

**CITY OF GLENDALE, ARIZONA
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2021**



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**CITY OF GLENDALE, ARIZONA
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona (the City), as of and for the year ended June 30, 2021, 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 21, 2021.

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) as a basis for designing 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 the City's 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Glendale, Arizona'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 financial statements. 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*.

City of Glendale, Arizona's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 21, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Glendale, Arizona (the City)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 of Glendale, Arizona 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, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing 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 requirements that could have a direct and material effect on each major federal program to determine the auditing 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 the Uniform Guidance, 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. We did not identify any deficiencies in 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glendale, Arizona as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 21, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic 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 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.



CliftonLarsonAllen LLP

Phoenix, Arizona
April 21, 2022

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor, Pass Through Grantor, Program Name or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Office of Community Planning and Development				
CDBG - Entitlement Grants Cluster				
COVID 19 - Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	\$ 805,479	\$ 463,766
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	3,300,069	713,609
Community Development Block Grants/Entitlement Grants	14.218	Program Income	348,199	271,237
Total Assistance Listing Number 14.218			<u>4,453,747</u>	<u>1,448,612</u>
Total CDBG - Entitlement Grants Cluster			4,453,747	1,448,612
COVID 19 - Emergency Solutions Grant Program	14.231	Direct Grant	251,298	79,483
Emergency Solutions Grant Program	14.231	Direct Grant	265,661	234,052
Total Assistance Listing Number 14.231			<u>516,959</u>	<u>313,535</u>
Passed-Through Maricopa County, Arizona				
HOME Investment Partnerships Program	14.239	M-16-DC-04-0227	75,430	74,330
HOME Investment Partnerships Program	14.239	M-17-DC-04-0227	61,039	34,978
HOME Investment Partnerships Program	14.239	M-19-DC-04-0227	390,437	390,437
Total Assistance Listing Number 14.239			<u>526,906</u>	<u>499,745</u>
Office of Public and Indian Housing				
COVID 19 - Public and Indian Housing	14.850	Direct Grant	29,788	-
Public and Indian Housing	14.850	Program Income	650,816	-
Total Assistance Listing Number 14.850			<u>680,604</u>	-
Housing Voucher Cluster				
COVID 19 - Section 8 Housing Choice Vouchers	14.871	Direct Grant	41,340	-
Section 8 Housing Choice Vouchers	14.871	Direct Grant	9,857,144	-
Housing Voucher Cluster Total			<u>9,898,484</u>	-
Public Housing Capital Fund (CFP)	14.872	Direct Grant	97,982	-
Family Unification Program (FUP)	14.880	Direct Grant	144,876	-
ROSS Supportive Services Programs	14.898	Direct Grant	32,336	-
Total U.S. Department of Housing and Urban Development			16,351,894	2,261,892
<u>U.S. Department of Justice</u>				
Office of Justice Programs, Bureau of Justice Assistance				
Passed-Through Arizona Criminal Justice Commission				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	ACESF-21-012	12,233	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	ACESF-21-023	56,759	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1656	32,230	-
Total Assistance Listing Number 16.034			<u>101,222</u>	-
Criminal Division				
Joint Law Enforcement Operations (JLEO)	16.111	Direct Grant	77,160	-
Office of Victims of Crime				
Passed-Through Arizona Department of Public Safety				
Crime Victim Assistance	16.575	State Contract #2018-216	113,168	-
Crime Victim Assistance	16.575	State Contract #2020-162	205,176	-
Crime Victim Assistance	16.575	State Contract #2018-217	26,125	-
Crime Victim Assistance	16.575	State Contract #2020-163	87,951	-
Total Assistance Listing Number 16.575			<u>432,420</u>	-

