	14.218	B-13-MC-48-0018	-	16,130	450,165
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-48-0018	-	233,323	1,302,742
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-48-0018	-	-	5,241,488
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0018	-	1,877,276	3,481,444
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-48-0018	-	1,096,117	16,701,982
Community Development Block Grants/Entitlement Grants	14.218	E95EZ480006	-	-	8,788,837
Community Development Block Grants/Entitlement Grants	14.218	B-16-MH-48-0001	-	899,740	2,805,403
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-48-0400	-	-	10,480
Community Development Block Grants/Entitlement Grants	14.218	B-11-MN-48-0400	-	-	3,580
Community Development Block Grants/Entitlement Grants	14.218	ADH0016,ADH0010,ADH0021,RRLO061,RRLO060,RRLO055,RRLO056,RRLO2062	-	-	24,961,156
				4,122,586	63,749,755
Emergency Solutions Grant Program	14.231	E-15-MC-48-0018	-	311,051	311,056
Emergency Solutions Grant Program	14.231	E-16-MC-48-0018	-	1,571,850	1,609,631
Emergency Solutions Grant Program	14.231	E-17-MC-48-0018	-	284,152	359,162
				2,167,053	2,279,849
Home Investment Partnerships Program	14.239	M-01-MC-48-0206	-	-	10
Home Investment Partnerships Program	14.239	M-07-MC-48-0206	-	-	58,020
Home Investment Partnerships Program	14.239	M-08-MC-48-0206	-	-	13,666
Home Investment Partnerships Program	14.239	M-11-MC-48-0206	-	-	61,221
Home Investment Partnerships Program	14.239	M-14-MC-48-0206	-	-	847,314
Home Investment Partnerships Program	14.239	M-15-MC-48-0206	-	-	4,096,477
Home Investment Partnerships Program	14.239	M-16-MC-48-0206	-	733,460	1,121,954

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Home Investment Partnerships Program	14.239	M-17-MC-48-0206 4600010307, 4600012320, 4600010378, 4600007830, HWA0009, ADH0011, 4600010296, RRL0047, 4600008708, 4600011668, RRL0051, RRL0066, ADH0041, RRL0057, UHM0015, UHM0010,	-	-	724,141
Home Investment Partnerships Program	14.239	HPA0070	-	-	18,336,549
				733,460	25,259,352
Housing Opportunities for Persons with AIDS	14.241	TXH14F003	-	795,433	795,433
Housing Opportunities for Persons with AIDS	14.241	TXH15F003	-	3,328,032	3,328,034
Housing Opportunities for Persons with AIDS	14.241	TXH16F003	-	4,853,808	4,853,808
Housing Opportunities for Persons with AIDS	14.241	TXH17F003	-	231,354	522,455
Housing Opportunities for Persons with AIDS	14.241	HWA0009	-	-	2,446,494
				9,208,627	11,946,224
Community Development Block Grants Section 108 Loan Guarantees	14.248	B-94-MC-48-0018	-	-	5,961,937
Lead Hazard Reduction Demonstration Grant Program	14.905	TXLHD0288-15	-	-	800,998
				-	6,762,935
Total Direct Awards				\$ 16,231,726	\$ 109,998,115
Pass-Through Awards					
<i>Texas General Land Office</i>					
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	-	13-181-000-7294	\$ -	\$ 8,251,043
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	-	13-181-000-7295	-	861,186
Community Development Block Grants/State Programs and Non-Entitlement Grants in Hawaii	14.228	-	14-236-000-8329	-	11,142
<i>Total Texas General Land Office</i>				-	9,123,371
Total Pass-Through Awards				\$ -	\$ 9,123,371
Total US Department of Housing and Urban Development				\$ 16,231,726	\$ 119,121,486
US Department of the Interior Fish and Wildlife Service					
<i>Texas Parks and Wildlife Department</i>					
Enhanced Hunter Education and Safety	15.626	CT#433041	CT#433041	\$ -	\$ 52,096
<i>Total Texas Parks and Wildlife Department</i>				-	52,096
Total US Department of the Interior Fish and Wildlife Service				\$ -	\$ 52,096
US Department of Justice					
Direct Awards					
Services for Trafficking Victims	16.320	2016-VT-BX-K010	-	\$ -	\$ 182,175
Missing Children's Assistance	16.543	2015-MC-FX-K046	-	-	353,151
Public Safety Partnership and Community Policing Grants	16.710	2014-ULWX0034	-	-	998,426
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2015-MO-BX-0006	-	86,462	86,462
Economic High-Tech and Cyber Crime Prevention	16.752	2016-ZP-BX-0002	-	-	114,799
Body Worn Camera Policy and Implementation	16.835	2016-BC-BX-K073	-	-	354,040
Equitable Sharing Program- Justice	16.922	-	-	-	4,766,818
				86,462	6,855,871
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0552	-	-	1,027
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0832	-	-	984,474
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DG-BX-K002	-	-	21,517
				-	1,007,018
Total Direct Awards				\$ 86,462	\$ 7,862,889

