

**CITY OF CHATTANOOGA, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDING JUNE 30, 2012**

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred Grant Revenue</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Other Adjustments</u>	<u>Ending (Accrued) Deferred Grant Revenue</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Passed Through Tennessee Department of Agriculture:							
Emergency Food Assistance Program (Admin Costs)	10.568	17984	\$ (67,925)	\$ 56,099	\$ -	\$ 11,826	\$ -
Emergency Food Assistance Program (Admin Costs)	10.568	20779	-	32,179	54,719	-	(22,540)
Emergency Food Assistance Program (Commodities-Noncash)	10.569	N/A	-	182,299	182,299	-	-
Total Emergency Food Assistance Program			<u>(67,925)</u>	<u>270,577</u>	<u>237,018</u>	<u>11,826</u>	<u>(22,540)</u>
Passed Through Tennessee Department of Human Services:							
2011 CHS Child Care Program	10.558	N/A	(87,940)	87,940	-	-	-
2012 CHS Child Care Program	10.558	N/A	-	312,566	381,508	-	(68,942)
2011 Child and Adult Food Program	10.558	03-47-56136-00-6&9	(19,489)	19,489	-	-	-
2012 Child and Adult Food Program	10.558	03-47-56136-00-6&9	-	109,962	131,012	-	(21,050)
2011 Child and Adult Food Program	10.558	03-47-55915-00-8	(10,008)	10,008	-	-	-
2012 Child and Adult Food Program	10.558	03-47-55915-00-8	-	291,427	298,266	-	(6,839)
Total Child and Adult Food Program			<u>(117,437)</u>	<u>831,392</u>	<u>810,786</u>	<u>-</u>	<u>(96,831)</u>
Total U. S. Department of Agriculture			<u>(185,362)</u>	<u>1,101,969</u>	<u>1,047,804</u>	<u>11,826</u>	<u>(119,371)</u>
<b>U.S. DEPT OF MILITARY</b>							
Passed through TN Emergency Management Agency:							
FY07 Public Safety Interoperable Communications Grant	11.555	GG-08-26036-00	(741,827)	741,827	-	-	-
Total U. S. Department of Military			<u>(741,827)</u>	<u>741,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Community Development Block Grants/Entitlement Grants	14.218	B-01-MC-47-0001	-	22,344	22,344	-	-
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-47-0001	-	253	253	-	-
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-47-0001	(475,573)	667,041	694,586	-	(503,118)
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-47-0001	-	483,993	1,253,252	-	(769,259)
Total Community Development Block Grants/Entitlement Grants			<u>(475,573)</u>	<u>1,173,631</u>	<u>1,970,435</u>	<u>-</u>	<u>(1,272,377)</u>
Shelter Plus Care	14.238	TN0010C4J000801	-	19,661	19,661	-	-
Shelter Plus Care	14.238	TN0010C4J000802	(27,882)	75,888	48,006	-	-
Shelter Plus Care	14.238	TN0010C4J001003	-	180,702	180,702	-	-
Shelter Plus Care	14.238	TN0144C4J001001	-	24,140	24,140	-	-
THDA NSPI	14.238	NSP1-09-044	(97,955)	464,339	446,564	-	(80,180)
THDA ESG Stage	14.231	ESG-10-23	(36,930)	36,930	-	-	-
THDA ESG Stage	14.238	ESG-11-23	-	65,118	65,118	-	-
Total Shelter Plus Care			<u>(162,767)</u>	<u>866,778</u>	<u>784,191</u>	<u>-</u>	<u>(80,180)</u>

