

**CITY OF TEMPE, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2015**

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SINGLE AUDIT REPORTING PACKAGE  
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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 Tempe, 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 City of Tempe, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Tempe, Arizona's basic financial statements, and have issued our report thereon dated December 11, 2015. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 68, as amended by Statement No. 71.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Tempe, Arizona'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 City of Tempe, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Tempe, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tempe, 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 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*.

### 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., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

December 11, 2015

**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 OMB Circular A-133**

Independent Auditor's Report

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

**Report on Compliance for Each Major Federal Program**

We have audited City of Tempe, Arizona'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 City of Tempe, Arizona's major federal programs for the year ended June 30, 2015. City of Tempe, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Tempe, Arizona'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City of Tempe, Arizona'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 City of Tempe, Arizona's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, City of Tempe, 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, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

City of Tempe, Arizona's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. City of Tempe, Arizona's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control Over Compliance**

Management of City of Tempe, Arizona 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 City of Tempe, Arizona'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 OMB Circular A-133, 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 City of Tempe, Arizona'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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tempe, Arizona as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Tempe, Arizona's basic financial statements. We issued our report thereon dated December 11, 2015, 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 OMB Circular A-133 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., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

December 11, 2015

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>Federal Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>			
Passed through Arizona Department of Health Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	\$ 401,974
<b>Total Department of Agriculture</b>			<b>401,974</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Direct program:			
Community Development Block Grant, Entitlement Grants	14.218	N/A	713,226
Section 8 Housing Choice Vouchers	14.871	N/A	8,054,463
Passed through Maricopa County:			
Home Investment Partnerships Program	14.239	N/A	139,088
<b>Total Department of Housing and Urban Development</b>			<b>8,906,777</b>
<b><u>U.S. Department of the Interior</u></b>			
Passed through National Park Service:			
Historic Preservation Fund	15.904	441119	5,633
<b>Total Department of the Interior</b>			<b>5,633</b>
<b><u>U.S. Department of Justice</u></b>			
Direct program:			
Drug Enforcement Agency Task Force	16.Unknown	N/A	1,583
Joint Terrorism Task Force	16.Unknown	N/A	5,691
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2013-VA	107,325
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	179,632
Passed through Arizona Governor's Division for Children:			
Juvenile Mentoring Program	16.726	N/A	66,606
<b>Total Department of Justice</b>			<b>360,837</b>
<b><u>U.S. Department of Transportation</u></b>			
Passed through Arizona Department of Transportation:			
Highway Planning and Construction	20.205	STP TM-0(233)	115,617
Highway Planning and Construction	20.205	CM TMP-0(210)	344,196
Highway Planning and Construction	20.205	CM TMP-0(235)	135,237
Highway Planning and Construction	20.205	CM TMP-0(229)	1,510,618
Highway Planning and Construction	20.205	CM TMP-0(226)	1,304,655
Highway Planning and Construction	20.205	CM TMP-0(228)	250,106
Highway Planning and Construction	20.205	TMP-0(237)T	90,700
Highway Planning and Construction	20.205	TMP-0(227)A/2F	121,197
Total Highway Planning and Construction			3,872,326
Passed through City of Phoenix:			
Federal Transit: Formula Grants	20.507	AZ-90-X124-00	1,462,597
Passed through City of Phoenix and the Regional Public Transit Authority:			
Federal Transit: Formula Grants	20.507	N/A	2,669,807
Total Federal Transit: Formula Grants			4,132,404



