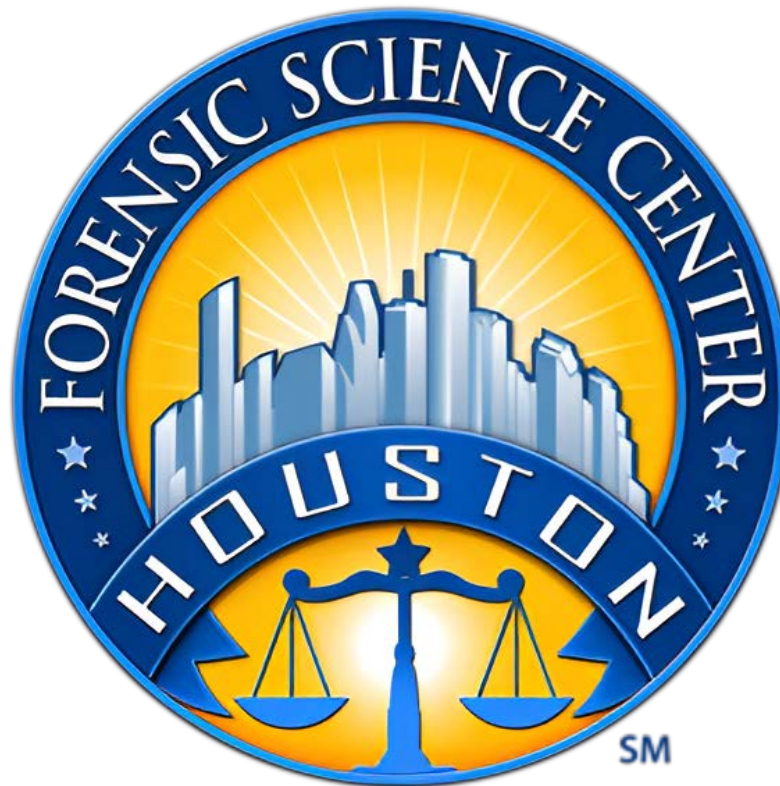


Houston Forensic Science Center, Inc.

Board of Directors Meeting

March 13, 2026



Position 1 - Ellen Cohen, Board Chair

Position 2 - Anna Vasquez

Position 3 - Scott Durfee

Position 4 - Jed Silverman

Position 5 - Sonia Corrales

Position 6 - Jorn Yu

Position 7 - Asma Mirza

Position 8 - Joni Baird, Vice Chair

Position 9 - Vicki Huff

Ex-Officio - Jessica Gooch



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Houston Forensic Science Center, Inc.

Board of Directors Public Meeting

Friday, March 13, 2026

www.hfsctx.gov

NOTICE OF PUBLIC MEETING

Notice is hereby given that beginning at 9:00 a.m. on the date set out above, a quorum of the board of directors (the "board") of the Houston Forensic Science Center, Inc. ("HFSC" and / or the "corporation") will meet in the City Hall Council Annex Chamber, 900 Bagby Street (public level), Houston, Texas 77002.

In accordance with Chapter 552 of the Texas Government Code (Texas Open Meetings Act) the agenda is posted for public information, at all times, for at least three business days preceding the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 901 Bagby Street. The notice of this meeting, the agenda and the meeting packet are also posted [online](http://www.hfsctx.gov/meeting-archives) at www.hfsctx.gov/meeting-archives.

The items listed below may be taken out of order at the discretion of the chair. After the meeting concludes, a recording of the meeting will be posted to HFSC [website](http://www.hfsctx.gov) at www.hfsctx.gov.

PARTICIPATING IN THE PUBLIC MEETING:

Members of the public may attend the meeting in person or view the meeting through a live stream broadcast on the internet. To view the live stream meeting online please visit www.houstontx.gov/htv.

NOTICE OF PUBLIC COMMENT:

The public is permitted to speak in-person during the public comment agenda item and as permitted by the chair. A speaker may address any subject relevant to the purpose of the corporation. Each speaker should limit his or her comments to three minutes. The chair may limit both the number of speakers and the time allotted for each speaker. A speaker who plans to submit a document for the board's consideration should provide at least ten copies of the document, each marked with the speaker's name. If you have questions regarding attending this meeting, please contact Board Secretary Natalee Veazey Haley at (713) 929-6760.

