

**CITY OF GLENDALE, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2004**

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

The Honorable 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, 2004, which collectively comprise City of Glendale, Arizona's basic financial statements and have issued our report thereon dated October 1, 2004. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 the Honorable Mayor and Members of the City Council, management and 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

October 1, 2004



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of City of Glendale, Arizona with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. 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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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, 2004, and have issued our report thereon dated October 1, 2004. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Honorable Mayor and Members of the City Council, management and 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

October 1, 2004

**City of Glendale, Arizona
(an Arizona Municipality)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Grant Number	Federal Expenditures
<u>U.S. Department of Transportation</u>			
Federal Transit Administration (Subrecipient of City of Phoenix, Arizona)			
Federal Transit Formula Grants	20.507	AZ-90-X041-00	\$ 6,954
Federal Transit Formula Grants	20.507	AZ-90-X054-00	76,837
Federal Transit Formula Grants	20.507	AZ-90-X058-00	22,945
Federal Transit Formula Grants	20.507	AZ-90-X063-00	10,203
			<u>116,939</u>
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP 3-04-0064-13	1,541,622
Airport Improvement Program	20.106	AIP 3-04-0064-15	101,685
Airport Improvement Program	20.106	AIP 3-04-0064-14	14,788
			<u>1,658,095</u>
Federal Highway Administration (Subrecipient of Arizona Department of Transportation)			
Highway Planning and Construction	20.205	TEA-GLN-0(24)A	43,351
Highway Planning and Construction	20.205	CM- GLN-0(025)A	98,607
Highway Planning and Construction	20.205	CM- GLN-0(23)P	125,874
Highway Planning and Construction	20.205	CM- GLN-0(024)A	340,000
			<u>607,832</u>
National Highway Traffic Safety Administration (Subrecipient of Arizona Governor's Office of Highway Safety)			
State and Community Highway Safety	20.600	2002-163-007	32,412
State and Community Highway Safety	20.600	2001-163-026	27,450
State and Community Highway Safety	20.600	2004-1578-003	24,146
			<u>84,008</u>
			<u>2,466,874</u>
<u>Total U.S. Department of Transportation</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Community Planning and Development			
Community Development Block Grants/Entitlement Grants	14.218	B-02-MC-04-0506	1,881,290
Community Development Block Grants/Entitlement Grants	14.218	B-03-MC-04-0506	596,147
			<u>2,477,437</u>
HOME Investment Partnerships Program			
HOME Investment Partnerships Program	14.239	M-01-DC-04-0227	167,295
HOME Investment Partnerships Program	14.239	M-02-DC-04-0227	237,155
HOME Investment Partnerships Program	14.239	M-03-DC-04-0227	220,654
			<u>625,104</u>
Public and Indian Housing			
Public and Indian Housing (Low Rent)	14.850a	SF-446	337,902
Public and Indian Housing Drug Elimination Program	14.854	AZ20DEP0030101	21,554
Resident Opportunity and Supportive Services	14.870	AZ01RSF003P0069	90,786

**City of Glendale, Arizona
(an Arizona Municipality)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Grant Number	Federal Expenditures
Section 8 Housing Choice Vouchers/Certificates	14.871	SF-512-V	7,167,445
Public Housing Capital Fund (CFP)	14.872	AZ 20P00350101	55,632
Public Housing Capital Fund (CFP)	14.872	AZ 20P00350102	117,541
Public Housing Capital Fund (CFP)	14.872	AZ 20P00350103	4,039
			<u>177,212</u>
Total U.S. Department of Housing and Urban Development			<u>10,897,440</u>
 <u>U.S. Department of Health and Human Services</u>			
Administration for Children and Families (Subrecipient of Maricopa County, Arizona) Community Services Block Grant	93.569	C-22-02-052-2-02	26,335
Social Services Block Grant	93.667	C-22-02-052-2-02	42,053
Temporary Assistance for Needy Families	93.558	C-22-02-052-2-02	38,116
Total U.S. Department of Health and Human Services			<u>106,504</u>
 <u>U.S. Department of Homeland Security</u>			
State Domestic Preparedness Equipment Support Program	97.004	2003-TE-CX-0196	26,584
State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0053	83,442
State Domestic Preparedness Equipment Support Program	97.004	99-00	5,780
State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0051	8,395
State Domestic Preparedness Equipment Support Program	97.004	2003-MU-TE-0034	5,558
			<u>129,759</u>
(Subrecipient of Arizona Division of Emergency Management) State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0142	251,089
State Domestic Preparedness Equipment Support Program	97.004	2003-EU-T3-0001	34,337
			<u>285,426</u>
Assistance to Firefighters Grant	97.044	EMW-2003-FG-20407	46,169
Assistance to Firefighters Grant	97.044	EMW-2002-FG-07184	63,372
			<u>109,541</u>
Community Emergency Response Teams	97.054	FFY2003 CERT	4,833
Total U.S. Department of Homeland Security			<u>529,559</u>
 <u>U.S. Department of Justice</u>			
Bureau of Justice Assistance (Subrecipient of Maricopa County Sheriff's Office) Edward Byrne Memorial State and Local Law Enforcement Discretionary Grants Program	16.580	C-50-03-534-3	32,630