**CITY OF TEMPE, ARIZONA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Federal Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Transportation (Concl'd)</u></b>			
Passed through Arizona Governor's Office of Highway Safety:			
Highway Safety Cluster			
State and Community Highway Safety	20.600	2014-PT-003	29,874
State and Community Highway Safety	20.600	2014-OP-006	10,118
State and Community Highway Safety	20.600	2014-AI-008	5,565
State and Community Highway Safety	20.600	2014A-164-117	75,065
State and Community Highway Safety	20.600	2015-PT-043	89,895
State and Community Highway Safety	20.600	2015-AI-011	13,225
State and Community Highway Safety	20.600	2015-AL-019	48,540
State and Community Highway Safety	20.600	2015-OP-008	5,333
State and Community Highway Safety	20.600	2015-AL-018	62,454
State and Community Highway Safety	20.600	2015A-404d-042	22,489
State and Community Highway Safety	20.600	2015-CIOT-017	9,221
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2014-410-012	127
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	2014A-HV-001	85,847
National Priority Safety Programs	20.616	2014A-164-117	15,013
National Priority Safety Programs	20.616	2015A-404d-042	98,361
Total Highway Safety Cluster			571,127
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2014A-164-117	10,009
<b>Total Department of Transportation</b>			<b>8,585,866</b>
<b><u>U.S. Department of Library Services</u></b>			
Passed through the Arizona Department of Health Services:			
State Library Program	45.310	N/A	24,601
<b>Total Department of Library Services</b>			<b>24,601</b>
<b><u>U.S. Department of Health and Human Services</u></b>			
Direct Program:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	3,323
Block Grants for Prevention and Treatment of Substance Abuse (SABG)	93.959	N/A	196,469
<b>Total Department of Health and Human Services</b>			<b>199,792</b>
<b><u>Executive Office of the President</u></b>			
Direct Program:			
High Intensity Drug Trafficking Areas Program	95.001	N/A	354,561
<b>Total Executive Office of the President</b>			<b>354,561</b>
<b><u>U.S. Department of the Homeland Security</u></b>			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	221,688
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	N/A	182,599
Passed through the Arizona Department of Homeland Security:			
Homeland Security Grant Program	97.067	140813-01	105,391
Homeland Security Grant Program	97.067	140813-02	3,174
Homeland Security Grant Program	97.067	130827-02	4,000
Homeland Security Grant Program	97.067	130826-03	1,389
Homeland Security Grant Program	97.067	888828-02	209
Homeland Security Grant Program	97.067	130826-01	205,708
Homeland Security Grant Program	97.067	140812-02	85,929
Homeland Security Grant Program	97.067	140812-01	1,431
Homeland Security Grant Program	97.067	140209-01	370
Homeland Security Grant Program	97.067	130826-04	6,309
Total Homeland Security Grant Program			413,910
<b>Total Department of the Homeland Security</b>			<b>818,197</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$19,658,238</b>

**CITY OF TEMPE, ARIZONA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Tempe, Arizona under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 applicable OMB cost principles circular, 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.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2015 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?       yes   X  no
- Significant deficiency(ies) identified?       yes   X  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 auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?   X  yes       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
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs:       \$589,747      

Auditee qualified as low-risk auditee?   X  yes       no

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

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

None reported.

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2015-001

**Program:** Section 8 Housing Choice Vouchers

**CFDA Number:** 14.871

**Federal Agency:** U. S. Department of Housing and Urban Development

**Pass-Through Agency:** N/A

**Applicable ARRA Program:** N/A

**Grantor Number:** N/A

**Questioned Costs:** N/A

**Type of Finding:** Noncompliance

**Compliance Requirement:** Special Tests and Provisions

CRITERIA

For units under a housing assistance payment contract that fail to meet Housing Quality Standards (HQS), the public housing agency (PHA) must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension (24 CFR Sections 982.158(d) and 982.404).

CONDITION/CONTEXT

For two of five failed inspections reviewed, the reinspections were completed within 50 and 67 days, respectively.

CAUSE

Due to turnover in the housing department at the City, some inspections were not re-examined within the required amount of time as stated in Housing Quality Standards.

EFFECT/POTENTIAL EFFECT

The City was not in compliance with enforcement requirements under Housing Quality Standards.

RECOMMENDATION

The City should ensure enforcement of Housing Quality Standards is followed in line with City policy.

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2015-001

**VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS**

The Section 8 HQS inspector is currently required to place 21 day reminders on his calendar for each failed HQS inspection that occurs. Despite this practice, two of the files reviewed were found out of compliance. However, it should be noted that exceptions are permitted to the regulatory requirement of the 30 re-inspection period if the owner/landlord requests an extension if further time is needed to make the necessary repairs. It is possible that requests for extensions were made in one or both of these two cases and not discovered by the auditor reviewing the files. However, despite this possibility, the City will take further actions to ensure compliance. Such as:

- Monthly reports will be pulled from the City's Housing Pro program that identifies previously failed HQS inspections. Any failed inspections nearing the end of the 30 day period will be reviewed for either a re-inspection date or a written request for an extension by the owner/landlord to extend the re-inspection period. As is currently the practice, should a request for an extension be made by the owner/landlord, the HQS inspector's immediate supervisor will review the request and note the approval or denial of the request in the file.
- On a bi-weekly basis, the Housing Services Supervisor will review the HQS failed summary reports and confirm with the HQS inspector that those within 5 business days of the 30 day re-inspection period are either scheduled for the re-inspection or an extension has been requested and is approved.