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HOME Investment Partnerships Program	14.239	M-08-MC-47-0200	-	9,103	9,103	-	-
HOME Investment Partnerships Program	14.239	M-09-MC-47-0200	(59,176)	59,567	391	-	-
HOME Investment Partnerships Program	14.239	M-10-MC-47-0200	(101,571)	1,162,803	1,093,931	-	(32,699)
HOME Investment Partnerships Program	14.239	M-10-MC-47-0200	-	-	392,608	-	(392,608)
Total HOME Investment Partnerships Program			<u>(160,747)</u>	<u>1,231,473</u>	<u>1,496,033</u>	<u>-</u>	<u>(425,307)</u>
ARRA - Community Development Block Grant CDBG-R	14.253	B-09-MY-47-0001	-	46,808	92,622	-	(45,814)
ARRA HUD Neighborhood Stabilization	14.256	B-08-MN-47-0001	(122,377)	504,061	464,626	-	(82,942)
ARRA - Homeless Prevention & Rapid ReHousng (HPRP)	14.257	S-09-MY-47-0003	-	193,198	220,023	-	(26,825)
Total ARRA			<u>(122,377)</u>	<u>744,067</u>	<u>777,271</u>	<u>-</u>	<u>(155,581)</u>
Total U. S. Department of Housing and Urban Development			<u>(921,464)</u>	<u>4,015,949</u>	<u>5,027,930</u>	<u>-</u>	<u>(1,933,445)</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0546	(13,945)	20,108	6,163	-	-
Edward Byrne Memorial Justice Assistance Grant Program (Local Solicitation)	16.738	2009-DJ-BX-0530	(2,233)	14,748	12,515	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0825	-	95,095	105,474	-	(10,379)
Edward Byrne Memorial Grant - Police Explorers	16.738	2011-DJ-BX-3041	-	92,578	98,763	-	(6,185)
Edward Byrne Memorial Justice Assistance Grant Program - ARRA	16.804	2009-SB-B9-2602	39,790	39	16,905	-	22,924
Total Edward Byrne Memorial Grant			<u>23,612</u>	<u>222,568</u>	<u>239,820</u>	<u>-</u>	<u>6,360</u>
2008 COPS Technology Initiative	16.710	2008-CK-WX-0391	(102,992)	255,749	152,757	-	-
2010 COPS Hiring Grant	16.710	2010-UL-WX-0022	(160,094)	1,127,588	1,052,035	-	(84,541)
Total COPS Grant			<u>(263,086)</u>	<u>1,383,337</u>	<u>1,204,792</u>	<u>-</u>	<u>(84,541)</u>
Total U. S. Department of Justice			<u>(239,474)</u>	<u>1,605,905</u>	<u>1,444,612</u>	<u>-</u>	<u>(78,181)</u>

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<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Passed Through Georgia Department of Transportation:							
Highway Planning and Construction	20.205	PL000-0009-00-660	(41,142)	72,242	31,100	-	-
Highway Planning and Construction	20.205	PL000-0009-00-660	-	20,231	38,724	-	(18,493)
Total GA Highway Planning and Construction			(41,142)	92,473	69,824	-	(18,493)
Passed through Tennessee Department of Transportation:							
Highway Planning and Construction	20.205	DG-07-02041	(75,129)	134,311	59,182	-	-
Highway Planning and Construction	20.205	DG-07-02041	-	120,234	150,484	-	(30,250)
Highway Planning and Construction	20.205	33LPLM-F311,61-65	(466,624)	666,794	228,170	-	(28,000)
Highway Planning and Construction	20.205	33LPLM-F3-003	(616,892)	1,265,090	648,198	-	-
Governor's Highway Safety Grant	20.607	PT-11-61	(1,720)	12,577	10,857	-	-
Governor's Highway Safety Grant	20.607	Z12GHS054	-	-	3,393	-	(3,393)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F0-066	(808,237)	1,445,720	721,186	-	(83,703)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F3-076	-	-	546,960	-	(546,960)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	TN-95-X034-00	-	-	52,181	-	(52,181)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F0-095	-	-	-	-	-
TDOT - SR 27 Construction Pedestrian and Bike Facilities	20.205	33LPLM-F3-038	-	-	-	-	-
Total TN Highway Planning and Construction			(1,968,602)	3,644,726	2,420,611	-	(744,487)
Federal Transit Metropolitan Planning Grant	20.205	GG-11-35659	(10,889)	25,211	14,322	-	-
Federal Transit Metropolitan Planning Grant	20.205	GG-11-35659	-	14,370	21,797	-	(7,427)
Total Federal Transit: Metropolitan Planning Grant			(10,889)	39,581	36,119	-	(7,427)
Total U. S. Department of Transportation			(2,020,633)	3,776,780	2,526,554	-	(770,407)
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>							
Passed Through Tennessee Libraries and Archives							
Library Bridging the Gap Grant	45.310	30504-00611	14,419	-	14,419	-	-
General Library Service	45.310	30504-00412	-	48,000	48,000	-	-
Total Institute of Museum and Library Services			14,419	48,000	62,419	-	-

