

**CITY OF GLENDALE, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2010**

**CITY OF GLENDALE, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2010**

CONTENTS

Page

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	16
Summary Schedule of Prior Audit Findings	23



HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

3033 N. Central Avenue, Suite 300
Phoenix, Arizona 85012
Tel (602) 277-9449
Fax (602) 277-9297

**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**

Honorable Mayor and Members of the City Council
City of Glendale, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Glendale, Arizona as of and for the year ended June 30, 2010, which collectively comprise City of Glendale, Arizona's basic financial statements and have issued our report thereon dated December 8, 2010. 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 City of Glendale, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Glendale, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Glendale, Arizona's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Honorable Mayor and Members of the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 8, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Glendale, Arizona

Compliance

We have audited City of Glendale, Arizona's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Glendale, Arizona's major federal programs for the year ended June 30, 2010. City of Glendale, Arizona's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Glendale, Arizona's management. Our responsibility is to express an opinion on City of Glendale, Arizona's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Glendale, Arizona'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 City of Glendale, Arizona's compliance with those requirements.

In our opinion, City of Glendale, Arizona complied, in all material respects, with the requirements referred to above that could have a direct and material effect each on of its major federal programs for the year ended June 30, 2010. 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 which are described in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2 and 2010-3.

Internal Control Over Compliance

Management of City of Glendale, Arizona is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Glendale, Arizona's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Glendale, Arizona's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-3. A significant deficiency in internal control over compliance is a deficiency, or 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Glendale, Arizona as of and for the year ended June 30, 2010, and have issued our report thereon dated December 8, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise City of Glendale, Arizona's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic 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 taken as a whole.

City of Glendale, Arizona's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit City of Glendale, Arizona's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Honorable Mayor and Members of the City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

December 8, 2010

City of Glendale, Arizona (an Arizona Municipality)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor (<i>Pass-Through Grantor</i>) Program or Cluster Title	Federal CFDA Number	Federal/State Grant Pass-Thru #	FY 2010 Federal Expenditures
U.S. Department of Transportation			
Federal Aviation Administration			
Airport Improvement Program	20.106	3-04-0064-18-2007	\$ 218,361
Airport Improvement Program	20.106	3-04-0064-019-2009	123,693
			<u>342,054</u>
Highway Planning and Construction Cluster (20.205, 20.219, & 23.003)			
Federal Highway Administration			
(Sub-recipient of Arizona Department of Transportation)			
Highway Planning and Construction	20.205	TEA-GLN-0-(17)P	5,000
Highway Planning and Construction	20.205	JPA-07-138-I, pit #GLN-0(205)A	346,404
Highway Planning and Construction	20.205	CM GLN-0(203) A	68,726
Highway Planning and Construction	20.205	CM GLN-0(222) A	84,636
Highway Planning and Construction	20.205	CM GLN-0(220) A	19,261
Highway Planning and Construction (Recovery Act Funded)	20.205	TEA-GLN-0(201) A	159,776
(Sub-recipient of Maricopa Association of Governments)			
Highway Planning and Construction	20.205	2009 CMAQ	361,094
			<u>1,044,897</u>
Federal Transit Cluster (20.500 & 20.507)			
Federal Transit Administration			
(Sub-recipient of City of Phoenix, Arizona)			
Federal Transit--Formula Grants	20.507	AZ-90-X080	42,357
Federal Transit--Formula Grants	20.507	AZ-90-X088	364,800
Federal Transit--Formula Grants	20.507	AZ-90-X096	11,351
Federal Transit--Formula Grants (Recovery Act Funded)	20.507	AZ-96-X002-01	74,874
			<u>493,382</u>
Highway Safety Cluster (20.600 - 20.605, 20.609 - 20.613)			
National Highway Traffic Safety Administration			
(Sub-recipient of Arizona Governor's Office of Highway Safety)			
State and Community Highway Safety	20.600	2008-AI-002	825
State and Community Highway Safety	20.600	2010-PT-035	2,500
State and Community Highway Safety	20.600	2009-OP-023	7,409
State and Community Highway Safety	20.600	2010-OP-007	11,215
State and Community Highway Safety	20.600	2008-TR-003	14,390
State and Community Highway Safety	20.600	2009-TR-001	13,082
State and Community Highway Safety	20.600	2009-PT-037	9,976
State and Community Highway Safety	20.600	2010-OP-008	4,919
State and Community Highway Safety	20.600	2010-PT-036	5,438
			<u>69,754</u>
National Highway Traffic Safety Administration			
(Sub-recipient of Arizona Governor's Office of Highway Safety)			
Alcohol Traffic Safety & Drunk Driving Prevention Incentive	20.601	2008-410-026	34,656
Alcohol Traffic Safety & Drunk Driving Prevention Incentive	20.601	2008-410-058	1,518
Alcohol Traffic Safety & Drunk Driving Prevention Incentive	20.601	2010-410-031	18,962
			<u>55,136</u>
National Highway Traffic Safety Administration			
(Sub-recipient of Arizona Governor's Office of Highway Safety)			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	2010-163-006	35,884
			<u>160,774</u>