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor, Pass Through Grantor, Program Name or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	Direct Grant	\$ 7,244	\$ -
Bureau of Justice Assistance				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Grant	49,073	-
Criminal Division				
Equitable Sharing Program	16.922	Direct Grant	121,652	-
Drug Enforcement Administration--DEA Phoenix Task Force	16.000	Direct Grant	52,398	-
Federal Bureau of Investigation--Joint Terrorism Task Force	16.000	Direct Grant	18,112	-
United States Secret Service Electronic Crimes Task Force	16.000	Direct Grant	2,110	-
Total U.S. Department of Justice			861,391	-
<u>U.S. Department of Transportation</u>				
Federal Aviation Administration (FAA)				
COVID 19 - Airport Improvement Program	20.106	Direct Grant	48,465	-
Airport Improvement Program	20.106	Direct Grant	423,973	-
Total Assistance Listing Number 20.106			472,438	-
Federal Highway Administration (FHWA)				
Highway Planning and Construction Cluster (20.205, 20.219, 20.224 & 23.003)				
Passed Through Maricopa Association of Governments				
Highway Planning and Construction	20.205	CMAQ	220,811	-
Federal Transit Administration (FTA)				
Federal Transit Cluster (20.500, 20.507, 20.525 & 20.526)				
Passed-Through City of Phoenix, Arizona				
COVID 19 - Federal Transit--Formula Grants	20.507	AZ-2020-015-00	1,047,149	-
Federal Transit--Formula Grants	20.507	AZ-2020-008	83,061	-
Federal Transit--Formula Grants	20.507	AZ-2019-014	55,212	-
Federal Transit--Formula Grants	20.507	AZ-2020-052-00	15,343	-
Total Assistance Listing Number 20.507			1,200,765	-
Total Federal Transit Cluster			1,200,765	-
Transit Services Programs Cluster				
Passed-Through City of Phoenix, Arizona				
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	AZ-2018-001-00	28,657	-
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	AZ-2019-038-00	24,718	-
Total Assistance Listing Number 20.513			53,375	-
Total Transit Services Programs Cluster			53,375	-
National Highway Traffic Safety Administration (NHTSA)				
Highway Safety Cluster (20.600 - 20.602, 20.609 - 20.613, 20.616)				
Passed Through Arizona Governor's Office of Highway Safety				
State and Community Highway Safety	20.600	2020-AI-005	8,174	-
State and Community Highway Safety	20.600	2020-PTS-023	45,906	-
State and Community Highway Safety	20.600	2021-PTS-026	37,494	-
State and Community Highway Safety	20.600	2021-AI-005	19,083	-
Total Assistance Listing Number 20.600			110,657	-

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor, Pass Through Grantor, Program Name or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
National Priority Safety Programs	20.616	2020-405d-019	\$ 16,204	\$ -
National Priority Safety Programs	20.616	2020-405b-004	4,849	-
National Priority Safety Programs	20.616	2020-405h-005	6,523	-
National Priority Safety Programs	20.616	2021-405d-018	103,564	-
National Priority Safety Programs	20.616	2021-405b-003	15,888	-
National Priority Safety Programs	20.616	2021-405h-005	17,966	-
National Priority Safety Programs	20.616	2020-CIOT-012	6,000	-
National Priority Safety Programs	20.616	2021-CIOT-012	6,000	-
Total Assistance Listing Number 20.616			176,994	-
Highway Safety Cluster Total			287,651	-
Total U.S. Department of Transportation			2,235,040	-
<u>U. S. Department of the Treasury</u>				
Passed-Through State of Arizona, Governor's Office COVID-19 Coronavirus Relief Fund	21.019	ERMT-20-043	8,894,139	-
Passed-Through Maricopa County, Arizona COVID-19 Coronavirus Relief Fund	21.019	C22-20-062-3-00	180,075	-
Total Assistance Listing Number 20.019			9,074,214	-
Emergency Rental Assistance Program	21.023	Direct Grant	3,251,533	-
COVID-19 Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund	21.027	Direct Grant	463,456	-
Total U. S. Department of the Treasury			12,789,203	-
<u>Institute of Museum and Library Services</u>				
Passed Through Arizona State Library, Archives and Public Records				
Grants to States	45.310	2019-0170-2	6,273	-
Grants to States	45.310	No grant number	1,850	-
Grants to States	45.310	No grant number	660	-
Grants to States	45.310	2020-0260-06	18,010	-
Grants to States	45.310	2020-0010-CAP-08	2,723	-
Grants to States	45.310	2020-0010-03	10,000	-
Grants to States	45.310	2020-0340-WiFi-05	4,000	-
Grants to States	45.310	2020-0340-WiFi-04	4,000	-
Grants to States	45.310	2020-0271-03	3,200	-
Total Institute of Museum and Library Services			50,716	-

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Grantor, Pass Through Grantor, Program Name or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Administration for Children and Families				
Passed-Through Arizona Department of Economic Security				
Temporary Assistance for Needy Families	93.558	DI20-002260	\$ 41,867	\$ -
COVID-19 Low-Income Home Energy Assistance	93.568	DI20-002260	299,029	
Low-Income Home Energy Assistance	93.568	DI20-002260	732,961	-
Total Assistance Listing Number 93.568			<u>1,031,990</u>	<u>-</u>
CSBG Cluster (93.569 & 93.710)				
COVID 19 - Community Services Block Grant	93.569	DI20-002260	8,135	-
Community Services Block Grant	93.569	DI20-002260	176,429	-
Total Assistance Listing Number 93.569			<u>184,564</u>	<u>-</u>
CSBG Cluster Total			184,564	
Social Services Block Grant	93.667	DI20-002260	85,860	-
Total U.S. Department of Health and Human Services			<u>1,344,281</u>	<u>-</u>
<u>Executive Office of the President</u>				
Passed-Through City of Tucson, Arizona Police Department				
High Intensity Drug Trafficking Areas Program HIDTA	95.001	HT-19-2909	27,606.00	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	HT-20-2922A	95,316	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	HT-20-2922	7,986	-
Total Executive Office of the President			<u>130,908</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through Arizona Department of Homeland Security				
Homeland Security Grant Program	97.067	170807-04	5,972	-
Homeland Security Grant Program	97.067	190807-01	65,521	-
Homeland Security Grant Program	97.067	190807-02	61,730	-
Homeland Security Grant Program	97.067	190808-01	4,305	-
Homeland Security Grant Program	97.067	200808-02	103,000	-
Homeland Security Grant Program	97.067	200809-01	97,893	-
Homeland Security Grant Program	97.067	200809-02	3,887	-
Homeland Security Grant Program	97.067	200206-01	43,600	-
Total Assistance Listing Number 97.067			<u>385,908</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>385,908</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 34,149,341</u>	<u>\$ 2,261,892</u>