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<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>							
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95441209	(22,422)	120,671	176,486	-	(78,237)
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95462810-0	-	26,420	36,593	-	(10,173)
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95407108	(97,981)	97,981	-	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.815	BF-95436309-0	(394)	394	-	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95462910-0	(15,363)	44,545	48,856	-	(19,674)
Surveys, Studies, Investigations and Special Purpose Grants	66.001	A0040410-0	-	630,459	630,459	-	-
Air Pollution Control Program	66.034	PM-96497408-5	-	130,000	130,000	-	-
Air Pollution Control Program	66.034	PM-96497408-6	-	-	32,748	-	(32,748)
Passed Through Tennessee Department of Environment and Conservation							
Clean Water State Revolving Loan Program	66.458	SRF 07-204	(1,697,201)	1,697,201	-	-	-
Clean Water State Revolving Loan Program	66.458	SRF 2011-289	-	-	1,255,695	-	(1,255,695)
Total U. S. Environmental Protection Agency			<u>(1,833,361)</u>	<u>2,747,671</u>	<u>2,310,837</u>	<u>-</u>	<u>(1,396,527)</u>
<b>U.S. DEPARTMENT OF ENERGY</b>							
Passed Through Tennessee Department of Human Services:							
Weatherization Assistance for Low-Income Persons - ARRA	81.042	Z-09-000422-00	(128,000)	-	-	128,000	-
ARRA Grant Department of Energy	81.128	SC0002685	(115,113)	742,194	1,287,652	-	(660,571)
Total U. S. Department of Energy			<u>(243,113)</u>	<u>742,194</u>	<u>1,287,652</u>	<u>128,000</u>	<u>(660,571)</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>							
Emergency Food and Shelter National Board Program	97.024	29-7682-00-001 E1	-	30,686	30,686	-	-
Total Federal Emergency Management Agency			<u>-</u>	<u>30,686</u>	<u>30,686</u>	<u>-</u>	<u>-</u>

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<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Head Start - ARRA	93.709	04SA0047/02	(112,403)	406,815	294,412	-	-
Head Start	93.600	04/CH0047/34	(815,449)	855,933	40,484	-	-
Head Start	93.600	04/CH0047/35	-	7,745,281	8,265,391	-	(520,110)
Total Head Start			<u>(927,852)</u>	<u>9,008,029</u>	<u>8,600,287</u>	<u>-</u>	<u>(520,110)</u>
Passed Through Tennessee Department of Human Services:							
Low-Income Home Energy Assistance	93.568	Z-11-00203	(34,689)	34,689	-	-	-
Low-Income Home Energy Assistance	93.568	Z 12-253	-	416,568	416,568	-	-
Low-Income Home Energy Assistance	93.568	Z 12-203	-	2,396,037	2,508,293	-	(112,256)
Total Low-Income Home Energy Assistance			<u>(34,689)</u>	<u>2,847,294</u>	<u>2,924,861</u>	<u>-</u>	<u>(112,256)</u>
Community Services Block Grant	93.569	Z-10-000104	(51,760)	51,760	-	-	-
Community Services Block Grant	93.569	Z 12-154	-	97,976	97,976	-	-
Community Services Block Grant	93.569	Z 12-104	-	377,396	444,211	-	(66,815)
Total Community Services Block Grant			<u>(51,760)</u>	<u>527,132</u>	<u>542,187</u>	<u>-</u>	<u>(66,815)</u>
Total U. S. Department of Health and Human Services			<u>(1,014,301)</u>	<u>12,382,455</u>	<u>12,067,335</u>	<u>-</u>	<u>(699,181)</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>							
Foster Grandparents Program	94.011	10SFSTN004	(30,451)	30,451	-	-	-
Foster Grandparents Program	94.011	10SFSTN004	-	421,444	424,854	-	(3,410)
Total Corporation for National and Community Services			<u>(30,451)</u>	<u>451,895</u>	<u>424,854</u>	<u>-</u>	<u>(3,410)</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>							
Homeland Security IECGP 2010-IP-TO-0021	97.001	2010-IP-TO-0021	(30,515)	30,515	17,469	-	(17,469)
2009 Buffer Zone Protection Program	97.078	34101-0000003879	(179,530)	190,200	10,670	-	-
2010 Buffer Zone Protection Program	97.078	2009-BF-T9-0011	-	169,056	169,056	-	-
Fire Prevention and Safety	97.044	EMW-2010-FP-00276	-	-	37,659	-	(37,659)
Total Homeland Security Grant			<u>(210,045)</u>	<u>389,771</u>	<u>234,854</u>	<u>-</u>	<u>(55,128)</u>
Passed Through Tennessee Emergency Management Agency - Disaster Relief							
FEMA 1965 DR TN - February 2011	97.036	FEMA 1965 DR TN	(124,494)	102,175	-	3,414	(18,905)
FEMA 1974 DR TN - April 2011	97.036	FEMA 1974 DR TN	(1,453,969)	1,998,631	1,551,096	-	(1,006,434)
Total FEMA Grant			<u>(1,578,463)</u>	<u>2,100,806</u>	<u>1,551,096</u>	<u>3,414</u>	<u>(1,025,339)</u>
Total U. S. Department of Homeland Security			<u>(1,788,508)</u>	<u>2,490,577</u>	<u>1,785,950</u>	<u>3,414</u>	<u>(1,080,467)</u>

