

***OFFICE OF THE AUDITOR GENERAL
STATE OF ARIZONA***

**PIMA COUNTY, ARIZONA
Single Audit Reporting Package
June 30, 2001**

DEBRA K. DAVENPORT, CPA, Auditor General

PIMA COUNTY, ARIZONA
Single Audit Reporting Package
June 30, 2001

| Table of Contents | Page |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Comprehensive Annual Financial Report | |
| Issued separately | |
| Reports on Compliance and Internal Control | |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1 |
| Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 | 3 |
| Schedule of Expenditures of Federal Awards | 6 |
| Schedule of Findings and Questioned Costs | |
| Summary of Auditors' Results | 11 |
| Federal Award Findings and Questioned Costs | 12 |
| County Responses | |
| Corrective Action Plan | 13 |
| Summary Schedule of Prior Audit Findings | 15 |



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of General Purpose Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

We have audited the general purpose financial statements of Pima County as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001, which was modified due to our reliance on the reports of other auditors as described therein. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of general purpose 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 and the reports of the other auditors disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all such internal control matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We and the reports of the other auditors noted no matters involving internal control over financial reporting and its operation that we and the other auditors consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we will report to the County's management in a separate letter.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dennis L. Mattheisen, CPA
Financial Audit Director

November 30, 2001



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133**

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Compliance

We have audited the compliance of Pima County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 the County'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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Pima County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as item 01-101.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 01-101.

A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over compliance would not necessarily disclose all such internal control matters that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the County's general purpose financial statements as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001, which was modified due to our reliance on the reports of other auditors as described therein. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dennis L. Mattheisen, CPA
Financial Audit Director

February 28, 2002, except for the
schedule of expenditures of federal awards,
for which the date is November 30, 2001

PIMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2001

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>CFDA Number/ Federal Identification Number (Note 2)</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures</u> |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------|---------------------|
| U.S. Office of National Drug Control Policy | | | |
| High Intensity Drug Trafficking Areas | 07.19PSAP549 | | \$ <u>8,867,256</u> |
| U.S. Department of Agriculture | | | |
| National Forest System—Law Enforcement | 10.Unknown | | 7,780 |
| Disaster Reserve Assistance | 10.452 | | 142,844 |
| Passed through the Arizona Department of Education | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | C143042 | 75,482 |
| National School Lunch Program | 10.555 | C143042 | 137,809 |
| Passed through the Arizona Department of Health Services | | | |
| Special Supplemental Nutrition Program | | | |
| for Women, Infants, and Children | 10.557 | 761096-2, 761096-5 | 1,416,188 |
| Commodity Supplemental Food Program | 10.565 | 761121-2, 761121-4 | 91,338 |
| Passed through the Arizona State Treasurer | | | |
| Schools and Roads—Grants to States | 10.665 | 1491, 1556 | 56,149 |
| Total U.S. Department of Agriculture | | | <u>1,927,590</u> |
| U.S. Department of Housing and Urban Development | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | | 3,068,101 |
| Emergency Shelter Grants Program | 14.231 | | 101,605 |
| Supportive Housing Program | 14.235 | | 885,324 |
| HOME Investment Partnerships Program | 14.239 | | 13,047 |
| HOPE for Homeownership of Single Family Homes | 14.240 | | 835,063 |
| Housing Opportunities for Persons with AIDS | 14.241 | | 165,502 |
| Section 8 Housing Choice Vouchers | 14.871 | | 3,242,961 |
| HOPE for the Elderly | 14.Unknown | | 17,155 |
| Passed through the City of Tucson | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | AZB-00-MC040505 | 25,000 |
| Supportive Housing Program | 14.235 | AZ-01-B901002 | 167,687 |
| HOME Investment Partnerships Program | 14.239 | 0190-02 | 520,127 |
| Passed Through the Arizona Department of Economic Security | | | |
| Emergency Shelter Grants Program | 14.231 | E66301007 | 7,751 |
| Total U.S. Department of Housing and Urban Development | | | <u>9,049,323</u> |
| U.S. Department of the Interior | | | |
| Payments in Lieu of Taxes | 15.226 | | 1,123,188 |
| Water Reclamation and Reuse Program | 15.504 | | 275,118 |
| Sonoran Desert Conservation Plan | 15.Unknown | | 720,868 |
| Total U.S. Department of the Interior | | | <u>2,119,174</u> |
| U.S. Department of Justice | | | |
| State Domestic Preparedness Equipment Support Program | 16.007 | | 200,000 |
| Edward Byrne Memorial State and Local Law Enforcement | | | |
| Assistance Discretionary Grants Program | 16.580 | | 87,519 |
| Drug Court Discretionary Grant Program | 16.585 | | 139,064 |
| Local Law Enforcement Block Grants Program | 16.592 | | 528,867 |
| State Criminal Alien Assistance Program | 16.606 | | 886,660 |
| Bulletproof Vest Partnership Program | 16.607 | | 45,671 |
| Public Safety Partnership and Community Policing Grants | 16.710 | | 1,757,126 |
| Federal Equitable Sharing Program | 16.Unknown | | 306,939 |

