



Report of Independent Certified Public Accountants in
Accordance with OMB Circular A-133

City of Phoenix, Arizona

June 30, 2014

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT
AUDITING STANDARDS**

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

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We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Phoenix, Arizona (the “City”) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 19, 2014.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (“internal control”) to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City’s internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Phoenix, Arizona
December 19, 2014



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

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Report on compliance for each major federal program

We have audited the compliance of City of Phoenix, Arizona (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. 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.

Management’s responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the City’s federal programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. 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*.

The above-mentioned 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on each major federal program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on internal control over compliance

Management of the City is responsible for designing, implementing, and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the City'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Phoenix, Arizona
December 19, 2014



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

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We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and our report thereon dated December 19, 2014 expressed unmodified opinions on these financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

GRANT THORNTON LLP

Phoenix, Arizona
December 19, 2014

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
DEPARTMENT OF TRANSPORTATION (D.O.T.)				
<i>Federal Aviation Administration (F.A.A.)</i>				
Sky Harbor - Rehabilitate Terminal 4 Apron Phase I	20.106		\$ 8,361,420	\$ -
Sky Harbor - Rehabilitate Apron (West Hold Bay Phase II)	20.106		6,142,272	-
Sky Harbor - Rehabilitate Apron (East Air Cargo)	20.106		3,987,691	-
Sky Harbor - Noise Compatibility Study-Update Exposure Maps	20.106		103,364	-
Sky Harbor - Air Cargo Planning Study	20.106		67,188	-
Goodyear - Rehabilitate Taxiway A Lighting	20.106		1,007,143	-
Deer Valley- Collect Data for Airport GIS	20.106		270,604	-
Deer Valley- Rehabilitate Taxiway A - Phase I	20.106		693,847	-
Deer Valley- Rehabilitate Taxiway A - Phase II	20.106		1,428,629	-
Deer Valley- Update Master Plan Study	20.106		78,669	-
Total - F.A.A. - Airport Improvement Program			\$ 22,140,827	\$ -
<i>Federal Transit Administration (F.T.A.)</i>				
<i>Urbanized Area Formula Program - Section 5307</i>				
AZ-90-X074	20.507		\$ 190,339	\$ 190,339
AZ-90-X080	20.507		266,714	266,707
AZ-90-X088	20.507		418,451	-
AZ-90-X096	20.507		5,860,205	836,361
AZ-90-X103	20.507		9,002,197	6,329,009
AZ-90-X109	20.507		25,482,669	12,938,370
AZ-90-X114	20.507		23,688,580	14,487,400
AZ-90-X124	20.507		7,480,577	1,238,978
AZ-95-X004	20.507		400,000	-
AZ-95-X006	20.507		24,189,668	986,459
AZ-95-X009	20.507		3,603,885	3,603,885
AZ-95-X013	20.507		9,023,587	2,726,000
AZ-95-X015	20.507		9,815,204	1,534,012
ARRA09 AZ-96-X002	20.507		2,095,258	85,389
Total - F.T.A. Urbanized Area Formula Program			\$ 121,517,334	\$ 45,222,909
<i>Transit Capital Investment Program - Section 5309</i>				
AZ-03-0066	20.500		\$ 17,782,608	\$ 17,782,608
AZ-04-0004	20.500		942,312	942,312
AZ-04-0005	20.500		139,984	139,984
AZ-04-0008	20.500		1,278	1,278
AZ-04-0011	20.500		174,058	92,471
AZ-04-0014	20.500		240,969	240,969
AZ-04-0015	20.500		1,566,547	-
AZ-04-0022	20.500		562,810	-
AZ-04-0025	20.500		13,712	-
AZ-05-0202	20.500		70,193	70,193
AZ-05-0203	20.500		350,214	20,345
AZ-05-0204	20.500		386,456	-
AZ-05-0205	20.500		164,539	-
Total - Discretionary Capital Program			\$ 22,395,680	\$ 19,290,160
<i>Enhanced Mobility - Section 5310</i>				
AZ-16-X002	20.513		\$ 63,254	\$ 39,646
Total - Enhanced Mobility			\$ 63,254	\$ 39,646
<i>Job Access and Reverse Commute Program - Section 5316</i>				
AZ-37-X011	20.516		\$ 431,602	\$ 431,602
AZ-37-X014	20.516		190,537	176,271
AZ-37-X017	20.516		468,637	361,476
AZ-37-X018	20.516		416,060	416,060
Total - Job Access and Reverse Commute Program			\$ 1,506,836	\$ 1,385,409
<i>Clean Fuels - Section 5308</i>				
AZ-58-0003	20.519		\$ 1,170,896	\$ 1,170,896
Total - Clean Fuels			\$ 1,170,896	\$ 1,170,896
<i>New Freedom - Section 5317</i>				
AZ-57-X001	20.521		\$ 91,892	\$ -
AZ-57-X008	20.521		82,101	82,101
AZ-57-X009	20.521		16,849	-
AZ-57-X012	20.521		93,810	93,810
AZ-57-X013	20.521		-	-
AZ-57-X016	20.521		184,524	159,673
Total - New Freedom			\$ 469,176	\$ 335,584