City of Glendale, Arizona (an Arizona Municipality)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor (<i>Pass-Through Grantor</i>) Program or Cluster Title	Federal CFDA Number	Federal/State Grant Pass-Thru #	FY 2010 Federal Expenditures
National Highway Traffic Safety Administration (Sub-recipient of Arizona Governor's Office of Highway Safety)			
Discretionary Safety Grants, Highway Safety Research and Development	20.614	2009-NG-007	21,872
Total U.S. Department of Transportation			<u>2,062,979</u>
U.S. Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster (14.218, 14.253, 14.254)			
Community Planning and Development			
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-040506	1,499,411
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-040506	707,869
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program	14.218	B-08-MN-040503	2,237,448
			<u>4,444,728</u>
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) - (Recovery Act Funded)	14.253	B-09-MY-04-0506	390,772
			<u>4,835,500</u>
Community Planning and Development (Sub-recipient of Maricopa County, AZ)			
HOME Investment Partnerships Program	14.239	M-03-DC-04-0227 ADDI	16,174
HOME Investment Partnerships Program	14.239	M-04-DC-04-0227 ADDI	33,826
HOME Investment Partnerships Program	14.239	M-05-DC-04-0227	92,485
HOME Investment Partnerships Program	14.239	M-06-DC-04-0227	71,002
HOME Investment Partnerships Program	14.239	M-07-DC-04-0227	504,217
HOME Investment Partnerships Program	14.239	M-08-DC-04-0227	108,977
HOME Investment Partnerships Program	14.239	M-08-DC-04-0227	247,190
			<u>1,073,871</u>
Community Planning and Development			
Emergency Shelter Grants Program	14.231	S-08-MC-040506	23,320
Emergency Shelter Grants Program	14.231	S-09-MC-040506	41,883
			<u>65,203</u>
Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)			
Public and Indian Housing			
Section 8 Housing Choice Vouchers	14.871	SF-512 V	8,749,205
Public and Indian Housing			
Public and Indian Housing	14.850	SF-466	582,383
Capital Fund Program (CFP) Cluster (14.872, 14.884 & 14.885)			
Public Housing Capital Fund (CFP)	14.872	AZ20P003501-06 (ZG)	15,479
Public Housing Capital Fund (CFP)	14.872	AZ20P003501-08 (ZI)	162,298
Public Housing Capital Fund (CFP)	14.872	AZ20P003501-09 (I)	169,672
			<u>347,449</u>
			<u>347,449</u>
Public and Indian Housing			
Disaster Voucher Program	14.DVP	AZ003-KDHAP/DHAP/DVP	5,459
Total U.S. Department of Housing and Urban Development			<u>16,208,001</u>

