

CITY OF PHOENIX, ARIZONA
Phoenix, Arizona

SINGLE AUDIT REPORTS
June 30, 2008

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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***

Honorable Mayor
Members of the City Council
City of Phoenix, Arizona

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 2008-1, 2008-2 and 2008-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic 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*.

We noted certain matters that we reported to management of the City in a separate letter dated December 19, 2008.

The City's response to the findings, noted on the previous page, identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

Clifton Gunderson LLP

Phoenix, Arizona
December 19, 2008

**Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

Honorable Mayor
Members of the City Council
City of Phoenix, Arizona

Compliance

We have audited the compliance of the City of Phoenix, Arizona (the "City") 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, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City 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, 2008. 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 2008-04 and 2008-05.

Internal Control Over Compliance

The management of the City 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 the City'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 our auditing procedures for the purpose of expressing our opinion on compliance, 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 the entity's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined. However, as discussed below, we identified deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-05, 2008-06 and 2008-07 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

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

Clifton Gunderson LLP

Phoenix, Arizona
March 23, 2009



Report on Schedule of Expenditures of Federal Awards

Honorable Mayor
Members of the City Council
City of Phoenix, Arizona

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2008. Our audit was performed for the purpose of forming our opinions on the basic financial statements taken as a whole. 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, Members of the City Council, management, 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.

Clifton Gunderson LLP

Phoenix, Arizona
December 19, 2008

**CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008**

Section I – Summary of Auditor’s Results (Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.195, 14.249, 14.856	Section 8 Project Based Cluster
14.218	Community Development Block Grant
14.239	Home Investment Partnerships Program
14.850	Public and Indian Housing
14.866	HOPE VI
14.872	Public Housing Capital Fund
16.710	COPS Grant Program
20.106	Airport Improvement Program
20.500, 20.507	Capital Improvement Cluster
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between
Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

yes no

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section II – Financial Statement Findings

Finding 2008-01

Condition

Several capital expenditure invoices were identified which were not accrued as of June 30, 2008.

Effect

Capital expenditures in the amount of \$9,494,861 were not accrued as of June 30, 2008.

Cause

Several capital expenditure invoices were received in late August, September and October 2008 that were not reviewed to determine if an accrual was required.

Recommendation

We recommend that the City review capital expenditure invoices received after mid-August to determine if an accrual is required at year-end.

Client Response

Concur. The Financial Accounting and Reporting Division will ensure that all capital invoices received after fiscal year-end through the audit testwork date are reviewed and analyzed to determine if an accrual is required.

Contact Person

Michelle Kirby, Accounting Supervisor

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section II – Financial Statement Findings (Continued)

Finding 2008-02

Condition

Several deficiencies that existed in prior periods were still in existence during the course of the June 30, 2008 audit. The deficiencies relate to the AIX system controls and processes and include a lack of formal password for five AIX users and monitoring of auditing controls. Management has a plan of action and timetable in place to correct the deficiencies; however at June 30, 2008, they were not complete.

Effect

The system deficiencies can have a detrimental effect on the viability, effectiveness and efficiency of the operating system and application.

Cause

Lack of security related to password controls, shared and auditing controls for monitoring and tracking system changes, errors and user activities within AIX are not in operation.

Recommendation

We recommend that management continue their current plan of action.

Client Response

We concur with this recommendation and will continue our plan to implement the recommendations by the due dates.

The IT department has purchased an identity management software package. This package is necessary for IT users that log into multiple systems including the five AIX users identified in this audit. IT is currently working on an implementation plan for the new software.

The IT Department approved funding for FY09-10 to begin implementing the baseline system recommended by the audit to track AIX system changes in a meaningful way. The Finance Department will assist IT with implementation of this recommendation.

Contact Person

Susan Perkins, Deputy Finance Director Financial Systems Application and Support

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section II – Financial Statement Findings (Continued)

Finding 2008-03

Condition

Management has not developed appropriate remote access controls for the Peoplesoft production environment.

Effect

The lack of remote access controls may expose the system to vulnerabilities by internal and third parties.

Cause

Lack of appropriate remote access controls.

Recommendation

We recommend that management implement appropriate remote access controls over Peoplesoft.

Client Response

We concur with this recommendation. The City of Phoenix IT Department will implement a PeopleSoft Pure Internet Architecture (PIA) configuration solution, by May 31, 2009, to resolve the issue. This solution will limit users who remotely log into PeopleSoft to the Self-Service menus. A Virtual Private Network (VPN) solution will be necessary for support staff with access to more than self service menus, which will force validation of firewall and anti-virus protection before users can gain access to the system.

