



TARRANT COUNTY, TEXAS

Single Audit

September 30, 2010



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

**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***

The Honorable County Judge
and Commissioner's Court:

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 Tarrant County, Texas (Tarrant County) as of and for the year ended September 30, 2010, which collectively comprise Tarrant County's basic financial statements, and have issued our report thereon dated March 9, 2011. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tarrant County Hospital District and the Mental Health and Mental Retardation of Tarrant County, as described in our report on Tarrant County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated March 9, 2011.

This report is intended solely for the information and use of Tarrant County's management, Commissioners' Court, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 9, 2011



KPMG LLP
Suite 3100
717 North Harwood Street
Dallas, TX 75201-6585

**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133 and UGMS and on Schedule
of Expenditures of Federal and State Awards**

The Honorable County Judge
and Commissioners' Court:

Compliance

We have audited Tarrant County, Texas' (Tarrant County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of Tarrant County's major federal and state programs for the year ended September 30, 2010. Tarrant County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Tarrant County's management. Our responsibility is to express an opinion on Tarrant County's compliance based on our audit.

Tarrant County's basic financial statements include the operations of the Tarrant County Hospital District (TCHD) and the Mental Health and Mental Retardation of Tarrant County (MHMRTC), which received federal awards that are not included in the schedule during the year ended September 30, 2010. Our audit, described below, did not include the operations of the Tarrant County Hospital District or the Mental Health and Mental Retardation of Tarrant County, because they engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and UGMS. Those standards, OMB Circular A-133 and UGMS, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Tarrant County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Tarrant County's compliance with those requirements.

In our opinion, Tarrant County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2010. However, the results of our procedures also disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-01, 2010-02, 2010-03, 2010-04, and 2010-05.

Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-02 and 2010-04 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-01, 2010-03, and 2010-05 to be significant deficiencies.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tarrant County as of and for the year ended September 30, 2010, and have issued our report thereon dated March 9, 2011. Our report was modified to include a reference to other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Tarrant County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and UGMS and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

KPMG LLP

May 10, 2011, except for the paragraph related to the
Schedule of Expenditures of Federal and State Awards,
which is as of March 9, 2011

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
FEDERAL FINANCIAL ASSISTANCE:					
AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS:					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
Direct:					
ARRA – Community Development Block Grant – ARRA Entitlement Grants	14.253	B09-UY-48-0001	\$ 945,748	788,239	—
Subtotal				788,239	—
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	S-09-LUY-48-0001	1,156,125	472,136	416,022
Indirect:					
City of Fort Worth, Texas:					
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	N/A	278,994	115,597	—
City of Arlington, Texas:					
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	N/A	22,501	22,501	—
ARRA – Homelessness Prevention and Rapid Re-Housing Program – Recovery Act Funded	14.257	N/A	77,187	980	—
Subtotal				611,214	416,022
U.S. DEPARTMENT OF JUSTICE:					
Indirect:					
Texas Criminal Justice Division:					
ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to States	16.803	SU-09-A10-22222-01	447,403	419,138	—
ARRA – Violence Against Women Formula Grants	16.588	EF-09-V30-23023-01	58,000	3,809	—
Subtotal				422,947	—
City of Fort Worth, Texas:					
ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Gov't	16.804	2009-SB-B9-1479	708,613	234,170	—
Environmental Protection Agency					
Subtotal				234,170	—
Indirect:					
North Central Council of Governments					
ARRA – National Clean Diesel Emissions Reduction Program	66.039	N/A	52,073	46,465	—
Subtotal				46,465	—
U.S. DEPARTMENT OF ENERGY:					
Direct:					
ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	EE0000908	2,399,300	55,532	—
Subtotal				55,532	—
Total American Recovery and Reinvestment Act				2,158,567	416,022
U.S. DEPARTMENT OF AGRICULTURE:					
Direct:					
National School Lunch Program	10.555	75L3024	N/A	165,964	—
Subtotal				165,964	—
Indirect:					
Texas Department of State Health Services:					
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2008-024635-001	N/A	(175)	—
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2009-030093-001	N/A	328,794	—
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	2010-033271-001	8,274,348	8,287,944	—
Subtotal				8,616,563	—
Total U.S. Department of Agriculture				8,782,527	—

