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# Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable County Judge and Commissioners  
Bexar County, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bexar County, Texas (the "County"), as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 3, 2006. We did not audit the financial statements of the University Health System (the "System"), the discretely presented component unit. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. However, we noted certain matters which we have reported to management of the County in a separate letter dated March 3, 2006.

This report is intended solely for the information and use of the County Judge and Commissioners, management, 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.

*Garza / Gonzalez*  
*Associates*

March 3, 2006

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

The Honorable County Judge and Commissioners  
Bexar County, Texas

## Compliance

We have audited the compliance of Bexar County Texas (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and *The State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended September 30, 2005. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County'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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, and The Texas Single Audit Circular 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 and state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular and which are described in the accompanying schedule of findings and questioned costs as items 2005 – 01, 2005 – 02, 2005 – 03, and 2005 – 04.

#### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County Judge and Commissioners, management, 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.

*Garza/Gonzalez*  
*& Associates*

March 3, 2006

Bexar County, Texas  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
September 30, 2005

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<b>FEDERAL FUNDS</b>					
<b>Department of Agriculture</b>					
Passed Through					
	Texas Department of Human Services				
113-NSL-6512	National School Lunch Program	10.555	TX-015-2048	\$ 133,254	
001-1051-2170	National School Lunch Program	10.555	TX-015-2048	233,796	
Total Department of Agriculture				<u>367,050</u>	
<b>Department of Energy</b>					
Passed Through					
	Texas Comptroller of Public Accounts				
113-CPA-4256	Energy Manager Program	81.041	CM407	11,561	
Total Department of Energy				<u>11,561</u>	
<b>Department of Health &amp; Human Services</b>					
113-R04-4801	HIV Emergency Relief Project 2004	93.914	5-H89-HA-00041-10	1,488,031	1,290,935
113-R05-4335	HIV Emergency Relief Project 2005	93.914	5-H89-HA-00041-11	2,634,675	2,351,528
113-HHS-6561	Safe and Bright Futures for Children	93.990	SBFHP041018-01-0	985	
Passed Through					
Texas Attorney General					
Child Support Enforcement Program					
001-1051-3090	Title IV-D	93.563		2,149,728	
001-1051-2089	Title IV-D	93.563		456,773	
001-1051-2092	Title IV-E District Attorney	93.658		402,023	
Texas Department of Health					
113-TDH-4856	HOPWA 2004	14.241	HIV / HOPWA 001995	113,865	94,888
113-TH5-4315	HOPWA 2005	14.241	0000303715	241,612	239,933
113-TDH-4860	Ryan White, Title 2, Administration 2004	93.917	HIV / RW 2114	188,716	
113-TDH-4861	Ryan White, Title 2, Program 2004	93.917	HIV / RW 2113	669,971	656,073
113-TA5-4311	Ryan White, Title 2, Administration 2005	93.917		76,596	
113-TR5-4321	Ryan White, Title 2, Program 2005	93.917		711,784	692,353
Texas Department of Housing and Community Affairs					
Comprehensive Energy Assistance Program					
113-HCA-6461	CEAP- Case Administration	93.568	587006	68,844	
113-HCA-6452	CEAP- Case Management	93.568	587006	14,071	
113-HCA-6462	CEAP- Case Management	93.568	587006	90,193	
113-HCA-6453	CEAP- Direct Service Support	93.568	587006	25,738	
113-HCA-6463	CEAP- Direct Service Support	93.568	587006	68,877	
113-HCA-6454	CEAP- Energy Crisis	93.568	587006	979	
113-HCA-6464	CEAP- Energy Crisis	93.568	587006	169,972	
113-HCA-6455	CEAP- Co-Payment	93.568	587006	75,286	
113-HCA-6465	CEAP- Co-Payment	93.568	587006	236,552	
113-HCA-6456	CEAP- Elderly and Disabled Assistance	93.568	587006	44,885	
113-HCA-6466	CEAP- Elderly and Disabled Assistance	93.568	587006	692,002	
113-HCA-6457	CEAP- Heating and Cooling Systems	93.568	587006	217,408	
113-HCA-6467	CEAP- Heating and Cooling Systems	93.568	587006	3,790	
113-HCA-6458	CEAP- Training and Travel	93.568	587006	239	
113-HCA-6468	CEAP- Training and Travel	93.568	587006	682	
Texas Department of Protective and Regulatory Services					
001-1051-2090	Title IV-E	93.658		119,606	
Texas Juvenile Probation Commission					
800-4423	Title IV-E, Administration	93.658	TJPC-E	4,453,672	
800-4425	Title IV-E, Foster Care Program	93.658	TJPC-E	223,005	
Total Department of Health and Human Services				<u>15,640,560</u>	<u>5,325,710</u>
<b>Department of Homeland Security</b>					
Passed Through					
Texas Engineering Extension Service					
113-DHS-4461	State Homeland Security Program	97.004	2004 SHSP-48029	41,084	
113-DHS-4462	Urban Areas Security Initiative	97.008	2004 UASI-48029	225,931	
113-DHS-4463	State Law Enforcement Terrorism Prevention Program	97.004	2004 LETPP-48029	18,398	
113-DHS-6430	Homeland Security Grant	97.067	48029	39,484	
113-DHS-6440	Citizen Corp Council Coordinator	97.004	17460020393	43,970	
Total Department of Homeland Security				<u>368,867</u>	

