

City of Austin
Office of the City Auditor

Special Report

Nonprofit Funding Special Request

July 2025



The City funds nonprofits to provide services to Austin residents. From October 2019 through June 2025, the City spent almost \$1.9 billion on nonprofits. This funding includes the City's partnerships with nonprofits such as Austin Transit Partnership, Austin Firefighters Relief and Retirement Fund, and the Lower Colorado River Authority. Roughly 60% of the City's nonprofit funding went to these three partnerships. The remaining 40% went to nonprofits providing a variety of services. These services aim to promote tourism, support the arts, prevent homelessness, and provide workforce training, among many other efforts. Most City contracts we reviewed followed best practices by having quality performance measures that City staff monitor to ensure they are met.

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Cover: Downtown Austin, City of Austin, 2022

Objective

The objective of this special request is to answer the following questions from Council:

- Which nonprofits receive money from the City? How much do they receive and for what purposes?
- What do best practices recommend for nonprofit contract performance measures/targets? How closely do the City's contracts with nonprofits follow these best practices?
- Is the City monitoring contracts and leases to make sure targets are met?

Background

According to the National Council of Nonprofits, the Internal Revenue Service recognizes “almost three dozen types of tax-exempt organizations in different sections of the tax code” that may be referred to as a “nonprofit” organization. These organizations include business leagues, churches, private foundations, and social welfare organizations. The City provides funding to many nonprofits to serve its residents. This funding comes in the form of both contracts and grants. Contracts are used when there is an exchange of goods or services for money directly with the City. In contrast, the City provides grants to nonprofits to help them provide a public benefit, but the City does not directly receive a good or service in return for the funding.

From October 2020 through June 2025, the City of Austin paid almost \$1.9 billion to nonprofit organizations. However, the data we relied on for the analyses in this report appears to be incomplete for several reasons.

First, the City asks its contractors to self-report whether they are a nonprofit organization when they register as a vendor. This means that some contractors may misidentify their nonprofit status or choose to identify as something other than a nonprofit when two or more classifications are both true. For example, we compared Austin Water's nonprofit contract data from the City's centralized contract monitoring system for fiscal years 2024 and 2025 with data provided to us directly by the department.¹ As seen in Exhibit 1, we identified 19 contracts in total,

¹ The City's fiscal year starts October 1 and ends September 30. For example, fiscal year 2024 began on October 1, 2023, and ended on September 30, 2024.

but only 3 were both provided by Austin Water staff and found in the centralized data.

Exhibit 1: Austin Water provided over a dozen contracts with nonprofits that did not appear in the City's central contract system

Total number of nonprofit contracts = 19	14 contracts reflected in the Austin Water report only
	2 contracts reflected in the report from the central contract tracking tool only
	3 contracts reflected in both reports

Source: Auditor analysis of the fiscal years 2024 through June 2025 nonprofit contract reports from the City's central contract system and the Austin Water, June 2025

The reason for this is that many of the contractors Austin Water correctly identified as nonprofits self-identified as something else in the City's system. For example, the LCRA Transmission Services Corporation is a nonprofit organization. However, they are listed as a "corporation" in the centralized system. Both classifications are accurate. Still, when a nonprofit selects anything other than "nonprofit," their data would not have been provided to us for our analyses.

Similarly, grants are not consistently tracked in one centralized location. Some grants are tracked in the City's centralized financial management system, Advantage, as if they were contracts. Others are tracked by individual departments in department-specific systems. According to staff, the City is currently developing an update for the Advantage system dedicated to grant management. The update is expected to go live in October 2025. Once the module is live, departments will be expected to track all their grants in Advantage.

Financial Services Department staff are aware of the above challenges and agree that it is difficult to accurately identify the amount of funding that the City provides to nonprofit organizations. However, they said that most funding going to nonprofit organizations should be captured in the data we used for the analyses in this report.