City of Glendale, Arizona (an Arizona Municipality)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor (<i>Pass-Through Grantor</i>) Program or Cluster Title	Federal CFDA Number	Federal/State Grant Pass-Thru #	FY 2010 Federal Expenditures
<u>U.S. Department of Health and Human Services (DHHS)</u>			
Community Services Block Grant (CSBG) Cluster (93.569 & 93.710)			
Administration for Children and Families (Sub-recipient of Maricopa County Human Services Dept, Arizona)			
Community Services Block Grant	93.569	C-22-08-070-2-01	57,135
Administration for Children and Families (Sub-recipient of Maricopa County Human Services Dept, Arizona)			
ARRA - Community Services Block Grant	93.710	C-22-08-070-2-3	172,336
			<u>229,471</u>
Administration for Children and Families (Sub-recipient of Maricopa County Human Services Dept, Arizona)			
Social Services Block Grant	93.667	C-22-08-070-2-01	15,191
Centers for Disease Control and Prevention (Sub-recipient of Maricopa County Public Health Dept, Arizona)			
Immunization Grants	93.268	C86-09-0072-3-00	14,324
Total U.S. Department of Health and Human Services			<u>258,986</u>
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024	LRO ID#025600-066	60,428
Homeland Security Cluster (97.004, 97.053, 97.067 & 97.071) (Sub-recipient of Arizona Department of Homeland Security)			
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333800-02	6,770
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333800-03	90
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333800-04	114,153
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333800-05	103
Homeland Security Grant Program	97.067	333211-01	1,522
Homeland Security Grant Program	97.067	333211-05	697
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444815-01	1,124
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444815-02	8,634
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444815-03	72
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333805-01	3,306
Homeland Security Grant Program	97.067	555809-01	110,939
Homeland Security Grant Program	97.067	555809-02	1,405
Homeland Security Grant Program	97.067	555809-03	3,533
Homeland Security Grant Program	97.067	333800-06	79,861
Homeland Security Grant Program	97.067	333814-02	123
Homeland Security Grant Program	97.067	333206-01	2,297
Homeland Security Grant Program	97.067	333217-01	25,640
Homeland Security Grant Program	97.067	2007-GE-T7-0006, Pjt #333814-03	912
Homeland Security Grant Program	97.067	08-AZDOHS-HSGP-444211-01	311,026
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444814-01	21,861
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444814-02	30,032
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444814-03	24,137
Homeland Security Grant Program	97.067	2008-GE-T8-0021, 08-AZDOHS-HSGP-444814-05	5,066
Homeland Security Grant Program	97.067	555808-01	50,974
Homeland Security Grant Program	97.067	555808-02	11,785
Homeland Security Grant Program	97.067	555808-03	6,268
Homeland Security Grant Program	97.067	555201-01	15,069
			<u>837,399</u>
			<u>837,399</u>

City of Glendale, Arizona (an Arizona Municipality)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor (<i>Pass-Through Grantor</i>) Program or Cluster Title	Federal CFDA Number	Federal/State Grant Pass-Thru #	FY 2010 Federal Expenditures
(Sub-recipient of Arizona Department of Homeland Security)			
Buffer Zone Protection Plan	97.078	07-AZDOHS-BZPP-333206-02	16,657
Total U.S. Department of Homeland Security			914,484
<u>U.S. Department of Justice</u>			
Office of Juvenile Justice and Delinquency Prevention (Sub-recipient of Governor's Office for Children, Youth and Families)			
Juvenile Accountability Block Grants	16.523	JB-CSG-09-0273-03	5,218
Office of Juvenile Justice and Delinquency Prevention (Sub-recipient of City of Phoenix, Arizona Internet Crimes Against Children Task Force)			
Missing Children's Assistance	16.543	2009-MC-CX-K013	10,694
Office for Victims of Crime, Office of Justice Programs (Sub-recipient of Arizona Department of Public Safety)			
Crime Victim Assistance	16.575	State contract #'s 2006-451 & 2009-183	114,309
Office on Violence Against Women (Sub-recipient of Governor's Office for Children, Youth and Families)			
Violence Against Women Formula Grants	16.588	ST-WSG-09-9365-04	20,141
Violence Against Women Formula Grants	16.588	ST-WSG-09-9365-04Y2	805
Violence Against Women Formula Grants - Recovery Act Funded	16.588	ST-REC-09-1059-15	52,218
			73,164
Office on Violence Against Women Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
	16.590	2005-WE-AX-0108	161,632
Community Capacity Development Office, Office of Justice Programs (Sub-recipient of Swift Charities for Children, a non-profit organization)			
Community Capacity Development Office Program	16.595	2008-WS-QX-4147	42,288
Bureau of Justice Assistance, Office of Justice Programs			
Bulletproof Vest Partnership Program	16.607	2008 - No grant number	13,790
Bulletproof Vest Partnership Program	16.607	2009 - No grant number	4,174
			17,964
Office of Community Oriented Policing Services			
Public Safety Partnership and Community Policing Grants	16.710	2008CKWX0148	257,022
Public Safety Partnership and Community Policing Grants	16.710	2008CKWX0149	743,527
			1,000,549
Office of Juvenile Justice and Delinquency Prevention (Sub-recipient of Pima Prevention Partnership)			
Enforcing Underage Drinking Laws Program	16.727	No grant number	5,084
Bureau of Justice Assistance, Office of Justice Programs			
Gang Resistance Education and Training (G.R.E.A.T.)	16.737	2008-JV-FX-0080	64,043
Gang Resistance Education and Training (G.R.E.A.T.)	16.737	2009-JV-FX-0034	1,847
			65,890
Bureau of Justice Assistance, Office of Justice Programs (Sub-recipient of Maricopa County)			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	C-20-07-095-3-00	25,254
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0500, C-20-09-006-G-00	23,268
			48,522