**Bexar County, Texas**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**September 30, 2005**

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<b>Department of Housing &amp; Urban Development</b>					
120-C96-6072	Community Development Block Grant 1996	14.218	B-96-UC-48-0500	1,838	1,838
120-C97-6072	Community Development Block Grant 1997	14.218	B-97-UC-48-0500	41,778	41,778
120-C99-6072	Community Development Block Grant 1999	14.218	B-99-UC-48-0500	18,420	18,420
120-C00-6072	Community Development Block Grant 2000	14.218	B-00-UC-48-0500	32,577	32,577
120-C01-6072	Community Development Block Grant 2001	14.218	B-01-UC-48-0500	34,979	34,767
120-C02-6072	Community Development Block Grant 2002	14.218	B-02-UC-48-0500	333,881	318,911
120-C03-6072	Community Development Block Grant 2003	14.218	B-03-UC-48-0500	948,533	654,629
120-C04-6072	Community Development Block Grant 2004	14.218	B-04-UC-48-0500	968,318	726,584
117-H00-6072	HOME Investment Partnership Agreement 2000	14.239	M00-UC-48-0500	79,906	79,789
117-H01-6072	HOME Investment Partnership Agreement 2001	14.239	M01-UC-48-0500	46,180	45,033
117-H02-6072	HOME Investment Partnership Agreement 2002	14.239	M02-UC-48-0500	31,149	13,575
117-H03-6072	HOME Investment Partnership Agreement 2003	14.239	M03-UC-48-0500	42,183	13,425
117-H04-6072	HOME Investment Partnership Agreement 2004	14.239	M04-UC-48-0500	43,147	
113-HUD-6393	HOPWA 2001	14.241	TX-H00-0036	62,435	60,965
<b>Total Department of Housing &amp; Urban Development</b>				<b>2,685,324</b>	<b>2,042,291</b>
<b>Department of Justice</b>					
001-1051-2104	Southwest Border Prosecution Initiative	16.000		154,269	
001-1051-2105	State Criminal Alien Assistance Program	16.606		547,366	
113-OTM-6582	High Intensity Drug Trafficking Area - Sheriff Overtime	N/A		2,045	
113-OTM-6585	OCDEF - Sheriff Overtime	N/A		38,868	
113-OTM-6586	FBI - Sheriff Overtime	N/A		15,760	
113-OTM-6587	DEA - Sheriff Overtime	N/A		24,735	
113-OTM-6588	U.S. Marshals Service - Sheriff Overtime	N/A		1,620	
113-OTM-6589	Secret Service - Sheriff Overtime	N/A		9,784	
113-DOJ-4202	Local Law Enforcement Block Grant 2002	16.592	2002-LB-BX-2577	62,080	
113-DOJ-4203	Local Law Enforcement Block Grant 2003	16.592	2003-LBBX-2655	210,693	
113-DOJ-4204	Local Law Enforcement Block Grant 2004	16.592	2004-LBBX-0871	205,351	
113-DOJ-4212	COPS-Universal Hiring Police	16.710	2002-UL-WX-0018	100,252	