AGENDA

1. Call to order.
2. Roll call; confirmation of presence of quorum.
3. Report from Ms. Ellen Cohen, board chair, including a monthly update of activities and other announcements.
4. Public Comment.
5. Reading of draft minutes from January 9, 2026, regular board meeting. Consideration of proposed corrections, if any. Approval of minutes.

6. Report from Dr. Peter Stout, president and CEO, including an overview of operations and technical updates, fiscal year 2027 budget proposal highlights, and other corporate business items.
7. Consider approval of a contract between National Medical Services (NMS) Laboratories and the corporation for forensic outsourcing services in the toxicology section and related services, total budget not to exceed \$400,000.00, and related action.
8. Consider approval of a contract for DNA outsourcing services between the corporation and Signature Science, LLC to be funded by the FY2024 Bureau of Justice Assistance (BJA) DNA Capacity Enhancement and Backlog Reduction federal grant, total budget not to exceed \$760,367.00.
9. Presentation from Mr. David Leach, treasurer and CFO, of audited financial statements for fiscal year 2025 pursuant to the Single Audit Act, and possible related.
10. Presentation from Mr. David Leach, treasurer and CFO, regarding the proposed fiscal year 2027 budget.
 - a. Consider approval of HFSC's budget proposal for fiscal year 2027 and related action.
11. Report from Mrs. Jackeline Moral, quality director, which includes updates on quality and disclosures from the Texas Forensic Science Commission.
12. Adjournment.

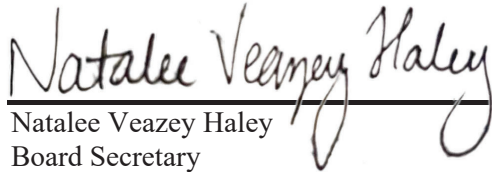
NOTICE REGARDING SPECIAL NEEDS:

Persons requiring accommodations for special needs may contact HFSC at 713-929-6760.

Certification of Posting of Notice of the Board of Directors, Houston Forensic Science Center, Inc.

I, Natalee Veazey Haley, do hereby certify that a notice of this meeting was posted on Monday, the 9th day of March 2026, in a place convenient to the public on the bulletin board located on the exterior wall of the City Hall building at 901 Bagby Street, Houston, Texas 77002, and on the HFSC [website](#) as required by Section 551.002 et seq., Texas Government Code.

Given under my hand this 9th day of March 2026.


Natalee Veazey Haley
Board Secretary



Houston Forensic Science Center, Inc.

Board of Directors

Public Meeting

~ Minutes ~

Friday, January 9, 2026

www.hfsctx.gov

1. CALL TO ORDER:

At 9:00 a.m., Chairwoman Ellen Cohen called the meeting to order.

The Houston Forensic Science Center, Inc. (“HFSC” and/or the “corporation”) board of directors (the “board”) convened this in-person meeting on Friday, January 9, 2026, in the City Hall Council Annex Chamber, 900 Bagby St. (public level), Houston, Texas 77002. In a manner permitted by the corporation’s bylaws, the meeting was called by providing all directors with notice of the date, time, and purpose of the meeting at least three business days before the scheduled date.

In accordance with Chapter 551 of the Texas Government Code (Texas Open Meetings Act), a notice of this meeting was posted on the bulletin board located on the exterior wall of the City Hall building at 901 Bagby on January 5, 2026.

2. ROLL CALL:

The following board members were present in-person:

Chairwoman Ellen Cohen
Vice Chairwoman Joni Baird
Jorn Yu
Jed Silverman
Sonia Corrales
Vicki Huff
Jessica Gooch

The following board members arrived late:

Asma Mirza (approx. 9:13am)

The following board members were absent:

Anna Vasquez
Philip Hilder

Chairwoman Cohen declared a quorum was present.