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Pass-Through Awards					
<i>Office of the Texas Governor - Criminal Justice Division</i>					
Juvenile Justice and Delinquency Prevention	16.540	2016-JF-FX-0008	3110301	\$ -	\$ 15,290
Juvenile Justice and Delinquency Prevention	16.540	2016-JF-FX-0008	3110302	-	10,787
				-	26,077
Crime Victim Assistance	16.575	2015-VA-GX-0009	1359216	-	600
Crime Victim Assistance	16.575	2016-VA-GX-0033	1359217	-	41,305
Crime Victim Assistance	16.575	2016-VA-GX-0033	3327901	-	37,055
				-	78,960
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0857	2588605	-	867
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0857	3054001	-	21,451
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0857	3067301	-	44,998
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0857	3129101	-	69,946
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0956	2588606	-	19,418
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0956	3054002	-	47,610
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0161	3067302	-	44,220
				-	248,510
<i>Total Office of the Texas Governor - Criminal Justice Division</i>				-	353,547
<i>Sam Houston State University</i>					
Office On Violence Against Women Research and Evaluation Program	16.026	2016-SI-AX-0005	-	-	8,718
<i>Total Sam Houston State University</i>				-	8,718
<i>International Association of Chiefs of Police</i>					
Crime Victim Assistance/Discretionary Grants	16.582	2016-MU-GX-K026	-	-	12,517
<i>Total International Association of Chiefs of Police</i>				-	12,517
Total Pass-Through Awards				\$ -	\$ 374,782
Total US Department of Justice				\$ 86,462	\$ 8,237,671
US Department of Labor					
Direct Awards					
Homeless Veterans Reintegration Program	17.805	SD-29691-16-60-5-48	-	\$ -	\$ 41
Homeless Veterans Reintegration Program	17.805	SD-31273-17-60-5-48	-	-	43,799
				-	43,840
Total Direct Awards				\$ -	\$ 43,840
Total US Department of Labor				\$ -	\$ 43,840
US Department of Transportation					
Direct Awards					
Airport Improvement Program	20.106	3-48-0110-038-2013	-	\$ -	\$ 124,665
Airport Improvement Program	20.106	3-48-0110-041-2015	-	-	143,388
Airport Improvement Program	20.106	3-48-0111-097-2013	-	-	126,426
Airport Improvement Program	20.106	3-48-0111-100-2013	-	-	1,426,317
Airport Improvement Program	20.106	3-48-0111-105-2015	-	-	265,176
Airport Improvement Program	20.106	3-48-0111-107-2016	-	-	10,011,201
Airport Improvement Program	20.106	3-48-0111-109-2017	-	-	1,964,572
Airport Improvement Program	20.106	3-48-0111-110-2017	-	-	2,737,617
Airport Improvement Program	20.106	3-48-0290-023-2015	-	-	1,325,693
				-	18,125,055

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Motor Carrier Safety Assistance	20.218	FM-MHP-0259-16-01-00	-	-	81,942
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	FM-MHP-0310-17-01-00	-	-	291,210
				-	373,152
National Infrastructure Investments	20.933	DTFH61-13-G-00004	-	-	118,465
National Infrastructure Investments	20.933	DTFH61-16-G-00004	-	-	2,372,495
				-	2,490,960
Total Direct Awards				\$ -	\$ 20,989,167
Pass-Through Awards					
<i>Texas Department of Transportation</i>					
Public Transportation Emergency Relief Program	20.527	DR-4332	TX 2017-2	\$ -	\$ 1,684,106
				-	1,684,106
State and Community Highway Safety*	20.600	18X9204020TX17	2017-HOUSTONP-S-1YG-0040	-	53,048
State and Community Highway Safety*	20.600	18X9204020TX17	2018-HOUSTONP-S-1YG-0043	-	294,394
State and Community Highway Safety*	20.600	18X9204020TX17	2017-HOUSTONP-S-1YG-0039	-	129,613
State and Community Highway Safety*	20.600	18X9204020TX17	2018-HOUSTONP-S-1YG-0009	-	689,479
				-	1,166,534
National Priority Safety Programs*	20.616	18X9204058TX17	2016-HOUSTONPDCIOT-00019	-	(9,284)
National Priority Safety Programs*	20.616	18X9204058TX17	2017-HOUSTONPD-IDM-00003	-	39,640
National Priority Safety Programs*	20.616	18X9204058TX17	2018-HOUSTONPD-IDM-00015	-	53,827
National Priority Safety Programs*	20.616	18X9204058TX1717	2018-HOUSTONPD-CIOT-00004	-	51,190
				-	135,373
Highway Planning and Construction	20.205	STP 1502 (250) MM	CSJ#0912-72-310	-	64,640
Highway Planning and Construction	20.205	CM 2017(929)	CSJ#0912-72-308	-	200,142
Highway Planning and Construction	20.205	HP 2010(392)	CSJ#0912-72-072	-	801,551
Highway Planning and Construction	20.205	CSJ#0912-72-311	CSJ 0912-72-311	-	3,801,154
Highway Planning and Construction	20.205	CSJ#0912-71-739	CSJ 0912-71-739	-	4,529,568
Highway Planning and Construction	20.205	STP 2014 (143) TE	CSJ#0912-70-103	-	722,386
Highway Planning and Construction	20.205	481602657M30130	CSJ-0912-00-538	-	762,261
				-	10,881,702
<i>Passed through Houston-Galveston Area Council</i>					
Highway Planning and Construction	20.205	CSJ # 912-00-529	TDOT.16.0608-01	-	326,140
Highway Planning and Construction	20.205	CSJ # 912-00-494	TDOT.17.0606-03	-	56,132
				-	382,272
<i>Total Texas Department of Transportation</i>				-	14,249,987
Total Pass-Through Awards				\$ -	\$ 14,249,987
Total US Department of Transportation				\$ -	\$ 35,239,154
US Department of Treasury					
Direct Awards					
Equitable Sharing Program - Treasury	21.016	-	-	-	\$ 391,915
				\$ -	\$ 391,915
Total Direct Awards				\$ -	\$ 391,915
Total US Department of Treasury				\$ -	\$ 391,915

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
National Endowment for the Arts					
Direct Awards					
Promotion of the Arts Grants to Organizations and Individuals	45.024	17-5400-7154	-	\$ -	\$ 30,000
Total Direct Awards				\$ -	\$ 30,000
Total National Endowment for the Arts				\$ -	\$ 30,000
US Institute of Museum and Library Services					
Pass-Through Awards					
Texas State Library and Archive Commission					
Grants to States	45.310	771-08006	-	\$ -	\$ 3,326
Grants to States	45.310	LS-00-16-0044-16	723-17005		6,875
Grants to States	45.310	LS-00-16-0044-16	ERG-18012		24,816
Grants to States	45.310	LS-00-17-0044-17	475-18004		8,208
Grants to States	45.310	LS-00-17-0044-17	479-18007		51,665
Grants to States	45.310	LS-00-17-0044-17	478-18010		72,313
Grants to States	45.310	LS-00-17-0044-17	475-18011		9,670
Grants to States	45.310	LS-00-17-0044-17	475-18018	-	8,996
Total Texas State Library and Archive Commission				-	185,869
Total Pass-Through Awards				\$ -	\$ 185,869
Total US Institute of Museum and Library Services				\$ -	\$ 185,869
US Department of Veterans Affairs					
Direct Awards					
VA Grants for Adaptive Sports Program for Disabled Veterans and Disabled Members of the Armed Forces	64.034	2017-ASG-39	-	\$ -	\$ 31,456
VA Grants for Adaptive Sports Program for Disabled Veterans and Disabled Members of the Armed Forces	64.034	2018-ASG-39	-	-	25,886
				-	57,342
Total Direct Awards				\$ -	\$ 57,342
Total US Department of Veterans Affairs				\$ -	\$ 57,342
US Environmental Protection Agency					
Direct Awards					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	01F41301	-	\$ -	\$ 266
				-	266
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	00F94701	-	-	72,042
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	00F94801	-	-	92,343
				-	164,385
Total Direct Awards				\$ -	\$ 164,651
Pass-Through Awards					
Texas Commission on Environmental Quality					
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-00F77701	582-15-50041	\$ -	\$ 97,464
National Estuary Program	66.456	CE-00655006	582-18-80341	-	9,000
				-	106,464

