



City of Glendale, Arizona
June 30, 2021
Audit Presentation

March 8, 2022





Financial Statement Audit Requirements

- City of Glendale Code Article VI, Section 16.
- Arizona Revised Statutes (ARS) 9-481
- Continuing disclosure requirements for bonds issued by the city.
- Code of Federal Registers (CFR) 200.501 for non federal entities expending more than \$750k of federal funds.



Steps for a Successful Audit

1. Plan ahead.
2. Stay up-to-date on accounting standards.
3. Assess changes in activities.
4. Develop timeline and assign work to appropriate staff.
5. Communicate with city staff and departments.



Steps for a Successful Audit

6. Perform self review of information given to auditors.
7. Be available to auditors and staff to ensure timely responses to questions.
8. Evaluate results of audit for opportunities for improvement.



Financial Statement Audit

- An audit is the process of designing and performing procedures to provide reasonable assurance on management's assertions
- The objective is for the auditor to provide an opinion based on the procedures performed



Result of an Audit

- An opinion
 - Reasonable, but not absolute assurance
- Findings and recommendations



How do Auditors Determine What to Test?

- Risk based approach
- Apply risk factors to account balances and programs
- Factors based on understanding of the government
 - Gained through inquiry
 - Gained through observation
 - Gained through prior experience
 - Gained through test work
 - Gained through other factors



Audit Process

Sign engagement letter

Audit planning by firm

Audit preparation by
management



Audit Process

Audit communication with
governance and management

Audit Procedures
(Fieldwork)

Communication of results



The Reporting Package

Communication to Governance

Opinion on the Annual Comprehensive Financial Report

The Single Audit Report (Including the *Government Auditing Standards* Report and the Report on Major Federal Programs and the Schedule of Federal Expenditures) – process, to be issued shortly

Independent Accountants' Report on the use of Highway User Revenue Funds



The Reporting Package

The Annual Expenditure Limitation Report (to be issued)

Landfill Assurance Agreed-Upon Procedures

Management Letter



Comprehensive Annual Financial Report

- Provide an opinion on the basic financial statements
- Provide an in-relation-to opinion on the combining and individual fund financial statements and schedules
- Provide an in-relation-to opinion on the federal data schedule
- Disclaim an opinion on the required supplementary information, introductory, and statistical sections

**We rendered an Unmodified (Clean) Opinion
on the Financial Statements**



Single Audit Report

- 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*
- 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



Single Audit

- Government Auditing Standards Report
 - We do not provide an opinion on internal controls, but we will report on any deficiencies in internal controls (significant deficiencies and/or material weaknesses) related to the financial statements
- Uniform Grant Guidance
 - We provide an opinion on the City's compliance with major federal programs
 - We do not provide an opinion on internal controls over compliance; however, we will report on any deficiencies in internal controls (significant deficiencies and/or material weaknesses) over compliance



Single Audit Results at a Glance

Government Auditing Standards

- 1 material weakness in internal controls
- No significant deficiency

Uniform Guidance Compliance

- Expect an Unmodified (“clean” opinion)
- Expect no matters of noncompliance
- Expect no material weaknesses or significant deficiencies in internal controls over compliance

Total Coverage

- 57% of total federal awards tested



Single Audit Results at a Glance

Major Programs Tested

- Community Development Block Grant (14.218)
 - Total Federal Expenditures: \$4,453,747
- Airport Improvement Grant (20.106)
 - Total Federal Expenditures: \$472,438
- Federal Transit Cluster (20.507)
 - Total Federal Expenditures: \$1,200,765
- Coronavirus Relief Funds (21.019)
 - Total Federal Expenditures: \$9,074,214
- Emergency Rental Assistance (21.023)
 - Total Federal Expenditures: \$3,251,533
- Low Income Energy Assistance (93.568)
 - Total Federal Expenditures: \$1,031,990



Other Reports

- Independent Accountants' Report on the use of Highway User Revenue Funds
 - Rendered a clean opinion as to the use of highway user revenue funds
- Landfill Assurance Agreed-Upon Procedures
 - We do not render an opinion, we only report on those procedures agreed upon with the City and report on those matters. No findings noted.
- Independent Accountants' Report on the Annual Expenditure Limitation Report
 - To be issued



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