3. CHAIRWOMAN COHEN’S REPORT:

Chair Cohen greeted the Board by wishing everyone a Happy New Year and stated she is looking forward to working with the Board in 2026. Additionally, Chair Cohen thanked Director Vasquez for touring HFSC’s lab facility and the Vehicle Examination Building (VEB) with her counterpart from the Texas Innocence Project. Lastly, the March 13th board meeting will mostly focus on the proposed fiscal year 2027 budget as presented by Mr. David Leach, CFO. She encouraged the Board to attend the meeting to ensure the budget reflects the organization’s priorities for the upcoming fiscal year.

4. PUBLIC COMMENT:

Chair Cohen gave members of the public an opportunity to address the Board. No members of the public addressed the Board.

5. REVIEW AND APPROVAL OF MINUTES FROM PRIOR MEETING:

Following a motion by Director Silverman, seconded by Vice Chair Baird, the Board unanimously approved the November 14, 2025 meeting minutes.

6. PRESIDENT AND CEO DR. PETER STOUT'S REPORT:

To begin, Dr. Stout shared with the Board updates for each forensic discipline including their respective operational plans and potential risks for the calendar year 2026. In Forensic Biology (F.Bio), the section saw the non-sexual assault kit (SAK) backlog reduce by 73% in 2025, due to signing off on thirteen staff members to perform case work, six of which are DNA analysts. Additionally, the section only has 30 SAKs over the 90-day turnaround threshold. For this year, F.Bio's goals are to sign off three more DNA analysts and two screeners, as well as shift to more in-house analysis, reducing reliance on outsourcing and decreasing outsourcing expenses. However, F.Bio has many obstacles to consider in executing this plan. The DNA Capacity Enhancement for Backlog Reduction (CEBR) federal funding is facing long delays in processing the applications, which will have a nationwide impact. To shift from outsourcing to in-house analysis will require a transition period, especially when there are increases in materials and labor costs. Lastly, the section receives a lot of post-conviction cases, and the process is time-consuming, expensive, and complex to complete on top of normal casework.

In Seized Drugs (SD), the non-marijuana backlog is steadily decreasing, reduced by 42% in 2025, and the turnaround time for in-custody (jail) cases is even lower. In 2026, SD will continue training three analysts, stabilizing the backlog, and completing the validation work for their LC-QTOF equipment (Liquid Chromatography – Quadrupole Time- of- Flight). The section's potential obstacles for this year are the risks associated with validating new equipment, such as unpredictable outcomes that may lead to increased amounts of labor and investment, the rising costs of materials, and uncertainty with regulating hemp/marijuana. Next, Firearms (FA) saw their backlog slowly increase last year, which adds to the challenges for this year. There will be a continued sense of urgency in priority case management and limitations in outsourcing on top of handling post-conviction cases in 2026. Furthermore, the field is facing more criticism in their work, so the Texas Forensic Science Commission (TFSC) will most likely make significant changes in practice requirements regarding how cases are tested and reported. To ease the burdens, the section is recruiting five new examiners, adding them to the two current trainees they have, as well as continuing to use limited outsourcing options to assist with priority case management. Of note, the training arc for FA is two years before trainees are signed off to perform casework, and there are only 72 licensed examiners in Texas. The firearms backlog is a nationwide issue, not just for HFSC's lab.

Moving on to Toxicology (TOX), the section's alcohol turnaround time averaged at thirty days while the drug cases averaged at about 280 days, despite the section's recent staff turnover. The 2026 plan is to rework drug methods for more automation, continued training in addressing turnover, and similarly to SD, complete validation work on their LC-QTOF equipment. The associated risks are as follows: the LC-QTOF validation as described in SD, increase in labor and outsourcing costs due to the staff turnover, and the burden on HFSC resources in training for drug testing. Next, Digital & Multimedia Evidence (DME) has no backlog and increased their infotainment analysis capabilities in 2025. Due to expanding their capabilities, DME plans on working with the Houston Police Department (HPD) and the Harris County District Attorney's Office (HCDAO) to increase requests to HFSC by educating them on DME's services. The issues DME faces are rising storage and software costs, plus balancing

their investigator and lab tasks. Latent Prints (LP) also has no backlog in either processing or comparison for 2025, even while focusing on training new examiners. LP's goals are to maintain the lack of backlog while training HPD on the available resources in the section's services. The potential challenges they face in 2026 are the AFIS changes and outages, including the county system communication issues.