**City of Glendale, Arizona
(an Arizona Municipality)
Schedule of Expenditures of Federal Awards
Year ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Grant Number	Federal Expenditures
Edward Byrne Memorial State and Local Law Enforcement Discretionary Grants Program	16.580	C-50-04-521-2	19,272
Edward Byrne Memorial State and Local Law Enforcement Discretionary Grants Program	16.580	C-50-05-510-2	5,568
			<u>57,470</u>
Office of Community Oriented Policing Services			
Public Safety Partnership and Community Policing Grants	16.710	2001-SH-WX-0170	97,667
Public Safety Partnership and Community Policing Grants	16.710	2002-UL-WX-0027	80,769
Public Safety Partnership and Community Policing Grants	16.710	2002-SH-WX-0655	50,504
			<u>228,940</u>
Office of Justice Programs, Bureau of Justice Assistance			
Local Law Enforcement Block Grants Program	16.592	2001-LB-BX-3493	197,542
Local Law Enforcement Block Grants Program	16.592	2002-LB-BX-1378	107,048
Local Law Enforcement Block Grants Program	16.592	2003-LB-BX-1237	11,716
			<u>316,306</u>
Office of Justice Programs, Office for Victims of Crime (Subrecipient of Arizona Department of Public Safety)			
Crime Victim Assistance	16.575	2002-VA-GX-0004	83,494
Crime Victim Assistance	16.575	2003-VA-GX-0018	29,068
			<u>112,562</u>
Office of Juvenile Justice and Delinquency Prevention (Subrecipient of Maricopa County Juvenile Probation Department)			
Juvenile Accountability Incentive Block Grants	16.523	JB-GRA-02-4182-07	71,843
Office of Juvenile Justice and Delinquency Prevention (Subrecipient of Governor's Office of Highway Safety)			
Enforcing Underage Drinking Laws Programs	16.727	2002-OJIDP-007	48,985
Bureau of Justice Assistance, Office of Justice Programs			
Gang Resistance Education and Training	16.737	ACT03000106	37,911
Drug Enforcement Administration (Subrecipient of Pima County Sheriff's Department)			
Drug Enforcement Administration Phoenix Task Force	16.UNKNOWN	N/A	6,939
Total U.S. Department of Justice			<u>880,956</u>
<u>National Foundation on the Arts and the Humanities</u>			
Office of Library Services, Institute of Museum and Library Services (Subrecipient of the Arizona State Library, Archives and Public Records)			
State Library Program-Listening to the Desert	45.310	221-2-2-(01)	12,394
State Library Program-Mental Health Alert Project	45.310	221-2-2-(01)	6,018
State Library Program-Life Options for Mature	45.310	221-2-2-(03)	1,184
State Library Program-Life Options for Mature	45.310	231-2-1-(01)	62,820
Total National Foundation on the Arts and the Humanities			<u>82,416</u>

City of Glendale, Arizona
 (an Arizona Municipality)
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Grant Number	Federal Expenditures
<u>U.S. Department of the Interior</u>			
Bureau of Reclamation (Subrecipient of Phoenix, Arizona (SROG))			
Water Reclamation and Reuse Program	15.504	04-FC-32-00220	7,300
Water Reclamation and Reuse Program	15.504	01-FC-32-0010	1,128
			<u>8,428</u>
National Park Service (Subrecipient of Arizona State Parks Board)			
Historic Preservation Fund Grants-In-Aid	15.904	04-02-17532	1,113
Outdoor Recreation Acquisition, Development and Planning	15.916	03-LR-32-3490	6,865
Outdoor Recreation Acquisition, Development and Planning	15.916	03-LR-32-3490	2,547
			<u>9,412</u>
Total U.S. Department of the Interior			<u>18,953</u>
Total Expenditures of Federal Awards			<u>\$ 14,982,702</u>