What We Learned

Summary

What We Learned / Summary

During fiscal years 2020 through June 2025, the City provided almost \$1.9 billion to nonprofit organizations. The majority of this money went to three nonprofits: Austin Transit Partnership Local Government Corporation, Austin Firefighters Relief and Retirement Fund, and LCRA Transmission Services Corporation. Much of the remaining money went to nonprofit organizations providing “human services.” These services focus on preventing homelessness, providing mental health services, providing workforce training, and similar efforts.

Contracts with nonprofits should follow the same best practices that other contracts follow. For example, contracts should include performance measures. These performance measures should be relevant to the purpose of the contract and measurable. We found that most of the City’s contracts with nonprofits follow these practices. We also found that the City’s contract managers track their contracts. Most contracts we looked at appeared to have fulfilled their contract’s requirements.

Question 1

Which nonprofit organizations receive money from the City? How much do they receive, and for what purposes?

Contracts and Grants

The Financial Services Department manages the City’s centralized contract management system. We analyzed data from the Financial Services Department for fiscal years 2020 through mid-June 2025. According to this data, the City provided almost \$1.9 billion in funding to 555 nonprofit organizations. However, just three of these organizations account for over 60% of these funds, as seen in Exhibit 2.

Exhibit 2: From fiscal years 2020 through June 2025, three nonprofits received approximately (60%) of the City’s nonprofit spending

Nonprofit	Purpose of funding	Funding (\$)
Austin Transit Partnership Local Government Corporation	Property tax appraisal services	799,337,687
Austin Firefighters Relief and Retirement Fund	Payroll-related services for Austin firefighters	227,118,141
LCRA Transmission Services Corporation	Mainly for electricity purchases and transmission cost services	102,519,074
Total funding for the three nonprofits above		1,128,974,902
Funding to the all remaining nonprofits		737,985,795
Total funding to all nonprofits		1,866,960,697

Source: Auditor analysis of the nonprofit funding reports from the Financial Services Department, June 2025

The funds provided to Austin Transit Partnership Local Government Corporation were approved by voters in 2020 to fund a new light rail transit system in Austin. The Austin Firefighters Relief and Retirement Fund is governed by state law and “provides retirement, disability, death, and survivor benefits to approximately 2,100 active and retired participants and their eligible beneficiaries.” The City pays the LCRA Transmission Services Corporation for electricity and transmission services.

Excluding these three organizations, the City paid about \$738 million to nonprofits during our timeframe. Exhibit 3 shows the 10 largest recipients of these funds. Appendix A shows the yearly breakdown in funding for these organizations since the beginning of fiscal year 2020.

Exhibit 3: Ten nonprofit organizations received approximately 55% of the remaining funding

Nonprofit organization	Total funding (\$)
Austin Convention & Visitors Bureau	70,859,561
Greater Austin Performing Arts Center Inc.	65,341,323
Integral Care*	57,281,241
Municipal Gas Acquisition and Supply Corporation	51,033,540
Better Business Bureau Incorporated	41,427,597
Caritas of Austin	35,800,028
Family Endeavors, Inc.	27,864,853
Austin Area Urban League Inc.	22,737,573
Austin Economic Development Corporation	18,098,422
Urban Alchemy	17,632,233
Total Funding for the 10 nonprofit organizations	408,076,371
Total funding to nonprofit organizations excluding the nonprofits in Exhibit 2	737,985,795

*Formerly, Austin-Travis County Mental Health & Mental Retardation Ctr

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

The nonprofit organizations in the above exhibit cover a wide variety of industries and services. For example, the Austin Convention & Visitors Bureau “is charged with marketing Austin nationally and internationally as a premier business and leisure destination, thus enriching our community’s overall quality of life,” and Caritas of Austin works to provide “a home and tailored services to prevent and end homelessness.” More broadly, the services provided by the City’s nonprofit contractors primarily fall into one of five categories, as seen in Exhibit 4. Appendix B shows the annual funding for each service category for the period fiscal years 2020 through June 2025.