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Performance Partnership Grants	66.605	BG-99662716	582-14-40045	-	107,824
Performance Partnership Grants	66.605	900638	582-18-80076	-	311,690
				-	419,514
<i>Total Texas Commission on Environmental Quality</i>				-	525,978
<i>Arizona Board of Regents for and behalf of Arizona State University (ORSPA)</i>					
Science to Achieve Results (STAR) Research Program	66.509	RD-83575402-0	16-957	-	29,829
<i>Total Arizona Board of Regents for and behalf of Arizona State University (ORSPA)</i>				-	29,829
<i>Texas Water Development Board</i>					
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000149	L1000149	-	1,308,178
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000223	L1000223	-	6,862,749
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000382	L1000382	-	24,909,706
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000508	L1000508	-	335,403
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000603	L1000603	-	2,576,072
				-	35,992,108
Capitalization Grants for Drinking Water State Revolving Funds	66.468	L1000222	L1000222	-	797,313
				-	797,313
<i>Total Texas Water Development Board</i>				-	36,789,421
Total Pass-Through Awards				\$ -	\$ 37,345,228
Total US Environmental Protection Agency				\$ -	\$ 37,509,879
US Department of Health and Human Services					
Direct Awards					
<i>Centers for Disease Control and Prevention</i>					
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073	6NU50DD000045-01-06	-	\$ -	\$ 278,369
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – Financed in part by the Prevention and Public Health Fund (PPHF)	93.733	1NH231P922560-01-00	-	-	262,763
Child Lead Poisoning Prevention Surveillance Financed in part by Prevention and Public Health (PPHF) Program	93.753	6 NUE1EH001259-03-02	-	-	295,980
				-	837,112
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	6 NU52PS004670-04-01	-	-	768,289
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	6 NU52PS004670-03-02	-	-	951,653
				-	1,719,942
Injury Prevention and Control Research and State and Community Based Programs	93.136	6 NH28CE002395-01-02	-	-	112,789
Injury Prevention and Control Research and State and Community Based Programs	93.136	6NH28CE002395-02-03	-	-	315,980
				-	428,769
Immunization Cooperative Agreements	93.268	6 NH231P000734-05-02	-	-	3,068,581
Immunization Cooperative Agreements	93.268	CCH622532A	-	-	2,212,169
				-	5,280,750
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	5 NU50CK000368-03-00	-	-	318,016
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU50CK000368-04-04	-	-	1,050,621
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6 NU50CK000368-03-04	-	802,224	1,669,304
				802,224	3,037,941

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
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	6 NU50CK000368-03-05	-	-	79,770
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	6NU50CK000368-04-01	-	-	537,637
					617,407
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	6 NU50CK000368-01-09	-	-	605,368
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	6 NU50CK000368-03-03	-	-	13,108
				-	618,476
HIV Prevention Activities_Health Department Based	93.940	5NU62PS005050-02-00	-	1,149,000	1,806,711
HIV Prevention Activities_Health Department Based	93.940	5NU62PS005050-03-00	-	-	1,476,027
HIV Prevention Activities_Health Department Based	93.940	6 NU62PS924515-01-01	-	-	56,507
HIV Prevention Activities_Health Department Based	93.940	6 NU62PS003672-05-06	-	1,988,849	4,122,281
HIV Prevention Activities_Health Department Based	93.940	6 NU62PS924572-01-03	-	494,167	3,462,508
				3,632,016	10,924,034
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	5 NU62PS004947-04-00	-	-	34,410
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	6 NU62PS004947-03-03	-	-	602,191
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	6 NU62PS005092-02-04	-	-	321,482
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	6 NU62PS005092-03-03	-	-	138,922
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	6 NU62PS004027-05-04	-	-	709,098
				-	1,806,103
<i>Total Centers for Disease Control and Prevention</i>				\$ 4,434,240	\$ 25,270,534
Total Direct Awards				\$ 4,434,240	\$ 25,270,534
Pass-Through Awards					
<i>Texas Health and Human Services Commission</i>					
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	17AATXT7EA	539-16-0014-00001	\$ 6,026	\$ 6,026
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	18AATXT7EA	539-16-0014-00001	38,868	41,115
				44,894	47,141
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	17AATXT7OM	539-16-0014-00001	44,305	44,305
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	18AATXT7OM	539-16-0014-00001	47,253	62,489
				91,558	106,794
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	17AATXT3PH	539-16-0014-00001	37,956	38,235
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	18AATXT3PH	539-16-0014-00001	101,092	108,280
				139,048	146,515
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	17AATXT3SS	539-16-0014-00001	137,414	820,816
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers**	93.044	18AATXT3SS	539-16-0014-00001	184,368	1,867,646
				321,782	2,688,462