Contact Person

Susan Perkins, Deputy Finance Director Financial Systems Application and Support

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section III – Federal Award Findings and Questioned Costs Section

Finding 2008-04

Community Development Block Grant CFDA # 14.218, Department of Housing and Urban Development

Condition

The City did not submit timely, the SF-272 *Federal Cash Transactions Report*, as required, for three of the four quarters that were tested. SF-272 reports are due 15 days after the end of the quarter, three of the four reports were submitted over a month after the due date.

Effect

The Department of Housing and Urban Development does not receive timely financial information.

Cause

The City did not have a process in place to ensure all required reports are submitted on a timely basis.

Recommendation

We recommend that the City submit the SF-272 on a timely basis, as required.

Client Response

Concur. The City has implemented additional procedures, which include entering the due dates on the calendar. Staff will be able to complete the SF-272 15 days after the end of the quarter.

Contact Person

Veronica Gonzalez, Accountant IV

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Finding 2008-05

Public and Indian Housing CFDA # 14.850, Department of Housing and Urban Development

Condition

The City provides Tenant Participation Funds to certain City Public Housing Units. 24 CFR section 964.150 requires that the City Public Housing Department have a written agreement with the resident councils. The written agreement dictates the per unit funding to be received and the allowable expenditures from the Tenant Participation Funds. The City did not have written agreements with the resident councils for which it was providing Tenant Participation Funds.

Effect

The City Public Housing may be under funding the Tenant Participation Funds. Without written agreements, the risk of unauthorized expenditures is increased.

Cause

The City did not have a process in place to ensure that the Public Housing Department had written agreements, as required.

Recommendation

We recommend that the City execute written agreements with the resident councils for which it is providing Tenant Participation Funds, and have policies and procedures in place to ensure funds are used in accordance with requirements.

Client Response

Concur. Will develop and implement a Memorandum of Understanding and other procedures that will comply with 24 CFR section 964.150.

Contact Person

Lou Ann Smith, Housing Supervisor

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Finding 2008-06

HOPE VI CFDA # 14.866, Department of Housing and Urban Development

Condition

The City was not able to provide supporting documentation for one of three reimbursement requests selected for review. 31 CFR section 205.12(b)(5) requires that all requests for reimbursement have supporting documentation showing that costs for which reimbursement was requested was paid prior to the date of the reimbursement request.

Effect

Reimbursement requests could be made for inaccurate amounts or for amounts that have not been paid by the City.

Cause

The City did not have a process in place to ensure that all reimbursement requests have supporting documentation showing that expenditures were paid prior to the date of the reimbursement request.

Recommendation

We recommend that the City enforce existing policies and procedures to ensure that reimbursement requests have supporting documentation prior to the request being submitted.

Client Response

Concur. The Finance Department will ensure that supporting documentation is reviewed and approved prior to reimbursement requests being submitted.

Contact Person

Connie Nowlin, Accountant IV

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Finding 2008-07

Highway Planning and Construction CFDA # 20.205, U. S. Department of Transportation

Condition

The Schedule of Expenditures of Federal Awards is reported on the accrual basis of accounting. The City improperly included \$4,344,580 of federal expenditures in current year that related to prior year.

Effect

The Schedule of Expenditures of Federal Awards could be prepared on an inconsistent basis of accounting.

Cause

The City's existing policies and procedures did not identify the error.

Recommendation

We recommend that the City implement procedures to ensure that the Schedule of Expenditures of Federal Awards is completed on an accrual basis of accounting.

Client Response

Concur. The department will provide information on the accrual basis of accounting in the future.

Contact Person

Joel Waggener, Budget Supervisor

Questioned Costs

None

CITY OF PHOENIX, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2008

Section IV – Prior Year Federal Award Findings and Questioned Costs

Finding 2007-04

Home Investment Partnership Program CFDA # 14.239, Department of Housing and Urban Development

Finding

The City was not requesting/receiving Single Audit Reports from its subrecipients. The City should be determining which of their subrecipients require a Single Audit Report, and should be monitoring to ensure that they are completed and obtained from the subrecipient.

