

**CITY OF GLENDALE, ARIZONA  
SINGLE AUDIT ACT REPORTS  
YEAR ENDED JUNE 30, 2020**



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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 (City), as of and for the year ended June 30, 2020, 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 23, 2020.

**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 determine the 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 questioned costs as item 2020-001 that we consider to be a significant deficiency.

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

**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*.

**City of Glendale, Arizona’s Response to Findings**

The City’s response to the finding identified in our audit is described in the schedule of findings and questioned costs. 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 result 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 communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Phoenix, Arizona  
December 23, 2020



**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 (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, 2020. 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, 2020.

**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.

**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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2020, 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

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

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*

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 25, 2021

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2020**

Federal Grantor Program Name or Cluster Title	Federal Assistance Listings Number	Pass-through Grantor	Federal/State Grant Pass-Thru #	FY 2020 Federal Program Expenditures	FY 2020 Amount Provided to Subrecipients
<b>U.S. Department of Housing and Urban Development</b>					
Office of Community Planning and Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	\$ 128	\$ 128
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	61,867	61,843
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	207,892	109,624
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	354,943	77,239
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	246,722	70,592
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	N/A	743,701	237,425
Community Development Block Grants/Entitlement Grants	14.218	Direct Grant	Program Income	65,969	-
Total CDBG - Entitlement Grants Cluster				<u>1,681,222</u>	<u>556,851</u>
Emergency Solutions Grant Program	14.231	Direct Grant	N/A	8,019	-
Emergency Solutions Grant Program	14.231	Direct Grant	N/A	27,054	-
Emergency Solutions Grant Program	14.231	Direct Grant	N/A	60,476	47,814
Emergency Solutions Grant Program	14.231	Direct Grant	N/A	82,909	67,203
Total CFDA Number 14.231				<u>178,458</u>	<u>115,017</u>
HOME Investment Partnerships Program	14.239	Maricopa County, Arizona	M-16-DC-04-0227	124,026	102,000
HOME Investment Partnerships Program	14.239	Maricopa County, Arizona	M-17-DC-04-0227	52,937	34,324
Total CFDA Number 14.239				<u>176,963</u>	<u>136,324</u>
Office of Public and Indian Housing					
Public and Indian Housing	14.850	Direct Grant	N/A	610,385	-
Housing Voucher Cluster					
Section 8 Housing Choice Vouchers	14.871	Direct Grant	N/A	9,591,771	-
Public Housing Capital Fund (CFP)	14.872	Direct Grant	N/A	52,690	-
Public Housing Capital Fund (CFP)	14.872	Direct Grant	N/A	63,639	-
Total CFDA Number 14.872				<u>116,329</u>	<u>-</u>
Lead-Based Paint Capital Fund Program	14.888	Direct Grant	N/A	14,850	-
<b>Total U.S. Department of Housing and Urban Development</b>				<b>12,369,978</b>	<b>808,192</b>
<b>U.S. Department of Justice</b>					
Criminal Division					
Joint Law Enforcement Operations (JLEO)	16.111	Direct Grant	N/A	3,729	-
Joint Law Enforcement Operations (JLEO)	16.111	Direct Grant	N/A	7,672	-
Joint Law Enforcement Operations (JLEO)	16.111	Direct Grant	N/A	25,885	-
Joint Law Enforcement Operations (JLEO)	16.111	Direct Grant	N/A	22,965	-
Total CFDA Number 16.111				<u>60,251</u>	<u>-</u>
Office of Justice Programs					
Missing Children's Assistance	16.543	City of Phoenix, Arizona Internet Crimes Against Children Task Force	IGA # 149714-0	14,983	-
Office of Victims of Crime					
Crime Victim Assistance	16.575	Arizona Department of Public Safety	State Contract #2018-216	65,109	-
Crime Victim Assistance	16.575	Arizona Department of Public Safety	State Contract #2018-216	195,559	-
Crime Victim Assistance	16.575	Arizona Department of Public Safety	State Contract #2018-217	47,782	-
Crime Victim Assistance	16.575	Arizona Department of Public Safety	State Contract #2018-217	85,374	-
Total CFDA Number 16.575				<u>393,824</u>	<u>-</u>
Office of Community Oriented Policing Services					
Public Safety Partnership and Community Policing Grants	16.710	Direct Grant	N/A	44,423	-
Bureau of Justice Assistance					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Grant	N/A	31,715	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Grant	N/A	71,839	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Grant	N/A	1,688	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct Grant	N/A	15,265	-
Total CFDA Number 16.738				<u>120,507</u>	<u>-</u>
Criminal Division					
Equitable Sharing Program	16.922	Direct Grant	N/A	185,482	-
Drug Enforcement Administration--DEA Phoenix Task Force	16.000	Direct Grant	N/A	838	-
Drug Enforcement Administration--DEA Phoenix Task Force	16.000	Direct Grant	N/A	35,876	-
Drug Enforcement Administration--DEA Phoenix Task Force	16.000	Direct Grant	N/A	18,649	-
Federal Bureau of Investigation--Joint Terrorism Task Force	16.000	Direct Grant	N/A	6,229	-
Federal Bureau of Investigation--Joint Terrorism Task Force	16.000	Direct Grant	N/A	11,530	-
United States Secret Service Electronic Crimes Task Force	16.000	Direct Grant	N/A	1,973	-
United States Secret Service Electronic Crimes Task Force	16.000	Direct Grant	N/A	1,000	-
<b>Total U.S. Department of Justice</b>				<b>895,565</b>	<b>-</b>