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
Direct:					
Community Development Block Grants/Entitlement Grants - 31st Year	14.218	B05-UC-48-0001	3,977,206	152	—
Community Development Block Grants/Entitlement Grants - 32nd Year	14.218	B06-UC-48-0001	3,594,649	310	—
Community Development Block Grants/Entitlement Grants - 33rd Year	14.218	B07-UC-48-0001	3,591,690	219,997	—
Community Development Block Grants/Entitlement Grants - 34th Year	14.218	B08-UC-48-0001	3,481,888	1,127,515	—
Community Development Block Grants/Entitlement Grants - 35th Year	14.218	B09-UC-48-0001	3,533,900	1,808,291	30,680
Community Development Block Grants/Entitlement Grants - 36th Year	14.218	B10-UC-48-0001	3,976,413	170,626	10,640
Subtotal			3,326,891		41,320
Community Development Block Grants/State's Program and Non-Entitlement Grants (NSP)	14.228	B08-JUN-48-0002	3,293,388	2,470,186	2,336,535
Subtotal			2,470,186		2,336,535
Emergency Shelter Grants Program - 34th Year	14.231	S-08-UC-48-0001	123,639	14,540	8,845
Emergency Shelter Grants Program - 35th Year	14.231	S-09-UC-48-0001	123,941	83,469	79,186
Emergency Shelter Grants Program - 36th Year	14.231	S-10-UC-48-0001	112,596	34,059	34,059
Subtotal			132,069		122,090
Supportive Housing Program - 13th Year	14.235	TX01-B-701-016	108,491	30,501	30,501
Supportive Housing Program - 14th Year	14.235	TX01-B-701-003	85,617	1,710	1,710
Supportive Housing Program - 14th Year	14.235	TX01-02B67010801	108,491	76,541	72,860
Supportive Housing Program - 14th Year	14.235	TX01-14B67010801	124,665	92,170	87,274
Supportive Housing Program - 14th Year	14.235	TX0093B67010801	166,404	87,703	83,440
Supportive Housing Program - 14th Year	14.235	TX0094B67010801	103,445	60,432	57,733
Supportive Housing Program - 14th Year	14.235	TX01-00B67010801	21,815	17,691	16,924
Supportive Housing Program - 14th Year	14.235	TX0097B67010801	24,237	13,751	13,146
Supportive Housing Program - 14th Year	14.235	TX0099B67010801	87,176	71,860	68,124
Supportive Housing Program - 14th Year	14.235	TX01-15B67010801	85,617	77,240	73,571
Supportive Housing Program - 14th Year	14.235	TX01-16B67010801	145,435	128,183	121,866
Supportive Housing Program - 14th Year	14.235	TX01-12B67010801	106,864	105,094	100,192
Supportive Housing Program - 14th Year	14.235	TX01-04B67010801	322,293	322,293	308,481
Supportive Housing Program - 14th Year	14.235	TX01-13B67010801	1,103,295	400,389	310,130
Supportive Housing Program - 14th Year	14.235	TX01-19B67010801	97,293	97,293	93,124
Supportive Housing Program - 14th Year	14.235	TX01-01B67010801	50,680	23,563	22,469
Supportive Housing Program - 14th Year	14.235	TX01-05B67010801	212,663	102,811	101,848
Supportive Housing Program - 14th Year	14.235	TX01-14B67010802	124,665	16,824	16,306
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	166,404	83,645	77,098
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	103,445	58,307	54,991
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	21,815	3,443	3,342
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	24,237	10,659	10,326
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	145,435	15,350	14,888
Supportive Housing Program - 15th Year	14.235	TX0093B67010802	322,293	21,406	20,739
Supportive Housing Program - 15th Year	14.235	TX01-13B67010802	1,103,295	649,094	489,764
Supportive Housing Program - 15th Year	14.235	TX01-13B67010802	50,680	28,189	26,457
Supportive Housing Program - 15th Year	14.235	TX01-05B67010801	212,663	106,334	100,366
Subtotal			2,702,476		2,377,672

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
Home Investment Partnerships Program - 12th Year	14.239	M03-UC-48-0200	1,414,783	12,701	12,701
Home Investment Partnerships Program - 13th Year	14.239	M04-UC-48-0200	1,614,378	5,243	5,243
Home Investment Partnerships Program - 14th Year	14.239	M05-UC-48-0200	1,415,533	295,049	5,987
Home Investment Partnerships Program - 15th Year	14.239	M06-DC-48-0200	1,261,995	207	—
Home Investment Partnerships Program - 16th Year	14.239	M07-DC-48-0200	1,247,258	1,622,463	—
Home Investment Partnerships Program - 17th Year	14.239	M08-DC-48-0200	1,190,787	684,135	—
Home Investment Partnerships Program - 18th Year	14.239	M09-UC-48-0200	1,506,759	52,633	—
Subtotal				2,672,431	23,931
Housing Opportunities for Persons with AIDS					
Subtotal	14.241	TX-H080014	950,966	326,238	318,321
Section 8 Housing Choice Vouchers - Administration (CY07)	14.871	TX21V431000082	1,160,215	(260)	—
Section 8 Housing Choice Vouchers - Administration (CY08)	14.871	TX21V431000082	1,292,387	2,532	—
Section 8 Housing Choice Vouchers - Administration (CY09)	14.871	TX21V431000082	N/A	444,014	—
Section 8 Housing Choice Vouchers - Administration (CY10)	14.871	TX21V431000082	N/A	1,266,424	—
Subtotal				1,712,710	—
Section 8 Housing Choice Vouchers - Portability	14.871	TX21V431000082	N/A	939,156	—
Subtotal				939,156	—
Katrina Disaster Housing Assistance Payments Disaster Voucher Program	14.871 14.871	TX431 TX431DH0001	N/A 192,520	29,015 29,853	— —
Subtotal				58,868	—
Section 8 Housing Choice Vouchers - Homeownership Administration (CY09)	14.871	TX431AFHV03	8,000	2,388	—
Subtotal				2,388	—
Section 8 Housing Choice Vouchers(CY07)	14.871	TX21V431000082	13,715,189	(5,180)	—
Section 8 Housing Choice Vouchers(CY08)	14.871	TX21V431000082	11,375,263	(3,303)	—
Section 8 Housing Choice Vouchers(CY09)	14.871	TX21V431000082	N/A	3,754,578	—
Section 8 Housing Choice Vouchers(CY10)	14.871	TX21V431000082	N/A	13,200,038	—
Subtotal				16,946,133	—
Public Housing Family Self Sufficiency (CY09)	14.877	TX431FSFH03	43,426	11,116	—
Public Housing Family Self Sufficiency (Homeownership Coordinator FY2009)	14.877	TX431FSFH03	64,266	37,151	—
Subtotal				48,267	—
Disaster Voucher Assistance - IKE	14.000	TX431	117,646	81,720	—
Subtotal				81,720	—
Indirect:					
Texas Department of State Health Services					
Housing Opportunities for Persons with AIDS	14.241	2009-030522-001	171,000	62,609	62,609
Housing Opportunities for Persons with AIDS	14.241	2010-034531-001	181,000	120,004	120,004
Subtotal				182,613	182,613
Total U.S. Department of Housing and Urban Development				31,602,148	5,402,481