Status

Corrected

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
I. DEPARTMENT OF TRANSPORTATION (D.O.T.)				
A. Federal Aviation Administration (F.A.A.)				
Airport Improvement Program				
Sky Harbor - Residential Soundproofing & CNRP	20.106		\$ 1,464,755	
Sky Harbor - Community Noise Reduction Program	20.106		5,905,159	
Sky Harbor - Rehabilitate Taxiway D, E, S Phase V	20.106		9,527,731	
Deer Valley- Rehabilitate South Ramp	20.106		3,500,799	
Deer Valley- Land Acquisition	20.106		900,000	
Total - F.A.A. - Airport Improvement Program			\$ 21,298,444	*
B. Federal Transit Administration (F.T.A.)				
Urbanized Area Formula Program - Section 5307				
AZ-90-X058	20.507		\$ 252,454	\$ 252,454
AZ-90-X063	20.507		1,131,529	375,809
AZ-90-X068	20.507		5,901,236	3,333,295
AZ-90-X070	20.507		12,725,691	6,285,883
AZ-90-X074	20.507		3,544,243	2,170,029
AZ-90-X080	20.507		26,682,870	14,387,432
AZ-90-X084	20.507		726,971	466,285
AZ-90-X088	20.507		12,606,739	-
AZ-95-X003	20.507		1,725,989	-
Total - F.T.A. Urbanized Area Formula Program			\$ 65,297,722	* \$ 27,271,187
Discretionary Capital Program - Section 5309				
AZ-03-0031	20.500		\$ 90,000,000	\$ 90,000,000
AZ-03-0048	20.500		1,040,163	-
AZ-03-0050	20.500		3,964,551	2,506,884
AZ-03-0053	20.500		2,300,373	-
AZ-03-0054	20.500		2,199,433	-
AZ-04-0004	20.500		5,628,540	2,227,322
Total - F.T.A. Discretionary Capital Program			\$ 105,133,060	* \$ 94,734,206
Job Access and Reverse Commute Program - Section 3037				
AZ-37-X001	20.516		\$ 100,585	\$ 100,585
Job Access and Reverse Commute Program - Section 5316				
AZ-37-X006	20.516		146,294	146,294
Total - F.T.A. Job Access and Reverse Commute Program			\$ 246,879	* \$ 246,879
New Freedom - Section 5317				
AZ-57-X001	20.521		\$ 57,195	
Total - F.T.A.			\$ 170,734,856	* \$ 122,252,272
C. Federal Highway Administration				
Federal Pass-Thru:				
Arizona Department of Transportation (A.D.O.T.)				
Purchase of Streetsweepers	20.205		\$ 358,935	
2nd Av St.scape:Fillmore to Roosevelt	20.205	MA PHX SL539 03D	44,320	
Phx Regional Its Fob Phase II	20.205	STP-PHX-0(52)A	174,453	
Avenida Rio Salado Design Phase I	20.205	HPS-PHX-0(055)	408,934	
Safety Islands	20.205	MA PHX SL538 02D	294,401	
51st Avenue & Arizona Canal Tunnel	20.205	MA PHX SS658 01C	2,240,000	
Camelback Core Pedestrian Enhancmts	20.205	MA PHX SL544 01C	392,291	
Isaac Pedestrian & Bikeway Bridge	20.205	MA PHX SL438 01C	2,532,462	
Trail Environment & Design	20.205	MA PHX SL531 03D	6,394	
2008 Alley Proofing	20.205	MA PHX SL654 01C	365,915	
Bridge Inspection and Rehabilitation	20.205	MA PHX SL387 03D	126,417	
HES-McDowell Rd & 35th Ave Upgrades	20.205	MA PHX SL441 01C	78,652	
Regional ITS FOB Phase A	20.205	MA PHX SS514 01C	1,957,100	
FOB - Replace ITS/ATMS Phone Connect	20.205	MA PHX SS626 01C	165,279	
Total - A.D.O.T			\$ 9,145,553	*
Governor's Office of Community and Highway Safety (G.O.H.S.)				
GOHS - Printers & Scanner 07-08	20.215	2007-AL-014	\$ 18,818	
Total - F.H.A.			\$ 9,164,371	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
D. National Highway Traffic Safety Administration (N.H.T.S.A.)				
<i>Federal Pass-Thru:</i>				
<i>Governor's Office of Community and Highway Safety (G.O.H.S.)</i>				
GOHS	20.600	Various awards	\$ 117,138	
GOHS	20.601	Various awards	507,451	
GOHS - TSRP Transportation Safety Resource Prosecutor 07-08	20.601	Various awards	142,790	
