# CITY OF EL MIRAGE, ARIZONA
# SINGLE AUDIT REPORTING PACKAGE
# FOR THE YEAR ENDED JUNE 30, 2011

**CITY OF EL MIRAGE, ARIZONA**
**SINGLE AUDIT REPORTING PACKAGE**
**FOR THE YEAR ENDED JUNE 30, 2011**

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

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

Honorable Mayor and Members of the City Council
City of El Mirage, 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 El Mirage, Arizona as of and for the year ended June 30, 2011, which collectively comprise City of El Mirage, Arizona's basic financial statements and have issued our report thereon dated December 14, 2011, which was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. 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

Management of City of El Mirage, Arizona is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of El Mirage, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of El Mirage, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of El Mirage, Arizona's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

Heinfeld, Meech & Co., P.C.

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

December 14, 2011

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

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

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of El Mirage, Arizona

Compliance

We have audited City of El Mirage, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of El Mirage, Arizona's major federal programs for the year ended June 30, 2011. City of El Mirage, 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 El Mirage, Arizona's management. Our responsibility is to express an opinion on City of El Mirage, 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 El Mirage, 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 El Mirage, Arizona's compliance with those requirements.

In our opinion, City of El Mirage, Arizona complied, in all material respects, with the 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, 2011.



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Internal Control Over Compliance

Management of City of El Mirage, 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 El Mirage, Arizona's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of El Mirage, Arizona's internal control over compliance.

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

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

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 El Mirage, Arizona as of and for the year ended June 30, 2011, and have issued our report thereon dated December 14, 2011, which was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 54. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise City of El Mirage, Arizona's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Heinfeld, Meech & Co., P.C.

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

December 14, 2011

**CITY OF EL MIRAGE, ARIZONA**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2011**

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Grantor's Number | Expenditures |
|---|---|---|---|
| U.S. Department of Housing and Urban Development | | | |
| Passed through Maricopa County Community Development - | | | |
| HOME Investment Partnerships Program | 14.239 | UC0805 | $ 91,972 |
| HOME Investment Partnerships Program | 14.239 | UC0805A | 81,250 |
| HOME Investment Partnerships Program | 14.239 | UC0905 | 53,495 |
| Community Development Block Grants/Entitlement Grants | 14.218 | DG1001 | 328,582 |
| Community Development Block Grants/Entitlement Grants | 14.218 | DG0906 | 400,000 |
| Passed through Arizona Department of Housing (State Housing Fund) | | | |
| HOME Investment Partnerships Program | 14.239 | 304-08 | 162,319 |
| Total U.S. Department of Housing and Urban Development | | | 1,117,618 |
| U.S. Department of Transportation | | | |
| Passed Through Arizona Governor's Office of Highway Safety | | | |
| State and Community Highway Safety | 20.600 | 2011-PT-014 | 5,602 |
| State and Community Highway Safety | 20.600 | 2011-AL-020 | 6,082 |
| State and Community Highway Safety | 20.600 | 2011-AL-021 | 5,200 |
| National Highway Traffic Safety Administration (NHTSA) | | | |
| Discrectionary Safety Grants | 20.614 | 2009-NG-005 | 2,163 |
| Total U.S. Department of Transportation | | | 19,047 |
| U.S. Department of Homeland Security | | | |
| Direct Programs | | | |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | N/A | 139,796 |
| Assistance to Firefighters Grant | 97.044 | EMW-2009-FO-10495 | 52,317 |
| Total U.S. Department of Homeland Security | | | 192,113 |
| U.S. Department of Justice | | | |
| Direct Programs | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 763 |
| Passed Through Maricopa County/County Board of Supervisors | | | |
| Recovery Act - Edward Byrne Memorial Justice Assistance | | | |
| Grant (JAG) Program / Grants to States and Territories | 16.803 | N/A | 21,425 |
| Total U.S. Department of Justice | | | 22,188 |
| U.S. Department of Energy | | | |
| Passed through Arizona Department of Commerce | | | |
| Energy Efficiency and Conservation Block | | | |
| Grant Program, Recovery Act | 81.128 | R016-10-71 | 64,540 |
| U.S. Department of Education | | | |
| Passed through Governor Office of Economic Recovery | | | |
| State Fiscal Stabilization Fund (SFSF) - | | | |
| Government Services, Recovery Act | 84.397 | OER-11-IGA-GS-141 | 18,853 |
| **Total Expenditures of Federal Awards** | | | $ 1,434,359 |



**See accompanying notes to the schedule.**

## NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of El Mirage, 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*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

## NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*.

**CITY OF EL MIRAGE, ARIZONA**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2011**

## SUMMARY OF AUDITORS' RESULTS

### *Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X__ no
- Significant deficiency(ies) identified? ____yes __X__ none reported

Noncompliance material to financial statements noted? ____yes __X__ no

### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ____yes __X__ no
- Significant deficiency(ies) identified? ____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:

| CFDA Numbers | Name of Federal Program or Cluster |
|---|---|
| 14.239 | HOME Investment Partnerships Program |
| 14.218 | Community Development Block Grants/Entitlement Grants |

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ yes ____no

# CITY OF EL MIRAGE, ARIZONA
# SCHEDULE OF FINDINGS AND QUESTIONED COSTS
# YEAR ENDED JUNE 30, 2011

## FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None reported.

## FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported.

# CITY OF EL MIRAGE, ARIZONA
# SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
# YEAR ENDED JUNE 30, 2011

## 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.