It should also be noted that on an annual basis, the City completes an internal audit of the Section program referred to as SEMAP, or Section Eight Management Assessment Program. During this review a random sample of files are reviewed per HUD regulatory guidelines. As a result of this internal audit which is further reviewed by HUD field personnel, the City's Section 8 program has been ranked as either a "Standard Performer" or as a "High Performer" for the previous 5 years.

Contact Person: Craig Hittie, Housing and Revitalization Manager  
Anticipated Completion Date: Fiscal Year 2015-16

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2015-002

**Program:** Community Development Block Grant, Entitlement Grants

**CFDA Number:** 14.218

**Federal Agency:** U. S. Department of Housing and Urban Development

**Pass-Through Agency:** N/A

**Applicable ARRA Program:** N/A

**Grantor Number:** N/A

**Questioned Costs:** N/A

**Type of Finding:** Noncompliance

**Compliance Requirement:** Reporting

CRITERIA

Grantees of the Community Development Block Grant Entitlement Program utilize the Integrated Disbursement and Information System (IDIS) to complete annual performance and evaluation reports. Grantees may include reports generated by IDIS as part of their annual performance and evaluation report that must be submitted for the Program 90 days after the end of a grantee's program year.

CONDITION/CONTEXT

The C04PR26 – CDBG Financial Summary Report did not disclose program income or funds disbursed in IDIS for section 108 repayments.

CAUSE

Due to turnover in the housing department at the City, the reports were not completed correctly.

EFFECT/POTENTIAL EFFECT

An incomplete CDBG Financial Summary Report was submitted to the U. S. Department of Housing and Urban Development for the 2014 program year.

RECOMMENDATION

The City should ensure financial reports are complete and accurate before submission.

**CITY OF TEMPE, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2015-002

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The auditor's review of the PR26 CDBG Financial Summary Report purports two errors. They will be addressed separately.

- The City did not correctly report CDBG Program Income:

At the time the 2014 CDBG program year CAPER was completed, the PR26 report was completed by staff without direct supervision over the staff responsible for receipting CDBG program income. This "disconnect" resulted in unreported PI on the PR26 report that was submitted with the 2014 CAPER. As a result of reorganizational change, a Housing and Redevelopment Manager position was created with direct supervision of the Grants Management Accountant position. The correction action necessary to prevent such a reoccurrence of the previous error was made by the City in early 2015. Additionally, the City's ongoing procedural change places the duty of both receipting CDBG PI in IDIS and completing the PR26 IDIS report in the job duties of a single staff position, the Grants Management Accountant. Both the receipts of PI and the accuracy of the PR26 report will be reviewed and verified by the Housing and Revitalization Manager prior to submittal to HUD.

- CDBG Financial Summary Report did not disclose funds disbursed in IDIS for section 108 repayments

The outstanding Section 108 loan was requested/developed/executed by the City's Community Development Department/Redevelopment Division approximately 10 years ago. Since that time, a number of reorganizational changes have occurred, including moving the administration of the CDBG program and the entirety of the programs currently and previously funded to a new City Human Services Department and several staff grants accountant staff changes. As previously noted, the accountant responsible for receipting CDBG PI or loan repayments was the same staff responsible for completing the PR26 report. The City corrected that "disconnect" with the organization change already noted. The funds received during any program year from the Section 108 loan borrower will be receipted by the Grants Accountant and included on the PR26 report and the accuracy of the PR26 report will be reviewed and verified by the Housing and Revitalization Manager prior to submittal to HUD.

Contact Person: Craig Hittie, Housing and Revitalization Manager  
Anticipated Completion Date: Fiscal Year 2015-16



**CITY OF TEMPE, ARIZONA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2015**

**Status of Federal Award Findings and Questioned Costs**

The City had no findings or questioned costs related to federal awards noted in prior audits that require a status.