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
U.S. DEPARTMENT OF INTERIOR:					
Indirect:					
Texas Historical Commission	15.904	TX-09-037	\$ 2,000	1,004	—
Historic Preservation Fund Grants-In-Aid (Education Workshops for Commission)	15.904	TX-10-034	2,000	749	—
Historic Preservation Fund Grants-In-Aid (Education Workshops for Commission)				1,753	—
Subtotal				1,753	—
Total U.S. Department of Interior				29,848	—
U.S. DEPARTMENT OF JUSTICE:					
Direct:					
Equitable Sharing Program (Asset Forfeiture Funds)-Sheriff	16.000	N/A	N/A	29,848	—
Subtotal				29,848	—
State Criminal Alien Assistance Program (S.C.A.A.P.)	16.606	2010-H4863-TX-AP	486,285	486,285	—
Subtotal				486,285	—
Criminal and Juvenile Justice and Mental Health Collaboration Program (RIS/TP)	16.745	2007-MO-BX-0009	199,946	4,592	—
Subtotal				4,592	—
Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K091	235,309	132,412	—
Subtotal				132,412	—
Southwest Border Prosecution Initiative Program	16.755	2010	175,349	175,349	—
Subtotal				175,349	—
Indirect:					
Texas Criminal Justice Division:					
Juvenile Accountability Block Grants -Coordinated Enforcement Plan	16.523	JB-08-J20-13287-11	154,286	136,766	—
Juvenile Accountability Block Grants -Coordinated Enforcement Plan	16.523	JB-09-J20-13287-12	180,003	13,291	—
Subtotal				150,256	—
Crime Victim Assistance	16.575	VA-09-V30-13739-11	27,111	24,565	—
Crime Victim Assistance	16.575	VA-10-J30-13739-12	27,111	2,582	—
Subtotal				27,147	—
Violence Against Women Formula Grants (VAWA - Protective Order Unit)	16.588	WF-09-V30-13737-11	42,625	31,501	—
Violence Against Women Formula Grants (VAWA - Protective Order Unit)	16.588	WF-10-V30-13737-12	42,625	4,918	—
Violence Against Women Formula Grants (Domestic Violence - Pretrial Diversion)	16.588	WF-09-V30-15136-11	250,000	233,716	58,532
Violence Against Women Formula Grants (Domestic Violence - Pretrial Diversion)	16.588	WF-10-V30-15136-12	80,000	16,551	—
Subtotal				286,685	58,532
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	16.738	DI-09-A10-22852-01	201,656	107,411	—
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	16.738	DI-09-A10-22852-02	253,500	15,670	—
Subtotal				123,081	—
City of Dallas, Texas Police Department:					
Missing Children's Assistance - (Internet Crimes Against Children Task Force)	16.543	N/A	15,000	14,679	—
Subtotal				14,679	—

TARRANT COUNTY, TEXAS
 Schedule of Expenditures of Federal and State Awards
 Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Award amount	Grant/contract number	Federal state expenditures	Federal amounts passed- through to subrecipients
City of Fort Worth, Texas: Edward Byrne Memorial Justice Assistance Grant (Mental Health Liaison Program)	16.738	21,429	2008-DJ-BX-0637	17,325	—
Edward Byrne Memorial Justice Assistance Grant (Adult Drug Court)	16.738	2,632	2006-F2025-TX-D	925	—
Edward Byrne Memorial Justice Assistance Grant (Adult Drug Court)	16.738	57,303	2007-DJ-BX-1199	40,446	—
Edward Byrne Memorial Justice Assistance Grant (Adult Drug Court)	16.738	15,109	2008-DJ-BX-0637	20,519	—
Subtotal				79,215	—
Total U.S. Department of Justice				1,509,549	58,532
U.S. DEPARTMENT OF TRANSPORTATION: Indirect:					
Texas Department of Transportation: Highway Planning & Construction – Courtesy Patrol Program	20.205	1,069,402	2.009	869,351	—
Highway Planning & Construction – Courtesy Patrol Program	20.205	1,440,000	02-1XXF5001	71,707	—
Subtotal				941,057	—
Total U.S. Department of Transportation				941,057	—
U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY: Direct:					
Emergency Food and Shelter National Board Program (Phase XXVII)	97.024	114,033	XXVII	(13,978)	—
Emergency Food and Shelter National Board Program (Phase XXVIII)	97.024	76,000	XXVIII	41,892	—
Subtotal				27,914	—
Total U.S. Federal Emergency Management Agency				27,914	—
U.S. ELECTION COMMISSION: Indirect:					
State of Texas Elections Division Help America Vote Act (General Title III HAVA Compliance)	90.401	7,360,292	N/A	274,420	—
Subtotal				274,420	—
Total U.S. Election Assistance Commission				274,420	—
U.S. DEPARTMENT OF HOMELAND SECURITY: Indirect:					
Governor's Division of Emergency Management. Urban Areas Security Initiative	97.008	425,904	2006-GE-T6-0068	(16,595)	—
Subtotal				(16,595)	—
Urban Areas Security Initiative	97.008	215,640	2007-GE-T7-0024	18,106	—
Subtotal				18,106	—
Urban Areas Security Initiative	97.008	160,602	2008-GE-T8-0034	53,079	—
Urban Areas Security Initiative	97.008	917,023	2009-SS-T9-0064	187,722	—
Subtotal				240,801	—
Hazard Mitigation Grant	97.039	194,025	FMGP DR-1730-004	38,663	—
Subtotal				38,663	—
Citizen Corps	97.053	30,027	2006-GE-T6-0068	3,543	—
Subtotal				3,543	—
State Homeland Security Program -SHSP	97.073	208,880	2007-GE-T7-0024	239,810	31,076
Subtotal				239,810	31,076