Exhibit 4: During fiscal years 2020 through June 2025, five categories of services accounted for over 80% of the City's total funding for nonprofits

Service Category	Total funding (\$)
Property Tax Appraisal: Funding goes to Austin Transit Partnership Local Government Corporation	799,337,687
Human services: Includes homeless prevention, training, social, mental health, employment generation, and community service	358,263,992
Payroll related payments: Includes payroll-related services for Austin Firefighters	232,908,625
Financial: Loan administration and auditing	93,583,899
Communication and media: Telecommunication services, advertising/public relations	75,170,027
Total Funding for the five categories above	1,559,264,230
Total funding for all categories of services	1,866,960,697

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Excluding the Property Tax Appraisal category, which is entirely used to fund Austin Partners in Transportation, the largest category of funding is spent on "Human Services." Spending in this category primarily goes to Family and Social Services and to Homelessness Prevention Services, as seen in Exhibit 5.

Exhibit 5: Within the human services category, 4 categories of services accounted for 99% of the nonprofit funding

Service Category	Total funding (\$)
Family and Social Services	330,110,796
Homelessness Prevention Services	11,740,776
Training and Instruction	9,891,950
Community Service Campaigns	2,132,476
Total funding for the four categories of services above	353,875,998
Total funding for the human services category	358,263,992

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Within the Human Services category, the 10 largest receivers of City funds account for approximately 63% of this spending, as seen in Exhibit 6. Appendix C contains the annual funding for these 10 nonprofit organizations in the last five years.

Exhibit 6: During fiscal years 2020 through June 2025, 10 nonprofits received over 60% of the City's funding of nonprofits providing human services

Nonprofit organization	Total funding (\$)
Integral Care*	54,055,726
Caritas of Austin	35,744,609
Family Endeavors, Inc.	27,864,853
Urban Alchemy	17,632,233
Austin Area Urban League Inc.	17,443,394
FII-National	16,153,478
Youth and Family Alliance	14,893,841
The Safe Alliance	14,280,186
Front Steps, Inc.	13,800,437
Central Texas Community Health Centers	12,693,083
Total Funding for the 10 nonprofit organizations	224,561,840
Total funding for nonprofits providing human services	358,263,992

*Formerly, Austin-Travis County Mental Health & Mental Retardation Ctr

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Zero-to-Low-Dollar Leases

In addition to contracting with nonprofits and providing them grants, the City also provides some nonprofits with zero-to-low-dollar leases. For example, the City may allow a nonprofit to operate out of a City-owned property rent free. We identified 22 nonprofit organizations that currently have zero-to-low-dollar leases with the City. Annual rent paid by the nonprofit organizations ranges between \$0 and \$12,000, as seen in Exhibit 7. These nonprofit organizations provide various services including education, healthcare, housing, support for local music and culture, and tourism promotion. Appendix D shows the list of the nonprofit organizations.

Exhibit 7: The City provides zero-to-low-dollar leases to 22 nonprofits

Annual Rent	Number of Leases
\$0	10
\$1	5
\$100	4
\$3,900	2
\$12,000	1

Source: Auditor analysis of nonprofit funding reports from the Office of Real Estate, June 2025

In 2022, the Financial Services Department created a policy for providing nonprofit organizations with below-market rent on City-owned land and buildings. This policy requires staff to determine the fair market value for these properties. The City has below-market agreements with nonprofits dating back to the 1970s. Prior to 2022, the City may not have consistently done this evaluation.

Question 2

What do best practices recommend for nonprofit contract performance measures/targets? How closely do the City's contracts with nonprofits organizations follow these best practices?

We reviewed guidance from organizations including Government Finance Officers Association, National Council of Nonprofits, and National Institute for Government Procurement. These organizations provide guidance for both contracting with nonprofits and for government contract performance management in general. Much of the guidance applies to any kind of contract. This matches the City's approach to nonprofit contracts. According to staff we spoke with, there is no meaningful difference between how the City contracts with nonprofits compared to private companies or other organizations.