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Special Programs for the Aging_Title III, Part C_Nutrition Services**	93.045	17AATXT3CM	539-16-0014-00001	441,464	468,733
Special Programs for the Aging_Title III, Part C_Nutrition Services**	93.045	18AATXT3CM	539-16-0014-00001	1,085,111	1,618,120
Special Programs for the Aging_Title III, Part C_Nutrition Services**	93.045	17AATXT3HD	539-16-0014-00001	332,855	351,225
Special Programs for the Aging_Title III, Part C_Nutrition Services**	93.045	18AATXT3HD	539-16-0014-00001	2,015,694	2,414,120
				3,875,124	4,852,198
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90DA2878-01	539-16-0014-00001	-	74,175
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90NW0031	539-16-0031-00003	-	1,796
				-	75,971
National Family Caregiver Support, Title III, Part E	93.052	17AATXT3TC	539-16-0014-00001	77,115	204,713
National Family Caregiver Support, Title III, Part E	93.052	18AATXT3FC	539-16-0014-00001	220,706	818,868
				297,821	1,023,581
Nutrition Services Incentive Program**	93.053	17AATXNSIP	539-16-0014-00001	482,931	482,931
Nutrition Services Incentive Program**	93.053	18AATXNSIP	539-16-0014-00001	850,056	1,007,912
				1,332,987	1,490,843
Public Health Emergency Preparedness	93.069	NU90TP921869-01-02	537-18-0345-00001	54,075	556,950
Lifespan Respite Care Program	93.072	90L10024	539-16-0031-00003	-	22,363
Hansen's Disease Services	93.215	HSH258201300014C	2016-001077-01	-	30,791
Public Health Emergency Preparedness	93.758	1 NUB01OT009080-01-00	537-18-0226-00001	-	267,922
Money Follows the Person Rebalancing Demonstration	93.791	1LICMS300151	539-16-0031-00003	-	136,767
				54,075	1,014,793
Medicare Enrollment Assistance Program	93.071	16AATXMADR	539-16-0031-00003	-	7,168
Medicare Enrollment Assistance Program	93.071	1701TXMIDR	539-16-0031-00003	-	17,426
Medicare Enrollment Assistance Program	93.071	16AATXMAAA	539-16-0014-00001	-	21,083
Medicare Enrollment Assistance Program	93.071	1701TXMIAA	539-16-0014-00001	-	28,653
				-	74,330
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	1 NU90TP921879-01-00	537-18-0167-00001	-	1,119,052
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	1 NU90TP921879-01-00	537-18-0132-00001		241,098
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	1 NU90TP921879-01-00	527-18-0185-00001		472,899
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	CDC-RFA-TP17-1701	2016-004159-00	-	177,380
				-	2,010,429
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	U50CK000378	537-17-0388-00001	-	133,697
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	U50CK000378	537-18-0345-00001	-	283,333
				-	417,030
State Health Insurance Assistance Program	93.324	90SAPG0015-01-00	539-16-0014-00001	-	100,844
State Health Insurance Assistance Program	93.324	90SAPG0015-02-02	539-16-0014-00001	-	23,497
				-	124,341

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	U62PS003650/H25PS004360	2016-001348-01	-	1,861,358
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	6NH25PS004360-04-05	2016-001348B	-	1,209,565
				-	3,070,923
Preventive Health and Health Services Block Grant	93.991	1 NB01OT009080-01	2016-001186	-	33,339
Preventive Health and Health Services Block Grant	93.991	B01OT009053	2016-003837-01	-	19,384
Preventive Health and Health Services Block Grant	93.991	B01OT009053	2016-003837-B	-	41,914
				-	94,637
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29327	2016-003868-01	-	41,936
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29327	2016-003868B	-	89,229
Maternal and Child Health Services Block Grant to the States	93.994	B04MC30644	2016-003932-01	-	16,757
Maternal and Child Health Services Block Grant to the States	93.994	B04MC30644	2016-003932-02	-	162,967
Maternal and Child Health Services Block Grant to the States	93.994	B04MC30644-01-01	2016-048876-002	-	42,198
Maternal and Child Health Services Block Grant to the States	93.994	B04MC30644-01-01	2016-048876-002A	-	149,587
				-	502,674
<i>Total Texas Health and Human Services Commission</i>				6,157,289	17,740,662
<i>Association of Food and Drug Officials</i>					
Food and Drug Administration_Research	93.103	U18FD005016	G-SP-1611-04332	-	2,500
Food and Drug Administration_Research	93.103	U18FD005016	G-T-1611-04343	-	1,731
<i>Total Association of Food and Drug Officials</i>				-	4,231
<i>The University of Texas Health Science</i>					
Environmental Health	93.113	5 R01 ES023563-04	0010389A	-	28,901
<i>Total The University of Texas Health Science</i>				-	28,901
<i>Women's Family Planning and Health Association</i>					
Family Planning_Services	93.217	FPHPA066196-03	WHFPT17	-	742,120
<i>Total Women's Family Planning and Health Association</i>				-	742,120
<i>American Association of Diabetes Educators</i>					
Scaling The National Diabetes Prevention Program To Priority Populations	93.261	17NU58DP006361-01-0	-	-	23,226
<i>Total American Association of Diabetes Educators</i>				-	23,226
<i>Gulf Coast Workforce Board</i>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2817CCMC07	GCW1	-	323,125
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2818CCMC07	2816ABA000	-	68,632
<i>Total Gulf Coast Workforce Board</i>				-	391,757
<i>Dia De La Mujer Latina Incorporated</i>					
Mental and Behavioral Health Education and Training Grants	93.732	1 M01HP31266-01-00	M01HP31266	-	28,841
<i>Total Dia De La Mujer Latina Incorporated</i>				-	28,841
<i>Harris County Public Health Environment Services</i>					
HIV Emergency Relief Project Grants	93.914	6 H89HA000042701	17GEN0120	-	25,517
HIV Emergency Relief Project Grants	93.914	H89HA00004	18GEN0124	-	39,752
<i>Total Harris County Public Health Environment Services</i>				-	65,269
Total Pass-Through Awards				\$ 6,157,289	\$ 19,025,007
Total U.S. Department of Health and Human Services				\$ 10,591,529	\$ 44,295,541