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
Alternatives Analysis - Section 5339				
AZ-39-0001	20.522		\$ 41,605	\$ 41,605
AZ-39-0005	20.522		216,540	216,540
Total - Alternatives Analysis			\$ 258,145	\$ 258,145
TIGGER/Clean Fuels - Section 5309				
AZ-88-0001	20.523		\$ 1,399,291	\$ 1,399,291
Total - TIGGER/Clean Fuels			\$ 1,399,291	\$ 1,399,291
State of Good Repair - Section 5337				
AZ-54-0002	20.525		48,881	48,881
Total - State of Good Repair			\$ 48,881	\$ 48,881
Bus & Bus Facilities - Section 5339				
AZ-34-0002	20.525		10,591	-
Total - Bus & Bus Facilities			\$ 10,591	\$ -
Total - F.T.A.			\$ 148,840,084	\$ 69,150,921
Federal Pass-Thru: Federal Highway Administration (F.H.A.)				
Arizona Department of Transportation (A.D.O.T.)				
15th Ave N/O Lincoln UPRR Impr	20.205	STP PHX-0(248)A	\$ 7,700	\$ -
15th Ave S/O Madison BNSF RR Impr	20.205	STP PHX-0(250)A	13,230	-
17th Ave: Roeser Rd to Broadway Rd	20.205	SRTS PHX-0(278)D	47,428	-
30th St: Washington-Fillmore	20.205	SRS 999-A (316)A	15,553	-
32nd St: Washington	20.205	CM PHX-0(246)D	5,318	-
32nd St S/O Jackson St RR Crossing	20.205	STP PHX-0(251)A	35,776	-
35th Ave S/O Indian School Rrngx	20.205	STP-000-6(185)A	8,065	-
40th St S/O Madison St RR Crossing	20.205	STP PHX-0(252)A	37,709	-
2012 CMAQ Alley Dust Proofing	20.205	CM-PHX-0(271)A	49,718	-
ARS Broadway - 17 Ave- 7 St - Phase Two	20.205	HPS-PHX-0(055)A	162,240	-
ARS Broadway - 27 Ave- 17 Ave - Phase Two	20.205	HPS-PHX-0(055)A	1,422,102	-
ARS Broadway - 35 Ave- 27 Ave - Phase Two	20.205	HPS-PHX-0(055)A	1,480,972	-
ARS Broadway - 43 Ave- 35 Ave - Phase Two	20.205	HPS-PHX-0(055)A	580,312	-
ARS Broadway - 51 Ave-43 Ave - Phase Two	20.205	HPS-PHX-0(055)A	271,634	-
Arcadia Portal Multi-Use Trail	20.205	TEA PHX-0(163)A	95,328	-
Bridge Inspection Equip Rental FY12/13	20.205	BR-PHX-0(274)D	2,943	-
Bridge Inspection Cy	20.205	STP PHX-0(283)D	266,248	-
Bridge Inspect Cycle	20.205	STP PHX-0(282)D	96,336	-
Bridge Mang FY13/14	20.205	BR PHX-0(281)D	78,741	-
Centennial Way: Central to 19th Ave	20.205	TEA-PHX-0(260)A	55,962	-
Develop COP ITS Strategic Plan	20.205	CM-PHX-0(272)A	239,000	-
FOB Expan Phase B Sonoran Ring	20.205	CM PHX-0-(284)D	5,507	-
Hatcher Rd: Central - 3rd St	20.205	CM-PHX-0(264)D	77,946	-
HES-Dunlap @ 35th Ave	20.205	HISP-PHX-0(273)A	43,238	-
Historical Neighborhood Ltg	20.205	TEA-PHX-0(203)A	9,513	-
ITS Fiber B-1 - North Ring	20.205	CM-PHX-0(272)A	2,281	-
ITS FOB Phase B-2; I-10 & SR51	20.205	CM-PHX-0(258)A	2,298	-
Lincoln & 6 St UPRR Sdwks	20.205	RRS-000-6(052)P	6,570	-
Nevitt Park and Western Canal Project	20.205	CM-PHX-0(290)D	9,322	-
Rio Salado Pkwy Design Phase 2	20.205	HPS-PHX-0(055)A	5,469,008	-
Roosevelt: Central to 4th Street	20.205	TEA PHX-0(269)	9,368	-
Roosevelt St: 4th Street	20.205	CM PHX-0(288)D	447	-
Royal Palm Bicycle & Ped Bridge	20.205	TEA-PHX-0(245)	210,042	-
Safe Route to School - Mitchell School, Phase 2	20.205	SRS 999-A(252)A	101,597	-
Safe Route to School - Mitchell School, Phase III	20.205	SRS 999-A(344)	19,907	-
Safe Route to School - 55th Ave & Campbell	20.205	SRS 999-A(251)A	153,626	-
Salt River: 24th St	20.205	CM-PHX-0(223)	821,067	-
S Mtn Community College	20.205	TEA PHX-0(212)A	25,318	-
Yuma /st: 31st Av - 2	20.205	SRS PHX-0(279)D	39,230	-
Total - A.D.O.T			\$ 11,978,600	\$ -
Federal Pass-Thru: Maricopa Association of Governments				
Congestion Mitigation and Air Quality Improvement Funding				
Streetsweepers	20.205	N/A	\$ 447,969	-
Total - M.A.G.			\$ 447,969	\$ -