Best practices recommend that performance measures be:

- Achievable
- Easy to collect and verify/worth the time and effort to collect and analyze
- Relevant to the stated purpose of the contract
- Reliable and based on accurate, objective, and verifiable data
- Specific and measurable

We reviewed a sample of 22 nonprofit contracts and zero-to-low-dollar leases to determine whether they had performance measures and whether those performance measures followed best practices. In particular, we looked at whether the contracts' performance measures were relevant to the goals and objectives stated in the contract, and whether the performance measures were specific and measurable. As seen in Exhibit 8, our review found that most of the contracts had performance measures and that the measures were generally relevant and specific.

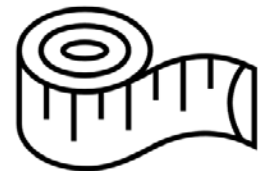
Exhibit 8: Most contracts had performance measure that were relevant, specific, and measurable



100% of contracts
had performance
measures



91% of performance
measures were relevant
to the contract purpose



86% of performance
measures were specific
and measurable

Source: Auditor analysis of 22 City contracts with nonprofits, July 2025

Of note, five contracts we reviewed required the organization to submit reports, but did not have a goal related to this information. For example, in a contract to provide services to people experiencing homelessness, the nonprofit was required to submit quarterly reports that included:

- Map showing areas where they have performed work
- Number of participants successfully transitioned from the program and serving in counselor or mentorship capacity
- Number of people being housed by their program
- Number of people graduated from one tier of their program to next
- Number of people impacted by their programs
- Number of people receiving technical skills training
- Participant demographics
- Weight of trash collected

Despite requiring this information, the contract does not contain any goals or minimum expectations related to these performance measures. As a result, the nonprofit can meet their contractual obligations by providing this information, but the City may not be able to determine if the nonprofit is performing well.

Question 3

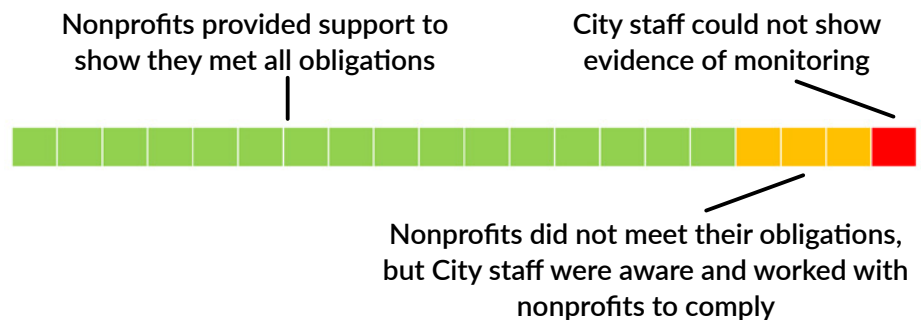
Is the City monitoring contracts and leases to make sure targets are met?

Nonprofit organizations are expected to meet the performance targets for the goods and services included in their contracts and leases. Individual City departments are responsible for monitoring their agreements to ensure nonprofits meet the City's requirements. Based on data from the Financial Services Department, all of the City's contracts with nonprofit organizations had an assigned department contract manager. We reviewed supporting documentation for 20 of the contracts and leases reviewed in our sample for question 2 above.

Based on our review, it appears City staff are generally monitoring their agreements to make sure nonprofit organizations meet their obligations to the City. As seen in Exhibit 9, department staff were able to show us that they were properly monitoring their contracts and leases for 19 of the 20 agreements we reviewed. In the three instances where the nonprofit did not meet their obligations, City staff were aware of the situation and worked with the nonprofit to address the issue. In one instance, the monitor was unable to find documentation from the nonprofit to show how they were meeting their obligations.

We did not conduct work to determine whether the information provided by nonprofits was accurate.