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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
Office of National Drug Control Policy					
Direct Awards					
High Intensity Drug Trafficking Areas Program	95.001	G16HN0001A	-	\$ -	\$ 315,510
High Intensity Drug Trafficking Areas Program	95.001	G17HN0001A	-	-	2,925,124
				-	<u>3,240,634</u>
Total Direct Awards				<u>\$ -</u>	<u>\$ 3,240,634</u>
Total Office of National Drug Control Policy				<u>\$ -</u>	<u>\$ 3,240,634</u>
U.S. Department of Homeland Security					
Direct Awards					
Assistance to Firefighters Grant	97.044	EMW-2015-FO-05153	-	\$ -	\$ 2,953,820
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2014-FH-00682	-	-	411,512
Securing the Cities Program	97.106	2015-DN-106-000001-02	-	-	3,217,042
Financial Assistance for Countering Violent Extremism	97.132	EMW-2016-CA-00158	-	-	13,265
Preparing for Emerging Threats and Hazards	97.133	EMW-2016-GR-00117-S01	-	-	881
				-	<u>6,596,520</u>
Port Security Grant Program	97.056	EMW-2015-PU-00254	-	-	771,369
Port Security Grant Program	97.056	EMW-2016-PU-00107	-	-	400,875
Port Security Grant Program	97.056	EMW-2017-PU-00220-S01	-	-	290,308
				-	<u>1,462,552</u>
Total Direct Awards				<u>\$ -</u>	<u>\$ 8,059,072</u>
Pass-Through Awards					
<i>Texas WaterDevelopment Board</i>					
Flood Mitigation Assistance	97.029	EMT-2016-FM-E001(3)	1500011981	\$ -	\$ 4,196,136
<i>Total Texas Development Board</i>				-	<u>4,196,136</u>
<i>Office of the Texas Governor Division of Emergency Management</i>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4223-TX	DR-4223-TX	-	503,583
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4269-TX	DR-4269-TX	-	1,560,953
<i>Total Office of the Texas Governor Division of Emergency Management</i>				-	<u>2,064,536</u>
<i>Texas Department of Public Safety</i>					
Hazard Mitigation Grant	97.039	DR-4223-071	DR-4223-071	-	38,400
Emergency Management Performance Grants	97.042	EMT-2017-EP-00005-S01	17TX-EMPG-0357	-	240,877
<i>Total Texas Department of Public Safety</i>				-	<u>279,277</u>
<i>Texas General Land Office</i>					
Federal Disaster Assistance to Individuals and Households in Presidential Declared Disaster Areas	97.048	HSFE06-17-0-0002	18-210-007	-	595,837
<i>Total Texas General Land Office</i>				-	<u>595,837</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, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
<i>Texas Office of the Governor, Homeland Security</i>			2973601, 3972701, 2973801, 2973901, 2974001, 2974101, 2974201, 2974301, 2974401, 2974501, 2974601, 2974701, 2974801, 2974901, 2975001, 2975101, 2975201, 2975301, 2975401, 2975501, 2975601, 2975701, 2975801, 2975901, 2986001	-	3,081,866
Homeland Security Grant Program	97.067	EMW-2015-SS-00080	2974102, 2973602, 2975202, 2975902, 2975302, 2974002, 2973802, 2975102, 3154101, 3180301, 2974802, 3154001, 2975602, 2975502, 2974402, 3181601, 2973902, 2974302, 2986002	-	4,562,409
Homeland Security Grant Program	97.067	EMW-2016-SS-00056	2973603, 2973903, 2974403, 3421501, 2974602, 3421701, 2975603, 2975503, 2974703, 2974103, 2975203, 2975303, 2974803, 2974003, 2975103, 2986003	-	1,791,469
Homeland Security Grant Program	97.067	EMW-2017-SS-00005		-	1,791,469
<i>Total Office of the Governor, Homeland Security</i>				-	9,435,744
<i>Texas Commission on Environmental Quality</i>					
Homeland Security Biowatch Program	97.091	998117	582-16-60020	-	768,739
<i>Total Texas Commission on Environmental Quality</i>				-	768,739
Total Pass-Through Awards				\$ -	\$ 17,340,269
Total U.S. Department of Homeland Security				\$ -	\$ 25,399,341
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 26,909,717	\$ 286,300,956
<u>Cluster Title</u>				<u>Passed Through to Subrecipients</u>	<u>Total Federal Awards Expenditures</u>
* Highway Safety Cluster				\$ -	\$ 1,301,907
** Aging Cluster				5,529,893	9,031,503
Total Cluster - Federal Awards				\$ 5,529,893	\$ 10,333,410

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, 2018

STATE AWARDS

<u>Program Title</u>	<u>Grant Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Awards Expenditures</u>
Office of the Texas Attorney General				
Victim Coordinator Liaison	OAG-1771922	-	\$ -	\$ 5,614
Total Office of the Texas Attorney General			-	5,614
Office of the Texas Governor - Emergency Management Division				
Hurricane Harvey Recovery	DR-4332	-	-	29,490,332
Total Office of the Texas Governor's - Emergency Management Division			-	29,490,332
Office of the Texas Governor - Criminal Justice Division				
Internet Crimes A/C-T/F	2017-IC-ST-0001	-	-	414,843
Juvenile Case Manager Program Delinquency Prevention Initiative	2017-TP-ST_0000	-	-	124,193
NIBRS Conversion	2017-NB-ST-0024	-	-	521,818
			-	1,060,854
<i>Passed through Pasadena Independent School District</i>				
SIJP Gang Intervention Services	3095801	NCA-C77056	-	17,550
SIJP Gang Intervention Services	3095802	C77440	-	51,975
			-	69,525
<i>Total Pasadena Independent School District</i>			-	69,525
Total Office of the Texas Governor - Criminal Justice Division			-	1,130,379
Texas Automobile Theft Prevention Authority				
HACTF/25	608-17-HPD-0000	-	-	174,979
HACTF/26	608-18-HPD-0000	-	-	614,064
Total Texas Automobile Theft Prevention Authority			-	789,043
Texas Health and Human Services Commission				
ADRC Operations and Promoting Independence	539-16-0031-00003	-	-	604,121
			-	604,121
Community Diabetes	2016-003872-01	-	-	36,739
Community Diabetes	2016-003872-C	-	-	133,551
			-	170,290
IDCU Surveillance	537-18-0288-00001	-	-	111,392
IDCU Surveillance	2016-003777-02	-	-	23,178
IDCU Flu-Lab	2016-001097	-	-	4,598
IDCU Flu-Lab	537-18-0337-00001	-	-	213
IDCU/SUR EBOLA	2016-003853	-	-	31,824
			-	171,205
Tuberculosis Elimination	2016-001451-01	-	-	350,145
Tuberculosis Elimination	537-18-0100-00001	-	-	1,428,853
			-	1,778,998
CHS TTL V Prenatal Dental	2016-003884-01	-	-	7,705
CHS TTL V Prenatal Dental	2016-003884-02	-	-	10,774
			-	18,479
Nurse Family Partnership	529-16-0003-00006A	-	-	136,243
Nurse Family Partnership	529-16-0003-00006	-	-	470,039
			-	606,282
Immunization State	2016-001078-01	-	-	303,794
Immunization State	537-18-0084-00001	-	-	1,120,261
			-	1,424,055
Healthy Texas Women	529-16-0132-00037	-	-	243,729
Healthy Texas Women	529-16-0132-00037-B	-	-	680,247
			-	923,976
State General Revenue	2017-SGR-17	-	39,410	46,435
State General Revenue	539-16-00014-00001	-	617,655	617,655
			657,065	664,090