(Continued)

See accompanying notes to schedule.

PIMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2001

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>CFDA Number/ Federal Identification Number (Note 2)</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures</u> |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------|---------------------|
| Prisoner Housing Contract | 16.Unknown | | \$ 682 |
| Passed through the Arizona Governor's Division for Children | | | |
| Juvenile Accountability Incentive Block Grants | 16.523 | 98-JA1BG-10 | 396,031 |
| Title V—Delinquency Prevention Program | 16.548 | JF97-10, JF99-04, JF98-01 | 4,080 |
| Passed through the Arizona Criminal Justice Commission | | | |
| Crime Victim Compensation | 16.576 | VC-01-059 | 115,419 |
| Byrne Formula Grant Program | 16.579 | CRI99-014, CRI00-22 | 679,962 |
| Passed through the Arizona Department of Economic Security | | | |
| Juvenile Accountability Incentive Block Grants | 16.523 | AD 000299-01Y1 | 92,523 |
| Passed through the Arizona Department of Public Safety | | | |
| Crime Victim Assistance | 16.575 | 99-804, 98-904, 98-900 | 78,497 |
| Passed through the City of Tucson | | | |
| Byrne Formula Grant Program | 16.579 | AL-060-99 | 159,336 |
| Passed through the Arizona Department of Health Services | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 95-3012 | <u>623</u> |
| Total U.S. Department of Justice | | | <u>5,478,999</u> |
| | | | |
| U.S. Department of Labor | | | |
| Employment Services and Job Training Pilots— | | | |
| Demonstrations and Research | 17.249 | | 357,145 |
| Welfare-to-Work Grants to States and Localities | 17.253 | | 1,646,279 |
| Workforce Investment Act | 17.255 | | 3,977,752 |
| Passed through the Arizona Department of Economic Security | | | |
| Senior Community Service Employment Program | 17.235 | E6209071 | 11,112 |
| Job Training Partnership Act Cluster | | | |
| Employment and Training Assistance—Dislocated Workers | 17.246 | E5700039, E5701034 | 1,474,987 |
| Job Training Partnership Act | 17.250 | E5707006 | 33,275 |
| Welfare-to-Work Grants to States and Localities | 17.253 | E5709053 | 340,439 |
| Workforce Investment Act | 17.255 | E5701019, E5702011 | <u>3,320,542</u> |
| Total U.S. Department of Labor | | | <u>11,161,531</u> |
| | | | |
| U.S. Department of Transportation | | | |
| Passed through the Arizona Department of Transportation | | | |
| Highway Planning and Construction | 20.205 | SS33501C, SS33401C SS44801C, SS26901C | 9,521,912 |
| Formula Grants for Other Than Urbanized Areas | 20.509 | SD02003D JPA 97-65 | 62,834 |
| Passed through the Arizona Governor's Office on Highway Safety | | | |
| State and Community Highway Safety | 20.600 | 2001-PT-014, 2001-PT-016 | 116,000 |
| Passed through the Arizona Department of Emergency and Military Affairs | | | |
| Interagency Hazardous Materials Public Sector | | | |
| Training and Planning Grants | 20.703 | 83-5030209-85 | <u>95,364</u> |
| Total U.S. Department of Transportation | | | <u>9,796,110</u> |
| | | | |
| U.S. Department of Treasury | | | |
| Reimbursement for Overtime | 21.Unknown | | 59,216 |
| Federal Equitable Sharing Program | 21.Unknown | | <u>38,909</u> |
| Total U.S. Department of Treasury | | | <u>98,125</u> |

(Continued)

See accompanying notes to schedule.

PIMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2001

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>CFDA Number/ Federal Identification Number (Note 2)</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures</u> |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------|---------------------|
| National Science Foundation | | | |
| Passed through the University of Arizona | | | |
| Mathematical and Physical Sciences | 47.049 | Y541199 | \$ 61,560 |
| U.S. Environmental Protection Agency | | | |
| Air Pollution Control Program Support | 66.001 | | 483,794 |
| Air Pollution Control—Technical Training | 66.006 | | 77,235 |
| Environmental Protection—Consolidated Research | 66.500 | | 1,287,674 |
| Passed through the Arizona Department of Transportation | | | |
| Air Pollution Control—National Ambient Air and Source Emission Data | 66.007 | JPA 95-134 | 12,520 |
| Passed through the Arizona Department of Environmental Quality | | | |
| Water Pollution Control—State and Interstate Program Support | 66.419 | 98-0044 | 3,435 |
| Superfund Technical Assistance Grants for Citizen Groups at Priority Sites | 66.806 | 96-0110#1 | 25,000 |
| Total U.S. Environmental Protection Agency | | | <u>1,889,658</u> |
| U.S. Department of Energy | | | |
| Passed through the Arizona Department of Commerce | | | |
| Weatherization Assistance for Low-Income Persons | 81.042 | 201-00 | 26,610 |
| U.S. Federal Emergency Management Agency | | | |
| Passed through the United Way | | | |
| Emergency Food and Shelter National Board Program | 83.523 | 18-0272-00 | <u>109,854</u> |
| U.S. Department of Education | | | |
| Foreign Language Assistance | 84.293 | | 174,677 |
| Passed through the Arizona Department of Education | | | |
| Adult Education—State Grant Program | 84.002 | 01-FAE-INS-170731-01 | 27,850 |
| Title I Grants to Local Educational Agencies | 84.010 | S010A010003 | 15,386 |
| Title I Program for Neglected and Delinquent Children | 84.013 | S013A000003 | 18,579 |
| Special Education—Grants to States | 84.027 | H027A000007 | 79,635 |
| Vocational Education—Basic Grants to States | 84.048 | V048A000003 | 250,944 |
| Safe and Drug-Free Schools and Communities—State Grants | 84.186 | S186A000003 | 196 |
| Tech-Prep Education | 84.243 | V243A000074 | 183,509 |
| Eisenhower Professional Development State Grants | 84.281 | S281A000003 | 1,837 |
| Innovative Education Program Strategies | 84.298 | S298A000003 | 2,866 |
| Technology Literacy Challenge Fund Grants | 84.318 | S318X010003 | 11,396 |
| Class Size Reduction | 84.340 | S340A000003 | 9,815 |
| Passed through the Arizona Supreme Court | | | |
| Title I Program for Neglected and Delinquent Children | 84.013 | S013A000003 | 78,162 |
| Total U.S. Department of Education | | | <u>854,852</u> |
| U.S. Department of Health and Human Services | | | |
| Consolidated Knowledge Development and Application (KD&A) Program | 93.230 | | 941,603 |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease | 93.918 | | 227,083 |
| Passed through the Pima Council on Aging | | | |
| Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers | 93.044 | 124429.08 | 835,346 |
| Passed through the Arizona Department of Health Services | | | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 30-4022 | 72,665 |

(Continued)

See accompanying notes to schedule.

PIMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2001

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>CFDA Number/ Federal Identification Number (Note 2)</u> | <u>Pass-Through Grantor's Number</u> | <u>Expenditures</u> |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------|----------------------|
| Immunization Grants | 93.268 | 30-4067,30-4068 | \$ 148,829 |
| Temporary Assistance for Needy Families | 93.558 | E66301007,E66307049 | 27,334 |
| Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs | 93.919 | 161011-1 | 294,534 |
| HIV Prevention Activities—Health Department Based | 93.940 | 86-6001, 85-2035 85-2039, 85-2036, 95-2005 | 443,360 |
| Preventive Health Services—Sexually Transmitted Diseases Control Grants | 93.977 | 38-108, 52-004 | 133,678 |
| Preventive Health and Health Services Block Grant | 93.991 | 95.2013#1 & 95.2013#3 | 58,211 |
| Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance | 93.944 | 15-2068 | 57,150 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 66-1002 | 51,889 |
| Passed through the Arizona Family Planning Council Family Planning—Services | 93.217 | DHHS-09-H-001701-5 | 693,962 |
| Passed through the University of Arizona Drug Abuse Research Programs | 93.279 | DHHS-5-R01-DA10162-03 | 34,695 |
| Passed through the Arizona Department of Economic Security Family Support Payments to States—Assistance Payments | 93.560 | E63301007 | 158,489 |
| Child Support Enforcement | 93.563 | E7200019 | 4,711,945 |
| Refugee and Entrant Assistance—State Administered Programs | 93.566 | E6300104 | 55,893 |
| Low-Income Home Energy Assistance | 93.568 | E66301007, E6307049 | 271,340 |
| Community Services Block Grant | 93.569 | E66301000, E6307049 | 812,545 |
| Social Services Block Grant | 93.667 | 124429-0798 | 3,104,463 |
| Passed through the Tucson Community Foundation HIV Care Formula Grants | 93.917 | C125822 | 245,599 |
| Total U.S. Department of Health and Human Services | | | <u>13,380,613</u> |
| Corporation for National and Community Service | | | |
| Passed through the National Center for Family Literacy AmeriCorps | 94.006 | 94ADNKY024 | 64,021 |
| Total Expenditures of Federal Awards | | | <u>\$ 64,885,276</u> |

