



Town of Gilbert, Arizona
Single Audit Reporting Package
Year Ended June 30, 2021

**TOWN OF GILBERT, 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 Town Council
Town of Gilbert, 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 discretely presented component unit and remaining fund information of Town of Gilbert, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Town of Gilbert, Arizona's basic financial statements, and have issued our report thereon dated December 20, 2021. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Gilbert, 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 Town of Gilbert, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Gilbert, 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Gilbert, 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*.

Town of Gilbert, Arizona's Response to Finding

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

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 20, 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 Town Council
Town of Gilbert, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Gilbert, 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 Town of Gilbert, Arizona's major federal programs for the year ended June 30, 2021. Town of Gilbert, 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, Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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 Town of Gilbert, 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, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Town of Gilbert, Arizona as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Town of Gilbert, Arizona's basic financial statements. We issued our report thereon dated December 20, 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 20, 2021

TOWN OF GILBERT, 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>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-20-MC-04-0511				\$626,020	\$1,065,059	CDBG - ENTITLEMENT GRANTS CLUSTER	\$1,065,059
COVID-19 - COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	COVID-19, B-20-MW-04-0511			\$393,160	\$439,039	\$1,065,059	CDBG - ENTITLEMENT GRANTS CLUSTER	\$1,065,059
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239		MARICOPA COUNTY HUMAN SERVICES DEPARTMENT	M12-DC040227	\$274,650	\$274,650	\$274,650	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					<u>\$667,810</u>	<u>\$1,339,709</u>			
DEPARTMENT OF JUSTICE									
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19, 2020-VD-BX-1191				\$11,208	\$86,224	N/A	\$0
COVID-19 - CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19	ARIZONA CRIMINAL JUSTICE COMMISSION	2020-VD-BX-0309		\$75,016	\$86,224	N/A	\$0
NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	16.554		ARIZONA CRIMINAL JUSTICE COMMISSION	NCHIP-20-22-005		\$11,355	\$11,355	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2020-DJ-BX-0071				\$14,828	\$14,828	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						<u>\$112,407</u>			
DEPARTMENT OF TRANSPORTATION									
HIGHWAY PLANNING AND CONSTRUCTION	20.205		MARICOPA ASSOCIATION OF GOVERNMENTS	PMG-1346		\$555,888	\$555,888	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$555,888
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-AI-004		\$11,023	\$62,070	HIGHWAY SAFETY CLUSTER	\$186,194
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-PTS-025		\$38,517	\$62,070	HIGHWAY SAFETY CLUSTER	\$186,194
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-SB-001		\$12,530	\$62,070	HIGHWAY SAFETY CLUSTER	\$186,194
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-405D-018		\$30,933	\$124,124	HIGHWAY SAFETY CLUSTER	\$186,194
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-405D-017		\$71,039	\$124,124	HIGHWAY SAFETY CLUSTER	\$186,194
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-405H-004		\$2,348	\$124,124	HIGHWAY SAFETY CLUSTER	\$186,194
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2020-CIOT-011		\$9,857	\$124,124	HIGHWAY SAFETY CLUSTER	\$186,194
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2021-CIOT-011		\$9,947	\$124,124	HIGHWAY SAFETY CLUSTER	\$186,194
TOTAL DEPARTMENT OF TRANSPORTATION						<u>\$742,082</u>			
DEPARTMENT OF TREASURY									
COVID-19 - CORONAVIRUS RELIEF FUND	21.019	COVID-19	ARIZONA GOVERNOR'S OFFICE	ERMT-20-042		\$6,199,307	\$6,199,307	N/A	\$0
COVID-19 - EMERGENCY RENTAL ASSISTANCE PROGRAM	21.023	COVID-19			\$3,774,760	\$3,774,760	\$3,774,760	N/A	\$0
TOTAL DEPARTMENT OF TREASURY						<u>\$3,774,760</u>	<u>\$9,974,067</u>		
DEPARTMENT OF HOMELAND SECURITY									
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	HSGP-190805-01		\$892	\$235,929	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	HSGP-190805-02		\$10,426	\$235,929	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	HSGP-180805-03		\$58,250	\$235,929	N/A	\$0