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, 2018

<u>Program Title</u>	<u>Grant Award Number</u>	<u>Award/Pass Through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Awards Expenditures</u>
Lifespan Respite Care Program	539-14-0190-00002	-	-	34,922
TV Family Alliance	529-17-0058-00014	-	-	315,078
Zoonosis: Animal Friendly	537-18-0379-00001A	-	-	6,681
Total Texas Health and Human Services Commission			657,065	6,718,177
Texas Department of Housing and Community Affairs				
HHSP GR	63160002700	-	89,798	89,798
HHSP GR	63180002754	-	901,461	1,109,609
HHSP GR (STATE)	63170002530	-	261,299	396,742
Total Texas Department of Housing and Community Affairs			1,252,558	1,596,149
Texas Department of Transportation				
Texas Mobility Fund Project Off System	CSJ# 0912-70-082	-	-	2,606,829
A Proposition 12, Program 2 Off System Reconstruction Project	CSJ#0912-70-064	-	-	1
Total Texas Department of Transportation			-	2,606,830
Texas Parks and Wildlife Department				
Houston Park Adventure	52-000675	-	-	11,432
Emancipation Park (Rider)	55-000028	-	-	14,520
Total Texas Parks and Wildlife Department			-	25,952
Texas State University				
Tobacco Sting /6	-	-	-	24,521
Total Texas State University			-	24,521
Texas Department of Family and Protective Services				
<i>Passed through Harris County Protective Services</i>				
CYD Campo Del Sol	24426974	17/0153	-	17,443
CYD Campo Del Sol	24186908	17/0035	-	25,540
			-	42,983
Total Harris County Protective Services			-	42,983
Total Texas Department of Family and Protective Services			-	42,983
Texas Commission on Environmental Quality				
<i>Passed through Houston-Galveston Area Council</i>				
Environment Investigations Solid Waste Enforcement Expansion	18-16-01	-	-	48,855
Environment Surveillance	17-16-05	-	-	1,475
			-	50,330
HGAC -Clean Rivers	583-16-60168	CE-17-067	-	48,907
HGAC -Clean Rivers	582-18-80290	CE-17-075	-	26,558
			-	75,465
Total Houston-Galveston Area Council			-	125,795
Total Texas Commission on Environmental Quality			-	125,795
TOTAL EXPENDITURES OF STATE AWARDS			\$ 1,909,623	\$ 42,555,775

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, 2018

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, 2018. The information in these schedules is 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), respectively. 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 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	\$ 180,483	\$ 42,556
Housing and Urban Development	45,745	-
Equitable Sharing Program (Special Revenue Funds)	5,159	-
Enterprise Fund-Combined Utility System (TX Water Board)	36,789	-
Enterprise Fund-Airport System Fund	18,125	-
Total	<u>\$ 286,301</u>	<u>\$ 42,556</u>

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, 2018 was \$2,212,169 and was

CITY OF HOUSTON, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

reported as federal award expenditures in the schedule of expenditures of federal awards. The value of donated vaccines as of year ended June 30, 2018 is \$461,026.

7. **Loan Outstanding** – The City had the following direct federal loan balances outstanding at June 30, 2018 that were reported as federal award expenditures in the schedule of expenditures of federal awards.

Program Title	CFDA Number	Amount Outstanding June 30, 2018
Community Development Block Grant	14.218	\$ 24,961,156
HOME Investment Partnerships Program	14.239	\$ 18,336,549
Housing Opportunities for Persons with HIV/AIDS	14.241	\$ 2,446,494
Section 108 Guaranteed Loan Program	14.248	\$ 5,062,000

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** – The City has evaluated subsequent events through November 29, 2018; the date the schedules of expenditures of federal and state awards were available to be issued. No changes were made, or necessary to be made, to these schedules as a result of this evaluation.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

I. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the basic financial statements expressed an unmodified opinion.
2. No significant deficiency or material weakness in internal control over financial reporting was 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 federal and state major programs.
5. Significant deficiencies in internal control over compliance with requirements applicable to major federal programs were identified but none of those were considered material weaknesses.
6. No instances of material weakness in internal control over compliance with requirements applicable to major state programs were identified.
7. Audit findings were identified that are required to be reported in accordance with 2 CFR Section 200.516(a).
8. For federal awards and state awards, a dollar threshold of \$3,000,000 and \$1,276,673, respectively, was used to distinguish between Type A and Type B programs, as defined in the Uniform Guidance and State of Texas UGMS, respectively.
9. The City did not qualify as a low-risk auditee, as defined in the Uniform Guidance and the State of Texas UGMS.
10. The City's major federal programs determined per Uniform Guidance were as follows:

	Name of Major Federal Programs	CFDA Number
1	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557
2	Community Development Block Grants/Entitlement Grants	14.218
3	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228
4	HOME Investment Partnerships Program	14.239
5	Community Development Block Grants Section 108 Loan Guarantees	14.248
6	Capitalization Grants for Clean Water State Revolving Funds	66.458
7	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

8	Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977
9	Flood Mitigation Assistance	97.029
10	Homeland Security Grant Program	97.067
11	Securing the Cities Program	97.106

11. The City's major state programs determined per State of Texas UGMS were as follows:

Name of Major State of Texas Programs	
1	Disaster Grant for Hurricane Harvey Recovery
2	Healthy Texas Women Program

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

II. FINANCIAL STATEMENT FINDINGS SECTION

No findings were noted.