**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

Federal Grantor Program Name or Cluster Title	Federal Assistance Listings Number	Pass-through Grantor	Federal/State Grant Pass-Thru #	FY 2020 Federal Program Expenditures	FY 2020 Amount Provided to Subrecipients
<b>U.S. Department of Transportation</b>					
Federal Aviation Administration (FAA)					
Airport Improvement Program	20.106	Direct Grant	N/A	8,994,102	-
COVID 19 - Airport Improvement Program	20.106	Direct Grant	N/A	20,535	-
Total CFDA Number 20.106				9,014,637	-
Federal Transit Administration (FTA)					
Federal Transit Cluster (20.500, 20.507, 20.525 & 20.526)					
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2018-009-00	1,049,908	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2020-009	22,667	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2016-010-00	36,202	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2019-014	38,067	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-90-X131	9,028	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-90-X137	1,845	-
Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2019-003-00	22,141	-
COVID 19 - Federal Transit--Formula Grants	20.507	City of Phoenix, Arizona	AZ-2020-015-00	10,372	-
Total CFDA Number 20.507				1,190,230	-
Total Federal Transit Cluster				1,190,230	-
Transit Services Programs Cluster					
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	City of Phoenix, Arizona	AZ-2016-017-00	118,203	-
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	City of Phoenix, Arizona	AZ-2018-001-00	29,064	-
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	City of Phoenix, Arizona	AZ-2019-038-00	18,771	-
Total CFDA Number 20.513				166,038	-
Total Transit Services Programs Cluster				166,038	-
National Highway Traffic Safety Administration (NHTSA)					
Highway Safety Cluster (20.600 - 20.602, 20.609 - 20.613, 20.616)					
State and Community Highway Safety	20.600	Arizona Governor's Office of Highway Safety	2019-PTS-019	6,450	-
State and Community Highway Safety	20.600	Arizona Governor's Office of Highway Safety	2019-AI-003	875	-
State and Community Highway Safety	20.600	Arizona Governor's Office of Highway Safety	2020-AI-005	10,270	-
State and Community Highway Safety	20.600	Arizona Governor's Office of Highway Safety	2020-PTS-023	19,094	-
Total CFDA Number 20.600				36,689	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2019-405d-018	3,958	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2019-405b-004	13,679	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2020-405d-019	33,910	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2020-405b-004	21,151	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2020-405h-005	23,477	-
National Priority Safety Programs	20.616	Arizona Governor's Office of Highway Safety	2019-PB-003	20,499	-
Total CFDA Number 20.616				116,674	-
Highway Safety Cluster Total				153,363	-
<b>Total U.S. Department of Transportation</b>				<b>10,524,268</b>	<b>-</b>
<b>U. S. Department of the Treasury</b>					
Coronavirus Relief Fund					
Total U. S. Department of the Treasury	21.019	State of Arizona, Office of the Governor	ERMT-20-043	20,080,856	-
				<b>20,080,856</b>	<b>-</b>
<b>Institute of Museum and Library Services</b>					
Grants to States	45.310	Arizona State Library, Archives and Public Records	2018-0260-09	4,826	-
Grants to States	45.310	Arizona State Library, Archives and Public Records	2018-0010-03	1,910	-
Grants to States	45.310	Arizona State Library, Archives and Public Records	No grant number	800	-
Grants to States	45.310	Arizona State Library, Archives and Public Records	2019-0170-2	18,427	-
Grants to States	45.310	Arizona State Library, Archives and Public Records	No grant number	2,950	-
Grants to States	45.310	Arizona State Library, Archives and Public Records	No grant number	3,340	-
<b>Total Institute of Museum and Library Services</b>				<b>32,253</b>	<b>-</b>
<b>U.S. Department of Health and Human Services</b>					
Administration for Children and Families					
Temporary Assistance for Needy Families	93.558	Arizona Department of Economic Security	DE111089001	137,188	-
Low-Income Home Energy Assistance	93.568	Arizona Department of Economic Security	DE111089001	728,287	-
Community Services Block Grant	93.569	Arizona Department of Economic Security	DE111089001	188,305	-
Social Services Block Grant	93.667	Arizona Department of Economic Security	DE111089001	77,182	-
<b>Total U.S. Department of Health and Human Services</b>				<b>1,130,962</b>	<b>-</b>
<b>Executive Office of the President</b>					
High Intensity Drug Trafficking Areas Program HIDTA	95.001	City of Tucson, Arizona Police Department	HT-18-2837	24,968	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	City of Tucson, Arizona Police Department	HT-18-2847	26,136	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	City of Tucson, Arizona Police Department	HT-19-2938	112,000	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	City of Tucson, Arizona Police Department	HT-19-2909	9,187	-
High Intensity Drug Trafficking Areas Program HIDTA	95.001	City of Tucson, Arizona Police Department	HT-20-2922A	15,414	-
<b>Total Executive Office of the President</b>				<b>187,705</b>	<b>-</b>