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Glendale (the City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The City of Glendale, Arizona did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR 200.414.

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021

NOTE 4 RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO STATEMENT REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (GOVERNMENTAL FUNDS) AND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (PROPRIETARY FUNDS)

(Amounts expressed in thousands)

Intergovernmental Revenues:		
from General Fund	\$ 78,606	
from Transportation Special Revenue Fund	3,962	
from Other Special Revenue Fund	18,822	
from Municipal Property Corporation Debt Service Fund	934	
from Non-Major Governmental Funds	<u>22,287</u>	
Total from Governmental Funds		\$ 124,611
from Water and Sewer Fund	249	
from Solid Waste Fund	221	
from Housing Fund - Operating revenues and Capital Grants	<u>11,009</u>	
Total from Proprietary Funds		<u>11,479</u>
Total Intergovernmental Revenues		<u>136,090</u>
Less Non-Federal Revenue from General Fund:		
State and local intergovernmental revenues	<u>(78,606)</u>	(78,606)
Less Non-Federal Revenue from Transportation Fund:		
State ALF revenue	(649)	
Other state and local intergovernmental revenues	<u>(2,059)</u>	(2,708)
Less Non-Federal Revenue from Municipal Property Corporation Debt Service Fund:		
Build America Bonds revenue (see Note 3)	<u>(934)</u>	(934)
Less Non-Federal Revenue from Other Special Revenue Fund:		
Other state and local intergovernmental revenues	<u>(2,053)</u>	(2,053)
Less Non-Federal Revenue from Non-Major Governmental Funds:		
State and HURF revenues in Highway Users Gas Tax Fund	(17,499)	
State and local revenues in Capital Projects Funds	<u>(156)</u>	(17,655)
Less Federal Revenue from Proprietary Funds:		
Build America Bonds revenue in Water and Sewer fund (see Note 3)	<u>(249)</u>	(249)
Plus (Less) Immaterial Timing Differences:		
Federal revenues in Non-Major Governmental Funds not recorded in the current year	(84)	
Expenditures of Program Income Earned	<u>348</u>	<u>264</u>
Total Adjustments		<u>(101,941)</u>
Schedule of Expenditures of Federal Awards, Total Federal Financial Assistance		<u>\$ 34,149</u>

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021

NOTE 5 FEDERAL ASSISTANCE NOT INCLUDED

Expenditures related to assistance that is not considered Federal awards in accordance with Uniform Guidance have not been presented in this schedule as follows:

Build America Bond Subsidies:	(in thousands)
in Water and Sewer Enterprise Fund	<u>249</u>
	<u>\$ 249</u>

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**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal 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 federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

<u>Federal Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant – Entitlement Grants Cluster
20.FTC	Federal Transit Cluster
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance
93.568	Low Income Home Energy Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$1,024,480

Auditee qualified as low-risk auditee? yes X no

CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

2021-001 Cash Reconciliations

Type of Finding: Material weakness in Internal Control over Financial Reporting

Condition: The book balance of the RICO account, which is recorded in the Other Special Revenue Fund, was understated at June 30, 2021. An adjustment was proposed by the auditors and subsequently recorded by the City to adjust the book balance of the RICO account held by the Maricopa County Attorney's Office on behalf of the City in the amount \$475,000.

Criteria or Specific Requirement: Internal controls would dictate that bank reconciliation should be performed timely to detect, investigate and correct material misstatements.

Effect: Cash and investments in the Other Special Revenue fund was understated by \$475,000 prior to adjusting the balance. The lack of timely reconciliations could result in a material misstatement going undetected and uncorrected.

Cause: The City's reconciliation of the RICO cash on deposit with the Maricopa County Attorney's Office was not performed in a timely manner, resulting in the June balance not being adjusted to accurately reflect the balance of the account.

Repeat Finding: No.

Recommendation: In order to strengthen internal controls over cash reporting, the City should reconcile all cash accounts within a reasonable period following month-end. Any adjustments or recording of activity should be recorded to properly reflect the book balance of the account.

View of Responsible Official: The City concurs with this recommendation.

Responsible Official: Levi Gibson, Assistant Director Budget and Finance

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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