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
Department of Housing and Urban Development: Disaster Housing Assistance Program	97.109	TX431	N/A	11,245	—
Subtotal				11,245	—
Total U.S. Department of Homeland Security				535,373	31,076
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Direct:					
Coordinated Services & Access to Research for Women, Infants, Children and Youth (Part D)	93.153	5-HI2HA08504-03-00	447,550	343,217	262,513
Coordinated Services & Access to Research for Women, Infants, Children and Youth (Part D)	93.153	5-HI2HA08504-04-00	447,550	70,952	54,764
Subtotal				414,169	317,277
HIV Emergency Relief Project Grants (Ryan White – Part A)	93.914	5-H3MHA08460-03-00	224,163	146,604	57,717
HIV Emergency Relief Project Grants (Ryan White I)	93.914	6-H89-HA-00047-14-01	3,919,523	1,734,996	1,123,808
HIV Emergency Relief Project Grants (Ryan White I)	93.914	6-H89-HA-00047-15-01	4,049,388	2,409,885	1,587,675
Subtotal				4,291,485	2,769,200
Grants to Provide Outpatient Early Intervention Services with Respect to HIV (Ryan White III)	93.918	2-H76HA00123-16-01	816,741	(23)	—
Grants to Provide Outpatient Early Intervention Services with Respect to HIV (Ryan White III)	93.918	5-H76HA00123-18-00	816,741	170,426	78,778
Grants to Provide Outpatient Early Intervention Services with Respect to HIV (Ryan White III)	93.918	5-H76HA00123-19-00	821,641	632,634	301,494
Subtotal				803,038	380,272
Indirect:					
National Association of County and City Health Officials: Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283 93.283	2008-100106 2009-100106	490,000 460,000	3,638 443,822	— —
Subtotal				447,460	—
Medical Reserve Corps Small Grant Program Medical Reserve Corps Small Grant Program	93.008 93.008	MRC-08-0155 MRC-09-0155	5,000 5,000	632 1,458	— —
Subtotal				2,091	—
Texas Department of Family and Protective Services: Promoting Safe and Stable Families – CYD Project – FY2010 Promoting Safe and Stable Families – CYD Project – FY2011	93.556 93.556	23362177-FY10-AM04 23,792,901	377,625 377,625	349,262 8,363	235,189 —
Subtotal				357,625	235,189
Foster Care Title IV-E (Child Protective Services) Foster Care Title IV-E (District Attorney)	93.658 93.658	N/A N/A	N/A N/A	109,375 207,728	— —
Subtotal				317,103	—
Office of the Attorney General: Grants to States for Access and Visitation Programs Grants to States for Access and Visitation Programs	93.597 93.597	09-C0003 11-C0108	46,600 53,000	42,825 4,308	— —
Subtotal				47,133	—
Child Support Enforcement (Integrated Child Support System)	93.563	04-C0053	N/A	1,536,106	—
Subtotal				1,536,106	—
Texas Department of Health and Human Services: Medical Assistance Program (Medicaid Administrative Claims)	93.778	7560011706-OE-01	N/A	176,762	—
Subtotal				176,762	—