CITY OF GLENDALE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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	\$ 47,161		
from Special Revenue Funds	22,279		
from Transportation Fund	1,734		
from Capital Projects Funds	<u>1,992</u>		
Total from Governmental Funds (CAFR, pg 30)		\$ 73,166	
from Public Safety		46	
from Water and Sewer Fund	\$ 14		
from Housing Fund	<u>7,796</u>		
Total from Proprietary Funds (CAFR, pg 33)		<u>7,810</u>	\$ 81,022
Less Non-Federal Revenue from General Fund:			
State and local intergovernmental revenues		\$ (47,161)	\$ (47,161)
Less Non-Federal Revenue from Special Revenue Funds:			
State LTAF revenue in Transportation Fund		\$ (1,617)	
State and HURF revenues in Highway Users Gas Tax Fund		(15,149)	
Development Impact Fees		(151)	
State and local grants in Other Special Revenue Fund		<u>(1,624)</u>	\$ (18,541)
Less Non-Federal Revenue from Capital Projects Funds:			
State and local grants		<u>\$ (251)</u>	\$ (251)
Less Federal Revenue recorded for salary accrual from Special Revenue Funds:			
Community Development Block Grants		<u>\$ (3)</u>	<u>\$ (3)</u>
Less Federal Revenue for prior year expenditures:			
Other Capital Projects		<u>\$ (83)</u>	<u>\$ (83)</u>
Schedule of Expenditures of Federal Awards			<u><u>\$ 14,983</u></u>

CITY OF GLENDALE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

NOTE 3 - SUBRECIPIENTS

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Community Development Block Grant Subrecipients:		
Arizona Bridge to Independent Living - Home Accessibility Program	14.218	\$ 103,033
Community Services of Arizona - Minor Home Repair Program	14.218	301,212
Community Legal Services	14.218	25,000
Glendale Boy's and Girl's Club	14.218	10,856
Restorative Therapy Services	14.218	36,492
Homeward Bound Utility Assistance	14.218	7,008
Emergency Shelter/Children Raising Children	14.218	45,000
Economic Empowerment-Family Service Agency	14.218	10,000
Catholic Community Services	14.218	15,000
Phoenix Shanti - Emergency and Transitional Housing	14.218	10,000
Prehab of Arizona - Emergency Shelter/Faith House	14.218	40,000
CI&R-CONTACTS Hotline	14.218	7,500
CI&R-24 Hour HELPLINE	14.218	5,000
School Based Health Clinics/Banner Health - PALS	14.218	10,000
Maricopa County Special Transportation	14.218	15,000
Senior Congregate Meals Program	14.218	65,000
YWCA-O'Neil Teen Scene	14.218	20,000
Glendale First Offender Program	14.218	7,500
Valley Big Brothers, Big Sisters	14.218	8,333
Volunteer Interfaith Caregivers	14.218	10,000
Glendale Human Services Council-Homeless Prevention	14.218	29,197
Adult Day Health Ctr-Interfaith Community Care	14.218	10,000
West Side Food Bank-Emergency Food Box	14.218	15,000
Upgrading Group Home Facilities-Valley of the Sun School	14.218	771
Valley West Center Renovation - YWCA	14.218	26,686
Prospect Park 1 - Faith House	14.218	187,634
Acquisition of Property - Infill Construction	14.218	66,622
Acquisition of Property - Habitat for Humanity	14.218	85,361
Total Community Development Block Grant Subrecipients	14.218	<u>\$ 1,173,205</u>

**CITY OF GLENDALE, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004**

NOTE 3 - SUBRECIPIENTS (Concl'd)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Home Investment Program Subrecipients:		
Community Services of Arizona	14.239	\$ 126,631
Los Vecinos Housing Development, Inc.	14.239	<u>167,295</u>
Total Home Investment Program Subrecipients		<u>\$ 293,926</u>
Total Federal Awards expended by subrecipients of the City of Glendale		<u>\$ 1,467,131</u>

NOTE 4 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2004 *Catalog of Federal Domestic Assistance*.

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

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

Reportable condition(s) 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

Reportable condition(s) identified that are not
considered to be a material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major
programs: Unqualified

Any audit findings disclosed that are required to be reported
in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants
14.239	HOME Investment Partnerships Program
16.592	Local Law Enforcement Block Grants Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and
Type B programs: \$449,481

Auditee qualified as low-risk auditee? X yes no

**CITY OF GLENDALE, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004**

SECTION II - FINANCIAL STATEMENT FINDINGS

We noted no reportable conditions, material weaknesses or instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no reportable conditions, material weaknesses or instances of noncompliance related to the audit of major federal programs as required to be reported by OMB Circular A-133.

**CITY OF GLENDALE, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2004**

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.