

CITY OF CHATTANOOGA, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDING JUNE 30, 2013

<u>Federal Grantor/Pass-Through/Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Beginning (Accrued) Unearned Grant Revenue</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Other Adjustments</u>	<u>Ending (Accrued) Unearned Grant Revenue</u>
U.S. DEPARTMENT OF AGRICULTURE							
Passed Through Tennessee Department of Agriculture:							
Emergency Food Assistance Program (Admin Costs)	10.568	20779	\$ (22,540)	\$ 34,906	\$ 12,366	\$ -	\$ -
Emergency Food Assistance Program (Admin Costs)	10.568	28257	-	33,342	48,820	-	(15,478)
Emergency Food Assistance Program (Commodities-Noncash)	10.569	N/A	-	208,713	208,713	-	-
Total Emergency Food Assistance Program			<u>(22,540)</u>	<u>276,961</u>	<u>269,899</u>	<u>-</u>	<u>(15,478)</u>
Passed Through Tennessee Department of Human Services:							
2012 CHS Child Care Program	10.558	N/A	(68,942)	68,942	-	-	-
2013 CHS Child Care Program	10.558	N/A	-	289,334	308,940	-	(19,606)
2012 Child and Adult Food Program	10.558	03-47-56136-00-6&9	(21,050)	21,050	-	-	-
2013 Child and Adult Food Program	10.558	03-47-60076-00	-	111,826	124,368	-	(12,542)
2012 Child and Adult Food Program	10.558	03-47-55915-00-8	(6,839)	6,839	-	-	-
2013 Child and Adult Food Program	10.558	03-47-55915-00-8	-	313,078	319,305	-	(6,227)
Total Child and Adult Food Program			<u>(96,831)</u>	<u>811,069</u>	<u>752,613</u>	<u>-</u>	<u>(38,375)</u>
Total U.S. Department of Agriculture			<u>(119,371)</u>	<u>1,088,030</u>	<u>1,022,512</u>	<u>-</u>	<u>(53,853)</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-47-0001	(503,118)	692,938	189,820	-	-
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-47-0001	(769,259)	1,443,813	674,554	-	-
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-47-0001	-	941,276	1,625,052	-	(683,776)
Total Community Development Block Grants/Entitlement Grants			<u>(1,272,377)</u>	<u>3,078,027</u>	<u>2,489,426</u>	<u>-</u>	<u>(683,776)</u>
Shelter Plus Care	14.238	TN0010C4J00104	-	176,520	176,520	-	-
Shelter Plus Care	14.238	TN0144C4J001102	-	31,980	31,980	-	-
THDA NSP1	14.238	NSP1-09-044	(80,180)	197,376	117,196	-	-
THDA ESG Stage	14.231	ESG-11-23	-	18,882	18,882	-	-
THDA ESG Stage	14.231	ESG-12-09	-	-	7,491	-	(7,491)
Total Shelter Plus Care			<u>(80,180)</u>	<u>424,758</u>	<u>352,069</u>	<u>-</u>	<u>(7,491)</u>