City of Glendale, Arizona (an Arizona Municipality)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor <i>(Pass-Through Grantor)</i> Program or Cluster Title	Federal CFDA Number	Federal/State Grant Pass-Thru #	FY 2010 Federal Expenditures
Bureau of Justice Assistance, Office of Justice Programs			
Edward Byrne Memorial Competitive Grant Program	16.751	2009-DG-BX-0020	2,579
Total U.S. Department of Justice			<u>1,547,893</u>
<u>National Foundation on the Arts and the Humanities</u>			
National Endowment for the Humanities			
Promotion of the Humanities-Public Programs	45.164	LS-50014-07	115
National Endowment for the Humanities			
Promotion of the Humanities-Federal/State Partnership	45.129	GG09-5346-2010	2,426
Institute of Museum and Library Services, Office of Library Services (Sub-recipient of the Arizona State Library, Archives and Public Records)			
Grants to States	45.310	2008-6213	4,864
Grants to States	45.310	2008-6217	4,144
Grants to States	45.310	381-21-09-(01)	2,384
Grants to States	45.310	Centennial 09	11,220
Grants to States	45.310	Lifespan Learning 09	44,850
Total National Foundation on the Arts and the Humanities			<u>67,462</u> <u>70,003</u>
<u>U.S. Department of the Interior</u>			
Bureau of Reclamation (Sub-recipient of Phoenix, Arizona (SROG))			
Water Reclamation and Reuse Program	15.504	01-FC-32-0010	500
National Park Service (Sub-recipient of Arizona State Parks)			
Historic Preservation Fund Grants-In-Aid	15.904	04-08-21707, Pjt # AZ-08-018	2,025
Historic Preservation Fund Grants-In-Aid	15.904	04-08-21707, Pjt # AZ-08-019	3,482
Historic Preservation Fund Grants-In-Aid	15.904	04-09-21707, Pjt # AZ-09-021	10,000
Total U.S. Department of the Interior			<u>15,507</u> <u>192,675</u> <u>208,682</u>
<u>U.S. Department of Energy</u>			
Energy Efficiency and Conservation Block Grant Program (EECBG) - Recovery Act Funded	81.128	DE-EE0000837	44,755
Total U.S. Department of Energy			<u>44,755</u>
Total Federal Financial Assistance			<u>\$ 21,315,783</u>

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Glendale, Arizona and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Federal awards received directly from Federal agencies, as well as federal financial assistance passed through other entities, are included on the schedule of expenditures of federal awards.

Amounts reported in the accompanying schedule of expenditures of federal awards may not agree with the amounts reported in the related federal financial reports filed with grantor agencies because of accruals that would be included in the subsequent reports filed with the agencies.

