



City of Maricopa, Arizona
Single Audit Reporting Package
Year Ended June 30, 2021

**CITY OF MARICOPA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2021**

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**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 Auditor's Report

Honorable Mayor and Members of the City Council
City of Maricopa, 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, each major fund, and the aggregate remaining fund information of City of Maricopa, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Maricopa, Arizona's basic financial statements, and have issued our report thereon dated December 22, 2021.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Maricopa, Arizona'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 City of Maricopa, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Maricopa, Arizona'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 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. 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items FS-2021-001 and FS-2021-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Maricopa, 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 Maricopa, Arizona's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Maricopa, Arizona's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Maricopa, Arizona's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

December 22, 2021

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Maricopa, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, City of Maricopa, 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Maricopa, Arizona and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Maricopa, Arizona's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Maricopa, Arizona's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Maricopa, Arizona's compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about City of Maricopa, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Maricopa, Arizona's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Maricopa, Arizona's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Maricopa, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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. 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, each major fund, and the aggregate remaining fund information of City of Maricopa, Arizona as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Maricopa, Arizona's basic financial statements. We issued our report thereon dated December 22, 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 taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

December 22, 2021

CITY OF MARICOPA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF JUSTICE								
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	ACESF-21-013	\$25,112	\$25,112	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	DPS 2018-257	\$89,002	\$253,853	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	DPS 2018-258	\$4,532	\$253,853	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	DPS 2020-131	\$146,522	\$253,853	N/A	\$0
CRIME VICTIM ASSISTANCE	16.575		ARIZONA DEPARTMENT OF PUBLIC SAFETY	DPS 2020-132	\$13,797	\$253,853	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE					<u>\$278,965</u>			
DEPARTMENT OF TRANSPORTATION								
HIGHWAY PLANNING AND CONSTRUCTION FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-18-0007096-T	\$34,155	\$34,155	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$34,155
COVID-19 - FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-18-0007096-T	\$5,783	\$359,732	N/A	\$0
COVID-19 - FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-18-0007096-T	\$88,617	\$359,732	N/A	\$0
COVID-19 - FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-20-0007910-T	\$13,763	\$359,732	N/A	\$0
COVID-19 - FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-20-0007910-T	\$251,569	\$359,732	N/A	\$0
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-PTS-032	\$17,422	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-OP-010	\$5,642	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-OP-011	\$1,835	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-OP-010	\$6,013	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-PTS-035	\$15,827	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-207-049	\$31,963	\$78,702	HIGHWAY SAFETY CLUSTER	\$105,468
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-405D-023	\$453	\$26,766	HIGHWAY SAFETY CLUSTER	\$105,468
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-405D-024	\$11,854	\$26,766	HIGHWAY SAFETY CLUSTER	\$105,468
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-405H-007	\$3,817	\$26,766	HIGHWAY SAFETY CLUSTER	\$105,468
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-405D-023	\$10,642	\$26,766	HIGHWAY SAFETY CLUSTER	\$105,468
TOTAL DEPARTMENT OF TRANSPORTATION					<u>\$499,355</u>			
DEPARTMENT OF TREASURY								
COVID-19 - CORONAVIRUS RELIEF FUND	21.019	COVID-19	GOVERNOR'S OFFICE	ERMT-20-058	\$258,055	\$258,055	N/A	\$0
TOTAL DEPARTMENT OF TREASURY					<u>\$258,055</u>			

**INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL
ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE
HUMANITIES**

<i>GRANTS TO STATES</i>	45.310		STATE OF ARIZONA	2019-0010-0-K	\$4,000	\$5,804	N/A	\$0
<i>COVID-19 - GRANTS TO STATES</i>	45.310	COVID-19	STATE OF ARIZONA	2020-0720-33	\$1,804	\$5,804	N/A	\$0
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES OR NATIONAL ENDOWMENT FOR THE ARTS OR NATIONAL ENDOWMENT FOR THE HUMANITIES						<u>\$5,804</u>		

DEPARTMENT OF HOMELAND SECURITY

<i>HOMELAND SECURITY GRANT PROGRAM</i>	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	19-AZDOHS-HSPG-190307-01	\$886	\$87,422	N/A	\$0
<i>HOMELAND SECURITY GRANT PROGRAM</i>	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	19-AZDOHS-OPSG-190307-002	\$86,536	\$87,422	N/A	\$0
STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER)	97.083				\$11,018	\$116,005	N/A	\$0
STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER)	97.083				\$104,987	\$116,005	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY						<u>\$203,427</u>		

TOTAL EXPENDITURE OF FEDERAL AWARDS

\$1,245,606

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

CITY OF MARICOPA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2020 - 6/30/2021

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Maricopa, Arizona under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the 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). 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 position or cash flows of the City. 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any 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. Pass-through entity identifying numbers are presented where available.