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<b><u>Awards Audited Under Separate Contract</u></b>							
<b>Electric Power Board of Chattanooga (EPB)</b>							
U.S. Department of Energy							
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	DE-OE0000215	(9,202,875)	37,560,690	29,767,362	-	(1,409,547)
Total U.S. Department of Energy			<u>(9,202,875)</u>	<u>37,560,690</u>	<u>29,767,362</u>	<u>-</u>	<u>(1,409,547)</u>
U.S. DEPARTMENT OF HOMELAND SECURITY							
Passed through Tennessee Department of the Military, Tennessee Emergency Management Agency:							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 1965 DR TN	(1,908,274)	1,431,205	-	-	(477,069)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 1974 DR TN	(16,115,195)	12,100,635	2,685,865	-	(6,700,425)
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>(18,023,469)</u>	<u>13,531,840</u>	<u>2,685,865</u>	<u>-</u>	<u>(7,177,494)</u>
Passed through Georgia Emergency Management Agency, Georgia Office of Homeland Security:							
Emergency Services	83.516	Not Available	(1,297,671)	1,297,671	-	-	-
Total U.S. Department of Homeland Security			<u>(19,321,140)</u>	<u>14,829,511</u>	<u>2,685,865</u>	<u>-</u>	<u>(7,177,494)</u>
Total Awards Audited by Other Auditors			<u>(28,524,015)</u>	<u>52,390,201</u>	<u>32,453,227</u>	<u>-</u>	<u>(8,587,041)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			<u>(37,528,090)</u>	<u>82,526,109</u>	<u>60,469,860</u>	<u>143,240</u>	<u>(15,328,601)</u>

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Component Units							
<u>Awards Audited by Other Auditors</u>							
<b>Chattanooga Area Regional Transportation Authority (CARTA)</b>							
U.S. DEPARTMENT OF TRANSPORTATION							
Federal Transit - Capital Investment Grants	20.500	TN-04-0017	-	11,056	11,056	-	-
Federal Transit - Capital Investment Grants	20.500	TN-05-0036	-	30,782	30,782	-	-
Total Federal Transit - Capital Investment Grants			-	41,838	41,838	-	-
Federal Transit - Formula Grants	20.507	TN-90-X313	(136,656)	932,680	781,003	-	15,021
Federal Transit - Formula Grants	20.507	TN-90-0340	-	2,822,991	3,223,349	(15,940)	(416,298)
Federal Transit - Formula Grants	20.507	TN-90-0349	-	-	410,632	-	(410,632)
Federal Transit - Formula Grants / ARRA	20.507	TN-96-0002	(250,000)	470,620	513,097	-	(292,477)
Total Federal Transit - Formula Grants			(386,656)	4,226,291	4,928,081	(15,940)	(1,104,386)
New Freedom Program	20.521	TN-57-6001	(25,000)	25,000	-	-	-
New Freedom Program	20.521	TN-57-0013	-	59,669	79,167	-	(19,498)
Total New Freedom Program			(25,000)	84,669	79,167	-	(19,498)
Job Access - Reverse Commute	20.516	TN-37-4071	(61,705)	263,383	202,560	882	-
Job Access - Reverse Commute	20.516	TN-37-4086	-	156,095	184,335	-	(28,240)
Highway Planning and Construction	20.205	TN-26-0021	(104,392)	217,326	112,934	-	-
Highway Planning and Construction	20.205	TN-15-X002	(1,124)	1,124	-	-	-
CMAQ - FHWA Transfer	20.507	TN-95-0034	-	279,004	411,129	-	(132,125)
ITS Deployment Project	20.507	TN-95-0022	-	161,838	162,912	-	(1,074)
Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER)	20.523	TN-77-0001	(211,822)	605,725	393,903	-	-
Total Expenditures of Federal Awards - CARTA			(790,699)	6,037,293	6,516,859	(15,058)	(1,285,323)