Note 2 - Reconciliation of Schedule of Expenditures of Federal Awards to Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds) and Statement of Revenues, Expenses and Changes in Fund Net Assets (Proprietary Funds)

(Amounts expressed in thousands)

Intergovernmental Revenues:		
from General Fund	\$ 58,490	
from Transportation Fund	2,509	
from Non-Major Governmental Funds	29,048	
Total from Governmental Funds	<u>90,047</u>	\$ 90,047
from Housing Fund - Operating revenues	9,332	
from Housing Fund - Capital grants	347	
Total from Proprietary Funds	<u>9,679</u>	9,679
Total Intergovernmental Revenues		<u>99,726</u>
Less Non-Federal Revenue from General Fund:		
State and local intergovernmental revenues	<u>(58,490)</u>	(58,490)
Less Non-Federal Revenue from Transportation Fund:		
State LTAF revenue	(945)	
Other state and local intergovernmental revenues	<u>(799)</u>	(1,744)
Less Non-Federal Revenue from Non-Major Gov't Funds:		
State and HURF revenues in Highway Users Gas Tax Fund	(13,774)	
State and local grants in Other Special Revenue Funds	(4,304)	
State and local revenues in Capital Projects Funds - Fire & Police Construction	(263)	
State and local revenues in Capital Projects Funds - Other Construction	<u>(13)</u>	(18,354)
Plus Immaterial Timing Differences:		
Reduction of Federal revenues in Housing Fund recorded in prior fiscal year	5	
Federal revenues in Transportation Fund recorded in subsequent fiscal year	173	178
Total Adjustments		<u>(78,410)</u>
Schedule of Expenditures of Federal Awards, Total Federal Financial Assistance		<u>\$ 21,316</u>

Note 3 - Sub-recipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of Glendale, Arizona provided federal awards to sub-recipients as follows:

Pass-Thru Grantee/Program	Federal CFDA Number	Federal Expenditures
Community Development Block Grants/Entitlement Grants Sub-recipients:		
ABIL - Home Accessibility Program	14.218	\$ 62,482
CSA - Minor Home Repair Program	14.218	333,670
St Vincent de Paul, OLPH - Keeping Families Intact	14.218	15,247
Community Information & Referral - CONTACTS Hotline	14.218	10,164
Catholic Community Services - Valley Center of the Deaf	14.218	15,633
A New Leaf Foundation (formerly PREHAB of Arizona, Inc) - Faith House Emergency Shelter	14.218	20,329
A New Leaf Foundation (formerly PREHAB of Arizona, Inc) - Juvenile Alternatives in Glendale	14.218	9,317
St Mary's Food Bank Alliance - Home Food Delivery	14.218	25,411
St Mary's Food Bank Alliance - Emergency Food Box Program	14.218	30,493
YWCA of Maricopa County - Congregate Meals	14.218	42,436
Big Brothers Big Sisters of Central Arizona - School Based Mentoring	14.218	12,096
Boys & Girls Club of Metropolitan Phoenix - Glendale After-School Program	14.218	10,164
Glendale Union High School District - Health Care Clinic	14.218	10,164
Foundation for Senior Living/Glendale Adult Day Health Care - Restorative & Therapeutic Growth Services	14.218	10,164
DUET - Partners in Health & Aging (formerly Beatitudes Center D.O.A.R.)	14.218	10,164
Community Legal Services - Removing Barriers to Access to Justice	14.218	15,247
Central Arizona Shelter Services - Upgrades	14.218	20,009
VALLEYLIFE (formerly Valley of the Sun School & Habilitation Ctr)/Upgrading Group Home Facilities	14.218	170,544
Tanner Terrace Apartments - Exterior Lighting	14.218	2,756
Boys & Girls Club of Metropolitan Phoenix - Planning & Design	14.218	127,776
St. Mary's Food Bank Alliance - Glendale Food Bank Renovation	14.218	75,917
Total Community Development Block Grants/Entitlement Grants Sub-recipients		\$ 1,030,183

Note 3 - Sub-recipients (Concl'd)