10% De Minimis Cost Rate

The auditee did not use the de minimis cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

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 §200.516 of Uniform Guidance: No

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

Finding Number: FS-2021-001

Repeat Finding: Yes, FS-2020-001

Type of Finding: Significant Deficiency

Description: Internal Controls Over Bank Reconciliations

CRITERIA

The City's cash and investment balances should be reconciled to the bank statements monthly and on a timely basis to ensure the financial activity of the City is accurate and complete.

CONDITION

The City did not perform timely and complete bank reconciliations throughout fiscal year 2021.

CAUSE

The City experienced significant turnover in the Finance Department in the prior year.

EFFECT

Without monthly reconciliations, errors in revenues, expenditures, and cash balances may not be detected and corrected in a timely manner.

CONTEXT

For all ten bank accounts, reconciliations were not performed timely during the months of July 2020 through December 2020 of the fiscal year. The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The City should ensure that cash and investment balances are reconciled to the bank statements monthly and on a timely basis.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

Finding Number: FS-2021-002

Repeat Finding: No

Type of Finding: Significant Deficiency

Description: Internal Controls Over Capital Assets

CRITERIA

City management is responsible for establishing and maintaining internal controls over financial reporting, to include internal controls over capital assets. Controls should include presenting complete and accurate capital asset schedules.

CONDITION

The City did not have adequate internal controls in place to prepare complete and accurate capital asset schedules.

CAUSE

The City did not have review controls in place over the capital asset schedules.

EFFECT

The City's internal controls over capital assets with respect to financial reporting were not adequate to ensure that a misstatement would be prevented and/or detected. Audit adjustments were necessary to properly state the capital asset balances in the financial statements.

CONTEXT

The City has not developed complete formal written policies and procedures, and has not performed a comprehensive physical inventory of capital assets in the last three years. In addition, the initial capital asset listing contained the following errors:

- The capital asset schedules did not include \$5.2 million of land acquired during the year through a promissory note.
- The capital asset schedules included \$2.4 million of land that was sold during the current fiscal year.
- Depreciation expense was overstated by approximately \$0.3 million for a current year addition that was fully depreciated.
- The capital asset schedules did not include \$88,653 of vehicles that were disposed of in the subsequent fiscal year.

The sample was not intended to be, and was not, a statistically valid sample.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

Finding Number: FS-2021-002

RECOMMENDATION

The City should allocate the necessary resources to implement controls and review procedures over capital asset schedules to ensure they are prepared accurately. The City should also perform ongoing physical inventories of capital assets, and develop written policies and procedures.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



39700 W. Civic Center Plaza
Maricopa, AZ 85138
Ph: 520.568.9098
Fx: 520.568.9120
www.maricopa-az.gov

December 22, 2021

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Matt Kozlowski
Director of the Office of the Business Management and Chief Financial Officer

**CITY OF MARICOPA, ARIZONA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2021**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2021-001, FS-2020-001

Contact Person: Matt Kozlowski, Director of the Office of the Business Management and Chief Financial Officer

Anticipated Completion Date: Completed in December 2020

Planned Corrective Action: Due to staffing issues in fiscal year 2020 and continued staff turnover in fiscal year 2021 it required several months in fiscal year 2021 to complete the bank reconciliations for July to November 2020. As of December 2020, the monthly reconciliations were completed through November 2020. Bank reconciliations for January to June 2021 were completed on a monthly basis. Finance continues to work diligently to research any reconciling items and complete all cash and investment accounts on a monthly basis to help ensure the general ledger and financial statements are free from material misstatements.

Finding Number: FS-2021-002

Contact Person: Matt Kozlowski, Director of the Office of the Business Management and Chief Financial Officer

Anticipated Completion Date: June 30, 2022

Planned Corrective Action: The City will begin to develop complete formal written policies and procedures, implement controls and review procedures over capital assets to ensure capital assets are recorded correctly the capital asset schedules are prepared accurately. Asset schedules will be reviewed for accuracy prior to submission to reduce the necessity for audit adjustments. The City will begin the process of completing a comprehensive physical inventory of capital assets. An inventory plan will be prepared to complete the physical inventory on a rotating basis by department, location, or type of asset.

**CITY OF MARICOPA, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

**Status of Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Number: FS-2020-001, initially occurred in fiscal year 2020

Status: Not corrected; see current year finding FS-2021-001.

Planned Corrective Action: Due to staffing issues in fiscal year 2020 and continued staff turnover in fiscal year 2021 it required several months in fiscal year 2021 to complete the bank reconciliations for July to November 2020. As of December 2020, the monthly reconciliations were completed through November 2020. Bank reconciliations for January to June 2021 were completed on a monthly basis.