TARRANT COUNTY, TEXAS

Schedule of Expenditures of Federal and State Awards
Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Grant/contract number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
Texas Juvenile Probation Commission: Foster Care Title IV-E (Juvenile Services)	93.658	TJPC-E-2007-220	\$ N/A	990,260	—
Subtotal				990,260	—
Texas Department of State Health Services: Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2010-034140-001	386,169	386,169	—
Subtotal				386,169	—
Immunization Grants	93.268	2009-028462-001	669,391	(46)	—
Immunization Grants	93.268	2010-031696	685,599	883,216	—
Immunization Grants	93.268	2011-036505-001	685,599	127,803	—
Immunization Grants – Vaccine Commodities	93.268	2009-028462-001	N/A	7,512,008	—
Subtotal				8,522,980	—
National Bioterrorism Hospital Preparedness Program National Bioterrorism Hospital Preparedness Program	93.889	2009-032266-001	41,667	41,543	—
Subtotal				9,075	—
Public Health Emergency Preparedness Public Health Emergency Preparedness Public Health Emergency Preparedness Public Health Emergency Preparedness Public Health Emergency Preparedness Public Health Emergency Preparedness Public Health Emergency Preparedness	93.069	2010-033458-001	2,350,286	1,150,369	—
	93.069	2010-033395-001	222,852	202,261	—
	93.069	2009-032130-001	205,000	161,702	—
	93.069	2010-035415-001	205,000	26,621	—
	93.069	2009-031919-001	1,438,245	1,026,902	—
	93.069	2010-035863-001	1,438,803	187,566	—
	93.069	2009-031761-001	407,343	301,734	—
	93.069	2010-035412-001	429,828	40,932	—
Subtotal				3,098,088	—
Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance Centers for Disease Control & Prevention – Investigations & Technical Assistance	93.283	2008-028027-001	1,117,066	(20,350)	—
	93.283	2009-031488-001B	100,000	90,425	—
	93.283	2010-035092-001	50,000	1,808	—
	93.283	2009-031215-001	314,958	150,670	—
	93.283	2010-035061-001	186,887	53,855	—
	93.283	2009-031085-001	142,059	12,175	—
	93.283	2007-022881-001	104,840	8,198	—
Subtotal				296,781	—
Refugee and Entrant Assistance-State Administered Programs Refugee and Entrant Assistance-State Administered Programs	93.566	2009-029962-001B	410,778	978	—
Subtotal				821,758	—
HIV Care Formula Grants (Ryan White II – Administrative Grant) HIV Care Formula Grants (Ryan White II) HIV Care Formula Grants (Ryan White II)	93.917	2009-030861-001	216,000	106,662	—
	93.917	2009-030808-001	1,327,434	810,056	717,681
	93.917	2010-034678-001	1,327,788	784,599	594,384
Subtotal				1,701,317	1,312,065
State-Based Comprehensive Breast and Cervical Cancer Early Detection Program Subtotal	93.919	2008-028637-001A	147,381	106,040	—
				106,040	—
HIV Prevention Activities-Health Department Based (HIV Prevention) HIV Prevention Activities-Health Department Based (STD/HIV Operations) HIV Prevention Activities-Health Department Based (STD/HIV Operations)	93.940	2009-030694-001	661,790	56,582	—
	93.940	2009-030611-001A	547,440	147,951	—
	93.940	2010-034557-001	575,240	387,300	—
Subtotal				591,812	—

TARRANT COUNTY, TEXAS
 Schedule of Expenditures of Federal and State Awards
 Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
Preventive Health Services-STD Control Grants (STD/HIV Operations)	93.977	547,440	(38,759)	—
Preventive Health Services-STD Control Grants (STD/HIV Operations)	93.977	575,240	287,919	—
Subtotal			249,160	—
Epidemiologic Research Studies of AIDS and HIV Infection in Selected Population Groups	93.943	772,246	651,810	—
Subtotal			651,810	—
HIV/AIDS Surveillance	93.944	99,890	29,024	—
HIV/AIDS Surveillance	93.944	99,890	60,551	—
Subtotal			89,575	—
Preventive Health and Health Services Block Grant	93.991	330,418	100,029	—
Subtotal			100,029	—
Total U.S. Department of Health and Human Services			26,050,348	5,014,003
Total Federal Financial Assistance			71,883,655	10,922,115
STATE FINANCIAL ASSISTANCE:				
Direct:				
TEXAS DEPARTMENT OF STATE HEALTH SERVICES:				
HIV/State Services	N/A	634,784	581,461	576,327
HIV/State Services	N/A	633,497	27,139	23,793
TB/PC-Tuberculosis Control	N/A	593,611	627,954	—
TB/PC-Tuberculosis Control	N/A	579,380	59,420	—
Immunization Grants	N/A	683,599	641,003	—
Seasonal Influenza	N/A	61,250	55,075	—
Infectious Disease Control Unit/FLU Lab	N/A	5,000	4,995	—
Infectious Disease Control Unit/FLU Lab	N/A	5,000	845	—
Preventive Health and Health Services Block Grant	N/A	330,418	196,091	—
Preventive Health and Health Services Block Grant	N/A	330,418	34,769	—
Milk & Dairy - Milk Group	N/A	41,500	3,499	—
State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	N/A	44,986	40,508	—
State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	N/A	139,143	5,548	—
Milk & Dairy/ FFS	N/A	232,310	171,279	—
Total Texas Department of Health			2,449,585	600,120
TEXAS CRIMINAL JUSTICE DIVISION:				
Breaking the Cycle of Violence Program	N/A	31,806	26,505	—
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	N/A	50,000	49,170	34,739
Edward Byrne Memorial Justice Assistance Grant (Family Drug Court-JAG)	N/A	49,761	2,895	2,895
Computer Crimes Cellular Forensic Workstation	N/A	14,349	9,852	—
DIRECT Court Program	N/A	232,068	(1,561)	—
DIRECT Court Program	N/A	246,971	301,189	—
DIRECT Court Program	N/A	270,668	24,692	—

TARRANT COUNTY, TEXAS
 Schedule of Expenditures of Federal and State Awards
 Year ended September 30, 2010