113-DOJ-4216	COPS Homeland Security Overtime Program	16.710	2003-OM-WX-0202	228,498	
113-DOJ-4218	Forensic Casework DNA Backlog Reduction Program	16.560	2004-DN-BX-K058	26,167	
113-DOJ-4219	DNA Capacity Enhancement Program 1	16.560	2004-DN-BX-K191	183,387	
113-DOJ-4220	Family Justice Center	16.590	2004-WE-AX-K026	386,782	
<b>Passed Through</b>					
<b>Texas Governors Office</b>					
113-CJD-4041	Community Advocate Program	16.575	VA-05-V30-15683-06	6,684	
113-CJD-4023	Drug Court	16.585	DC-04-J21-16923-01	15,102	
113-CJD-4033	Drug Court	16.585	DC-05-A10-16923-02	61,370	
113-CJD-4045	Drug Court	16.585	DC-06-A10-16923-03	6,672	
113-CJD-4037	Family Drug Treatment Court	16.585	DC-05-A10-17367-01	64,306	
113-CJD-4029	Family Preservation Services	16.523	JB-03-J20-13310-06	89,697	
113-CJD-4043	Family Preservation Services	16.523	JB-04-J20-13310-07	9,538	
113-CJD-4036	Felony Drug Court	16.585	DC-05-A10-17368-01	54,632	
113-CJD-4040	Forensic Science Improvement Project	16.560	DN-04-A10-17475-01	23,734	
113-CJD-4027	Juvenile Drug Court	16.585	DB-03-J21-16922-02	72,696	
113-CJD-4042	Juvenile Drug Court	16.585	JB-03-A10-16922-03	2,517	
113-CJD-4028	Juvenile Law Referee	16.523	JB-02-J20-14800-06	58,331	
113-CJD-4026	Money Laundering Prosecution Project	16.574	DB-04-A10-17358-01	113,668	
113-CJD-4035	Project Connect	84.100	ED-04-J20-17054-01	91,882	
113-CJD-4034	Purchase of Juvenile Justice Alternatives	16.540	JA-04-J20-14865-06	84,290	
113-CJD-4032	Violence Against Women	16.575	WF-04-V30-15683-05	67,004	
<b>Texas Attorney General</b>					
113-OAG-6541	Access and Visitation Program - Title IV-D	93.597	05-C0148	38,052	
113-OAG-4096	Project Safe Neighborhood	16.609	04-05525	65,648	
113-OAG-4099	Project Safe Neighborhood	16.609	04-05534.A1	90,798	
113-OAG-4100	Project Safe Neighborhood	16.609	05-00064	35,890	
<b>City of Dallas</b>					
113-DOJ-4217	Internet Crimes Against Children	16.542	2003-53182-TX-MC	23,424	
<b>Total Department of Justice</b>				<b>3,273,592</b>	
<b>Department of Transportation</b>					
<b>Passed Through</b>					
<b>Texas Department of Transportation</b>					
113-DOT-4270	STEP-Impaired Driving Mobilization	20.604	05-02-04-B1-CG	5,776	
<b>Metropolitan Planning Organization</b>					
113-DOT-4263	Unified Planning Work Program	20.205	TX-08-0285-1/0291-1	54,384	
<b>Total Department of Transportation</b>				<b>60,160</b>	

