

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
U.S. DEPARTMENT OF AGRICULTURE							
Passed Through Tennessee Department of Agriculture:							
Emergency Food Assistance Program (Admin Costs)	10.568	8680	\$ (42,441)	\$ 125,639	\$ 83,198	\$ -	\$ -
Emergency Food Assistance Program (ARRA)	10.568	8680	500	-	500	-	-
Emergency Food Assistance Program (Admin Costs)	10.568	17984	-	32,352	100,277	-	(67,925)
Emergency Food Assistance Program (Commodities-Noncash)	10.569	N/A	-	225,188	225,188	-	-
Total Emergency Food Assistance Program			<u>(41,941)</u>	<u>383,179</u>	<u>409,163</u>	<u>-</u>	<u>(67,925)</u>
Passed Through Tennessee Department of Human Services:							
2010 CHS Child Care Program	10.558	8487	(142,233)	92,545	-	49,687	(0)
2010 Child and Adult Food Program	10.558	03-47-56136-00-6&9	(36,580)	17,950	-	18,630	(0)
2011 CHS Child Care Program	10.558	8503	-	399,172	487,112	-	(87,940)
2011 Child and Adult Food Program	10.558	03-47-56136-00-6&9	-	105,344	124,834	-	(19,489)
2011 Child and Adult Food Program	10.558	03-47-55915-00-8	-	321,399	331,406	-	(10,007)
Total Child and Adult Food Program			<u>(178,813)</u>	<u>936,410</u>	<u>943,351</u>	<u>68,318</u>	<u>(117,436)</u>
Total U. S. Department of Agriculture			<u>(220,754)</u>	<u>1,319,589</u>	<u>1,352,515</u>	<u>68,318</u>	<u>(185,362)</u>
U.S. DEPT OF MILITARY							
Passed through TN Emergency Management Agency:							
FY07 Public Safety Interoperable Communications Grant	11.555	GG-08-26036-00	(2,720,595)	2,094,692	115,924	-	(741,827)
Total U. S. Department of Military			<u>(2,720,595)</u>	<u>2,094,692</u>	<u>115,924</u>	<u>-</u>	<u>(741,827)</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-47-0001	(684,437)	1,455,428	770,991	-	-
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-47-0001	-	534,546	1,010,119	-	(475,573)
Total Community Development Block Grants/Entitlement Grants			<u>(684,437)</u>	<u>1,989,974</u>	<u>1,781,110</u>	<u>-</u>	<u>(475,573)</u>
Shelter Plus Care	14.238	TN0010C4J000801	(93,926)	153,312	59,386	-	-
Shelter Plus Care	14.238	TN0010C4J000802	-	84,669	112,551	-	(27,882)
THDA ESG Stage	14.238	HTF-09-22	(67,688)	67,670	4	22	-
THDA NSP1	14.238	NSP1-09-044	-	205,911	303,864	-	(97,954)
THDA ESG Stage	14.231	ESG-10-23	-	46,800	83,730	-	(36,930)
Total Shelter Plus Care			<u>(161,614)</u>	<u>558,361</u>	<u>559,535</u>	<u>22</u>	<u>(162,766)</u>