Pass-Thru Grantee/Program	Federal CFDA Number	Federal Expenditures
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program (NSP) Sub-recipients:		
Habitat for Humanity - Central Arizona	14.218	\$ 753,349
Native American Connections	14.218	560,136
National Farm Workers Service Center Inc.	14.218	882,921
Total Community Development Block Grants/Entitlement Grants - NSP Sub-recipients		2,196,406
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) Sub-recipients:		
VALLEYLIFE (formerly Valley of the Sun School & Habilitation Ctr)	14.253	50,000
HOME Investment Partnerships Program Sub-recipients:		
Habitat for Humanity - Central Arizona - Acquisition/In-fill	14.239	176,603
Habitat for Humanity - Central Arizona - In-fill Housing Development	14.239	301,887
Newtown Community Development Corporation (CDC) - Community Land Trust Program	14.239	122,000
Community Housing Resources of Arizona - Down Payment Assistance	14.239	25,855
Community Housing Resources of Arizona - ADDI - Down Payment Assistance	14.239	47,965
Total HOME Investment Partnerships Program Sub-recipients		674,310
Emergency Shelter Grants Program Sub-recipients:		
Central Arizona Shelter Services - Emergency Shelter Services	14.231	20,025
Homeward Bound - Shelter Operations	14.231	10,012
A New Leaf Foundation (formerly PREHAB) - Faith House Emergency Shelter	14.231	25,031
Chrysalis - Victim Services	14.231	8,113
Total Emergency Shelter Grants Program Sub-recipients		63,181
Homelessness Prevention and Rapid Re-Housing Program (HPRP) Sub-recipients:		
St. Vincent de Paul - Overcoming and Preventing Homelessness	14.257	211,037
Homeward Bound - Homelessness Prevention	14.257	111,823
Total HPRP Sub-recipients		322,860
Total Federal Awards expended by sub-recipients of the City of Glendale		\$ 4,336,940

Note 4 - Program Income

The federal expenditures presented in the Schedule of Expenditures of Federal Awards (SEFA) for the City of Glendale, Arizona, do not include expenditures funded by program income. The following schedule shows total grant-related expenditures and their funding source (federal, program income or general fund match) for HUD grants, as these are the only grants with program income:

Program or Cluster Title	Federal CFDA Number	Federal Expenditures	Total Expenditures
Community Development Block Grants/Entitlement Grants			
Federal Expenditures reported on SEFA	14.218	\$ 2,207,280	\$ 2,207,280
Plus Expenditures funded by Program Income			47,376
Total Grant-Related Expenditures			<u>2,254,656</u>
Community Development Block Grants/Entitlement Grants - Neighborhood Stabilization Program			
Federal Expenditures reported on SEFA	14.218	2,237,448	2,237,448
Plus Expenditures funded by Program Income			-
Total Grant-Related Expenditures			<u>2,237,448</u>
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)			
Federal Expenditures reported on SEFA	14.253	390,772	390,772
Plus Expenditures funded by Program Income			-
Total Grant-Related Expenditures			<u>390,772</u>
HOME Investment Partnerships Program			
Federal Expenditures reported on SEFA	14.239	1,073,871	1,073,871
Plus Expenditures funded by Program Income			37,541
Plus Expenditures funded by General Fund Match			31,683
Total Grant-Related Expenditures			<u>1,143,095</u>
Emergency Shelter Grants Program			
Federal Expenditures reported on SEFA	14.231	65,203	65,203
Plus Expenditures funded by Program Income			-
Total Grant-Related Expenditures			<u>65,203</u>
Homelessness Prevention and Rapid Re-Housing Program			
Federal Expenditures reported on SEFA	14.257	548,931	548,931
Plus Expenditures funded by Program Income			-
Total Grant-Related Expenditures			<u>548,931</u>

Note 4 - Program Income (Concl'd)

Public and Indian Housing

Federal Expenditures reported on SEFA:			
Section 8 Housing Choice Vouchers	14.871	8,749,205	
Public and Indian Housing	14.850	582,383	
Public Housing Capital Fund	14.872	347,449	
Disaster Voucher Program	14.DVP	<u>5,459</u>	9,684,496
Plus Expenditures funded by Program Income (Tenant Revenue)			350,281
Plus Expenditures funded by Other Fees & Revenues			464,289
Less Revenues in excess of Expenditures			<u>(409,539)</u>
Total Grant-Related Expenditures			<u>10,089,527</u>
Total HUD Expenditures reported on SEFA		<u>\$ 16,208,001</u>	
Total HUD Grant-Related Expenditures			<u>\$ 16,729,632</u>

Note 5 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the *2010 Catalog of Federal Domestic Assistance*.