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION

Program	Finding/Noncompliance	Questioned Costs
<p>Community Development Block Grants/Entitlement Grants – CFDA #14.218</p> <p>HOME Investment Partnerships Program – CFDA #14.239</p>	<p>FINDING NO. 2018-001: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH REPORTING REQUIREMENTS</p>	<p>None identified</p>
	<p>Condition – During the course of our test for the City’s compliance with the reporting requirements, we noted that that the City filed its annual Section 3 reports 18 days late to the grantor agency.</p> <p>Criteria – The City was required to file annual Section 3 reports within 90 days of its fiscal year end.</p> <p>Perspective Information – The City informed us that the login credentials of the reporting officer were denied which caused the delay. The City notified the grantor agency that was able to resolve the issue and submit the annual reports.</p> <p>Cause – The City’s initial access in SPEARS was tied to a reporting officer who passed away in the previous year and his login credentials were terminated. A new person who replaced the previous reporting officer was unaware of this situation and realized the problem when an attempt was made by the reporting officer to access the system. The grantor agency was notified about this issue past the due date for submission of annual Section 3 reports. By the time the reports were submitted, it was already late by 18 days.</p> <p>Effect or Potential Effect – The City was not in compliance with the reporting requirements set forth by the grantor.</p> <p>Identification of Repeat Finding – Not applicable since this is a new finding.</p> <p>Recommendation – Management should improve coordination among departmental personnel and strengthen internal control process for timely preparation and submittal of all required reports to the grantor.</p> <p>Views of Responsible Officials – Management does not disagree with this finding.</p>	

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION
(CONTINUED)

Program	Finding/Noncompliance	Questioned Costs
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii – CFDA # 14.228	FINDING NO. 2018-002: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH SPECIAL TESTS AND PROVISIONS (WAGE RATE REQUIREMENTS)	
	Condition – During the course of our test for the City’s compliance with the Wage Rate Requirements included under Special Tests and Provisions compliance, we reviewed prime and subcontractors’ agreements for 2 construction projects. Of the 7 subcontractors’ agreements that were reviewed for one of these projects, 6 did not include provisions requiring compliance with Davis Bacon Act. Upon further inquiry, it was noted that this particular project had 46 subcontractors of which 38 subcontractors (including the ones in our sample) had missing provisions related to compliance with Davis Bacon Act provisions.	None identified
	Criteria – The City was required to comply with the prevailing wages requirements established in Wage Rate Requirement Compliance per the program instructions related to this grant program. The Uniform Guidance compliance supplement requires the City to have Davis Bacon language as part of the contract entered into with anybody receiving payment from the grant fund.	
	Perspective Information – The exceptions noted in the Condition section above was limited to one of the 2 projects that were selected for testing. For the project where exceptions were noted, all seven 7 subcontractors properly submitted weekly certified payrolls for the week that was selected by us for testing.	
	Cause – The subcontractors were submitting certified payrolls as required, hence, the City did not push the prime contractor to include wage rate compliance clause in the subcontractors agreements.	
	Effect or Potential Effect – The City is not in compliance with the terms of the federal grant and the Wage Rate compliance requirement.	
	Identification of Repeat Finding – Not applicable since this is a new finding.	
	Recommendation – Management should strengthen its compliance with all grant requirements. Additional inquiries should be conducted from	

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

the funding agency to ensure all compliance requirements are identified.

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

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS SECTION
(CONTINUED)

Program	Finding/Noncompliance	Questioned Costs
Capitalization Grants for Clean Water State Revolving Funds– CFDA #66.458	FINDING NO. 2018-003: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH SPECIAL TESTS AND PROVISIONS (WAGE RATE REQUIREMENTS)	None identified
	<p>Condition – During the course of our testing for the City’s compliance with the Wage Rate Requirements, we noted instances where weekly certified payrolls were not provided by prime and subcontractors for the selected testing period. Additionally, several instances were noted where subcontract agreements were either not obtained or were missing provisions requiring compliance with the Davis Bacon Act provisions.</p>	
	<p>Criteria – Davis-Bacon prevailing wage requirements apply to the construction, alteration, or repair of treatment works carried out, in whole or in part, with assistance made available by the Clean Water State Revolving Fund. The City must comply with the requirements of section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) in all procurement contracts and must require contractors to include compliance with section 513 of the Federal Water Pollution Control Act in all subcontracts and other lower tiered transactions. All contracts and subcontracts for the treatment works construction projects in excess of \$2,000 must contain in full the wage rate requirements contract clauses prescribed by Texas Water Development Board. Section 513 requires compliance with 40 U.S. Code Sections 3141 to 3144, 3146, and 3147 covering wage rate requirements.</p>	
	<p>Perspective Information – Of the 27 subcontractors’ agreements requested by us for testing, 20 subcontractors’ agreements were not on file with the City. Of the remainder 7 selections, 4 subcontractors’ agreements did not include wage rate requirement clauses. For 11 of the 27 subcontractors, certified payrolls were also missing for the selected sample period. Additionally, 6 of 25 prime contractors selected for testing did not submit certified payrolls for the period selected.</p>	
<p>Cause – The City’s public works and engineering department (the “department”), primary recipient for this grant, has typically relied on the City’s Office of Business Opportunity (OBO) to conduct contract compliance and reporting which includes compliance with the wage rate</p>		

CITY OF HOUSTON, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

requirements. The condition noted above is indicative of a deficiency in the communication process and proper coordination among these two departments to identify and resolve compliance issues effectively and on a timely basis.

Effect or Potential Effect – The City is not in compliance with the terms of the grant award document set forth by the grantor and Wage Rate requirements.

Identification of Repeat Finding – Not applicable since this is a new finding.

Recommendation – OBO should review current policies and the Wage Rate compliance requirement and strengthen its process to ensure receipt of subcontractors' agreement from the Prime Contractor and certified payrolls on a timely basis. In cases non-compliance is identified, efforts need to be made to bring the prime and subcontractor in compliance. For a successful adherence to compliance requirement, improvement is also needed in communication between the department and OBO for receipt of information from the prime and subcontractors on a timely basis.