Federal or state grantor/ pass-through grantor program title	Federal CFDA number	Award amount	Federal/state expenditures	Federal amounts passed- through to subrecipients
Mental Health Diversion Court Program	N/A	120,355	104,099	—
Mental Health Diversion Court Program	N/A	132,391	6,643	—
Felony Alcohol Intervention Program	N/A	86,358	44,687	—
Felony Alcohol Intervention Program	N/A	126,824	1,936	—
Total Texas Criminal Justice Division			570,107	37,634
TEXAS DEPARTMENT OF TRANSPORTATION:				
Auto Theft Task Force	N/A	1,055,220	(1,741)	—
Auto Theft Task Force	N/A	1,097,753	1,114,045	—
Auto Theft Task Force	N/A	1,068,674	65,808	—
Highway Planning & Construction – Courtesy Patrol Program	N/A	267,350	217,338	—
Highway Planning & Construction – Courtesy Patrol Program	N/A	360,000	17,927	—
Total Department of Transportation			1,413,376	—
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:				
AirCheck Texas Repair and Replacement Program	N/A	13,693,338	7,037,172	7,037,172
Local Initiatives Projects	N/A	1,410,287	63,169	—
Total Texas Commission on Environmental Quality			7,100,341	7,037,172
TEXAS CHAPTER MARCH OF DIMES:				
Honey Child Project Evaluation	N/A	3,750	3,753	—
Total Texas Chapter March of Dimes			3,753	—
TEXAS HEALTH AND HUMAN SERVICES COMMISSION:				
Texas Nurse-Family Partnership	N/A	909,668	699,512	—
Texas Nurse-Family Partnership	N/A	1,086,488	61,185	—
Total Texas Health and Human Services Commission			760,698	—
OFFICE OF THE ATTORNEY GENERAL:				
Bilingual Victims Assistance Coordinator	N/A	50,000	44,413	—
Bilingual Victims Assistance Coordinator	N/A	50,000	4,527	—
V.I.N.E.-Victim Identification and Notification Everyday	N/A	81,500	81,500	—
Total Office of the Attorney General			130,440	—
TEXAS TASK FORCE ON INDIGENT DEFENSE:				
Indigent Defense Formula Grant	N/A	2,018,057	2,018,057	—
Total Texas Task Force on Indigent Defense			2,018,057	—
TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES:				
Promoting Safe and Stable Families – CYD Project – FY2010	N/A	125,875	116,421	78,396
Promoting Safe and Stable Families – CYD Project – FY2011	N/A	125,875	2,788	—
Total Texas Department of Family and Protective Services			119,208	78,396
Total State Financial Assistance			14,565,564	7,753,322
Total Federal and State Financial Assistance			86,449,219	18,675,437

TARRANT COUNTY, TEXAS

Notes to Schedule of Expenditures of Federal and State Awards

September 30, 2010

(1) Summary of Significant Accounting Policies

The schedule of expenditures of federal and state awards was prepared on the modified accrual basis of accounting. Amounts reported as expenditures in the accompanying schedule of expenditures of federal and state awards may not agree with the amounts reported in the related federal and state financial reports filed with the grantor agencies because of accruals which would be included in the next report filed with the agency.

(2) Commodities

The County receives assistance in the form of vaccines from the Department of Health under Program CFDA 93.268. The amount expended from those vaccines during the year ended September 30, 2010 was \$7,512,008 and is included in the Schedule of Expenditures of Federal and State Awards.

TARRANT COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 September 30, 2010

Section I–Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued: **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to the financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X yes _____ none reported

Type of auditors’ report issued on compliance for major programs **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and UGMS? X yes _____ no

CFDA number(s)	Name of federal program or cluster
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program
16.803	ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to States
16.804	ARRA – Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants (NSP)
14.239	Home Investment Partnership Program
14.871	Section 8 Housing Choice Vouchers
93.069	Public Health Emergency Preparedness
93.268	Immunization Grants
93.658	Foster Care Title IV-E
93.914	HIV Emergency Relief Project Grants

TARRANT COUNTY, TEXAS
 Schedule of Findings and Questioned Costs
 September 30, 2010

Name of state program or cluster

HIV/State Services
 Immunization Grants
 Air Check
 Texas Nurse – Family Partnership

Dollar threshold used to distinguish between
 type A and type B programs:

Federal	\$2,156,510
State	453,658

Auditee qualified as low-risk auditee?

<u> </u>	yes	<u> X </u>	no
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TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Section II-Financial Statement Findings

None noted

Section III-Federal Award Findings and Questioned Costs

Program Name(s): ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Programs/Grants to States

CFDA Number(s) and Expenditures: 16.803, \$419,138

Federal Award Number and Year: SU-09-A10-22222-01

Finding 2010-01: *Cash Management – Reimbursement Requests*

Criteria or Specific Requirement:

Federal Requirement

31 CFR Section 205.12(b)(5) Reimbursable funding means that a Federal Program Agency transfers Federal funds to an entity after that entity has already paid out the funds for Federal assistance program purposes.

Condition:

During our procedures performed over the Edward Byrne Memorial JAG, we noted that 6 of 25 grant expenditures of our samples tested were requested for reimbursement before actually being paid.

Questioned Costs:

None (all expenditures were allowable)

Possible Asserted Cause and Effect:

County personnel utilized the general ledger posting date to identify expenditures that were eligible for reimbursement rather than assuring that the expenditures had actually been paid. Utilizing the posting date increases the risk of submitting expenditures for reimbursement prior to paying the expenditure which could cause noncompliance with federal regulations and potential questioned costs.

Recommendation:

We recommend the County ensure expenditures submitted for reimbursement have actually been paid prior to the reimbursement voucher submission date.

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Views of Responsible Officials:

Reimbursement requests are prepared based on expenditures posted to the general ledger for a specific month. The posting date is based on the date of the receipt of the goods or service, not the check date. The Tarrant County Auditor's Office will review our reporting processes to ensure compliance with Cash Management requirements.