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(continued from previous page)							
HOME Investment Partnerships Program	14.239	M-01-MC-47-0200	-	7,473	7,473	-	-
HOME Investment Partnerships Program	14.239	M-10-MC-47-0200	(32,699)	84,681	51,982	-	-
HOME Investment Partnerships Program	14.239	M-10-MC-47-0200	(392,608)	1,058,485	665,877	-	-
HOME Investment Partnerships Program	14.239	M-12-MC-47-0200	-	65,443	683,201	-	(617,758)
Total HOME Investment Partnerships Program			(425,307)	1,216,082	1,408,533	-	(617,758)
ARRA - Community Development Block Grant CDBG-R	14.253	B-09-MY-47-0001	(45,814)	105,630	59,816	-	-
ARRA - HUD Neighborhood Stabilization	14.256	B-08-MN-47-0001	(82,942)	36,868	6,180	-	(52,254)
ARRA - Homeless Prev & Rapid ReHousing (HPRP)	14.262	S-09-MY-47-0003	(26,825)	43,682	16,857	-	-
Total ARRA			(155,581)	186,180	82,853	-	(52,254)
Total U.S. Department of Housing and Urban Development			(1,933,445)	4,905,047	4,332,881	-	(1,361,279)
U.S. DEPARTMENT OF JUSTICE							
Edward Byrne Memorial Justice Assistance Grant Program (Local Solicitation)	16.738	2009-DJ-BX-0530	-	35,631	35,631	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0825	(10,379)	29,872	43,871	-	(24,378)
Edward Byrne Memorial Grant - Police Explorers	16.738	2011-DJ-BX-3041	(6,185)	28,574	24,932	-	(2,543)
Edward Byrne Memorial Justice Assistance Grant Program - ARRA	16.804	2009-SB-B9-2602	22,924	16	20,362	(2,578)	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0641	-	37,175	99,629	-	(62,454)
Total Edward Byrne Memorial Grant			6,360	131,268	224,425	(2,578)	(89,375)
2010 COPS Hiring Grant	16.710	2010-CK-WX-0391	(84,541)	949,346	1,106,604	-	(241,799)
Total COPS Grant			(84,541)	949,346	1,106,604	-	(241,799)
Total U.S. Department of Justice			(78,181)	1,080,614	1,331,029	(2,578)	(331,174)

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**CITY OF CHATTANOOGA, TENNESSEE
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(continued from previous page)							
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through Georgia Department of Transportation:							
Highway Planning and Construction	20.205	PL000-0009-00-660	(18,493)	102,024	84,091	-	(560)
Highway Planning and Construction	20.205	PL000-0001-00-804	-	103,168	273,248	-	(170,080)
Total GA Highway Planning and Construction			<u>(18,493)</u>	<u>205,192</u>	<u>357,339</u>	<u>-</u>	<u>(170,640)</u>
Passed through Tennessee Department of Transportation:							
Highway Planning and Construction	20.205	DG-07-02041	(30,250)	211,294	181,044	-	-
Highway Planning and Construction	20.205	GG1237131	-	282,119	566,221	-	(284,102)
Highway Planning and Construction	20.205	33LPLM-F311,61-65	(28,000)	28,532	532	-	-
Governor's Highway Safety Grant	20.607	Z12GHS054	(3,393)	8,565	5,172	-	-
Governor's Highway Safety Grant	20.600	Z13GHS057	-	31,649	31,649	-	-
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F0-066	(83,703)	475,148	415,262	-	(23,817)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F3-076	(546,960)	3,137,176	4,412,519	-	(1,822,303)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	TN-95-X034-00	(52,181)	115,286	80,566	-	(17,461)
TDOT - Congestion Management Air Quality (CMAQ)	20.205	33LPLM-F0-095	-	17,407	34,338	-	(16,931)
Total TN Highway Planning and Construction			<u>(744,487)</u>	<u>4,307,176</u>	<u>5,727,303</u>	<u>-</u>	<u>(2,164,614)</u>
Federal Transit Metropolitan Planning Grant	20.205	GG-11-35659	(7,427)	26,771	19,344	-	-
Federal Transit Metropolitan Planning Grant	20.205	GG-13-34410	-	43,952	151,174	-	(107,222)
Total Federal Transit: Metropolitan Planning Grant			<u>(7,427)</u>	<u>70,723</u>	<u>170,518</u>	<u>-</u>	<u>(107,222)</u>
Total U.S. Department of Transportation			<u>(770,407)</u>	<u>4,583,091</u>	<u>6,255,160</u>	<u>-</u>	<u>(2,442,476)</u>