GOHS	20.604	Various awards	9,000	
<i>Total - G.O.H.S.</i>			<u>\$ 776,379</u>	
<i>Total - N.H.T.S.A.</i>			<u>\$ 776,379</u>	
TOTAL - DEPARTMENT OF TRANSPORTATION			\$ 201,974,050	\$ 122,252,272
II. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (H.U.D.)				
A. Federal Direct Programs				
<i>Community Development Block Grants (C.D.B.G.)</i>				
1999 Entitlement Program	14.218		\$ 15,344	
2001 Entitlement Program	14.218		(85,926)	
2002 Entitlement Program	14.218		97,479	
2003 Entitlement Program	14.218		797,612	
2004 Entitlement Program	14.218		963,653	
2005 Entitlement Program	14.218		1,593,140	
2006 Entitlement Program	14.218		4,007,850	
2007 Entitlement Program	14.218		12,867,399	
<i>Total - C.D.B.G.</i>			<u>\$ 20,256,551</u>	*
<i>Lower Income Housing Assistance</i>				
HOPWA 2001	14.241		\$ 1,087	
HOPWA 2005	14.241		458,324	
HOPWA 2006	14.241		666,100	
HOPWA 2007-2008	14.241		203,516	
Conventional Housing	14.850		6,906,226	*
Ross Neighborhood Networks	14.870		137,869	
Ross Goals Grant	14.870		187,150	
Resident Opportunities & Self-Sufficiency	14.870		114,512	
<i>Total - Lower Income Housing Assistance</i>			<u>\$ 8,674,784</u>	
<i>Section 8 Housing Assistance</i>				
Section 8 Sunnyslope Manor	14.195		\$ 787,444	*
Section 8 Fillmore Gardens	14.195		878,082	*
HAPS Section 8 South Mountain Terrace	14.195		180,903	*
HAPS Section 8 Morningside Villa	14.195		147,769	*
HAPS Section 8 Myrtle Manor	14.195		112,076	*
HAPS Section 8 Paradise Shadows	14.195		229,995	*
HAPS Section 8 Fillmore I	14.195		113,395	*
HAPS Section 8 Sunland Terrace	14.195		142,992	*
HAPS Section 8 Hacienda Del Rio	14.195		321,816	*
Section 8 Modernization Rehabilitation VII	14.249		57,575	*
Section 8 Modernization Rehabilitation VIII	14.249		129,588	*
Section 8 Modernization Rehabilitation III	14.856		25,352	*
Section 8 Modernization Rehabilitation IX	14.856		70,289	*
Section 8 Modernization Rehabilitation X	14.856		57,064	*
Section 8 Vouchers	14.871		39,706,861	
<i>Total - Section 8 Housing Voucher Program</i>			<u>\$ 42,961,201</u>	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
Public Housing - Capital Improvement Programs				
CFP Phase 50102	14.872		\$ 7,808	
CFP Phase 50103	14.872		333,706	
CFP Phase 50203	14.872		53,528	
CFP Phase 50104	14.872		425,431	
CFP Phase 50105	14.872		540,081	
CFP Phase 50106	14.872		229,790	
CFP Phase 50107	14.872		399,054	
Total - Capital Improvement Programs			\$ 1,989,398	*
HOME Program				
1995 Home Program	14.239		\$ 878	
2000 Home Program	14.239		9,879	
2002 Home Program	14.239		(208,491)	
2003 Home Program	14.239		752,298	
2004 Home Program	14.239		548,236	
2005 Home Program	14.239		1,725,849	
2006-2007 Home Program	14.239		779,343	
2007-2008 Home Program	14.239		1,481,122	
Substantial Housing Rehabilitation	14.239		11,195	
Total - HOME Program			\$ 5,100,309	*
HUD Emergency Shelter Grant Program	14.231		\$ 150,733	\$ 19,803
HUD Emergency Shelter Grant Program	14.231		681,199	203,729
<i>Subtotal CFDA #14.231</i>			\$ 831,932	\$ 223,532
Youthbuild CY04	14.243		\$ 31	\$ -
Youthbuild CY06	14.243		433,768	218,977
<i>Subtotal CFDA #14.243</i>			\$ 433,799	\$ 218,977
Lead Based Paint Hazard Control Round 13	14.900	AZLHB0197-05	\$ 974,213	
<i>Subtotal CFDA #14.900</i>			\$ 974,213	
Fair Housing Assistance Program (FHAP)				
HUD Type I-FHAP	14.401		\$ 113,492	
Total - F.H.A.P.			\$ 113,492	
Other Grant Programs				