Each program included in the CFDA is assigned a five-digit program identification number (CFDA number), the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The CFDA number is reflected in the SEFA. Federal assistance programs and awards which have not been assigned a CFDA number, but have a grant award or agreement number, are assigned a five digit code consisting of the first two digits indicating federal agency and the last three digits all zeros.

Cluster of Programs - Closely related programs with different CFDA numbers that share common compliance requirements are considered a cluster of programs. The only program clusters presented on the SEFA are those mandated by OMB in the most recent *Circular A-133 Compliance Supplement* (June 2010). The SEFA is structured to present the federal assistance information by cluster with the title of the cluster appearing in the heading.

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? X yes 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 section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster
14.218, 14.253	Community Development Block Grant Cluster
14.239	HOME Investment Partnerships Program
14.257	Homelessness Prevention and Rapid Re-Housing Program
93.569, 93.710	Community Services Block Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$639,473

Auditee qualified as low-risk auditee? X yes no

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

**SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number: 2010-1	Questioned Costs: N/A
Program Names: Community Development Block Grant Cluster,	CFDA Numbers: 14.218
Homelessness Prevention and	14.253
Rapid Re-Housing Program	14.257
Pass-Through Agency: N/A	Grantor Numbers:
	B-08-MN-040503,
	B-09-MY-04-0506,
	S-09-MY-04-0506

CRITERIA

The Federal Code of Regulations requires the non-Federal entity to ensure all reporting requirements of the Community Development Block Grant Cluster and the Homelessness Prevention and Rapid Re-Housing Program are complied with.

CONDITION/CONTEXT

Although several internal controls over reporting were in place, sufficient controls were not in place causing the City to not prepare or submit quarterly Federal Cash Transaction reports.

EFFECT

Federal program requirements for reporting were not met.

CAUSE

The City did not check all appropriate sources of information, such as grant agreements, to ensure that all reporting requirements were met.

RECOMMENDATION

The City should ensure that applicable Federal guidelines are followed.

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City of Glendale is a CDBG entitlement community for the Community Development Block Grant (CDBG) Cluster and the Homelessness Prevention and Rapid Re-Housing Program. However, the City has elected to request reimbursements for expenditures after funds have been expended on eligible projects. The Federal Cash Transaction reports were completed for the CDBG grant for each quarter. However, the City received stimulus and ARRA funding, specifically Neighborhood Stabilization Program (NSP), Homelessness Prevention and Rapid Re-Housing (HPRP) and Community Development Block Grant ARRA Entitlement Grants (CDBG-R), for which the quarterly Federal Cash Transaction reports were not completed timely. This was an oversight by City personnel due to additional reporting requirements that were implemented for the stimulus and ARRA funds that reported the cash requested and reimbursed to the City and identified similar cash transactions activity as the Federal Cash Transaction report. These stimulus and ARRA grants reports were completed each quarter on a timely basis as required by Federal regulations. It should be noted that the Federal Cash Transaction report shows a summary of federal disbursed cash on hand. Recipients such as the City that operate on a reimbursement basis will always show a negative beginning and ending cash balance because they use City funds to operate the grant programs, then get reimbursed through the U.S. Treasury once expenditures have been recorded in the general ledger.

To correct the reporting oversight, the City submitted all applicable quarterly Federal Cash Transaction reports for the NSP, HPRP and CDBG-R grants on January 18, 2011, that had not been previously filed. A check list has been developed that outlines reporting requirements for all grants. This check list will be reviewed quarterly and signed off by the Supervisor and Administrator to ensure all Federal reporting has been completed timely.