**Bexar County, Texas**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**September 30, 2005**

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<b><u>Federal Emergency Management Agency</u></b>					
<b>Passed Through</b>					
113-ARC-6521	Texas Governor's Office Community Emergency Response Team (CERT) Texas Department of Public Safety	83.565	FY 03 CERT	26,001	
001-1051-2050	Emergency Management Assistance	83.543		40,368	
001-1051-2051	FEMA Needs	83.543		70,919	
280-5024-2051	FEMA Needs	83.543		103,877	
308-1051-2051	FEMA Needs	83.543		64,118	
001-1051-2052	FEMA Katrina	83.543		480,713	
<b>Total Federal Emergency Management Agency</b>				<b>785,996</b>	
<b><u>Federal Election Commission</u></b>					
<b>Passed Through</b>					
001-1051-2175	Texas Secretary of State Help America Vote Act	93.618		3,205,625	
113-SOS-6439	Help America Vote Act	93.618		1,323,704	
<b>Total Federal Election Commission</b>				<b>4,529,329</b>	
<b><u>Social Security Administration</u></b>					
001-1051-2091	SSA Incentive	96.001		112,000	
<b>Total Social Security Administration</b>				<b>112,000</b>	
<b>Total Federal Funds</b>				<b>27,834,439</b>	<b>7,368,001</b>
 <b>STATE FUNDS</b>					
<b><u>Texas Governor's Office</u></b>					
113-CJD-4031	Elder Fraud	N/A	SF-05-A10-17196-01	73,715	
113-CJD-4044	Elder Fraud	N/A	SF-06-V30-17196-02	6,270	
113-CJD-4038	Fugitive Apprehension 2005	N/A	SF-05-A10-14565-06	39,887	
113-CJD-4039	Specialization of Domestic Violence Court	N/A	SF-05-V30-17281-01	18,661	
113-CJD-4030	Texas Exile Program	N/A	SF-04-A10-16912-01	81,070	
<b>Total Texas Governor's Office</b>				<b>219,403</b>	
<b><u>Texas Comptroller of Public Accounts</u></b>					
113-CPA-4257	Tobacco Compliance	N/A		22,091	
113-CPA-4258	Tobacco Compliance	N/A		2,640	
001-1051-2253	Prosecutor Longevity Pay	N/A		220,460	
001-1051-2120	County Courts	N/A		565,023	
017-1051-2122	Probate Courts	N/A		105,802	
<b>Total Texas Comptroller of Public Accounts</b>				<b>916,016</b>	
<b><u>Texas Attorney General</u></b>					
113-OAG-4098	Victim Coordinator Liaison, District Attorney	N/A	04-G03563.A1	32,961	
113-OAG-6543	Victim Coordinator Liaison, District Attorney	N/A	06-01203	3,039	
113-OAG-4097	Victim Coordinator Liaison, Sheriff	N/A	04-G03787.A1	30,003	
113-OAG-6542	Victim Coordinator Liaison, Sheriff	N/A	06-01212	3,065	
<b>Total Texas Attorney General</b>				<b>69,068</b>	
<b><u>Texas Department of Health</u></b>					
113-TS4-4874	State Services 2004	N/A	HIV / SRVS	681,912	668,046
113-TS5-4325	State Services 2005	N/A	HIV / SRVS	58,483	57,412
<b>Total Texas Department of Health</b>				<b>740,375</b>	<b>725,458</b>
<b><u>Texas Department of Public Safety</u></b>					
001-1051-2130	Fugitive Apprehension	N/A		70,800	
<b>Total Texas Department of Public Safety</b>				<b>70,800</b>	

Bexar County, Texas  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
September 30, 2005