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
HOME Investment Partnerships Program	14.239	M-07-MC-47-0200	\$ -	\$ 39,172	\$ 39,172	\$ -	\$ -
HOME Investment Partnerships Program	14.239	M-08-MC-47-0200	(352,467)	415,982	63,515	-	-
HOME Investment Partnerships Program	14.239	M-09-MC-47-0200	-	525,689	584,865	-	(59,176)
HOME Investment Partnerships Program	14.239	M-10-MC-47-0200	-	760,878	862,449	-	(101,571)
Total HOME Investment Partnerships Program			(352,467)	1,741,721	1,550,002	-	(160,748)
ARRA - Community Development Block Grant CDBG-R	14.253	B-09-MY-47-0001	-	313,240	313,240	-	-
ARRA HUD Neighborhood Stabilization	14.256	B-08-MN-47-0001	(133,555)	1,334,081	1,322,904	-	(122,377)
ARRA - Homeless Prev & Rapid ReHousng (HPRP)	14.257	S-09-MY-47-0003	(54,000)	356,183	302,182	-	-
Total ARRA			(187,555)	2,003,503	1,938,326	-	(122,377)
Total U. S. Department of Housing and Urban Development			(1,386,073)	6,293,559	5,828,972	22	(921,464)
U.S. DEPARTMENT OF JUSTICE							
Passed thru Tennessee Department of Finance and Admin							
Edward Byrne Memorial Grant - Crime Prevention and Hispanic Outreach	16.579	Z-06027515-00	(6,495)	6,389	-	106	-
Edward Byrne Memorial Grant - Family Justice Alliance with Partnerships	16.579	Z-06027513-00	(11,156)	11,156	-	-	-
Edward Byrne Memorial Grant - Police Explorers	16.579	Z-06027514-00	(7,797)	5,613	-	2,184	-
Total Edward Byrne Memorial Grant			(25,448)	23,158	-	2,289	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-DJ-BX-0479	(6,386)	6,386	-	-	0
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0546	(5,567)	19,589	27,967	-	(13,945)
Edward Byrne Memorial Justice Assistance Grant Program (Local Solicitation	16.738	2009-DJ-BX-0530	(149,776)	206,171	58,628	-	(2,233)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJBX-0825	-	4,299	4,299	-	-
2008 COPS Technology Initiative	16.71	2008-CK-WX-0391	(43,835)	202,675	261,832	-	(102,992)
2010 COPS Hiring Grant	16.71	2010-CK-WX-0391	-	144,511	304,605	-	(160,094)
Edward Byrne Memorial Justice Assistance Grant Program - ARRA	16.804	2009-SB-B9-2602	(208,031)	598,609	350,788	-	39,790
Total U. S. Department of Justice			(439,042)	1,205,398	1,008,119	2,289	(239,474)

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through Georgia Department of Transportation:							
Highway Planning and Construction	20.205	PL000-009-00-237	\$ (73,864)	\$ 110,902	\$ 37,038	\$ -	\$ -
Highway Planning and Construction	20.205	PL000-0009-00-660	-	57,254	98,397	-	(41,142)
Passed through Tennessee Department of Transportation:							
Highway Planning and Construction	20.205	Z-07-036291-00	(20,712)	102,566	81,854	-	-
Highway Planning and Construction	20.205	DG-07-02041	-	123,143	198,272	-	(75,129)
U.S. Department of Transportation	20.205	33LPLM-F311,61-65	-	2,281,654	2,748,278	-	(466,624)
U.S. Department of Transportation ARRA Grant	20.205	33LPLM-F3-003	(500,000)	500,000	-	-	-
U.S. Department of Transportation-Green Way	20.205	33LPLM-F3-003	-	336,733	953,624	-	(616,892)
Governor's Highway Safety Grant	20.200	PT-11-61	-	-	1,720	-	(1,720)
Total Highway Planning and Construction			<u>(594,576)</u>	<u>3,512,252</u>	<u>4,119,183</u>	<u>-</u>	<u>(1,201,507)</u>
Federal Transit Metropolitan Planning Grant	20.205	GG-07-26092-00	(20,225)	41,774	21,549	-	-
Federal Transit Metropolitan Planning Grant	20.205	GG-11-35659	-	49,510	60,399	-	(10,889)
Total Federal Transit: Metropolitan Planning Grant			<u>(20,225)</u>	<u>91,283</u>	<u>81,947</u>	<u>-</u>	<u>(10,889)</u>
Total U. S. Department of Transportation			<u>(614,801)</u>	<u>3,603,535</u>	<u>4,201,130</u>	<u>-</u>	<u>(1,212,396)</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
Passed Through Tennessee Libraries and Archives							
Library Technology Grant	45.310	30504-00510-13	-	10,000	10,000	-	-
Library Bridging the Gap Grant	45.310	30504-00611	-	47,216	32,797	-	14,419
Library Tennessee Technology Grant	45.310	30504-00311	-	6,800	6,800	-	-
Library Material for the Disadvantaged	45.310	GG11333398	-	93,500	93,500	-	-
Total Institute of Museum and Library Services			<u>-</u>	<u>157,516</u>	<u>143,097</u>	<u>-</u>	<u>14,419</u>