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(continued from previous page)							
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
Passed Through Tennessee Libraries and Archives Library Bridging the Gap Grant	45.310	30504-00713	-	48,700	48,700	-	-
Total Institute of Museum and Library Services			-	48,700	48,700	-	-
U.S. ENVIRONMENTAL PROTECTION AGENCY							
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95441209	(78,237)	219,188	140,951	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95462810-0	(10,173)	303,218	293,045	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95462910-0	(19,674)	147,445	180,058	-	(52,287)
Air Pollution Control Program	66.001	A0040410-0	-	142,136	142,136	-	-
Air Pollution Control Program	66.001	A00408410-5	-	197,960	74,235	-	123,725
Surveys, Studies, Investigations and Special Purpose Grants	66.034	PM-96497408-6	(32,748)	130,000	97,252	-	-
Total U.S. Environmental Protection Agency			(140,832)	1,139,947	927,677	-	71,438
Passed Through Tennessee Department of Environment And Conservation: Clean Water State Revolving Loan Program	66.458	SRF 2011-289	(1,255,695)	1,255,695	1,748,722	-	(1,748,722)
Total U.S. Environmental Protection Agency			(1,396,527)	2,395,642	2,676,399	-	(1,677,284)
U.S. DEPARTMENT OF ENERGY							
ARRA Grant Department of Energy	81.128	SC0002685	(660,571)	428,913	169,186	-	(400,844)
Total U.S. Department of Energy			(660,571)	428,913	169,186	-	(400,844)

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(continued from previous page)							
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Head Start	93.600	04/CH0047/35	(520,110)	526,807	6,697	-	-
Head Start	93.600	04CH0047/36	-	8,046,737	8,452,479	-	(405,742)
Total Head Start			(520,110)	8,573,544	8,459,176	-	(405,742)
Passed Through Tennessee Department of Human Services:							
Low-Income Home Energy Assistance	93.568	Z 12-203	(112,256)	112,256	-	-	-
Low-Income Home Energy Assistance	93.568	Z 13-49203	-	2,971,075	3,011,503	-	(40,428)
Total Low-Income Home Energy Assistance			(112,256)	3,083,331	3,011,503	-	(40,428)
Community Services Block Grant	93.569	Z 12-104	(66,815)	66,815	-	-	-
Community Services Block Grant	93.569	Z 13-49104	-	489,678	601,713	-	(112,035)
Total Community Services Block Grant			(66,815)	556,493	601,713	-	(112,035)
Total U.S. Department of Health and Human Services			(699,181)	12,213,368	12,072,392	-	(558,205)
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES							
Foster Grandparents Program	94.011	10SFSTN004	(3,410)	3,410	-	-	-
Foster Grandparents Program	94.011	12-SF138676	-	424,854	424,854	-	-
Total Corporation for National and Community Services			(3,410)	428,264	424,854	-	-
U.S. Department of Homeland Security							
Homeland Security IECGP 2010-IP-TO-0021	97.001	2010-IP-TO-0021	(17,469)	21,401	3,932	-	-
Fire Prevention and Safety	97.044	EMW-2010-FP-00276	(37,659)	37,659	-	-	-
Emergency Food and Shelter National Board Program	97.024	768200-001	-	37,019	37,005	-	14
Total Homeland Security Grant			(55,128)	96,079	40,937	-	14