Hope VI	14.866		\$ 1,166,008	*
FAF-MRB Refunding Fees	14.Unknown		584	
Total - Other Grant Programs			\$ 1,166,592	
Total - Federal Direct Programs			\$ 82,502,271	\$ 442,509
TOTAL - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (H.U.D.)			\$ 82,502,271	\$ 442,509
III. U. S. DEPARTMENT OF THE INTERIOR				
Bureau of Reclamation				
Phoenix Metro/Agua Fria Recharge Program	15.504		\$ 38,630	\$ 32,642
SISP Memorial Hall - Save America's Treasures	15.929		86,447	-
Total - Bureau of Reclamation			\$ 125,077	\$ 32,642
TOTAL - U. S. DEPARTMENT OF THE INTERIOR			\$ 125,077	\$ 32,642
IV. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (C.N.C.S.)				
Senior Companion Program	94.016		\$ 361,626	
Senior Companion Program	94.016		52,365	
TOTAL - CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (C.N.C.S.)			\$ 413,991	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
V. DEPARTMENT OF HOMELAND SECURITY				
A. Federal Direct Programs				
Federal Emergency Management Agency (FEMA)				
2006 Urban Research and Rescue (USAR) Grant	97.025		\$ 159,680	
2007 USAR Grant	97.025		717,897	
Total - Federal Emergency Management Agency			\$ 877,577	
TSA Canine Program	97.072		\$ 24,294	
2006 Transit Security Grant Program	97.075		66,395	
2007 Transit Security Grant Program	97.075		26,724	
Law Enforcement Officer Reimbursement Program	97.090		369,292	
In-Line EDS Baggage Handling System (TSA)	97.100		19,820,061	
			\$ 20,306,766	
Total - Federal Direct Programs			\$ 21,184,343	
B. Federal Pass-Through (DHS)				
Arizona Department of Emergency Management				
Urban Area Security Initiative (USAI) 2005	97.008	2005-GE-T5-0030	\$ 54,695	
Urban Area Security Initiative (USAI) 2005	97.008	2005-GE-T5-0030	187,104	
UASI 05 - Rapid Response Team	97.008	2005-GE-T5-0030	20,050	
UASI 05 - Incident Mgmt Team	97.008	2005-GE-T5-0030	113,483	
UASI 05 - Threat Assessment	97.008	2005-GE-T5-0030	3,826	
UASI 05 - Mgmt and Admin	97.008	2005-GE-T5-0030	12,363	
UASI 06 - Regional Response Teams	97.008	2006-GE-T6-0007	258,122	
UASI 06 - Mgmt and Admin	97.008	2006-GE-T6-0007	32,474	
UASI 06 - TOPOFF 4	97.008	2006-GE-T6-0007	17,378	
UASI 07 - TOPOFF	97.008	2007-GE-T7-0006	94,226	
UASI 07-TLO	97.008	2007-GE-T7-0006	1,955	
UASI 07-CERT	97.008	2007-GE-T7-0006	31,036	
UASI 07 - Rapid Response Team	97.008	2007-GE-T7-0006	11,344	
State Homeland Security Grant Program	97.067	2005-GE-T5-0030	36,159	
2005 Metropolitan Medical Response (MMRS)	97.071	2005-GE-T5-0030	121,481	
2006 Metropolitan Medical Response (MMRS)	97.071	2006-GE-T6-0007	25,738	
2007 Metropolitan Medical Response (MMRS)	97.071	2007-GE-T7-0006	3,926	
2005 SHSGP-Sustain Rapid Response Team	97.073	2005-GE-T5-0030	30,034	
2006 SHSGP-RRT Vehicle	97.073	2006-GE-T6-0007	449,273	
2006 SHSGP-IST Train	97.073	2006-GE-T6-0007	257,262	
2007 SHSGP-IST Train	97.073	2007-GE-T7-0006	190,721	
2008 SHSGP-Citizen Corp	97.073	2006-GE-T6-0007	273	
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2007-GE-T7-0006	104,734	
Buffer Zone Protection Plan (BZPP)	97.078	2007-BZ-T7-0014	14,725	
Total - Arizona Department of Emergency Management			\$ 2,072,382	
C. Federal Pass-Through (DHS)				
Arizona Department of Public Safety				
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2005-GE-T5-0030	\$ 93,521	
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2006-GE-T6-0007	534,448	
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2007-GE-T7-0005	5,569	