See accompanying notes to schedule.

PIMA COUNTY
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2001

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pima County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

When the CFDA number was nonexistent or unknown, the first two digits applicable to the federal agency were used followed by the federal contract number to identify the program. If the federal contract number was also unknown, the identifying number was composed of the first two digits applicable to the federal agency followed by the word "unknown."

Note 3 - Subrecipients

From the federal expenditures presented in the schedule, the County awarded the following to subrecipients from its major programs.

| <u>Program Title</u> | CFDA Number/ Federal Identification Number | Amount Provided to Subrecipients |
|-----------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|
| High Intensity Drug Trafficking Areas | 07.19PSAP549 | \$6,547,004 |
| Community Development Block Grants/ Entitlement Grants | 14.218 | 715,080 |
| Section 8 Housing Choice Vouchers | 14.871 | 3,242,961 |

PIMA COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2001

Summary of Auditors' Results

Financial Statements

| | | | |
|------------------------------------------------------------------------------|------------|-----------------------------|--|
| Type of auditors' report issued: | | Unqualified | |
| | YES | NO | |
| Material weaknesses identified in internal control over financial reporting? | ___ | <u>X</u> | |
| Reportable conditions identified not considered to be material weaknesses? | ___ | <u>X</u> (none reported) | |
| Noncompliance material to the financial statements noted? | ___ | <u>X</u> | |

Federal Awards

| | | | |
|--------------------------------------------------------------------------------------------------------------------|----------|----------|-------------|
| Material weakness identified in internal control over major programs? | ___ | <u>X</u> | |
| Reportable conditions identified not considered to be material weaknesses? | <u>X</u> | ___ | |
| Type of auditors' report issued on compliance for major programs: | | | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])? | <u>X</u> | ___ | |

Identification of major programs:

| <u>CFDA Number/Federal Identification Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------------------------------------|-------------------------------------------------------|
| 07.19PSAP549 | High Intensity Drug Trafficking Areas |
| 14.218 | Community Development Block Grants/Entitlement Grants |
| 14.871 | Section 8 Housing Choice Vouchers |
| 15.Unknown | Sonoran Desert Conservation Plan |
| 17.253 | Welfare-to-Work Grants to States and Localities |
| 17.255 | Workforce Investment Act |
| 20.205 | Highway Planning and Construction |
| | Job Training Partnership Act Cluster of Programs |
| 17.246 | Employment and Training Assistance—Dislocated Workers |
| 17.250 | Job Training Partnership Act |

| | | | |
|--------------------------------------------------------------------------|-----|-------------|--|
| Dollar threshold used to distinguish between Type A and Type B programs: | | \$1,946,558 | |
| Auditee qualified as low-risk auditee? | ___ | <u>X</u> | |

Other Matters

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------|----------|-----|--|
| Auditee's summary schedule of prior audit findings required to be reported in accordance with Circular A-133 (section .315[b])? | <u>X</u> | ___ | |
|---------------------------------------------------------------------------------------------------------------------------------|----------|-----|--|

PIMA COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2001

Federal Award Finding and Questioned Cost

01-101
CFDA No.: 14.218—Community Development Block Grants/Entitlement Grants
U.S. Department of Housing and Urban Development
All program years and contracts Questioned Cost: Unknown

The County did not have adequate policies and procedures to ensure that it received single audit reports of subrecipients expending federal financial awards greater than or equal to \$300,000 for the year ended June 30, 2001. As a result, the County failed to receive single audit reports from both of its subrecipients. Audit reports on these subrecipients were required by OMB Circular A-133, section .400(d).