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<b>Chattanooga Metropolitan Airport Authority (CMAA)</b>							
U.S. DEPARTMENT OF TRANSPORTATION							
Airport Improvement Program	20.106	3-47-0009-44	-	2,373	241,711	-	(239,338)
Airport Improvement Program	20.106	3-47-0009-45	-	5,019	5,019	-	-
Airport Improvement Program	20.106	3-47-0009-48	(135,813)	129,228	72,210	-	(78,795)
Airport Improvement Program	20.106	3-47-0009-49	(5,700)	11,305	12,655	-	(7,050)
Airport Improvement Program	20.106	3-47-0009-50	(11,356)	11,356	-	-	-
Airport Improvement Program	20.106	3-47-0009-52	(268,733)	537,523	315,716	-	(46,926)
Airport Improvement Program	20.106	3-47-0009-53	(2,310)	3,792,237	3,882,473	-	(92,546)
Airport Improvement Program	20.106	3-47-0009-54	-	3,563,261	3,601,642	-	(38,381)
Airport Improvement Program	20.106	3-47-0009-55	-	-	130,207	-	(130,207)
Total Expenditures of Federal Awards - CMAA			<u>(423,912)</u>	<u>8,052,302</u>	<u>8,261,633</u>	<u>-</u>	<u>(633,243)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - COMPONENT UNITS			<u>(1,214,611)</u>	<u>14,089,595</u>	<u>14,778,492</u>	<u>(15,058)</u>	<u>(1,918,566)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			<u>(38,742,701)</u>	<u>96,615,704</u>	<u>75,248,352</u>	<u>128,182</u>	<u>(17,247,167)</u>

(continued on next page)

**CITY OF CHATTANOOGA, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDING JUNE 30, 2012**

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred Grant Revenue</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Other Adjustments</u>	<u>Ending (Accrued) Deferred Grant Revenue</u>
STATE AWARDS							
Tennessee Commission on Aging & Disability Southeast Tennessee Development District	N/A	GG1235589	-	44,952	44,952	-	-
Tennessee Department of Agriculture: Lower Tennessee Watershed Academy	N/A	GG-08-23674-00	-	3,500	19,500	-	(16,000)
Tennessee Department of Economic & Community Development: Urban Forestry Grant	N/A	GG-09-28278-00	134,415	-	17,187	-	117,228
Urban Forestry Grant	N/A	DG1131266	-	7,712	7,712	-	-
Urban Forestry Grant	N/A	DG1235484	-	5,982	5,982	-	-
Tennessee Department of Environment & Conservation Household Hazardous Waste	N/A	GG-08-23097-00	(85,000)	85,000	73,443	-	(73,443)
Tennessee Department of Finance & Administration: Tennessee Housing Development Agency THDA Entitlement - CNE Project	N/A N/A	Program Income	621,126	51,120	-	(15,785)	656,461
Tennessee Department of Transportation: TDOT - HWY 58 Imp Pedestrian and Bike Facilities	N/A	PIN#112010.00	(8,500)	-	-	8,500	-
Tennessee Secretary of State Omnibus Community Enhancement Grant program	N/A	Not Available	30,000	(30,000)	-	-	-
Lottery for Education After school Program (LEAPs)	N/A	3311902710	(21,033)	21,033	-	-	-
Tennessee Emergency Management Agency - Disaster relief) FEMA 1965 DR TN - February 2011	N/A	FEMA 1965 DR TN	(20,749)	17,355	-	569	(2,825)
FEMA 1974 DR TN - April 2011	N/A	FEMA 1974 DR TN	(242,339)	340,929	258,506	-	(159,916)
<b>TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT</b>			<b>407,920</b>	<b>547,583</b>	<b>427,282</b>	<b>(6,716)</b>	<b>521,505</b>