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
U.S. ENVIRONMENTAL PROTECTION AGENCY							
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)
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95408208	(10,263)	190,341	180,079	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95440809	(3,402)	188,200	184,797	-	-
Brownfields Assessment & Cleanup Cooperative Agreements	66.818	BF-95441209	(1,550)	57,995	78,867	-	(22,422)
Brownfields Assessment & Cleanup Cooperative Agreements	66.819	BF-95407108	(6,269)	67,938	159,650	-	(97,981)
Brownfields Assessment & Cleanup Cooperative Agreements	66.819	BF-95436309-0	(135)	161,460	161,717	-	(393)
Brownfields Assessment & Cleanup Cooperative Agreements	66.819	BF-95462910-0	-	5,722	21,086	-	(15,363)
Surveys, Studies, Investigations and Special Purpose Grants	66.001	A0040410-0	-	353,241	353,241	-	-
Air Pollution Control Program	66.034	PM-96497408-4	-	130,000	130,000	-	-
Total U. S. Environmental Protection Agency			<u>(1,718,820)</u>	<u>1,154,897</u>	<u>1,269,438</u>	<u>-</u>	<u>(1,833,361)</u>
U.S. DEPARTMENT OF ENERGY							
Passed Through Tennessee Department of Human Services:							
Weatherization Assistance for Low-Income Persons	81.042	Z-10-000403	(37,070)	-	-	37,070	-
Weatherization Assistance for Low-Income Persons - ARRA	81.042	Z-09-000422-00	(205,002)	41,511	-	35,491	(128,000)
ARRA Grant Department of Energy	81.128	SC0002685	(70,305)	404,415	449,222	-	(115,113)
Total U. S. Department of Energy			<u>(312,377)</u>	<u>445,926</u>	<u>449,222</u>	<u>72,561</u>	<u>(243,113)</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Emergency Food and Shelter National Board Program	97.024	26-7682-00-001	(22,739)	22,739	-	-	-
Total Federal Emergency Management Agency			<u>(22,739)</u>	<u>22,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Head Start	93.600	04/CH0047/33	(663,687)	718,271	54,584	-	-
Head Start - ARRA	93.708	04SE0047/01	(266,020)	819,570	553,551	-	-
Head Start - ARRA	93.709	04SA0047/02	-	708,258	820,661	-	(112,403)
Head Start	93.600	04/CH0047/34	-	6,733,320	7,548,769	-	(815,449)
Total Head Start			<u>(929,707)</u>	<u>8,979,420</u>	<u>8,977,566</u>	<u>-</u>	<u>(927,852)</u>

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
Passed Through Tennessee Department of Human Services:							
Low-Income Home Energy Assistance	93.568	Z-10-00203	\$ (1,281,892)	\$ 1,281,892	\$ -	\$ -	\$ -
Low-Income Home Energy Assistance	93.568	Z-11-00203	-	3,574,060	3,608,749	-	(34,689)
Total Low-Income Home Energy Assistance			(1,281,892)	4,855,952	3,608,749	-	(34,689)
Community Services Block Grant	93.569	Z-10-000104	(79,405)	62,147	-	17,258	-
Community Services Block Grant - ARRA	93.569	Z-09-217907	(27,564)	38,265	10,701	-	-
Community Services Block Grant	93.569	Z-10-000104	-	510,129	561,888	-	(51,760)
Total Community Services Block Grant			(106,969)	610,541	572,589	17,258	(51,760)
Total U. S. Department of Health and Human Services			(2,318,568)	14,445,913	13,158,904	17,258	(1,014,301)
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES							
Foster Grandparents Program	94.011	09SF101836	(30,546)	32,236	1,690	-	-
Foster Grandparents Program	94.011	10-SF116582	-	394,403	424,854	-	(30,451)
Total Corporation for National and Community Services			(30,546)	426,639	426,544	-	(30,451)
U.S. DEPARTMENT OF HOMELAND SECURITY							
Homeland Security -2008 Buffer Zone Protection Program	97.078	GG-09-28139-00	(175)	-	-	175	-
Homeland Security IECGP 2008-IO-T8-0045	97.001	200-IO-T8-0045	(81,794)	89,354	7,560	-	-
Homeland Security IECGP 2010-IP-TO-0021	97.001	2010-IP-TO-0021	-	61,740	92,255	-	(30,515)
2009 Buffer Zone Protection Program	97.078	34101-0000003879	-	-	179,530	-	(179,530)
Passed Through Tennessee Emergency Management Agency (Disaster relief)							
FEMA 1965 DR TN - February 2011	97.036	FEMA 1965 DR TN	-	-	124,494	-	(124,494)
FEMA 1974 DR TN - April 2011	97.036	FEMA 1974 DR TN	-	-	1,453,969	-	(1,453,969)
Total U. S. Department of Homeland Security			(81,969)	151,094	1,857,808	175	(1,788,509)