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

Federal Grantor Program Name or Cluster Title	Federal Assistance Listings Number	Pass-through Grantor	Federal/State Grant Pass-Thru #	FY 2020 Federal Program Expenditures	FY 2020 Amount Provided to Subrecipients
<b><u>U.S. Department of Homeland Security</u></b>					
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	170202-01	200,000	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	170807-01	200,000	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	180808-02	41,021	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	180808-01	299	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	180807-01	33,318	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	180204-01	34,910	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	170202-03	3,734	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	170215-01	40,100	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	190807-01	24,479	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	190808-02	89,943	-
Homeland Security Grant Program	97.067	Arizona Department of Homeland Security	190808-01	3,153	-
Total CFDA Number 97.067				<u>670,957</u>	-
<b>Total U.S. Department of Homeland Security</b>				<u>670,957</u>	-
<b>Total Federal Financial Assistance</b>				<b>\$ 45,892,544</b>	<b>\$ 808,192</b>

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (schedule) includes the City of Glendale, Arizona federal grant activity for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal awards received directly from Federal agencies, as well as federal financial assistance passed through other entities, are included on the Schedule of Expenditures of Federal Awards and is presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial reports.

**NOTE 2 FEDERAL ASSISTANCE LISTING NUMBERS**

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2020 Federal Assistance Listings

Each program included in the Federal Assistance Listings is assigned a five-digit program identification number, the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The Federal Assistance Listings number is reflected in the Schedule of Expenditures of Federal Awards (SEFA). Federal assistance programs and awards which have not been assigned a Federal Assistance Listings number, but have a grant award or agreement number, are assigned a five digit code consisting of the first two digits indicating federal agency and the last three digits all zeros.

Cluster of Programs - Closely related programs with different Federal Assistance Listings numbers that share common compliance requirements are considered a cluster of programs. The only program clusters presented on the SEFA are those mandated by OMB in the most recent *OMB Compliance Supplement* (August 2020) and *2 CFR Part 200, Appendix XI Compliance Supplement Addendum* (December 2020). The SEFA is structured to present the federal assistance information by cluster with the title of the cluster appearing in the heading.

**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)**  
**YEAR ENDED JUNE 30, 2020**

**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	\$ 69,288	
from Transportation Special Revenue Fund	3,476	
from General Obligation Debt Service Fund	238	
from Municipal Property Corporation Debt Service Fund	2,207	
from Non-Major Governmental Funds	54,120	
Total from Governmental Funds	<u>129,329</u>	\$ 129,329
from Water and Sewer Fund	540	
from Housing Fund - Operating revenues and Capital Grants	10,303	
Total from Proprietary Funds	<u>10,843</u>	10,843
Total Intergovernmental Revenues		<u>140,172</u>
Less Non-Federal Revenue from General Fund:		
State and local intergovernmental revenues	<u>(69,288)</u>	(69,288)
Less Non-Federal Revenue from Transportation Fund:		
State ALF revenue	(649)	
Other state and local intergovernmental revenues	<u>(1,471)</u>	(2,120)
Less Federal Revenue from General Obligation Debt Service Fund:		
Build America Bonds revenue (see Note 3)	<u>(238)</u>	(238)
Less Non-Federal Revenue from Municipal Property Corporation Debt Service Fund:		
Other intergovernmental revenues	<u>(2,207)</u>	(2,207)
Less Non-Federal Revenue from Non-Major Governmental Funds:		
State and HURF revenues in Highway Users Gas Tax Fund	(16,564)	
State and local grants in Other Special Revenue Funds	(2,129)	
State and local revenues in Capital Projects Funds	<u>(1,451)</u>	(20,144)
Less Federal Revenue from Proprietary Funds:		
Build America Bonds revenue in Water and Sewer fund (see Note 3)	<u>(540)</u>	(540)
Plus (Less) Immaterial Timing Differences:		
Federal revenues in Non-Major Governmental Funds not recorded in the current year	189	
Expenditures of Program Income Earned	<u>69</u>	258
Total Adjustments		<u>(94,279)</u>
Schedule of Expenditures of Federal Awards, Total Federal Financial Assistance		<u>\$ 45,893</u>