(continued on next page)

**CITY OF CHATTANOOGA, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDING JUNE 30, 2012**

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Deferred Grant Revenue</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Other Adjustments</u>	<u>Ending (Accrued) Deferred Grant Revenue</u>
<b>Component Units</b>							
<u>Awards Audited by Other Auditors</u>							
<b>Chattanooga Area Regional Transportation Authority (CARTA)</b>							
Tennessee Department of Transportation							
State Funding for TN-37-X061	N/A	GG-1135272	(262,080)	231,225	10,022	443	(40,434)
State Funding for TN-57-0001	N/A	GG-1036506	(2,480)	-	-	-	(2,480)
State Funding for TN-05-0013	N/A	GG-1237067	-	-	9,896	-	(9,896)
State Funding for TN-05-0034	N/A	GG-1135886	(13,801)	-	-	-	(13,801)
State Funding for TN-05-0036	N/A	GG-1237531	-	-	3,848	-	(3,848)
State Funding for TN-04-0017	N/A	GG-0927223	(1,750)	-	1,382	-	(3,132)
State Funding for TN-90-X293	N/A	GG-0930150	(412,800)	367,916	-	-	(44,884)
State Funding for TN-37-X071	N/A	GG-0612858	-	-	93,963	-	(93,963)
State Funding for TN-37-X086	N/A	Not Available	-	-	89,462	-	(89,462)
State Funding for TN-95-0022	N/A	GG-1135363	-	-	20,364	-	(20,364)
State Funding for TN-90-0340	N/A	GG-1238070	-	-	402,919	(1,993)	(404,912)
State Funding for TN-90-X313	N/A	GG-1135677	(314,379)	326,195	97,625	-	(85,809)
State Funding for TN-90-X349	N/A	Not Available	-	-	51,329	-	(51,329)
State Operating	N/A	GG-1134161	-	2,094,642	2,094,642	-	-
Total Expenditures of State Awards - CARTA			<u>(1,007,290)</u>	<u>3,019,978</u>	<u>2,875,452</u>	<u>(1,550)</u>	<u>(864,314)</u>
<b>Chattanooga Metropolitan Airport Authority (CMAA)</b>							
Airport Improvement Program	N/A	Z-09-21-3917-00	(185,037)	-	5,422	-	(190,459)
Airport Improvement Program	N/A	Z-09-21-4023-00	(13,840)	-	2	-	(13,842)
Airport Improvement Program	N/A	AERO-10-117-00	(40,010)	-	1,325	-	(41,335)
Airport Improvement Program	N/A	AERO-10-118-00	(1,375)	-	333	-	(1,708)
Airport Improvement Program	N/A	AERO-11-113-00	(30,844)	-	-	-	(30,844)
Airport Improvement Program	N/A	Z-09-21-3973-00	(10,833)	-	261,935	-	(272,768)
Airport Improvement Program	N/A	AERO-10-100-00	(1,857,407)	2,259,046	506,839	-	(105,200)
Airport Improvement Program	N/A	AERO-10-188-00	(67,500)	67,500	-	-	-
Total Expenditures of State Awards - CMAA			<u>(2,206,846)</u>	<u>2,326,546</u>	<u>775,856</u>	<u>-</u>	<u>(656,156)</u>
TOTAL EXPENDITURES OF STATE AWARDS - COMPONENT UNITS			<u>(3,214,136)</u>	<u>5,346,524</u>	<u>3,651,308</u>	<u>(1,550)</u>	<u>(1,520,470)</u>
TOTAL EXPENDITURES OF STATE AWARDS - REPORTING ENTITY			<u>(2,806,216)</u>	<u>5,894,107</u>	<u>4,078,590</u>	<u>(8,266)</u>	<u>(998,965)</u>
TOTAL EXPENDITURE OF FEDERAL AND STATE AWARDS - REPORTING ENTITY			<u>\$ (41,548,917)</u>	<u>\$ 102,509,811</u>	<u>\$ 79,326,942</u>	<u>\$ 119,916</u>	<u>\$ (18,246,132)</u>