It was not practical to extend our auditing procedures sufficiently to determine questioned costs, if any, that may have resulted from this finding.

To help ensure compliance with subrecipient monitoring requirements, the County should further develop its policies and procedures to ensure that it receives single audit reports for all of its subrecipients. In addition, the County should ensure that subrecipients with audit findings take appropriate and timely corrective action.



**PIMA COUNTY
FINANCIAL & INFORMATION SERVICES DEPARTMENT**

130 WEST CONGRESS STREET
TUCSON, ARIZONA 85701-1317
(520) 740-8401 FAX (520) 740-8171

Carol M. Bonchalk, Director

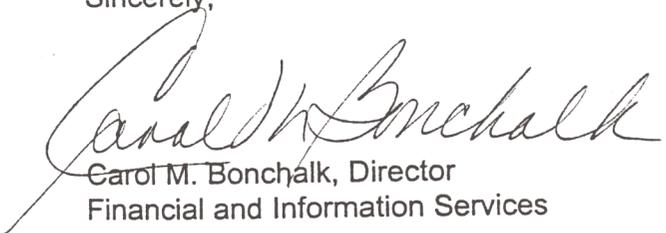
March 12, 2002

Ms. Debbie Davenport
Auditor General
2910 N. 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The following corrective action plan has been prepared as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are providing you with the name of the contact person responsible for corrective action, the corrective action planned, and the anticipated completion date for each audit finding included in the current year's schedule of findings and questioned costs.

Sincerely,



Carol M. Bonchalk, Director
Financial and Information Services

CMB:psh

Attachment

PIMA COUNTY
Corrective Action Plan
Year Ended June 30, 2001

FEDERAL AWARD FINDINGS AND QUESTIONS COSTS

01-101

CFDA No. 14.218 - Community Development Block Grant (CDBG)

Contact Person – Ron Meck

Anticipated Completion Date - Completed

The Community Services Department received the single audit reports for subrecipients soon after the inquiry from the Office of the Auditor General, however, there was a delay in providing these reports on a timely basis. As a result, the Community Service Departments will monitor the completion of audit reports for subrecipients to ensure the timely receipt of single audit reports for all subrecipients. Additionally, a review of the audit reports will be conducted to ensure appropriate corrective action is taken on a timely basis.



**PIMA COUNTY
FINANCIAL & INFORMATION SERVICES DEPARTMENT**

130 WEST CONGRESS STREET
TUCSON, ARIZONA 85701-1317
(520) 740-8401 FAX (520) 740-8171

Carol M. Bonchalk, Director

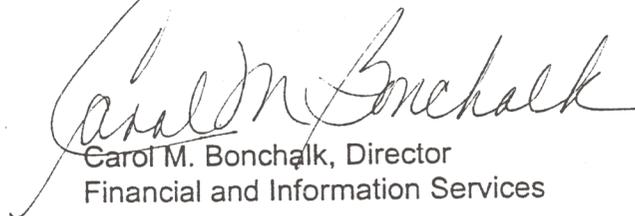
March 12, 2002

Ms. Debbie Davenport
Auditor General
2910 N. 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

The following summary schedule of prior audit findings has been prepared as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs related to federal awards. This schedule also includes audit findings reported in the prior audit's summary schedule of prior audit findings that have not been corrected.

Sincerely,


Carol M. Bonchalk, Director
Financial and Information Services

CMB:pfs

Attachment

PIMA COUNTY
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2001

Status of Federal Award Findings and Questions Costs

CFDA No.: 07.19PSAP549 – High Intensity Drug Trafficking Areas (HIDTA)
U.S. Office of National Drug Control Policy (ONDCP)
Finding No. **00-101**
Status: **Fully corrected**

CFDA No.: 15. unknown – Sonoran Desert Conservation Plan
U.S. Department of the Interior (DOI)
Finding No. **00-102**
Status: **Fully corrected**

CFDA No.: 20.205 – Highway Planning and Construction
U.S. Department of Transportation
Pass-Through Grantor: Arizona Department of Transportation
Finding Nos. **00-103, 99-102 , 99-103, 97-106**
Status: **Fully corrected**