Total - Arizona Department of Public Safety			\$ 633,538	
D. Federal Pass-Through (DHS)				
Arizona Department of Homeland Security				
Urban Area Security Initiative	97.008	2006-GE-T6-0007	\$ 200,982	
Urban Area Security Initiative	97.008	2007-GE-T7-0006	448,228	
Urban Area Security Initiative (UASI) 2006	97.067	2006-GE-T6-0007	50,037	
Urban Area Security Initiative (UASI) 2007	97.067	2007-GE-T7-0006	34,520	
State Homeland Security Grant Program	97.067	2006-GE-T6-0007	292,034	
State Homeland Security Grant Program	97.067	2007-GE-T7-0006	104,500	
Total - Arizona Department of Homeland Security			\$ 1,130,301	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
E. Federal Pass-Through (DHS)				
Maricopa County Department of Emergency Management				
2005 Citizen Emergency Response Team (CERT)-Vehicle Purchase	97.067		\$ 1,018	
2005 Citizen Emergency Response Team (CERT)-Continuing Education	97.067		9,799	
2005 Citizen Emergency Response Team (CERT)-Cert Training	97.067		15,314	
2005 Citizen Emergency Response Team (CERT)-Type I & II Project	97.067		934	
2006 Citizen Emergency Response Team (CERT)-Citizen Corp	97.067		24,370	
Total - Maricopa County Department of Emergency Management			\$ 51,435	
TOTAL - DEPARTMENT OF HOMELAND SECURITY			\$ 25,071,999	
VI. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
A. Federal Direct Programs				
Headstart Year "37"	93.600		\$ (6,300)	\$ -
Headstart Year "39"	93.600		(284)	-
Headstart Year "41"	93.600		1,529,450	672,997
Headstart Year "42"	93.600		20,535,977	10,702,027
<i>Subtotal CFDA #93.600</i>			\$ 22,058,843	\$ 11,375,024
CSAT 06/07	93.230		\$ 257,630	257,630
CSAT 07/08	93.230		342,226	342,226
<i>Subtotal - Other Federal Direct</i>			\$ 599,856	\$ 599,856
Metropolitan Medical Response (MMRS)	97.071		\$ 913	
Total - H.H.S. - Federal Direct			\$ 22,659,612	\$ 11,974,880
B. Federal Pass-Through - (H.H.S.)				
Arizona Department of Health Services				
ADHS 07 Immunization Program	93.268	C-86-03-089-2	\$ 1,891	
Total- Arizona Department of Health Services			\$ 1,891	
C. Federal Pass-Through - (H.H.S.)				
Arizona Department of Economic Security				
Emergency Shelter Grant (ESG) Homeless	14.231	E6306004	\$ 83,428	
C.A.R.E. Connection	14.231	DES-60011-0075	18,273	
Temporary Assistance for Needy Families (TANF) E.A.F. 06-07	93.558	E6306004	50	
TANF E.A.F. 07-08	93.558	E6306004	1,590,548	
TANF Homeless 05-06	93.558	E6306004	(500)	
TANF Homeless 07-08	93.558	E6306004	57,231	
LIHEAP Energy Asst Prog 06-07	93.568	E6306004	16,376	
LIHEAP Energy Asst Prog 07-08	93.568	E6306004	2,381,670	
Community Service Block Grant 06-07	93.569	E6306004	(280)	
Community Service Block Grant 07/08	93.569	E6306004	1,352,672	
ACYF 07-08	93.600	E6306004	55,693	
Social Services Block Grant 07-08	93.667	E6306004	613,635	
Total- Arizona Department of Economic Security			\$ 6,168,796	
Other Pass-thru Programs				
C.A.R.E. Connection	14.231	DES-60011-007	\$ 18,273	
Older American Act - Title III D	93.043		13,729	
Older American Act - Title IIB	93.044	2008-37-COP	396,429	
Older American Act - Title IIC2	93.045	2008-37-COP	1,373,079	
Older American Act - NSIP	93.053	2008-37-COP	283,453	
ELOA	93.577	CT115126	(1,910)	
Older American Act - SSBG	93.667	2008-37-COP	470,852	
Total Other Pass-thru Programs			\$ 2,553,905	
TOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 31,384,204	\$ 11,974,880