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Agency/Program/Grant Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant/ State Pass-Through Number</u>	<u>2013-2014 Expenditures</u>	<u>Subrecipient's Share of Total Expenditures</u>
<i>Federal Pass-Thru: National Highway Traffic Safety Administration (N.H.T.S.A.)</i>				
<i>Governor's Office of Community and Highway Safety (G.O.H.S.)</i>				
2013 Occupant Protection	20.600	2013-OP-002	\$ 7,390	
2013 Selective Traffic Enforcement Equip	20.600	2013-PT-012	576	
2013 Ped/Bicycl Safety	20.600	2013-PS-003	497	
2014 Buckle Up Click It or Ticket	20.600	2014-CIOT-012	15,000	
2014 Accident Investigation Equipment Travel	20.600	2014-AI-002	19,883	
2014 Accident Investigation Equipment	20.600	2014-AI-009	56,197	
2014 Motorcycle Safety Enforcement	20.600	2014-MC-001	7,131	
2014 Occupant Protection	20.600	2014-OP-011	16,612	
2014 Pedestrian & Bicycle Safety	20.600	2014-PS-002	87,063	
2014 Selective Traffic Enforcement	20.600	2014-PT-006	43,160	
2014 Selective Traffic Enforce/Equipment	20.600	2014-PT-048	20,252	
2013 DUI/Underage Enforcement	20.601	2013-410-011	4,884	
GOHS - TSRP Transportation Safety Resource Prosecutor	20.601	2014-410-035	72,994	
2013 Underage Alcohol & Party Crew Enforcement	20.601	2013-410-035	26,089	
2014 Underage Party Crew	20.601	2014-410-036	26,256	
2014 Impaired Driving/DUI Enforce/Underage	20.601	2014-410-005	77,457	
2014 DUI Enforcement/Equipment/Underage	20.601	2014-410-011	22,522	
2013 DUI Alcohol Overtime Enforcement	20.608	2031-164-038	147,965	
2013 DUI /Training/Enforce/Equip	20.608	2031-164-049	40,767	
Total - G.O.H.S.			\$ 692,695	\$ -
Total - N.H.T.S.A.			\$ 692,695	\$ -
TOTAL - DEPARTMENT OF TRANSPORTATION			\$ 184,100,175	\$ 69,150,921
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (H.U.D.)				
<i>Community Development Block Grants (CDBG)</i>				
2003 Entitlement Program	14.218		\$ 39,882	\$ 39,882
2007 Entitlement Program	14.218		77,247	-
2008 Entitlement Program	14.218		343,707	-
2009 Entitlement Program	14.218		218,558	18,683
2010 Entitlement Program	14.218		669,226	575,521
2011 Entitlement Program	14.218		1,068,940	479,882
2012 Entitlement Program	14.218		558,992	558,992
2013 Entitlement Program	14.218		13,548,699	789,622
Total - CDBG			\$ 16,525,251	\$ 2,462,582
Neighborhood Stabilization Program 1 - HERA	14.218		\$ 2,653,459	
Neighborhood Stabilization Program 3 - Dodd-Frank Wall Street	14.218		8,797,124	
ARRA09 Neighborhood Stabilization Program 2	14.256		4,723,148	
Total - Neighborhood Stabilization Program			\$ 16,173,731	\$ -
<i>Lower Income Housing Assistance</i>				
Housing Opportunities for Persons with Aids (HOPWA)	14.241		\$ 1,742,644	
Public Housing	14.850		8,316,724	
Resident Opportunities & Self-Sufficiency (ROSS)	14.870		183,175	
Total - Lower Income Housing Assistance			\$ 10,242,543	\$ -

**CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Agency/Program/Grant Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant/ State Pass-Through Number</u>	<u>2013-2014 Expenditures</u>	<u>Subrecipient's Share of Total Expenditures</u>
Section 8 Housing Assistance				
Section 8 Sunnyslope Manor	14.195		\$ 548,080	
Section 8 Fillmore Gardens	14.195		745,438	
Section 8 Mod Rehab Single Room Occupancy (SRO) VIII	14.249		230,175	
Section 8 Modernization Rehabilitation SRO IX	14.249		119,951	
Section 8 Modernization Rehabilitation SRO X	14.249		76,890	
Section 8 Modernization Rehabilitation III	14.856		38,627	
Section 8 Vouchers	14.871		48,228,700	
Section 8 Vouchers - VASH	14.871		3,725,428	
Section 8 Vouchers 5-Year Mainstream	14.879		582,886	
Section 8 Vouchers - Family Unification Program (FUP)	14.880		810,027	
Total - Section 8 Housing Assistance			\$ 55,106,202	\$ -
Public Housing - Capital Improvement Programs				
Capital Fund Program	14.872		2,416,168	
Total - Capital Improvement Programs			\$ 2,416,168	\$ -
HOME Program				
Home Investment Partnerships (HOME)	14.239		8,627,593	
Total - HOME Program			\$ 8,627,593	\$ -
HUD Emergency Shelter Grant Program	14.231		\$ 499,184	\$ 52,756
HUD Emergency Shelter Grant Program	14.231		867,650	342,282
Subtotal - ESG Program			\$ 1,366,834	\$ 395,038
Lead Based Paint Hazard Control	14.900		\$ 1,144,972	\$ 120,094
			\$ 1,144,972	\$ 120,094
Fair Housing Assistance Program (FHAP)				
HUD - FHAP	14.401		232,212	
Total - F.H.A.P.			\$ 232,212	\$ -
Other Grant Programs				
Sustainable Communities Community Challenge Planning	14.704		\$ 1,774,026	\$ 516,848
Hope VI - Matthew Henson	14.866		237,991	-
Hope VI - Krohn West	14.866		75,322	-
Hope VI - Frank Luke Addition	14.866		683,541	-
Total - Other Grant Programs			\$ 2,770,880	\$ 516,848
TOTAL - DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (H.U.D.)			\$ 114,606,386	\$ 3,494,562
U. S. DEPARTMENT OF THE INTERIOR				
Bureau of Reclamation				
Research Pilot Project on Methods to Manage Concentrate Produced from Wastewater Effluent	15.504		\$ 234,004	\$ 103,520
Evaluating Dual-Flush High Efficiency Toilets (HET)	15.530		5,342	-
Total - Bureau of Reclamation			\$ 239,346	\$ 103,520
TOTAL - U. S. DEPARTMENT OF THE INTERIOR			\$ 239,346	\$ 103,520

**CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
DEPARTMENT OF HOMELAND SECURITY				
<i>Federal Emergency Management Agency (FEMA)</i>				
2012 Urban Research and Rescue (USAR) Grant	97.025		\$ 263,387	\$ -
2013 Urban Research and Rescue (USAR) Grant	97.025		959,800	-
Moore OK Tornado	97.025		5,208	-
Colorado Flooding	97.025		41,204	-
Washington Mudslide	97.025		177,211	-
AFG - Fire Safety House	97.044		9,991	-
AFG -Thermal Imaging Cameras	97.044		1,798	-
2010 FEMA SAFER	97.083		1,268,072	-
2011 FEMA SAFER	97.083		2,322,065	-
2012 FEMA SAFER	97.083		2,729,831	-
2013 FEMA SAFER	97.083		1,207,051	-
Total - Federal Emergency Management Agency			\$ 8,985,618	\$ -
<i>Transportation Security Administration (TSA)</i>				
Law Enforcement Officer Reimbursement Program	97.090		\$ 564,550	-
Checked Baggage Recapitalization and Optimization-Design	97.100		297,224	-
Checked Baggage Recapitalization and Optimization-Construction	97.100		1,120,413	-
TSA National Explosives Detection Canine Team Program	97.Unknown		355,555	-
Total - Transportation Security Administration			2,337,742	-
Total - Federal Direct Programs			\$ 11,323,360	\$ -
<i>Federal Pass-Through</i>				
<i>Arizona Department of Emergency Management</i>				
UASI 12-AHQ MW Link P2	97.067	999815-01	\$ 39,456	\$ -
UASI 13-Terrorism Liaison Officers (TLO)	97.067	130819-05	151,897	-
UASI 12-Terrorism Liaison Officers (TLO) Sustainment	97.067	999815-04	12,472	-
UASI 13-Terrorism Liaison Officers (TLO) Training	97.067	130600-03	1,184	-
UASI 12-Rapid Response Team (RRT) Sustainment	97.067	999815-02	106,519	-
UASI 13-Rapid Response Team (RRT) Sustainment	97.067	130819-01	306,975	-
UASI 13-Fire Assets	97.067	130819-03	27,484	-
UASI 12-Sheltering/VRC	97.067	999815-03	1,148	-
UASI 11-Volunteer Reception Centers (VRC)	97.067	888821-04	14,959	-
UASI 11-Volunteer Reception Centers (VRC) II	97.067	888821-07	5,900	-
UASI 13-Volunteer Reception Centers (VRC)	97.067	130819-02	13,206	-
UASI 11-PFD Communication	97.067	888821-05	20,235	-
UASI 11-HazMat ID	97.067	888821-06	30,000	-
UASI 13- HSEEP	97.067	130819-06	26,772	-
Urban Area Security Initiative (UASI) 2011	97.067	888822-08, 888822-10, 888822-11, 888822-12	124,955	-
Urban Area Security Initiative (UASI) 2012	97.067	999817-01, 999817-02, 999817-03, 999817-04, 999817-05, 999815-04, 999817-06, 999817-07, 999817-09	246,510	-
Urban Area Security Initiative (UASI) 2013	97.067	130821-01, 130821-02, 130821-03, 130821-04, 130821-05, 130/21-06, 130819-05	384,107	-
State Homeland Security Grant Program (SHSGP) 2012	97.067	999210-01, 999210-02	138,157	-
State Homeland Security Grant Program (SHSGP) 2013	97.067	130206-01	79,363	-
2010 SHSGP - AHMT P7	97.067	777212-05	339	-
2012 SHSGP-AHMT	97.067	999209-01	773	-
2011 SHSGP-CERT	97.067	888209-06	24,550	-
2012 SHSGP-CERT	97.067	999209-03	16,293	-
2013 SHSGP-CERT	97.067	130205-01	9,377	-
2012 SHSGP-MMRS	97.067	999209-02	4,714	-
2011 SHSGP-911	97.067	888209-07	4,940	-
2012 SHSGP-911	97.067	999209-04	10,965	-
2013 SHSGP-911	97.067	130205-02	62,415	-
2010 SHSGP-LEIU Conference	97.067	777602-02	2,498	-
2011 SHSGP-Tank Farm P2	97.067	888209-05	46,800	-
Total - Arizona Department of Emergency Management			\$ 1,914,963	\$ -

**CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
<i>Federal Pass-Through</i>				
<i>Arizona Department of Homeland Security</i>				
2009 Transit Security Grant Program	97.075	2009-RA-T9-0034	27,239	-
2011 Transit Security Grant Program	97.075	2011RA00064	4,361	-
2012 UASI Strategy Update Project	97.067	555817-08	22,907	-
<i>Total - Arizona Department of Homeland Security</i>			<u>\$ 54,507</u>	<u>\$ -</u>
TOTAL - DEPARTMENT OF HOMELAND SECURITY			\$ 13,292,830	\$ -
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Headstart Year "48"	93.600		<u>\$ 25,842,933</u>	<u>\$ 13,536,205</u>
<i>Subtotal CFDA #93.600</i>			<u>\$ 25,842,933</u>	<u>\$ 13,536,205</u>
<i>Total - H.H.S. - Federal Direct</i>			\$ 25,842,933	\$ 13,536,205
<i>Federal Pass-Through</i>				
<i>AZ Department of Health</i>				
2013 Immunization Program	93.268	ADHS13-039133	38	-
<i>AZ Governor's Office of Energy Policy</i>				
Weatherization - LIHEAP	93.568	G043-10-06	457,609	-
<i>Total - AZ Governor's Office of Energy Policy</i>			<u>\$ 457,609</u>	<u>\$ -</u>
<i>Arizona Department of Economic Security</i>				
Temporary Assistance for Needy Families (TANF) 12-13	93.558	DE111075001	\$ 1,012,130	\$ -
Low Income Home Energy Assistance Program (LIHEAP)	93.568	DE111075001	5,614,631	-
FREED LIHEAP	93.568	Various	84,551	-
Community Service Block Grant	93.569	DE111075001	1,440,917	-
Social Services Block Grant	93.667	DE111075001	680,039	-
<i>Total - Arizona Department of Economic Security</i>			<u>\$ 8,832,268</u>	<u>\$ -</u>
<i>Other Pass-thru Programs</i>				
Social Services Block Grant	93.667	2014-32-PHX	\$ 277,997	\$ -
Title IIC2	93.045	2014-32-PHX	1,003,122	-
Nutrition Services Incentive Program	93.053	2014-32-PHX	200,236	-
<i>Total Other Pass-thru Programs</i>			<u>\$ 1,481,355</u>	<u>\$ -</u>
TOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 36,614,203	\$ 13,536,205
DEPARTMENT OF JUSTICE				
<i>Bureau of Justice Assistance</i>				
<i>Congressionally Recommended Awards</i>				
ePRO 2010 - 2013	16.753		\$ 20,438	\$ -
<i>Office of Victims of Crime</i>				
Advocacy Services 2013-14	16.582		100,226	-
Advocate for Victims 50 Years & Older 2013-14	16.582		80,580	-
<i>Total - Office of Victims of Crime</i>			<u>\$ 180,806</u>	<u>\$ -</u>
<i>Office of Justice Programs</i>				
G.R.E.A.T - Southwestern Regional Program 2013-2014	16.541		\$ 82,035	\$ -
Internet Crimes Against Children 2012	16.543		419,104	114,884
G.R.E.A.T - Regional	16.737		47,941	-
Smart Policing Initiative	16.738		175,250	-
<i>Subtotal - Office of Justice Programs</i>			<u>\$ 724,330</u>	<u>\$ 114,884</u>

**CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
COPS Technology 2010 -Mobile Data Security	16.710		28,930	-
COPS Micro Grant 2013 - B.E.S.T.	16.710		2,118	-
<i>Subtotal - CFDA #16.710</i>			<u>\$ 31,048</u>	<u>\$ -</u>
Court Awards Federal (RICO)	16.922		\$ 3,509,211	\$ -
DNA Backlog Reduction	16.741		46,049	-
Cannabis Eradication Program	16.Unknown		22,652	-
<i>Subtotal - Other Federal Direct Programs</i>			<u>\$ 3,577,912</u>	<u>\$ -</u>
<i>Total - Federal Direct Programs</i>			<u>\$ 4,534,534</u>	<u>\$ 114,884</u>
<i>Federal Pass-Through</i>				
<i>Arizona Criminal Justice Commission (A.C.J.C.)</i>				
Solving Cold Cases with DNA	16.560	CCDNA-12-001	\$ 269,908	\$ -
ACJC Crime Victim's Assistance 2013-14	16.582	VA-13-039	27,670	-
Project Safe Neighborhoods NBIN Program	16.609	PSN-13-004	19,759	-
Forensic DNA Backlog Reduction Program VIII	16.741	DNB-12-002	70,573	-
Forensic DNA Backlog Reduction Program IX	16.741	DNB-13-002	211,168	-
National Forensic Sciences Formula 2013	16.742	CV-13-004	14,310	-
National Forensic Sciences Formula 2014	16.742	CV-13-14-004	24,341	-
<i>Total - A.C.J.C.</i>			<u>\$ 637,729</u>	<u>\$ -</u>
<i>Arizona Department of Public Safety (A.D.P.S.)</i>				
DPS Victims of Crime Assistance 11/12	16.575	2010-324	6	-
DPS Victims of Crime Assistance 12/13	16.575	2011-305	1	-
DPS Victims of Crime Assistance 13/14	16.575	2013-087	329,850	-
<i>Total - A.D.P.S.</i>			<u>\$ 329,857</u>	<u>\$ -</u>
<i>Maricopa County</i>				
Byrne Justice Assistance Grant (JAG) 2010	16.738	2010-DJ-BX-1213	\$ 82,393	\$ -
Byrne Justice Assistance Grant (JAG) 2011	16.738	2011-DJ-BX-3298	164,021	-
Byrne Justice Assistance Grant (JAG) 2012	16.738	2012-DJ-BX-1182	396,322	-
Byrne Justice Assistance Grant (JAG) 2013	16.738	2013-DJ-BX-1164	363,551	-
<i>Total - Maricopa County</i>			<u>\$ 1,006,287</u>	<u>\$ -</u>
TOTAL - DEPARTMENT OF JUSTICE			<u>\$ 6,508,407</u>	<u>\$ 114,884</u>
DEPARTMENT OF LABOR				
Youthbuild - Fund 1465	17.274		\$ 259,629	\$ 110,781
Youthbuild - Fund 1469	17.274		186,669	128,378
<i>Total - Department of Labor (Federal Direct)</i>			<u>\$ 446,298</u>	<u>\$ 239,159</u>
<i>Arizona Department of Economic Security - WIA</i>				
Workforce Investment Act - Adult 2011/12	17.258	DE111003001-3	\$ 23,821	\$ -
Workforce Investment Act - Adult 2012/13	17.258	DE111003001-8	1,035,227	-
Workforce Investment Act - Adult 2013/14	17.258	ADES14-052744	2,275,717	677,684
Workforce Investment Act - Youth PY2011 & Incentive PY11 & 12	17.259	DE111003001-3	20,809	-
Workforce Investment Act - Youth 2012 & Additional Award PY11&12	17.259	DE111003001-8	1,810,914	-
Workforce Investment Act - Youth 2013	17.259	ADES14-052744	1,369,296	2,019,356
Workforce Investment Act - Dislocated Worker/Rapid Response 2011-12	17.278	DE111003001-3	62,759	-
Workforce Investment Act - Dislocated Worker/Rapid Response 2012-13	17.278	DE111003001-8	3,534,875	-
Workforce Investment Act - Dislocated Worker/Rapid Response 2013-14	17.278	ADES14-052744	1,385,285	-
<i>Total - Arizona Department of Economic Security - WIA</i>			<u>\$ 11,518,703</u>	<u>\$ 2,697,040</u>
TOTAL - DEPARTMENT OF LABOR			<u>\$ 11,965,001</u>	<u>\$ 2,936,199</u>