Exhibit 9: City staff were monitoring 19 of the 20 agreements we sampled



Source: Auditor analysis of 20 City contracts and leases with nonprofits, July 2025

Appendix A: Top 10 nonprofits that received City funding

Annual funding for the top 10 nonprofit recipients of City funds, excluding Austin Transit Partnership Local Government Corporation, Austin Firefighters Relief and Retirement Fund, and LCRA Transmission Services Corporation. These nonprofits received approximately 55% of the total remaining funding the City provided to nonprofits during fiscal years 2020 through June 2025.

Nonprofit organization	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)	2024 (\$)	FY2025 (\$) (as of June)	Total (\$)
Austin Convention & Visitors Bureau	3,886,956	4,515,343	6,878,214	13,033,304	23,772,765	18,772,979	70,859,561
Greater Austin Performing Arts Center Inc.	318,138	5,808,691	4,423,736	16,782,923	22,535,453	15,472,382	65,341,323
Integral Care*	2,321,123	9,510,328	9,755,719	12,119,215	13,131,223	10,443,632	57,281,241
Municipal Gas Acquisition and Supply Corporation	-	-	-	11,933,150	21,887,040	17,213,350	51,033,540
Better Business Bureau Incorporated, of Austin, Texas	24,449,031	9,643,994	7,334,572	-	-	-	41,427,597
Caritas of Austin	2,480,635	4,420,893	6,927,591	7,572,577	8,505,852	5,892,481	35,800,028
Family Endeavors, Inc.	-	-	-	2,707,615	15,436,796	9,720,442	27,864,853
Austin Area Urban League Inc.	1,887,929	3,956,893	1,811,548	4,696,002	6,656,878	3,728,324	22,737,573
Austin Economic Development Corporation	-	51,484	903,181	4,479,984	10,050,000	2,613,773	18,098,422
Urban Alchemy	-	-	-	4,060,387	7,045,290	6,526,556	17,632,233
Total Funding	35,343,812	37,907,626	38,034,561	77,385,158	129,021,296	90,383,918	408,076,371

*Formerly, Austin-Travis County Mental Health & Mental Retardation Ctr

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Appendix B: Annual funding for nonprofits by service category

The service categories show below account for over 80% of the City's spending to nonprofit organizations.

Type of Services	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)	2024 (\$)	FY2025 (\$) (as of June)	Total (\$)
Property tax appraisal	-	148,681,824	155,586,525	159,962,727	166,279,850	168,826,761	799,337,687
Human services	26,157,854	63,985,241	44,020,976	65,893,895	90,086,014	68,120,013	358,263,992
Payroll related payments	18,601,552	41,448,012	44,638,427	44,125,401	48,846,192	35,249,041	232,908,625
Financial	5,572,801	12,367,860	6,485,363	21,061,547	29,543,895	18,552,432	93,583,899
Communication and media	4,191,780	5,417,827	7,808,327	14,152,600	24,617,076	18,982,419	75,170,027
Total Funding	54,523,987	271,900,764	258,539,618	305,196,170	359,373,027	309,730,666	1,559,264,231

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Appendix C: Top 10 nonprofits providing human services that received City funding

The nonprofits shown below receive over 60% of the funding the City provides to nonprofits that provide human services.

Nonprofit organization	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)	2024 (\$)	FY2025 (\$) (as of June)	Total (\$)
Integral Care*	2,271,121	9,496,749	9,750,719	11,853,461	11,575,136	9,108,539	54,055,726
Caritas of Austin	2,430,335	4,416,393	6,927,591	7,571,958	8,505,852	5,892,481	35,744,609
Family Endeavors, Inc.	-	-	-	2,707,615	15,436,796	9,720,442	27,864,853
Urban Alchemy	-	-	-	4,060,387	7,045,290	6,526,556	17,632,233
Austin Urban Area League Inc.	1,180,000	2,964,518	491,737	3,683,611	6,058,306	3,065,222	17,443,394
FII-National	4,480,000	7,808,478	1,180,000	49,000	1,336,000	1,300,000	16,153,478
Youth and Family Alliance	792,892	1,733,800	1,200,998	3,584,209	4,428,792	3,153,149	14,893,841
The Safe Alliance	599,434	1,444,117	2,665,366	3,944,328	3,683,148	1,943,793	14,280,186
Front Steps Inc	2,241,046	5,361,787	5,021,107	1,176,497	-	-	13,800,437
Central Texas Community Health Centers	837,838	2,571,205	2,392,016	2,433,125	2,437,427	2,021,471	12,693,083
Total Funding	14,832,667	35,797,048	29,629,534	41,064,191	60,506,747	42,731,653	224,561,840