Contact: Suzanne McKenzie, Grant and Financial Reporting Manager, 817-884-1014

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Program Name: Public Health Emergency Preparedness Program

CFDA Number and Expenditures: 93.069, \$3,098,088

Federal Award Number and Year: 2010-033458-001, 2010-033395-001, 2009-032130-001, 2010-035415-001, 2009-031919-001, 2010-035863-001, 2009-031761-001, 2010-035412-001

Finding 2010-02: *Suspension & Debarment*

Criteria or Specific Requirement:

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the government-wide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a nonfederal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity.

Condition:

During our procedures performed over the Public Health Emergency Preparedness program, we selected the 7 contracts that met the definition of a covered transaction during the current year and noted that there was no documentation that the County had ensured that the vendors were not suspended or debarred, the contracts did not contain a certification from the vendors, nor did the contract contain an applicable clause.

Questioned Costs:

None. We were able to search the EPLS website and note that none of the entities were suspended and debarred from participating in Federal and State programs.

Possible Asserted Cause and Effect:

In discussing these conditions with County management, the individuals responsible for procuring the goods and services for these programs were not aware of the suspension and debarment requirements for covered transactions until after January 2010, at which point a written policy and procedure was issued. We noted that each of these contracts were entered into prior to January 2010.

Recommendation:

We recommend the County continue to ensure that the policies and procedures that were implemented in January are adhered to for all covered transactions.

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Views of Responsible Officials:

In January 2010 a written policy and procedure was issued to maintain compliance with the Suspension and Debarment requirement. The policy is being followed.

Contact: Suzanne McKenzie, Grant and Financial Reporting Manager, 817-884-1014

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Program Name(s): Public Health Emergency Preparedness Program

CFDA Number(s) and Expenditures: 93.069, \$3,098,088

Federal Award Number and Year: 2010-033458-001, 2010-033395-001, 2009-032130-001, 2010-035415-001, 2009-031919-001, 2010-035863-001, 2009-031761-001, 2010-035412-001

Finding 2010-03: *Equipment and Real Property Management*

Criteria or Specific Requirement:

Federal Requirement

2 CFR 215.34 (f)(1) Equipment records shall be maintained accurately and shall include the following information:

- (i) A description of the equipment.
- (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
- (iii) Source of the equipment, including the award number.
- (iv) Whether title vests in the recipient or the Federal Government.
- (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
- (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
- (vii) Location and condition of the equipment and the date the information was reported.
- (viii) Unit acquisition cost.
- (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

2 CFR 215.34 (f)(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.

Condition:

During our test work, we selected 15 of the 143 pieces of equipment purchased with grant funds during the current year and observed each sample item. The equipment observed was acquired from October 2009 through August 2010. During the observation, we noted that 9 of the 15 items selected for observation did not have Tarrant County fixed asset tags affixed to them. Of the 9 items that were not properly tagged, 3 exceeded \$5,000 in cost. Additionally, 1 of the 15 equipment observed was in a location other than the one listed in the property records.

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Questioned Costs:

None. We were able to locate all of the equipment included in our sample of items selected for observation.

Possible Asserted Cause and Effect:

The individuals responsible for creating the asset tags created the tags shortly after acquisition of the equipment and sent them to the department to be affixed to the equipment. However, the tags were not affixed to the equipment until after our observation occurred during December 2010.

The equipment that was located in a location that did not correspond to the records was attributed to a lack of a precise equipment record keeping system. Currently, the tracking of equipment by location is done manually and prone to human error.

The County's failure to properly safeguard equipment purchased with Federal funds by affixing fixed asset tags increases the risk of misappropriation of these assets, non compliance with Federal laws, and potential questioned costs.

Recommendation:

We recommend the County ensure that proper management of equipment is performed, including the timely tagging of equipment purchased with grant funds.

Views of Responsible Officials:

Tarrant County Public Health has assigned preparedness equipment tagging and tracking duties to a preparedness position for general preparedness equipment. A laboratory preparedness position has been assigned equipment tagging and tracking duties for laboratory equipment. Back up positions for each area have also been established. All equipment tags will initially be sent to the Tarrant County Public Health Asset Coordinator and then forwarded to the appropriate area to be affixed to the specific equipment. The asset tags are required to be on the equipment within 10 working days of receipt. Equipment location changes will be updated as necessary in the GC-11 spreadsheet. The updated information will be sent to the Tarrant County Auditor's Office, Public Health Asset Coordinator, and Public Health Assistant Business Manager.

Contact: Marsha Gillespie, Public Health Business Manager, 817-321-5335

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Program Name(s): ARRA – Homelessness Prevention and Rapid Re-Housing Program (HPRP)

CFDA Number(s) and Expenditures: 14.257, \$611,214

Federal Award Number and Year: S-09-UY-48-0001

Finding 2010-04 – Subrecipient Monitoring

Criteria or Specific Requirement:

Per the requirements for subrecipient monitoring contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), OMB Circular A-133 (§ ___.225, § ___.310(d)(5), § ___.400(d)), A-102 Common Rule (§ ___.37 and § ___.40(a)), and OMB Circular A-110 (2 CFR Section 215.51(a)), program legislation, Section 1512(h) of ARRA, 2 CFR Section 176.50(c), Federal awarding agency regulations, and the terms and conditions of the award, that recipients must separately identify to each subrecipient, and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and require their subrecipients to provide similar identification (as noted in R2 above) in their SEFA and SF-SAC. Additional information, including presentation requirements for the SEFA and SF-SAC, is provided in Appendix VII (2 CFR Section 176.210).