Fund/ Agency/ Organization	Grantor/Program Title	CFDA	Grantor or Pass-through Grantor's Number	Program Expenditures	Passed Through to Sub-recipients
<u>Texas Department of Transportation</u>					
Passed Through					
City of San Antonio					
113-SAT-4294	Regional Auto Crimes Team	N/A	SA-T04-10063-05	100,125	
113-SAT-4295	Regional Auto Crimes Team	N/A	SA-T04-10063-06	9,899	
Total Texas Department of Transportation				<u>110,024</u>	
<u>Texas Commission on Environmental Quality</u>					
Solid Waste Interlocal Agreement					
113-CEQ-6531		N/A	04-18-G03	61,415	
Total Texas Commission on Environmental Quality				<u>61,415</u>	
<u>Texas Task Force on Indigent Defense</u>					
Public Defender's Office					
113-IND-4282	Indigent Defense	N/A	212-05-D01	46,899	
001-1051-2252		N/A		744,015	
Total Texas Task Force on Indigent Defense				<u>790,914</u>	
Total State Funds				<u>2,978,015</u>	<u>725,458</u>
Total Federal and State Funds				<u>\$ 30,812,454</u>	<u>8,093,459</u>

BEXAR COUNTY, TEXAS  
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

Year Ended September 30, 2005

1. GENERAL

The accompanying schedule presents the activity of all federal and state award programs of Bexar County, Texas (the "County"), except for the federal and state award programs for the University Health System, the discretely presented component unit of the County, which have been excluded. The County's reporting entity is defined in Note A.1. to the County's basic financial statements.

2. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. All federal and state grant funds were accounted for in the General Fund, Capital Projects Fund or various special revenue funds, which comprise the "Other Governmental Funds" column in the governmental funds financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Statements of revenues and expenditures and changes in fund balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used in the governmental funds financial statements. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e. both measurable and available) and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

BEXAR COUNTY, TEXAS  
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AND STATE AWARDS

Year Ended September 30, 2005

3. CONTINGENT LIABILITIES RELATED TO COMPLIANCE

The County participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required, and the collectibility of any related receivable at September 30, 2005 may be impaired.

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

**SECTION I -- SUMMARY OF AUDITORS' RESULTS**

<b><i>Financial Statements</i></b>		
Type of auditors' report issued:	Unqualified	
Internal Control over financial reporting: Material weakness(es) identified?	___ Yes	_X_ No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

<b><i>Federal and State Awards</i></b>		
Internal control over major programs: Material weakness(es) identified?	___ Yes	_X_ No
Reportable condition(s) identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Type of auditors' report issued on compliance for major Programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section. 510(a)?	_X_ Yes	___ No

<b><i>Identification of Major Programs</i></b>	
CFDA Number(s)	Name of Federal or State Program
<b>Federal</b>	
14.218	Community Development Block Grant (CDBG)
93.658	Foster Care, Title IV E
93.914	HIV Emergency Relief

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

**SECTION I -- SUMMARY OF AUDITORS' RESULTS (Continued)**

	<b>State</b>		
	N/A	TDH HIV State	
	Dollar Threshold used to distinguish between Type A and Type B programs:		
	Federal – \$ 835,033		
	State – \$ 300,000		
	Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u>   </u> No

**SECTION II -- FINANCIAL STATEMENT FINDINGS**

There are no financial statement findings for the year ended September 30, 2005.

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

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

Reference Number	Finding	Questioned Cost
<b>HIV Emergency Relief – CFDA No. 93.914</b>		
2005 – 01	<p>Special Reporting</p> <p>The Title I-HIV Emergency Relief Program (Ryan White) requires that the County submit a Care Act Data Report (CADR) annually. Information for this report is obtained from the County’s subrecipients (the direct service providers). This report was submitted to the grantor in the current year; however, supporting documentation was not available for our review to determine if the report was accurate.</p> <p>We recommend that the County obtain information included on the CADR for the County’s subrecipients, review the information for accuracy and maintain that documentation.</p> <p>Management’s Response</p> <p>This program will be transferred to The Alamo Area Council of Governments on June 1, 2006. They will obtain and review all information necessary for all required reports and documentation.</p>	