*Formerly, Austin-Travis County Mental Health & Mental Retardation Ctr

Source: Auditor analysis of nonprofit funding reports from the Financial Services Department, June 2025

Appendix D: Nonprofits that received zero-to-low-dollar leases

Nonprofit	Property	Community benefit	Annual rent	Fair Market Value of Property	Commencement Date	Expiration Date
African American Cultural Heritage Facility	912 E. 11th Street, Suite A. Austin, TX 78702	Promote convention and tourism through community outreach, the development for African American businesses, and student education.	\$1	\$6,060,228	July 31, 2012	September 30, 2024
Anderson Community Development Corporation	1115 E 12th St. (aka 1914-B 12th St.) Austin, TX 78702	Provide affordable housing to low-income residents per the organization's HUD loan requirements.	\$1	\$597,875	March 1, 2011	March 1, 2110
Austin Free Net	2209 Rosewood Ave. Austin, TX 78702	Operate free computer labs and provide free computer classes to the residents of Austin.	\$0	\$8,286,348	February 1, 2002	None
Austin Pets Alive	1156 W Cesar Chavez Austin, TX 78703	Operate an animal rescue and adoption center and uses ancillary thereto, including medical treatment, behavioral training and fundraising and outreach events.	\$0	\$22,140,000	August 24, 2023	August 23, 2048
Austin Symphony Orchestra Society Inc.	1101 Red River St. Austin, TX 78701	Cultivate appreciation of music in the citizens of Central Texas through symphonic performances and education.	\$3,900	\$7,992,030	June 1, 1975	December 31, 2025
Austin Travis County Integral Care	5307 East Riverside Dr. Austin, TX 78741	Operate a homeless shelter (aka Safe Haven).	\$100	\$1,874,716	April 1, 2010	March 31, 2026
Austin Yellow Bike Project	1200 Webberville Rd Austin, TX 78721	Donate 100 bicycles to local through its Bike to Schools program each year; to provide 3 bicycle maintenance programs annually and to offer bicycle-oriented after-school programs.	\$0	\$5,297,859	September 9, 2009	September 9, 2059

Nonprofit	Property	Community benefit	Annual rent	Fair Market Value of Property	Commencement Date	Expiration Date
Austin Youth River Watch	10611 Platt Ln Austin, TX 78725	Promote community-based environmental monitoring, awareness and education of and about the Colorado River Basin.	\$1	\$1,136,225	November 1, 2003	November 1, 2028
Blackland Neighborhood Development Corporation	2005 Salina St Austin, TX 78722	Provide housing to low-income residents of Austin.	\$0	\$3,713,868	April 1, 1986	March 31, 2046
Capital City Trap and Skeet Club	8707 Lindell Ln Austin, TX 78724	Provide recreation and educational programs for their members, hunter safety classes and for the public.	\$0	\$27,259,083	December 7, 1978	March 12, 2027
Clarksville Community Development Corporation	1611 W. 10th St Austin, TX 78703	Provide housing for 17 low-income households. Build Community and preserve Clarksville's history.	\$1	\$218,746	August 31, 2020	July 31, 2119
Digital Workforce Academy	2209 Rosewood Ave Austin, TX 78702	To provide job readiness skills and G-Suite and AppSheet platform training to underserved populations.	\$0	\$8,286,348	July 1, 2020	June 30, 2025
Emancipet	7201 Levander Loop Austin, TX 78702	Provide high-quality animal services at a low-cost price.	\$100	\$539,708	August 31, 2023	August 30, 2028
Long Center	701 W Riverside Dr. Austin, TX 78704	Provide access to small and minority-based performing arts organizations. Promote and enhance performing arts in Austin, Texas.	\$0	\$353,596,296	August 9, 2002	August 8, 2052
MEEELJ	403 E 15th Street Austin, TX 78701	Assist residents who are on parole to meet their conditions of parole. Assist in development of participants to prepare them for the workforce and aid in finding educational or job opportunities.	\$0	\$13,047,495	June 23, 2014	October 31, 2026