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(continued from previous page)							
Passed Through Tennessee Emergency Management Agency - Disaster Relief							
FEMA 1965 DR TN - February 2011	97.036	FEMA 1965 DR TN	(18,905)	-	-	-	(18,905)
FEMA 1974 DR TN - April 2011	97.036	FEMA 1974 DR TN	(1,006,434)	-	-	-	(1,006,434)
Total FEMA			<u>(1,025,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,025,339)</u>
Total U.S. Department of Homeland Security			(1,080,467)	96,079	40,937	-	(1,025,325)
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			<u>(6,741,560)</u>	<u>27,267,748</u>	<u>28,374,050</u>	<u>(2,578)</u>	<u>(7,850,440)</u>
STATE AWARDS							
Tennessee Commission on Aging & Disability	N/A	GG1339522	-	44,952	44,952	-	-
Southeast Tennessee Development District							
Tennessee Department of Agriculture:							
Lower Tennessee Watershed Academy	N/A	GG-08-23674-00	(16,000)	42,000	26,000	-	-
Tennessee Department of Economic & Community Development							
Urban Forestry Grant	N/A	GG-09-28278-00	117,228	-	105,586	-	11,642
Tennessee Department of Environment & Conservation							
Household Hazardous Waste	N/A	GG-08-23097-00	(73,443)	73,443	-	-	-
Household Hazardous Waste	N/A	GG-1338886	-	38,945	70,260	-	(31,315)
Used Oil Collection and Recycling	N/A	34557	-	-	16,933	-	(16,933)
Total Tennessee Department of Environment & Conservation			<u>(73,443)</u>	<u>112,388</u>	<u>87,193</u>	<u>-</u>	<u>(48,248)</u>
Tennessee Department of Finance & Administration							
THDA Entitlement - CNE Project	N/A	N/A	656,461	35,765	94,898	-	597,328
Tennessee State Library & Archives							
Tennessee Emergency Management Agency - Disaster relief							
FEMA 1965 DR TN - February 2011	N/A	FEMA 1965 DR TN	(2,825)	-	-	-	(2,825)
FEMA 1974 DR TN - April 2011	N/A	FEMA 1974 DR TN	(159,916)	-	-	-	(159,916)
TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT			<u>521,505</u>	<u>240,622</u>	<u>364,606</u>	<u>-</u>	<u>397,521</u>
TOTAL EXPENDITURE OF FEDERAL AND STATE AWARDS - PRIMARY GOVERNMENT			<u>\$ (6,220,055)</u>	<u>\$ 27,508,370</u>	<u>\$ 28,738,656</u>	<u>\$ (2,578)</u>	<u>\$ (7,452,919)</u>

CITY OF CHATTANOOGA, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2013

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 \$291,403 and \$259,484, 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	\$2,060,641
Home Investment Partnerships Program	14.239	1,355,142



**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 2, 2013. Our report includes a reference to other auditors who 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 of Chattanooga'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 in separately by those auditors.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Chattanooga, Tennessee
December 2, 2013

Henderson Hutcherson
& McCullough, PLLC



**HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC**

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Chattanooga, Tennessee's compliance 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 the City's major federal programs for the year ended June 30, 2013. The City of Chattanooga, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on each of the City of Chattanooga's major federal programs based on our audit of the types of compliance requirements referred to above. The City's basic financial statements include the operations of the Chattanooga Metropolitan Airport Authority and the Chattanooga Area Regional Transit Authority which expended federal awards which are not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2013. Our audit, described below, did not include the operations of these entities because the entities engage other auditors to perform audits in accordance with OMB Circular A-133. The City's basic financial statements also include operations of the Electric Power Board. We performed an audit in accordance with OMB Circular A-133 for this enterprise fund. The schedule of expenditures of federal awards for the year ended June 30, 2013 does not include these operations as we reported on them separately.

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*. 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 provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance for Each Major Federal Program

In our opinion, the City of Chattanooga, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the City of Chattanooga, Tennessee is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, 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. *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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and 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. However, material weaknesses may exist that have not been identified.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Chattanooga, Tennessee
December 2, 2013

*Henderson Hutcherson
& McCullough, PLLC*

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

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>
14.218	U.S. Department of Housing and Urban Development
14.253	Community Development Block Grant
14.239	Community Development Block Grant - ARRA
	Home Investment Partnerships Program
16.710	U.S. Department of Justice
	COPS Hiring Grant
20.205	U.S. Department of Transportation
	Metropolitan Planning Grants/Congestion Management
	Air Quality

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Identification of major programs (continued):

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
66.001	U.S. Environmental Protection Agency Air Pollution Control Program
93.568	U.S. Department of Health and Human Services Low-Income Home Energy Assistance
93.569	Community Services Block Grant

Dollar threshold used to distinguish between Type A
and Type B programs: \$851,221

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, 2013

None reported



City of Chattanooga

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