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

<b>HIV Emergency Relief – CFDA No. 93.914</b>		
2005 – 02	<p><b>Allowable Costs</b></p> <p>OMB Circular A-87 requires that when employees work solely on a federal program their salaries and wages will be supported by periodic certifications that the employee worked solely on that federal program. Where employees work on multiple activities a distribution of their salaries will be supported by personal activity reports (time and effort records). Testing of the Title I-HIV Emergency Relief Program (Ryan White), indicated that employees funded 100% by this program have not completed semi-annual certifications indicating that they worked solely on that program.</p> <p>We recommend that the County obtain semi-annual certifications for those employees charged 100% to a federal program stating that they worked solely on that federal program.</p> <p><b>Management’s Response</b></p> <p>This program will be transferred to The Alamo Area Council of Governments on June 1, 2006. They will obtain the necessary semi-annual certification for those employees working 100% on this program.</p>	

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

<b>Community Development Block Grant (CDBG) – CFDA No. 14.218</b>	
2005 – 03	<p><b>Subrecipient Monitoring</b></p> <p>The County’s CDBG program sub-grants monies to various subrecipients to achieve the objectives of the CDBG program. The County is required to monitor the activities of those subrecipients to ensure they are in compliance with the program requirements. In accordance with OMB Circular A-133 a pass-through entity is responsible for ensuring required audits are performed and require the subrecipients to take prompt corrective action on any findings. While the County does perform many monitoring procedures such as reviewing invoices and payroll records, performing sites visits, etc. they did not obtain any audits from the program’s subrecipients therefore we could not review those reports to ensure they obtained an audit in accordance with OMB Circular A-133 or took action on potential audit findings.</p> <p>We recommend that the County require that all subrecipients submit audit reports so that the County may review to ensure that the audit is in accordance with OMB Circular A-133, (if required) and take appropriate action on any reported audit findings as required by OMB Circular A-133.</p> <p><b>Management’s Response</b></p> <p>The County’s CDBG program monitors will obtain copies of the audits of subrecipients and submit them to the County Auditor’s Office for review.</p>

Bexar County, Texas  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended September 30, 2005

<b>Title IV-E – CFDA No. 93.658 (Passed through Texas Attorney General)</b>		
2005 - 04	<p><b>Allowable Costs</b></p> <p>OMB Circular A-87 requires that when employees work solely on a federal program their salaries and wages will be supported by periodic certifications that the employee worked solely on that federal program. Where employees work on multiple activities a distribution of their salaries will be supported by personal activity reports (time and effort records). In testing of the Title IV-E, County Legal Services grant, it was noted that employees working 100% on this program did not prepare the required semi-annual certifications indicating that they worked solely on that program.</p> <p>We recommend that the County obtain semi-annual certifications for those employees charged 100% to a federal program stating that they worked solely on that federal program.</p> <p><b>Management’s Response</b></p> <p>The District Attorney’s Office will obtain the necessary semi-annual certification for those employees working 100% on this program.</p>	

Bexar County, Texas  
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
 Year Ended September 30, 2005

Reference Number	Finding	Questioned Cost
Housing Opportunities for Persons with Aids (HOPWA) – CFDA No. 14.241		
2004 - 01	<p>Subrecipient Monitoring</p> <p>OMB Circular A-133 compliance requirement over “Subrecipient Monitoring” states that pass-through entities (the County) are required to monitor compliance with grant requirements for all subrecipients. One of the monitoring requirements is that if the subrecipient is required to have an audit in accordance with OMB Circular A-133 that the pass-through entity should obtain that report as part of the monitoring process. The County did not obtain an audit report for one (1) of four (4) subrecipients selected for testing.</p> <p>We recommend that the County implement procedure to ensure they obtain audit reports for subrecipients as part of their subrecipient monitoring as required by OMB Circular A-133.</p> <p>This finding has been satisfactorily resolved.</p>	None