Nonprofit	Property	Community benefit	Annual rent	Fair Market Value of Property	Commencement Date	Expiration Date
Planned Parenthood	1823 East 7th St. Austin, TX 78702	Provide low-cost reproductive healthcare to the citizens of Austin.	\$1	\$103,320*	July 1, 1972	February 6, 2039
Red Cross - Junior Achievement	2218 Pershing Dr. Austin, TX 78723	Provide CPR classes and disaster assistance to the residents of Austin.	\$100	\$2,832,690	April 1, 1973	May 31, 2035
Travis County Domestic Violence and Sexual Assault Survival Center (aka SafePlace)	4613 Tannehill Ln. Austin, TX 78721	Provide secure shelter for domestic violence survivors.	\$0	\$10,364,774	December 1, 1998	November 30, 2097
Tree Folks	10803 Platt Ln Austin, TX 78725	Promote tree planting, tree education, and urban forestry related community partnerships.	\$100	\$20,916*	November 1, 2002	November 7, 2034
Urban Roots	4705 Winnebago Austin, TX 78744	Expanding urban agriculture and commercial farming. Provide public access to fresh food.	\$12,000	\$150,443	August 1, 2020	July 31, 2035
Waterloo Greenway Conservancy	1101 Red River St. Austin, TX 78701	Cultivate appreciation of music in the citizens of Central Texas through symphonic performances and education.	\$3,900	\$7,992,030	June 1, 1975	December 31, 2025
Zach Theater Company	1510 Toomey Rd. Austin, TX 78704	Provide theater lessons to children, and quality theater productions for the residents of Austin.	\$0	\$320,932,605	May 25, 1970	November 24, 2086

*Annual fair market rent as opposed to the fair market value of the property itself.

Source: Auditor analysis of lease data from the Financial Services Department, June 2025

Why We Did This Report

This report responds to a request from Mayor Watson and Council Member Alter.

The request aimed to understand how much money nonprofits receive from the City and for what purposes. In addition, the requesters asked how closely the City's contracts and agreements with nonprofits follow best practices and whether the City monitors its contracts with nonprofits ensure they meet performance expectations.

Scope

The audit scope included the City's nonprofit funding information during fiscal years 2020 through June 2025.

Methodology

To complete this special request, we performed the following steps:

- Interviewed staff from the Financial Services Department
- Researched best practices for nonprofit contract performance measures/targets
- Reviewed and analyzed reports generated by City Departments including
 - Austin Public Health
 - Communications and Technology Management
 - Economic Development Department
 - Financial Services Department
 - Homeless Strategy Office
 - Housing Department
 - Information Security Office
 - Office of Arts Culture, Music & Entertainment
 - Parks and Recreation Department
- Reviewed contactor deliverables for a sample of 20 City contracts/agreements with nonprofits
- Reviewed performance measures for a sample of 22 City contracts/agreement with nonprofits

Project Type

This project is not considered an audit. However, this project was conducted in accordance with the ethics, independence, competency, and quality provisions of the Government Auditing Standards.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. Special requests are designed to answer specific questions to assist Council in decision-making. We do not draw conclusions or make recommendations in these reports.

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