For the last section, the Crime Scene Unit (CSU) saw a significant staff turnover while implementing a new management structure and schedule last year. Despite these issues, CSU steadily maintained their backlog status, namely remaining current on scene and vehicle reports. Dr. Stout reiterated that CSU is a small unit, given the size of Houston and number of homicide scenes they respond to, even with the nationwide 15% reduction in homicides seen in 2025. Currently, the unit has seven crime scene investigators (CSIs) in training while undergoing the transition period for the new management. With CSI turnover, there will be more burdens on the unit and increased costs for labor and training. As a final operational update, the Property Room transition is still in process. HFSC finished the construction at its facility last year and started transferring evidence in-house. In the new year, HFSC will inventory and transfer the SAKs to their evidence room while beginning the process of moving the frozen storage as well. Concurrently, HFSC plans on finalizing transition plans between HFSC, HPD, and the City of Houston.

7. QUALITY DIRECTOR JACKELINE MORAL'S REPORT:

To start, Mrs. Moral informed the Board of the 2025 ANAB Property & Evidence re-assessment that occurred on December 10th. This audit focused on compliance for all accreditation requirements, of which HFSC passed with no nonconformances identified. In the 2025 testimony data report, she shared that HFSC analysts who were subpoenaed to testify spent a total of 977 hours in court, 184 of those hours accounted for actual testimonies on the stand. Comparing the sections, CSU, F.Bio, and FA spent the most time spent waiting in court to testify. The Quality team also reported data on testimony monitoring, which is an internal requirement for testifying analysts to be observed by an experienced analyst from their respective section. Last year, 95% of the testimonies were monitored, and monitors spent a total of 256 hours in court with F.Bio and TOX leading the numbers. Concluding her presentation, Mrs. Moral provided an overview of testimony data throughout the years.

8. ADJOURNMENT:

Vice Chair Baird made a motion to adjourn the meeting. Director Silverman seconded the motion. The meeting adjourned at 9:49am.

The undersigned secretary of the board hereby certifies the following are true and correct minutes of the January 9, 2026 public meeting of the board.

By: _____
Natalee Veazey Haley
Board Secretary

HOUSTON FORENSIC SCIENCE CENTER, INC.

Regular Meeting of the Board of Directors

March 13, 2026 at 9:00 a.m.

Agenda Action Item No.:	7. Consider approval of a contract between the corporation and National Medical Services (NMS) Laboratories for forensic outsourcing services in the toxicology section and related services, total budget not to exceed \$400,000.00, and related action.
Subject:	Authorizing the president and CEO to enter into an agreement between NMS Labs and the corporation for toxicology outsourcing services.
Background:	HFSC's Toxicology section outsources cases to NMS labs based on priority status and type of analysis. Cases requiring a quicker turnaround time than the section can manage will be outsourced, in addition to cases that need certain analyses that are not offered by HFSC.
Executive Summary:	<p>HFSC has selected NMS on the basis of capacity, demonstrated competence and qualifications to perform the services for a fair and reasonable price.</p> <p>The proposed agreement has been finalized and reviewed by staff; however, due to the total contract value, the Board must approve the contract and authorize Dr. Stout to execute the final agreement on behalf of the corporation.</p> <p>The total allotted budget for this project may not exceed \$400,000.00.</p>
Fiscal Impact:	No additional financial impact.
Staff Recommendation:	Staff recommends approval.
By:	Dr. Peter Stout, President and CEO Legal review by General Counsel

HOUSTON FORENSIC SCIENCE CENTER, INC.

Regular Meeting of the Board of Directors
March 13, 2026 at 9:00 a.m.