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
VII. DEPARTMENT OF EDUCATION				
Clear Path Year 3	84.128		\$ 455,590	
21st Century Grant	84.287		436,438	
TOTAL - DEPARTMENT OF EDUCATION			\$ 892,028	
VIII. DEPARTMENT OF JUSTICE				
A. Federal Direct Programs				
Weed & Seed	16.595		\$ 156,474	
Maryvale Weed and Seed 2007	16.595		35,272	
Capital Mall Weed & Seed 2006	16.595		127,336	
Capital Mall Weed & Seed 2007	16.595		33,041	
Canyon Corridor Weed and Seed 2006	16.595		101,474	
Canyon Corridor Weed and Seed 2007	16.595		2,007	
<i>Subtotal - CFDA #16.595</i>			\$ 455,604	
Bullet Proof Vest Partnership	16.607		\$ 3,477	
Community Oriented Policing Services-COPS Universal Hiring - Phase III	16.710		\$ 5,001,599	
COPS Technology 2005	16.710		78,252	
COPS Interoperable Communications Technology	16.710		5,983,548	
COPS Software 06-08	16.710		4,728	
<i>Subtotal - CFDA #16.710</i>			\$ 11,068,127 *	
G.R.E.A.T - Regional	16.737		\$ 259,834	
G.R.E.A.T - Local	16.737		104,468	
<i>Subtotal - CFDA #16.737</i>			\$ 364,302	
Human Trafficking	16.320		\$ 106,085	
Internet Crimes Against Children	16.543		244,793	
BJA/BYRNE Multi-Jurisdictional Gang Task Force	16.580		214,533	
BJA Radio Frequency Interoperability	16.580		191,268	
Coverdell Forensic Science Improvement Program	16.742		2,839	
NIJ-DNA Expansion Demonstration Prg05-07	16.Unknown		39,726	
<i>Subtotal - Other Federal Direct Programs</i>			\$ 799,244	
Total - Federal Direct Programs			\$ 12,690,754	
B. Federal Pass-Through (D.O.J.)				
Govenor's Office for Children				
Juvenile Delinquency Prevention Program 05-06	16.540	JS-CSG-04-5273-002 Y2	\$ 35,623	
Juvenile Delinquency Prevention Program 07-08	16.540	J2-CSG-07-8182-00	72,148	
Total - Govenor's Office for Children			\$ 107,771	
C. Federal Pass-Through (D.O.J.)				
Arizona Criminal Justice Commission (A.C.J.C)				
DNA Backlog	16.560	DNB05-07-102	\$ 29,182	
DNA Backlog	16.560	DNB06-07-102	11,398	
ACJC Victim's Assistance 07/08	16.582	VA-08-039	29,108	
Project Safe Neighborhoods (PSN)	16.609	Various awards	51,771	
Byrne Justice Assistance Grant (JAG) 2006	16.738	AL-07-030	7,903	
Byrne Justice Assistance Grant (JAG) 2007	16.738	AL-08-030	88,402	
Byrne Justice Assistance Grant (JAG) 2007	16.738	FL-08-020	10,009	
Gerald Hardt Memorial Criminal Justice Records Improvement Prgm	16.738	CRI07-08-109	11,598	
DNA Capacity Enhancement	16.741	DNAC05-06-202	140,783	
DNA Capacity Enhancement	16.741	DNC06-07-208	73,424	
National Forensic Sciences Formula V	16.742	Various awards	80,435	
HIDTA 16	16.Unknown	HT16-06-1211	113,922	
HIDTA 17	16.Unknown	Various awards	1,246,682	
HIDTA 18	16.Unknown	Various awards	242,780	
Total - A.C.J.C.			\$ 2,137,397	
D. Federal Pass-Through (D.O.J.)				
Arizona Department of Public Safety (A.D.P.S.)				
VOCA Advocacy Services 07-08	16.582	2007-163	\$ 96,553	
VOCA Elder Abuse Advocate 2007-2008	16.582	2007-164	62,865	
Total - A.D.P.S.			\$ 159,418	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
E. Federal Pass-Through (D.O.J.)				
Governor's Office of Highway Safety				
STOP Violence Against Women	16.588	Various Awards	\$ 202,102	
Governor's Office of Highway Safety (GOHS)	16.727	Various Awards	15,792	
Total - Governor's Office of Highway Safety			\$ 217,894	
F. Federal Pass-Through (D.O.J.)				
Pima County Sheriff's Department				
HIDTA 15	16.Unknown	01-11-P-136431-1004	\$ 46,088	
Total - Pima County Sheriff's Department			\$ 46,088	
G. Federal Pass-Through (D.O.J.)				
Maricopa County				
HIDTA - MCSO Meth TF	16.580	2005-DD-BX-1081	\$ 98,084	
Byrne Justice Assistance Grant (JAG) 2006	16.738	2006-DJ-BX-1054	68,202	
Byrne Justice Assistance Grant (JAG) 2007	16.738	2007-DJ-BX-0588	445,595	
Total - Maricopa County			\$ 611,881	
TOTAL - DEPARTMENT OF JUSTICE			\$ 15,971,203	
IX. DEPARTMENT OF LABOR				
A. Federal Direct Programs				
Youthbuild CY08	17.274		\$ 53,384	\$ 1,443
Total - Department of Labor (Federal Direct)			\$ 53,384	\$ 1,443
B. Federal Pass-Through (Department of Labor)				
Arizona Department of Economic Security - Other				
Workforce Investment Act - Adult 2005-06	17.258	DES060631-1	\$ 122,849	\$ -
Workforce Investment Act - Adult 2006-07	17.258	DES060631-1A	935,764	-
Workforce Investment Act - Adult 2007-08	17.258	DE070301001	2,100,712	964,148
Workforce Investment Act - Youth 2005-06	17.259	DES060631-1	17,908	-
Workforce Investment Act - Youth 2006-07	17.259	DES060631-1A	2,325,505	1,681,975
Workforce Investment Act - Youth 2007-08	17.259	DE070301001	1,043,049	-
Workforce Investment Act - Dislocated Worker 2006-07	17.260	DES060631-1A	924,027	-
Workforce Investment Act - Dislocated Worker 2007-08	17.260	DE070301001	1,578,647	-
Workforce Investment Act - Incentive Fund	17.267	DE081021-001	20,363	-
Total - Arizona Department of Economic Security - Other			\$ 9,068,824	\$ 2,646,123
TOTAL - DEPARTMENT OF LABOR			\$ 9,122,208	\$ 2,647,566
X. U.S. DEPARTMENT OF AGRICULTURE (U.S.D.A.)				
Federal Pass-Through (U.S.D.A.)				
Non-profit Agencies				
Arizona Nutrition Network - Local Incentive Award	10.561		\$ 333,986	
TOTAL - U.S. DEPARTMENT OF AGRICULTURE (U.S.D.A.)			\$ 333,986	