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
<u>Awards Audited by Other Auditors</u>							
Electric Power Board of Chattanooga (EPB)							
U.S. Department of Energy							
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	DE-OE0000215	\$ (7,876,792)	\$ 39,046,636	\$ 40,372,719	\$ -	\$ (9,202,875)
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	-	(1,908,274)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 1974 DR TN	-	-	16,115,195	-	(16,115,195)
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			-	-	18,023,469	-	(18,023,469)
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			-	-	19,321,140	-	(19,321,140)
Total Awards Audited by Other Auditors			(7,876,792)	39,046,636	59,693,859	-	(28,524,015)
TOTAL EXPENDITURES OF FEDERAL AWARDS - PRIMARY GOVERNMENT			<u>(17,743,077)</u>	<u>70,368,131</u>	<u>89,505,531</u>	<u>160,623</u>	<u>(36,719,854)</u>

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
Component units							
<u>Awards Audited by Other Auditors</u>							
Chattanooga Area Regional Transportation Authority (CARTA)							
U.S. DEPARTMENT OF TRANSPORTATION							
Passed through Tennessee Department of Transportation							
Federal Transit - Capital Investment Grants	20.500	TN-04-0017	\$ -	\$ 13,996	\$ 13,996	\$ -	\$ -
Federal Transit - Capital Investment Grants	20.500	TN-04-0018	-	25,092	25,092	-	-
Federal Transit - Capital Investment Grants	20.500	TN-05-0031	-	3,616	3,616	-	-
Federal Transit - Capital Investment Grants	20.500	TN-05-0032	-	17,158	17,158	-	-
Federal Transit - Capital Investment Grants	20.500	TN-05-0034	-	110,411	110,411	-	-
Total Federal Transit - Capital Investment Grants			-	170,273	170,273	-	-
Federal Transit - Formula Grants	20.507	TN-90-X293	(77,214)	674,587	597,373	-	-
Federal Transit - Formula Grants	20.507	TN-90-X313	-	2,378,377	2,515,033	-	(136,656)
Federal Transit - Formula Grants / ARRA	20.507	TN-96-0002	(304,678)	1,508,354	1,453,676	-	(250,000)
Total Federal Transit - Formula Grants			(381,892)	4,561,318	4,566,082	-	(386,656)
Total Federal Transit Cluster			(381,892)	4,731,591	4,736,355	-	(386,656)
New Freedom Program	20.521	TN-57-0001	(19,837)	19,837	25,000	-	(25,000)
Job Access - Reverse Commute	20.516	TN-37-X061	(30,232)	76,760	46,528	-	-
Job Access - Reverse Commute	20.516	TN-37-X071	-	276,372	338,077	-	(61,705)
Highway Planning and Construction	20.205	TN-26-0021	-	239,966	344,358	-	(104,392)
Highway Planning and Construction	20.205	TN-15-X002	-	1,244,327	1,245,451	-	(1,124)
Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER)	20.523	TN-77-0001	-	12,249	224,071	-	(211,822)
Total Expenditures of Federal Awards - CARTA			(431,961)	6,601,102	6,959,840	-	(790,699)