Agenda Action Item No.:	8. Consider approval of a contract for DNA outsourcing services between the corporation and Signature Science, LLC to be funded by the FY2024 Bureau of Justice Assistance (BJA) DNA Capacity Enhancement and Backlog Reduction (CEBR) federal grant, total budget not to exceed \$760,367.00
Subject:	Authorizing the president and CEO to enter into an agreement between Signature Science, LLC and the corporation for forensic biology outsourcing services.
Background:	HFSC was awarded the 2024 CEBR 15-PBJA-24-GG-02733-DNAX grant to help address HFSC's current backlog of forensic biology cases. HFSC has consistently utilized outsourcing in the forensic biology section to assist with various operational needs over the years. This grant will specifically assist HFSC in continuing to work through its backlog, which is a priority for the Corporation and its stakeholders. HFSC has made significant progress in reducing its backlog through the use of outsourcing and other internal efforts. Without the use of federal funds, HFSC would not be able to complete this important project at this time.
Executive Summary:	In October 2024, HFSC issued a Request for Proposals (RFP) for DNA outsourcing services to be funded with the FY24 BJA DNA Capacity Enhancement and Backlog Reduction (CEBR) federal grant, award 15-PBJA-2-GG-02733-DNAX. After consideration of the stated selection criteria, Signature Science was selected as the successful respondent. The proposed contract anticipates the total project budget for Signature Science LLC's services will not exceed the total grant budget for outsourcing, \$760,367.00. Due to the total contract value, the Board must approve the contract and authorize Dr. Stout to execute the final agreement on behalf of the corporation. HFSC will be responsible for ensuring the total expenditure for services obtained from the vendor does not exceed the total grant budget.
Fiscal Impact:	No additional fiscal impact to HFSC.
Staff Recommendation:	Staff recommends approval.
By:	Dr. Peter Stout, President and CEO Legal review by General Counsel

Houston Forensic Science Center, Inc.
(A Component Unit of the City of Houston)

Uniform Guidance Compliance Reporting
for the year ended June 30, 2025

Houston Forensic Science Center, Inc.

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**Independent Auditors' 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 Board of Directors of
Houston Forensic Science Center, Inc.:

We have audited, 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, the financial statements of Houston Forensic Science Center, Inc. (HFSC), which comprise the governmental activities and the major fund as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered HFSC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HFSC's internal control. Accordingly, we do not express an opinion on the effectiveness of HFSC'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HFSC'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 financial statements. 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.

Blazek & Vetterling

February 27, 2026

**Independent Auditors' Report on Compliance for the
Major Federal Program; Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

To the Board of Directors of
Houston Forensic Science Center, Inc.:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Houston Forensic Science Center, Inc.'s (HFSC) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on HFSC's major federal program for the year ended June 30, 2025. HFSC's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, HFSC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of HFSC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of HFSC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to HFSC's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on HFSC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about HFSC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding HFSC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of HFSC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of HFSC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of HFSC as of and for the year ended June 30, 2025, and have issued our report thereon September 18, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Blazek & Vetterling

February 27, 2026

Houston Forensic Science Center, Inc.

Schedule of Expenditures of Federal Awards for the year ended June 30, 2025

<u>FEDERAL GRANTOR</u>	<u>Assistance</u>			<u>Award</u>	<u>Allowable</u>	
<u>Pass-through Grantor</u>	<u>Listing</u>			<u>Amount</u>	<u>Federal</u>	
<u>Program Title & Period</u>	<u>Number</u>	<u>Contract Number</u>			<u>Expenditures</u>	<u>Subrecipients</u>
U. S. DEPARTMENT OF JUSTICE						
Direct Funding:						
DNA Backlog Reduction Program						
#1	10/01/22 – 09/30/24	16.741	15PBJA22GG01692DNAX	\$2,472,393	\$ 66,125	
#2	10/01/23 – 09/30/25	16.741	15PBJA23GG00764DNAX	\$527,090	32,073	
#3	10/01/23 – 09/30/26	16.741	15PBJA23GG01372DNAX	\$2,286,361	<u>1,059,708</u>	
Subtotal assistance listing number 16.741					<u>1,157,906</u>	
Paul Coverdell Forensic Sciences Improvement Grant Program						
#4	10/01/23 – 09/30/26	16.742	15PBJA23GG02688COVE	\$457,107	<u>324,470</u>	
Comprehensive Forensic DNA Analysis Grant Program						
#5	10/01/24 – 09/30/26	16.036	15PBJA24GG02733DNAX	\$2,122,317	<u>37,707</u>	
National Institute of Justice Research, Evaluation, and Development Project Grants						
#6	01/01/22 – 10/31/25	16.560	15PNIJ21GG02714MUMU	\$303,471	<u>53,232</u>	<u>\$ 53,176</u>
Total U. S. Department of Justice					<u>1,573,315</u>	<u>53,176</u>
DEPARTMENT OF THE TREASURY						
Passed through City of Houston:						
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds						
#7	08/01/22 – 12/31/24	21.027	N/A	\$5,083,500	<u>581,786</u>	
Total Department of the Treasury					<u>581,786</u>	
TOTAL FEDERAL AWARDS					<u>\$ 2,155,101</u>	<u>\$ 53,176</u>