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

CITY OF HOUSTON, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

IV. CORRECTIVE ACTION PLAN]



CITY OF HOUSTON
Finance Department

Sylvester Turner

Mayor

Tamri Eno
Chief Business Officer
Director of Finance
P.O. Box 1562
Houston, Texas 77251-1562

T: 832-393-9051
F: 832-393-9116
tamri.eno@houstontx.gov
www.houstontx.gov

CORRECTIVE ACTION PLAN

The City of Houston, Texas, respectfully submits the following corrective action plan for the year ended June 30, 2018.

The findings from the June 30, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the findings and questioned costs.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Community Development Block Grants/Entitlement Grants – CFDA #14.218
HOME Investment Partnership Program - CFDA #14.239

FINDING NO. 2018-001: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH REPORTING REQUIREMENTS

Planned Corrective Action – User access has been reinstated for multiple management to prevent future noncompliance. Management procedures were updated to include Section 3 Performance Evaluation and Registration System (SPEARS) login credentials to ensure immediate access and timely reporting.

Anticipated Implementation Date – October 16, 2018

City Contact Person Responsible for Correction Action – Chrystal Boyce, Division Manager

Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii – CFDA # 14.228

FINDING NO. 2018-002: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH WAGE RATE REQUIREMENTS

Planned Corrective Action – The Department will follow a progressive notification process to notify the general contractor, borrower and other financial lenders, that a project is substantially not in compliance. The progressive levels in the order of occurrence are: 1) once the project has

Council Members: Brenda Stangig, Jerry Davis, Ellen R. Cohen, Dwight A. Boykins, Dave Martin, Steve Le, Greg Travis, Karla Cisneros, Robert Gallegos, Mike Laster, Martha Castex-Tatum, Mike Knox, David W. Robinson, Michael Kubosh, Amanda Edwards, Jack Christie
Controller: Chris Brown

CITY OF HOUSTON, TEXAS
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018

3 – 4 months of cumulative corrective actions on the monthly Compliance Status Report (CSR) on a given project, a Notification Letter will be distributed to the general contractor, borrower and other financial lenders. The letter will include the latest CSR with the notification that payment requests will be delayed until the project is substantially in compliance with the Department; 2) after 30-days of the Notification Letter and if substantial compliance has not been met, a mandatory compliance meeting will be held with the general contractor and borrower to address status of the project and provide a clear path to achieving compliance; 3) once the project has more than 6 months of cumulative corrective actions on the monthly CSR on a given project, a Default Recommendation Letter will be sent to respective Program Division (underwriter) to commence the process of accelerating the terms of the loan to cure labor standards violations. In addition, technical assistance will be provided through mandatory conference calls, in-person meetings with a compliance officer and training sessions provided by the department or the US Department of labor Wage and Hour Division Outreach Coordinator as was most recently held on November 6, 2018.

Anticipated Implementation Date – February 1, 2019

City Contact Person Responsible for Correction Action – Laura Serrano, Project Manager

Capitalization Grants for Clean Water State Revolving Funds– CFDA #66.458

FINDING NO. 2018-003: COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH SPECIAL TESTS AND PROVISIONS (WAGE RATE REQUIREMENTS)

Planned Corrective Action – Wage rate compliance requirements will be strengthened by: 1) ensuring better communications between the Houston Public Works (HPW) Department and Office of Business Opportunities (OBO); 2) performing compliance audits of prime and subcontractors every 60 days; 3) notifying the noncompliant contractor and HPW project manager of requirements to come into compliance; 4) imposing a five day deadline of the noncompliant contractor to respond; 5) escalating the noncompliant contractor to HPW; and 6) as a last resort, sending the "hold payment" letter to the noncompliant contractor.

Anticipated Implementation Date – February 1, 2019

City Contact Person Responsible for Correction Action – Johnnie Burns, Manager

Sincerely,



Arif Rasheed
Deputy Director

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

V. STATUS OF PRIOR-YEAR FINDINGS AND QUESTIONED COSTS

FINDING NO. 2017-001:

COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH REPORTING REQUIREMENTS

Condition – During the course of our test for the City’s compliance with the reporting requirements, we noted that three (3) out of the four (4) quarterly Federal Financial Reports (SF-425) were submitted late to the grantor agency ranging from sixty-four (64) to over two-hundred-forty-six (246) days for Airport Improvement Program – CFDA #20.106.

Recommendation – Management should improve coordination of departmental personnel and strengthen internal control process for timely preparation and submittal of all required reports to the grantor.

Current status – *The City implemented a quarterly grant compliance review process to ensure all grant submittal requirements are submitted on a timely basis. Since the establishment of this process, all Federal Financial Reports have been submitted timely. Corrective action was taken hence not repeated in fiscal year 2018.*

FINDING NO. 2017-002:

COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH WAGE RATE REQUIREMENTS

Condition – We noted that the City did not establish a general prevailing wage rates for project expenses that were paid out from program funds for Emancipation Park (Rider) state grant.

Recommendation – Management should strengthen its compliance with all grant requirements. Program instructions provided to prospective grantees should be thoroughly reviewed to identify all program requirements associated with the grant. Additional inquiries should be conducted from the funding agency to ensure all compliance requirements are identified.

Current Status - *Corrective action was taken hence not repeated in fiscal year 2018.*

FINDING NO. 2017-003:

COMPLIANCE AND SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL OVER COMPLIANCE WITH REPORTING REQUIREMENTS

Condition – During the course of our test for the City’s compliance with the reporting requirements, we noted that Section 3 quarterly Progress Reports submitted to the grantor agency erroneously reported cumulative data instead for the activity pertaining to that quarter resulting in submission of inaccurate reports. We noted that two (2) out of the four (4) quarterly Progress Reports that we selected for testing had errors for Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii – CFDA #14.228.

CITY OF HOUSTON, TEXAS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Recommendation – Management should review all previous submitted Section 3 Progress Reports for the program year and re-submit these reports to the grantor agency as needed. Additionally, there is a need to properly train staff personnel to ensure proper preparation of Section 3 reports. Adequate supervision and review process should be in place to ensure prepared reports are accurate and properly supported with underlying records.

Current Status – *Corrective action was taken hence not repeated in fiscal year 2018.*