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
Chattanooga Metropolitan Airport Authority (CMAA)							
U.S. DEPARTMENT OF TRANSPORTATION							
Airport Improvement Program	20.106	3-47-0009-41	\$ (20,567)	\$ 73,429	\$ 52,862	\$ -	\$ -
Airport Improvement Program	20.106	3-47-0009-44	(6,590)	430,949	424,359	-	-
Airport Improvement Program	20.106	3-47-0009-45	-	59,151	59,151	-	-
Airport Improvement Program	20.106	3-47-0009-46	(1,401)	34,907	33,506	-	-
ARRA - Airport Improvement Program	20.106	3-47-0009-47	(628,945)	1,026,730	397,785	-	-
Airport Improvement Program	20.106	3-47-0009-48	(188,764)	1,075,149	1,022,198	-	(135,813)
Airport Improvement Program	20.106	3-47-0009-49	(7,600)	26,600	24,700	-	(5,700)
Airport Improvement Program	20.106	3-47-0009-50	(1,900)	1,143,613	1,153,069	-	(11,356)
Airport Improvement Program	20.106	3-47-0009-51	-	773,566	773,566	-	-
Airport Improvement Program	20.106	3-47-0009-52	-	792,954	1,061,687	-	(268,733)
Airport Improvement Program	20.106	3-47-0009-53	-	82,749	85,059	-	(2,310)
Total Expenditures of Federal Awards - CMAA			<u>(855,767)</u>	<u>5,519,797</u>	<u>5,087,942</u>	<u>-</u>	<u>(423,912)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - COMPONENT UNITS			<u>(1,287,728)</u>	<u>12,120,899</u>	<u>12,047,782</u>	<u>-</u>	<u>(1,214,611)</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			<u>(19,030,805)</u>	<u>82,489,030</u>	<u>101,553,313</u>	<u>160,623</u>	<u>(37,934,465)</u>
STATE AWARDS							
Tennessee Department of Agriculture:							
Lower Tennessee Watershed Academy		GG-08-23674-00	-	1,000	1,000	-	-
TN Dept of Economic & Community Development:							
Urban Forestry Grant		SC0002685	196,643	-	62,229	-	134,414
Advanced Manufacturing Project FDIP		GG-07-20542-00	(2,450)	-	-	2,450	-
TN Dept of Environment & Conservation							
Household Hazardous Waste		GG-08-23097-00	(48,771)	48,771	85,000	-	(85,000)
Local Park & Recreation Fund Grant (Spray park)	66.458	GG-09-26640	-	225,000	81,818	(143,182)	-
Tennessee Department of Finance & Administration:							
Tennessee Housing Development Agency							
THDA Entitlement - CNE Project		Program Income	788,859	44,596	212,328	-	621,127

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
Tennessee Department of Transportation:							
TDOT - Congestion Management Air Quality (CMAQ)		33LPLM-F0-066	\$ -	\$ 453,596	\$ 1,261,832	\$ -	\$ (808,236)
TDOT - HWY 58 Imp Pedestrian and Bike Facilities		PIN#112010.00	-	-	8,500	-	(8,500)
Tennessee Secretary of State							
Omnibus Community Enhancement Grant program			30,000	-	-	-	30,000
Omnibus Community Enhancement Grant program			(20,982)	20,982	-	-	-
Lottery for Education After school Program (LEAPs)		3311902710	-	-	21,033	-	(21,033)
Tennessee Emergency Management Agency (Disaster relief)							
FEMA 1965 DR TN - February 2011	97.036	FEMA 1965 DR TN	-	-	20,749	-	(20,749)
FEMA 1974 DR TN - April 2011	97.036	FEMA 1974 DR TN	-	-	242,339	-	(242,339)
TOTAL EXPENDITURES OF STATE AWARDS - PRIMARY GOVERNMENT			943,299	793,945	1,996,828	(140,732)	(400,316)

Component Units

Awards Audited by Other Auditors

Chattanooga Area Regional Transportation Authority (CARTA)

Tennessee Department of Transportation

State Funding for TN-37-X061	N/A	GG-1135272	(69,776)	-	192,304	-	(262,080)
State Funding for TN-57-0001	N/A	GG-1036506	(39,672)	37,192	-	-	(2,480)
State Funding for TN-05-0031	N/A	GG-0825178	(3,811)	4,278	467	-	-
State Funding for TN-05-0032	N/A	GG-1030724	(11,607)	13,751	2,144	-	-
State Funding for TN-05-0034	N/A	GG-1135886	-	-	13,801	-	(13,801)
State Funding for TN-04-0017	N/A	GG-0927223	(152,322)	152,322	1,750	-	(1,750)
State Funding for TN-90-X293	N/A	GG-0930150	(364,628)	26,601	74,773	-	(412,800)
State Funding for TN-37-X071	N/A	GG-0612858	(175,915)	175,915	-	-	-
State Funding for TN-04-0018	N/A	GG-0926769	-	3,136	3,136	-	-
State Funding for TN-90-X313	N/A	GG-1135677	-	-	314,379	-	(314,379)
State Operating		GG-1134161	-	2,094,641	2,094,641	-	-
Total Expenditures of State Awards - CARTA			(817,731)	2,507,836	2,697,395	-	(1,007,290)

(continued on next page)