**CITY OF CHATTANOOGA, TENNESSEE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

**June 30, 2012**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Program Income

Cash receipts for the Community Development Block Grant (CFDA 14.218) and HOME Investment Partnerships Program (CFDA 14.239) include program income of \$352,988 and \$485,066, respectively.

Note 3. Other Adjustments

Other adjustments to the schedule of expenditures of federal and state awards reflect adjustments to prior year ending accrued revenues that will not be received, adjustments to record accruals not recorded in prior years or reclassification of accrual amounts to the proper grants.

Note 4. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipient</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$1,518,232
Home Investment Partnerships Program	14.239	1,372,547



HENDERSON HUTCHERSON  
& MCCULLOUGH, PLLC

Certified Public Accountants

**Independent Auditor’s 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  
and Members of the City Council  
City of Chattanooga, Tennessee

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely-presented component units, each major fund and the aggregate remaining fund information of the City of Chattanooga, Tennessee (the City), as of and for the year ended June 30, 2012, which collectively comprise the City’s basic financial statements and have issued our report thereon dated November 29, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Chattanooga Metropolitan Airport Authority and the Chattanooga Area Regional Transit Authority as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of the City of Chattanooga is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purposes 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 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 the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, the City Council, the City of Chattanooga, Tennessee's management, 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.

Chattanooga, Tennessee  
November 29, 2012

Henderson Hutcherson  
of McCullough, PLLC



HENDERSON HUTCHERSON  
& MCCULLOUGH, PLLC

Certified Public Accountants

**Independent Auditor's Report on Compliance With Requirements That  
Could Have a Direct and Material Effect on Each Major Federal Program and on  
Internal Control Over Compliance in Accordance With OMB Circular A-133**

To the Honorable Mayor  
and Members of the City Council  
City of Chattanooga, Tennessee

Compliance

We have audited the compliance of the City of Chattanooga, Tennessee (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. We did not audit the compliance of the Chattanooga Metropolitan Airport Authority and the Chattanooga Area Regional Transit Authority, whose federal and state financial assistance is \$18,429,800. The reports of the other auditors on compliance with the requirements that could have a direct and material effect on major programs have been furnished to us, and our opinion on compliance with those requirements, insofar as it relates to the amounts included for the Chattanooga Metropolitan Airport Authority and the Chattanooga Area Regional Transit Authority was based solely on the reports of the other auditors. The City's major federal 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 programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 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 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 and the reports of the other auditors provide a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Chattanooga Tennessee complied, in all material respects, with requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

### Internal Control over Compliance

The management of City of Chattanooga, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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, 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 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 program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Mayor, the City Council, the City of Chattanooga, Tennessee's management, 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.

Chattanooga, Tennessee  
November 29, 2012

*Henderson Hutcherson  
& McCullough, PLLC*

**CITY OF CHATTANOOGA, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2012**

**SECTION 1 – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified: yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified: yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s 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 Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.558	U.S. Department of Agriculture Child and Adult Food Program
14.256	U.S. Department of Housing and Urban Development HUD Neighborhood Stabilization
14.257	Homelessness Prevention
16.710	U.S. Department of Justice COPS Hiring Grant

**CITY OF CHATTANOOGA, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2012**

Identification of major programs (continued):

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
66.001	U.S. Environmental Protection Agency Surveys, Studies, Investigations and Special Purpose Grants
66.458	Wastewater Treatment Plant Upgrades
81.128	U.S. Department of Energy ARRA Grant Department of Energy
93.568	U.S. Department of Health and Human Services Low-Income Home Energy Assistance
93.600	Head Start

Dollar threshold used to distinguish between type A  
and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee?   x   yes      no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**CITY OF CHATTANOOGA, TENNESSEE**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2012**

None reported