Contact Person: Gilbert Lopez, Revitalization Administrator
Anticipated Completion Date: January 2011

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding Number: 2010-2	Questioned Costs: N/A
Program Name: HOME Investment Partnerships Program	CFDA Number: 14.239
Pass-Through Agency: Maricopa County, Arizona	Grantor Numbers:
	M-03-DC-04-0227 ADDI,
	M-04-DC-04-0227 ADDI,
	M-05-DC-04-0227,
	M-06-DC-04-0227,
	M-07-DC-04-0227,
	M-08-DC-04-0227

CRITERIA

Entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. §180.220 of the government-wide nonprocurement debarment and suspension common rule contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

CONDITION/CONTEXT

The Maricopa County Human Services Department – Community Development Division performed a peer review of the City of Glendale, Arizona's HOME Investment Partnerships Program during the fiscal year 2009-10, in which a finding related to suspension and debarment for one vendor resulted. See report dated September 15, 2010 for detail.

EFFECT

Federal program requirements for suspension and debarment were not met.

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010**

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

CAUSE

The finding noted by the Maricopa County Human Services Department was for the contract year 2008-2009 and was for an established non-profit vendor who had been excluded from the verification check in prior years.

RECOMMENDATION

The City should ensure that applicable Federal guidelines are followed.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City of Glendale strives to meet or exceed its oversight responsibilities. It should be noted that at the time all parties entered into this contract, the debarment checklist was used for the typical contractor, developer, etc. Recent audits and interpretations have expanded the reach of the review to include all non-profits, municipalities, etc. Based on this new interpretation, we will include those that were not covered before and look for additional policy guidance from HUD. Our goal is to fully comply with our regulatory responsibilities by being efficient, transparent, and accountable, without being overly bureaucratic. As noted, staff ran the non-profit in question, Habitat for Humanity, through the debarment checklist and they were not suspended or debarred.

This finding was corrected prior to the fiscal year 2009-10 audit by the expansion of the internal Community Revitalization procedures to include a verification of debarment prior to issuance of contract for all sub-recipient and contractors. The supporting documentation of this verification is included in all contract and sub-recipient files.

Contact Person: Gilbert Lopez, Revitalization Administrator
Anticipated Completion Date: July 2009

**CITY OF GLENDALE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010**

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Concl'd)

U.S. DEPARTMENT OF TRANSPORTATION

Finding Number: 2010-3

Program Name: Federal Transit Formula Grants

Pass-Through Agency: City of Phoenix, Arizona

Questioned Costs: N/A

CFDA Number: 20.507

Grantor Numbers: AZ-90-X080,
AZ-90-X088, AZ-90-X096,
AZ-96-X002-01

CRITERIA

The City should adhere to Federal requirements in relation to the above mentioned program.

CONDITION/CONTEXT

The Assistant Director's Office of the City of Phoenix, Arizona's Public Transit Department performed an oversight review of the City of Glendale, Arizona's Federal Transit Formula Grants during fiscal year 2009-10, in which several deficiencies were noted in the areas of procurement, suspension and debarment, technical and financial management oversight, disadvantaged business enterprise, etc. See report dated July 13, 2010 for detail.

EFFECT

Federal program requirements were not always followed.

CAUSE

The City of Phoenix oversight review conducted in July 2010 included comments on areas that needed some minor corrections, as well as areas that Glendale disagreed were significant deficiencies. Some areas were resolved with further discussion with Phoenix or the provision of additional documentation.

RECOMMENDATION

The City should ensure that applicable Federal guidelines are followed.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City of Glendale has corrected most issues needing correction by either submitting additional documentation to Phoenix or by making procedural changes such as developing a tracking document for federally funded projects. Glendale continually works with the City of Phoenix to ensure Glendale's compliance with federal grant funding guidelines and will continue to partner with Phoenix to ensure Phoenix is meeting their requirement as the regional federal recipient and associated regional oversight manager.

Contact Person: Jamsheed Mehta, AICP, Executive Director, Transportation Services

Anticipated Completion Date: September 2010

**CITY OF GLENDALE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2010**

Status of Federal Award Findings and Questioned Costs

The City had no findings or questioned costs related to federal awards noted in prior audits that require a status.