CITY OF PHOENIX, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Agency/Program/Grant Title	Federal CFDA Number	Federal Grant/ State Pass-Through Number	2013-2014 Expenditures	Subrecipient's Share of Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE (U.S.D.A.)				
<i>Federal Pass-Through</i>				
<i>AZ Department of Health Services</i>				
Arizona Nutrition Network	10.561	HI050077	\$ 117,362	\$ -
TOTAL - U.S. DEPARTMENT OF AGRICULTURE (U.S.D.A.)			\$ 117,362	\$ -
DEPARTMENT OF ENERGY (D.O.E.)				
<i>ARRA09 Energy Efficiency</i>				
<i>Total Direct Federal Awards</i>				
ARRA09 Energy Efficiency	81.128		\$ 7,790,445	\$ 719,584
TOTAL - DEPARTMENT OF ENERGY (D.O.E.)			\$ 7,790,445	\$ 719,584
<i>Federal Pass-Through (D.O.E.)</i>				
<i>Governor's Office of Energy Policy</i>				
<i>Weatherization - DOE</i>				
Weatherization - DOE	81.042	C051-09-06	\$ 64,886	\$ -
TOTAL - Arizona Department of Energy			\$ 64,886	\$ -
TOTAL - DEPARTMENT OF ENERGY (D.O.E.)			\$ 7,855,331	\$ 719,584
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
<i>Federal Pass-Through (Library, Archives & Public Records)</i>				
Teens Technology Interns	45.310	750,022	\$ 18,719	\$ -
TOTAL - INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ 18,719	\$ -
DEPARTMENT OF THE TREASURY				
<i>Court Awards Federal (RICO)</i>				
Court Awards Federal (RICO)	21.000		\$ 300,000	\$ -
TOTAL - DEPARTMENT OF THE TREASURY			\$ 300,000	\$ -
EXECUTIVE OFFICE OF THE PRESIDENT				
<i>High Intensity Drug Trafficking Area (HIDTA) 2012</i>				
High Intensity Drug Trafficking Area (HIDTA) 2012	95.001		\$ 43,193	\$ -
<i>HIDTA 2013</i>				
HIDTA 2013	95.001		1,204,721	-
<i>HIDTA 2014</i>				
HIDTA 2014	95.001		127,901	-
TOTAL - EXECUTIVE OFFICE OF PRESIDENT			\$ 1,375,815	\$ -
NATIONAL ENDOWMENT FOR THE ARTS				
<i>Our Town</i>				
Our Town	45.024		\$ 100,000	\$ -
TOTAL - NATIONAL ENDOWMENT FOR THE ARTS			\$ 100,000	\$ -
GRAND TOTAL FEDERAL ASSISTANCE PROGRAMS			\$ 377,093,575	\$ 90,055,875

See accompanying notes to schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

1. BASIS OF PRESENTATION

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 of Phoenix, Arizona.

Federal awards provided to sub recipients are treated as expenditures when paid to the sub recipient.

2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

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

3. FEDERAL LOAN PROGRAM

Loans issued to nonprofit corporations for the purpose of establishing and/or improving public housing units or to single families providing affordable housing under the HOME Program are summarized in the federal expenditures column of the Schedule of Expenditures of Federal Awards. The City entered into various loan agreements with third parties related to its public housing programs that have been recorded as notes receivable within the Public Housing Special Revenue Fund. Under these agreements, the City has either loaned money to nonprofit corporations or to single families providing affordable housing. The payments received from these loans are restricted by the Federal Government for public housing programs. Therefore, the City records a trust liability within the Public Housing Special Revenue Funds for the outstanding balance of the notes.

Total amount of the notes outstanding under the HOME Program is \$13,189,459 as of June 30, 2014. The Schedule is a summary of total expenditures, including loans, made during the fiscal year ended June 30, 2014.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:..... unmodified

Internal control over financial reporting:

- Material weakness identified?.....no
- Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted?no

Federal Awards

Internal control over major programs:

- Material weakness identified?.....no
- Significant deficiencies identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: unmodified

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnership Program
17.274	Youthbuild
20.106	Airport Improvement Program
20.205	Highway Planning and Construction Cluster
20.500 and 20.507	Federal Transit Cluster
93.558	Temporary Assistance for Needy Families (TANF)
97.100	TSA Checked Baggage

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?no

City of Phoenix, Arizona

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

June 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

None.