See accompanying note to schedule of expenditures of federal awards.

Houston Forensic Science Center, Inc.

Note to Schedule of Expenditures of Federal Awards for the year ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The schedule of expenditures of federal awards (the schedule) is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal expenses include allowable costs funded by federal grants. Allowable costs are subject to the cost principles of the Uniform Guidance and include both costs that are capitalized and costs that are recognized as expenses in HFSC's financial statements in conformity with generally accepted accounting principles. Because the schedule presents only a selected portion of the operations of HFSC, it is not intended to and does not present the net position or changes in net position of HFSC.

Indirect cost rate – HFSC uses the 10% de minimus rate for indirect costs.



HOUSTON FORENSIC
SCIENCE CENTER
500 Jefferson Street, 13th Floor
Houston, Texas 77002
(713) 929-6760

Summary Schedule of Prior Audit Findings

The following audit finding for the year ended June 30, 2024 is required to be reported in accordance with 2 CFR §200.511.

Section III – Federal Award Findings and Questioned Costs

Finding #2024-001 – Significant Deficiency and Other Noncompliance

Condition and context: During our testing of 9 purchases subject to procurement, 1 exception was noted. We noted that public notice for the procurement of training services in excess of \$150,000 in costs was not performed.

Recommendation: Re-emphasize to program personnel the procurement process and adherence to HFSC's policies and procedures.

Planned corrective action: Management agrees with the finding and has reinforced and educated those involved in purchasing regarding HFSC's procurement policies. In addition, HFSC is analyzing the feasibility of bringing on a Grant Purchasing Specialist to help in the administration of all grant-related purchasing.

Management's 2025 follow-up response: HFSC reinforced and is following the policy and has an allocated position to help in the administration of grant related purchases.

HOUSTON FORENSIC SCIENCE CENTER, INC.

Regular Meeting of the Board of Directors

March 13, 2026 at 9:00 a.m.

Agenda Action Item No.:	10a. Consider approval of HFSC’s budget proposal for fiscal year 2027 and related action.
Subject:	Approval of proposed HFSC budget as required annually. Board approval formally sends the request for approval to the Mayor and City Council.
Background:	<p>Pursuant to Exhibit E of the First Interlocal Agreement between HFSC and the City and the City of Houston Administrative Procedure No. 2-10, relating to City Non-Profit and Local Government Corporations, by June 1st of each year, HFSC must submit to the City Finance Director a final budget approved by the Corporation’s Board of Directors for the fiscal year beginning July 1st of such year. Additionally, the Corporation shall submit a draft of the budget to the City Finance Director by March 1st of each year.</p> <p>After the Board’s approval of the annual fiscal year budget, the proposal is submitted to the City Finance director, Mayor, and City Council for final approval. Pursuant to City of Houston Administrative Procedure No. 2-10, the Corporation shall comply to a request by the Chair of the City Council Budget and Fiscal Affairs Committee to present its budget to the committee.</p>
Executive Summary:	<p>The most significant highlights regarding the proposed budget are as follows:</p> <ul style="list-style-type: none">• Total requested increase of 11% (\$3.9M) compared to FY2026 budget<ul style="list-style-type: none">○ \$2.7M increase to maintain current levels of output○ \$1.2M increase to bring on 15 Property Room employees
Fiscal Impact:	Budget approval would designate all HFSC expenditures for FY2027.
Staff Recommendation:	Staff recommends approval.
By:	David Leach, Treasurer and CFO Legal review by General Counsel