<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-200203-01</i>	<i>\$1,154</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-200204-01</i>	<i>\$59,373</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-200806-01</i>	<i>\$30,604</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-200807-01</i>	<i>\$40,000</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-200807-02</i>	<i>\$2,160</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>HSGP-190203-02</i>	<i>\$33,070</i>	<i>\$235,929</i>	<i>N/A</i>	<i>\$0</i>
TOTAL DEPARTMENT OF HOMELAND SECURITY					<u>\$235,929</u>		
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u>\$4,442,570</u>	<u>\$12,404,194</u>		

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.

TOWN OF GILBERT, 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 Town of Gilbert, 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 Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town. 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.

**TOWN OF GILBERT, 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>
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program

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

Auditee qualified as low-risk auditee: Yes

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

**TOWN OF GILBERT, 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: No

Type of Finding: Significant Deficiency

Description: Internal Controls Over Contributed Capital Assets

CRITERIA

Town management is responsible for establishing and maintaining internal controls that include controls over accounting for contributed capital assets.

CONDITION

The Town did not maintain accurate financial data to properly record contributed capital assets.

CAUSE

The Town discovered errors in the recording of contributed capital assets during the fiscal year. The errors occurred due to project delays related to the pandemic, projects abandoned or absorbed into other developer objectives, and issues with final walkthroughs for project completion.

EFFECT

Internal controls over contributed capital assets with respect to financial reporting were not adequate to ensure that they could be properly recorded in the financials.

CONTEXT

Due to the lack of accurate financial records, the Town did not record contributed capital assets. The amount of the misstatement could not be determined. The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

The Town should allocate the necessary resources to implement controls over the accounting for contributed capital assets to ensure they are recorded timely and accurately.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



**Shaping a new
tomorrow, today.**

December 20, 2021

To Whom it may Concern,

The Town of Gilbert, Arizona (Gilbert) has prepared and submitted the following Corrective Action Plan, as required by U.S. Office of Management and Budget Uniform Guidance, in response to the finding presented on the Schedule of Findings and Questioned Costs for the fiscal year end June 30, 2021 referenced as FS-2021-001.

Finding Number: FS-2021-001 INTERNAL CONTROLS OVER CONTRIBUTED CAPITAL ASSETS

Management agrees with finding FS-2021-001 as it is presented in the Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2021. Furthermore, Gilbert's system of internal controls over financial reporting detected this control deficiency. Management had already taken steps to identify and include multiple stakeholders in a process and control improvement effort which began during fiscal year 2021. Management meets weekly to discuss this matter at length as apart of Gilbert's efforts to make continual and value adding improvements that ensure management is facilitating the most up to date and sound data for its use throughout various town functions. Gilbert's aim is to strengthen how contributed capital assets are communicated externally, internally with other departments, and accounting for financial reporting purposes. The results of Gilbert's process and control improvement efforts are expected to go into effect for the fiscal year ending June 30, 2022. As such, Gilbert chose to forego recognizing any developer contributions for fiscal year ending June 30, 2021.

In addition, management has 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,

Sasan Pouretezadi

Sasan Pouretezadi
Chief Technology Officer

**TOWN OF GILBERT, 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

Contact Person: Sasan Pouretezadi, Chief Technology Officer

Anticipated Completion Date: June 30, 2022

Planned Corrective Action: Management agrees with finding FS-2021-001 as it is presented in the Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2021. Management is currently in the process of revamping the system of internal controls over contributed capital assets by holding regular, weekly, meetings that include the relevant stakeholders from various departments involved in a process and control improvement effort. The goal is to implement a process that produces sound financial reporting data with an effective control structure.

**TOWN OF GILBERT, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021**

Status of Findings and Questioned Costs Related to Federal Awards

Finding Number: 2020-001

Program Name/Assistance Listing Title: CDBG – Entitlement Grants Cluster

Assistance Listing Number: 14.218

Status: Fully corrected.