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**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 General Obligation Debt Service Fund	\$ 238
in Water and Sewer Enterprise Fund	540
	<u>\$ 778</u>

(Remainder of this page intentionally left blank)

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified?   X   yes \_\_\_\_\_ 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: *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>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant – Entitlement Grants Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$1,376,776

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, 2020**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2020-001: Revenue Cut-Off**

**Type of Finding:** Significant Deficiency in Internal Control Over Financial Reporting

**Repeat Finding:** No

**Criteria or specific requirement:** Internal controls should be designed to ensure proper cut-off of revenues at or near year-end.

**Context:** While performing audit procedures, it was noted that revenues earned prior to June 30, 2020 that were received subsequent to year-end, but received within the period of availability (within 60 days of year-end) were not accrued.

**Effect:** An audit adjustment was proposed and subsequently recorded by management to accrue revenues to the appropriate fiscal year. The error was not material to the financial statements; however, the lack of proper procedures could result in a misstatement going undetected and uncorrected.

**Cause:** Oversight in the year-end close out procedures.

**Recommendation:** The City should review its year-end close out procedures to determine adequate controls are in place to identify revenues earned prior to year-end, but received subsequent to year-end are properly recorded in the general ledger.

**Views of responsible officials and planned corrective actions:** Management concurs with this recommendation and will review its year-end closing procedure to identify similar revenues in the future.

**Responsible Official:** Rebecca Chitwood, Controller

**CITY OF GLENDALE, ARIZONA, (AN ARIZONA MUNICIPALITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted in the current year.



## **CORRECTIVE ACTION PLAN**

The City of Glendale, Arizona respectfully submits the following corrective action plan for the year ended June 30, 2020.

Audit period: The findings below are applicable to the June 30, 2020 reporting period.

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## **FINANCIAL STATEMENT FINDINGS**

### **2020-:001 Financial Reporting**

**Type of Finding:** Significant deficiencies in Internal Control Over Financial Reporting

**Condition/Context:** While performing audit procedures, it was noted that revenues earned prior to June 30, 2020 that were received subsequent to year end, but received within the period of availability (within 60 days of year end) were not accrued.

**Criteria or Specific Requirement:** Internal controls should be designed to ensure proper cut-off of revenues at or near year end.

**Repeat Finding:** No.

**Anticipated Completion Date:** The City plans to have the finding fully corrected by the reporting period ending June 30, 2021.

**Corrective Action Plan:** The City will review its procedures related to accounts payable and revenue received within the 60 days after fiscal year end, to ensure controls are put into place to record invoices and revenue in the proper period.

**Contact Person:** Rebecca Chitwood, Controller

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted in the current year.

## **PRIOR YEAR FINDINGS**

The City of Glendale, Arizona respectfully submits the following prior year findings that were reported for the year ended June 30, 2019.

Audit period: The findings below are applicable to the June 30, 2019 reporting period.

The findings from the June 30, 2019 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

## **FINANCIAL STATEMENT FINDINGS**

### **2019-:001 Financial Reporting**

**Type of Finding:** Material weakness in Internal Control Over Financial Reporting

**Condition/Context:** The City does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete, accurate, and properly valued and presented in accordance with Generally Accepted Accounting Principles (GAAP).

Audit adjustments were proposed and subsequently recorded by management to present capital assets in accordance with generally accepted accounting principles. An audit adjustment was proposed and subsequently recorded by management to reclassify construction in process (CIP) for completed projects out of CIP to its respective depreciable assets classifications.

Additionally, audit procedures identified a sales tax accrual that was double booked.

**Criteria or Specific Requirement:** Generally accepted accounting principles require management to maintain internal controls over the recording and reconciling of financial information.

**Status:** Fully corrected in fiscal year 2020.

**Contact Person:** Rebecca Chitwood, Controller