Condition:

During our procedures performed over the HPRP ARRA program, we noted that the County did not have a policy or procedure to ensure the entity separately identified to each subrecipient, and documented at the time of each disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and required their subrecipients to provide appropriate identification in their SEFA and SF-SAC described in the Code of Federal Regulations and the June 2010 OMB Circular A-133 Compliance Supplement.

Questioned Costs:

None.

Possible Asserted Cause and Effect:

Management did not communicate American Recovery and Reinvestment Act (ARRA) information and requirements to subrecipients of HPRP program. We noted The County did not identify the catalog of federal domestic assistance (CFDA) number or the amount attributable to ARRA at the time of each disbursement. Also, the County's grant agreements did not identify the requirement for subrecipients to separately report ARRA program expenditures on their schedule of expenditures of federal awards (SEFA) and data collection form.

The lack of knowledge and county-wide policies related to subrecipient monitoring increases the risk of County noncompliance with ARRA subrecipient monitoring requirements.

Recommendation:

We recommend the County implement procedures to ensure ARRA information and requirements are properly communicated to its subrecipients.

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Views of Responsible Officials:

Tarrant County now includes the ARRA information on the remittance advice or sends a separate letter containing the information. Additionally, letters have been sent to each subrecipient informing them of all past payments that did not include this information.

Contact: Suzanne McKenzie, Grant and Financial Reporting Manager, 817-884-1014

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Program Name: Section 8 Housing Choice Vouchers

CFDA # and Expenditures: 14.871, \$19,659,255

Federal Award Number and Year: TX21V431000082: 2007, 2008, 2009, 2010; TX431DH0001: TX431AFHV03: 2009

Finding 2010-05: *Special Tests & Provisions – Utility Allowance Schedules*

Criteria or Requirement:

Per 24 CFR Section § 982.517, the Public Housing Agency (PHA) must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection (disposal of waste and refuse)).

Per 24 CFR Section § 982.518 Paragraph 4 (c) a PHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of 10% or more in the utility rate since the last time the utility allowance schedule was revised. The PHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.

Condition:

During our procedures performed over the Section 8 Housing Choice Vouchers Program, we noted that management had not reviewed its schedule of utility allowances during the current fiscal year. Additionally, we noted that there was a greater than 10% change in the utility rate since the schedule was last revised and the county did not revise its utility allowance schedule.

Questioned Costs:

Subsequent to our testwork, management reviewed its utility allowance schedule and noted that the utility allowance for 2010 should have been higher compared to 2009. As the revised utility allowance amount should have been greater than the previous amount, there were no questioned costs.

Possible Asserted Cause and Effect:

Management failed to monitor and review the utility allowances during the current year. As a result, the utility allowance for 2010 was not revised. Management's failure to perform this review could expose the County to potential questioned costs if the utility allowances should have been lower.

Recommendation:

We recommend management ensure that a review of its utility allowance schedule occurs each fiscal year by establishing a due date for this review. Additionally, management should ensure that documentation related to this review is adequately maintained.

Views of Responsible Officials:

The Utility Allowance Schedule was reviewed for 2010. The only category that had a change of more than 10% from the previous year and therefore required a revision was the 0 bedroom unit. Historically, Tarrant County does not lease and did not lease in 2010 any 0 bedroom units.

TARRANT COUNTY, TEXAS
Schedule of Findings and Questioned Costs
September 30, 2010

Subsequent to this audit the housing agency hired an outside consultant to gather and prepare the utility allowance schedules. The updated Utility Allowance Schedule will be prepared by May 1 with an effective date of October 1.

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TARRANT COUNTY

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TARRANT COUNTY, TEXAS

Summary Schedule of Prior Audit Findings For Findings Related to Major Programs September 30, 2009

Finding 2009-01 - Suspension & Debarment

Condition: The County is required to ensure that all contracts with vendors or subawards to subrecipients that meet the definition of a covered transaction are executed with parties that are not suspended and debarred from participating in federal and state programs. The County failed to determine if vendors were either suspended or debarred from participating in Federal and State programs for the Foster Care Title IV-E federal major program and the Local Initiatives Projects state major program.

Response: The County has taken several steps to ensure that all staff responsible for administration and procurement of goods and services related to federal and state programs are aware of the suspension and debarment requirements. The Purchasing Department has added this requirement on all bid documents and added additional wording on the County's purchase orders. Additionally, the District Attorney's Office has added this requirement on all contracts involving federal and state programs.

Status: Corrected

Finding 2009-02 - Reporting (Diversionary Placement Fund)

Condition: During our testing of the aftercare service plan reporting requirement, we noted that an aftercare service plan, or equivalent documentation, could not be provided for three of the thirty juveniles selected for testing.

Response: As a result of this audit, all Placement Officers are required to present the Aftercare Plan to the Placement Supervisor to review and initial. A copy of the Aftercare Plan will be placed in an "aftercare binder" that is maintained by the Placement Secretary as a back-up and monitoring tool. The assigned PO will put the original Aftercare Plan in the youth's permanent file. This will provide an easier way to audit this process and to keep track of the required forms and documentation.

Status: Corrected