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ending June 30, 2011

<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>
(continued from previous page)							
Chattanooga Metropolitan Airport Authority (CMAA)							
Airport Improvement Program		Z-08-20-0655-00	\$ (21,114)	\$ 22,504	\$ 1,390	\$ -	\$ -
Airport Improvement Program		Z-08-20-0651-00	(41,237)	33,833	(7,404)	-	-
Airport Improvement Program		Z-09-21-3917-00	(173,870)	-	11,167	-	(185,037)
Airport Improvement Program		Z-09-21-4023-00	(12,283)	-	1,557	-	(13,840)
Airport Improvement Program		Z-09-21-4074-00	(65,934)	66,816	882	-	-
Airport Improvement Program		AERO-10-117-00	(13,110)	-	26,900	-	(40,010)
Airport Improvement Program		AERO-10-118-00	(725)	-	650	-	(1,375)
Airport Improvement Program		AERO-11-113-00	(500)	-	30,344	-	(30,844)
Airport Improvement Program		Z-08-20-0695-00	(87,014)	87,014	-	-	-
Airport Improvement Program		Z-08-20-0738-00	-	-	-	-	-
Airport Improvement Program		Z-09-21-3974-00	(46,912)	46,912	-	-	-
Airport Improvement Program		Z-09-21-3973-00	(44,415)	64,709	31,127	-	(10,833)
Airport Improvement Program		Z-09-21-3966-00	(54,000)	54,000	-	-	-
Airport Improvement Program		AERO-10-100-00	(128,700)	2,082,934	3,811,641	-	(1,857,407)
Airport Improvement Program		AERO-10-188-00	-	-	67,500	-	(67,500)
Total Expenditures of State Awards - CMAA			<u>(689,814)</u>	<u>2,458,722</u>	<u>3,975,754</u>	<u>-</u>	<u>(2,206,846)</u>
TOTAL EXPENDITURES OF STATE AWARDS - COMPONENT UNITS			<u>(1,507,545)</u>	<u>4,966,558</u>	<u>6,673,149</u>	<u>-</u>	<u>(3,214,136)</u>
TOTAL EXPENDITURES OF STATE AWARDS - REPORTING ENTITY			<u>(564,246)</u>	<u>5,760,503</u>	<u>8,669,977</u>	<u>(140,732)</u>	<u>(3,614,452)</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS - PRIMARY GOVERNMENT			<u>\$ (19,595,051)</u>	<u>\$ 88,249,533</u>	<u>\$ 110,223,290</u>	<u>\$ 19,891</u>	<u>\$ (41,548,917)</u>

CITY OF CHATTANOOGA, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

June 30, 2011

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 \$326,457 and \$389,324, 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	\$1,438,943
Home Investment Partnerships Program	14.239	1,415,241



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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2011. 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, the Chattanooga Area Regional Transit Authority, and the Electric Power Board, 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

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for determining 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 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
December 14, 2011

Henderson Hutcherson
is 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, 2011. We did not audit the compliance of Chattanooga Metropolitan Airport Authority, Chattanooga Area Regional Transit Authority, and Electric Power Board, whose federal and state financial assistance is \$78,414,790. 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 Chattanooga Metropolitan Airport Authority, Chattanooga Area Regional Transit Authority, and Electric Power Board 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, 2011.

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
December 14, 2011

Henderson Hutcherson
& McCullough, PLLC

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

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 10.569	U.S. Department of Agriculture Child and Adult Food Program Emergency Food Assistance Program Grant
14.218 14.239 14.253 14.256	U.S. Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants Home Investment Partnerships Program Home Investment Partnerships Program ARRA HUD Neighborhood Stabilization

CITY OF CHATTANOOGA, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Identification of major programs (continued):

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	U.S. Department of Transportation Highway Planning and Construction
97.036	U.S. Department of Homeland Security: FEMA Disaster Relief

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, 2011

Finding 2010-1: Interceptor Sewer System Inventory

Condition and criteria: Interceptor Sewer System inventory at June 30, 2010 contained several discrepancies. The inventory procedures at June 30, 2010 provided limited information regarding the accuracy of the recorded inventory.

Corrective Action Taken: Management has developed written procedures to provide more thorough instructions for recording the physical count. In addition, more resources have been devoted to the Sewer inventory.



City of Chattanooga
Department of Finance and Administration
City Hall
101 East 11th Street
Chattanooga, Tennessee 37402

423.757.5232

www.chattanooga.gov