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2007/2008 Expenditures	Subrecipient's Share of Total Expenditures
XI. DEPARTMENT OF ENERGY (D.O.E.)				
<i>Federal Pass-Through (D.O.E.)</i>				
<i>Arizona Department of Commerce</i>				
Weatherization - DOE 2006-07	81.042	C080-06	\$ 6,246	
Weatherization - DOE 2007-08	81.042	C068-07	193,872	
Weatherization - LIHEAP 2006-07	81.042	C080-06	40,774	
Weatherization - LIHEAP 2007-08	81.042	C068-07	217,901	
<i>Total - Arizona Department of Commerce</i>			<u>\$ 458,793</u>	
TOTAL - DEPARTMENT OF ENERGY (D.O.E.)			\$ 458,793	
XII. INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
<i>Federal Pass-Through (Library, Archives & Public Records)</i>				
LSTA - Leading to Reading	45.310	271-06-01-(06)	\$ 24,000	
LSTA - The Next Step	45.310	271-04-01-(06)	25,000	
TOTAL - INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>\$ 49,000</u>	
XIV. ENVIRONMENTAL PROTECTION AGENCY				
Brownsfield Grant	66.818		\$ 45,483	
Brownsfield Job Training Grant	66.818		42,760	
TOTAL - ENVIRONMENTAL PROTECTION AGENCY			<u>\$ 88,243</u>	
GRAND TOTAL FEDERAL ASSISTANCE PROGRAMS			<u><u>\$ 368,387,053</u></u>	<u><u>\$ 137,349,869</u></u>

* Indicates a major federal program

See accompanying notes to schedule.

CITY OF PHOENIX, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the 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*. Because the Schedule presents only a portion of the operations of the City, it is not intended to and does not present the financial position, results of operations and cash flows of the City.

Federal awards provided to subrecipients are treated as an expenditure when paid to the subrecipient.

Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the Catalog of Federal Domestic Assistance.