



City of Apache Junction

Home of the Superstition Mountains

June 1, 2006

Ms. Debbie Davenport, Auditor General
State of Arizona
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ
85018

Dear Ms. Davenport:

We are in receipt of your May 25, 2006 letter and revised preliminary report draft of the performance audit of the Pinal County Transportation Excise Tax. As outlined in the letter, we are to include a written explanation of the status of all recommendations. This is our response.

We concur with the findings of the Auditor General and all audit recommendations will be implemented. Specifically repayment of two inappropriate expenditures (\$23.23 to recognize employees and \$33.05 plant for PW employee) upon advisement of legal counsel will be completed as soon as possible. One incorrectly charged (\$200) underground storage tank inspection fee will have costs allocated appropriately.

We will establish written policies and procedures that specifically address restricted road monies, including the excise tax and provide the policy to our Public Works departmental officials.

If you have any questions, please contact Bryant Powell, Assistant City Manager, at (480) 474-5092.

Sincerely,

George Hoffman
City Manager

C: Bryant Powell, Assistant City Manager
Keith Lewis, Finance Director
Doug Dobson, Public Works Director
Dale Chapman, Performance Audit Manager



City of Casa Grande

June 2, 2005

Debbie Davenport, Auditor General
State of Arizona
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

Please accept this letter in response to the correspondence sent to City Manager Jim Thompson regarding the performance audit of the Pinal County Transportation Excise Tax.

The recommendations and response from the City of Casa Grande are as follows:

4. To help ensure that excise tax monies are used only for street and highway purposes and transportation project, the ten incorporated cities and towns within Pinal County should:

- a. Develop and implement written policies and procedures that specifically address restricted road monies, including the excise tax.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

- b. Provide the policy to the cities' and towns' public works department officials and all others who are responsible for approving expenditures of restricted road monies.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The City of Casa Grande has commenced with research and development of these policies and procedures. Additionally, the topic has been discussed with other municipalities to ensure that consistent policies and procedures are development regionally.

Should you have any questions regarding this topic, please contact me at your convenience.

Respectfully,

Larry D. Rains
Finance Director



City of Coolidge

130 W. Central Avenue
Coolidge, Arizona 85228
(520) 723-5361

TDD: (520) 723-4653 / Fax: (520) 723-7910

May 31, 2006

Debra K. Davenport, CPA
State of Arizona
Office of the Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ 85018

RE: Pinal County Transportation Excise Tax Audit

Dear Ms. Davenport:

This letter is in response to your letter dated May 25, 2006 requesting that the City of Coolidge review the revised preliminary report draft of the performance audit of the Pinal County Transportation Excise Tax and provide comments for each recommendation addressed to the City of Coolidge.

Finding #1: Coolidge should continue to improve its planning process.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The City of Coolidge contracted with a consulting firm in November, 2005 to generate a Capital Improvement Plan that is scheduled for completion in June 2006, as well as joining with the Town of Florence in hiring a consulting firm to generate a Small Area Transportation Study scheduled for completion in March 2007. Once the studies are finalized, the City of Coolidge will use them to identify and prioritize transportation projects that excise tax monies will fund.

Finding #2: Improved policies and procedures needed to ensure excise tax used appropriately.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The City of Coolidge has always utilized the Pinal County Transportation Excise Tax Resolution as the document governing allowable expenses for that tax, realizing that any policy that the City might have would not override the Resolution. We will, however, develop written policies and procedures by October 1, 2006 that specifically address restricted road monies, including the excise tax and it will be provided to all officials who are responsible for approving expenditures of those monies.

We look forward to receiving a copy of the full report. If you have questions, please feel free to contact me at (520)723-5361.

Sincerely,

Robert F. Flatley, City Manager
cc: Lisa Pannella, Finance Director

Police Dept./City Court 110 W. Central Ave. (520) 723-3091	Library 160 W. Central Av (520) 723-6030	Public Works 411 W. S. 1 st . St. (520) 723-4882	Parks & Recreation 670 W. Pima Ave. (520) 723-4551	Growth Management 141 W. Main St. (520) 723-6075	Fire Department 103 W. Pinkley (520) 723-5361
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CITY OF ELOY

FINANCE DEPARTMENT

May 31, 2006

Office of the Auditor General
Attn.: Debra Davenport
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

As per your letter dated May 8th, the City of Eloy acknowledges the findings that have been presented in Pinal County Transportation Excise Tax audit and will implement the necessary recommendations made in the audit. The City will develop and implement a written policy and procedures that addresses restricted road monies along with providing that policy to other officials that are responsible for approving expenditures of restricted road monies. This will be done in a timely manner and forward to the Auditor Generals Office upon completion of the policy and procedure.

Should you have any further questions regarding this letter please contact me at (520) 464-3425.

Sincerely

Brian M. Wright
Finance Director

Town of Florence

775 North Main Street
PO Box 2670
Florence, Arizona 85232

Phone (520) 868-7500
Fax (520) 868-7501
TDD (520) 868-7502
www.town.florence.az.us

TOWN SERVICES

Building Inspection
868-7556

Finance
868-7624

Fire
868-7609

Grants
868-7554

Library
868-9471

Municipal Court
868-7514

Personnel
868-7553

Parks & Recreation
868-4835

Planning and Zoning
868-7540

Police
868-7681

Public Works
868-7620

Senior Center
868-7622

Town Hall
868-7500

Town Manager's Office
868-7558

Utility Building
868-7680

May 31, 2006

Debra Davenport
Auditor General
State of Arizona
2910 North 44th Street
Suite 410
Phoenix, AZ 85016

Dear Ms. Davenport:

The Town of Florence has reviewed the preliminary report of the performance audit of the Pinal County Transportation Excise Tax and agrees with the findings and will implement the recommendations.

The town will develop and implement written policies and procedures in accordance with A.R.S. §28-6392 that specifically address the use of excise tax funds and will provide these policies to all town officials responsible for approving expenditures with these funds.

Should you have any questions, please feel free to contact me at 520-868-7558.

Sincerely,

Himanshu Patel
Town Manager

cc: Rebecca Guilin, Finance Director
Wayne Costa, Public Works Director



TOWN OF KEARNY

BOX 639, KEARNY, AZ 85237

PHONE (520) 363-5547

FAX (520) 363-7527

May 31, 2006

Debra K. Davenport, CPA
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport,

The Town of Kearny has received and reviewed the revised preliminary report draft of the performance audit of the Pinal County Transportation Excise Tax. According to the recommendations in Finding 2, the Town will:

A. Develop and implement written policies and procedures that specifically address restricted road monies, including the excise tax; and

B. Provide the policy to the Town's Public Works Department officials and all others who are responsible for approving expenditures of restricted road monies.

The finding of the Auditor General is agreed to and the audit recommendations will be implemented.

Sincerely,

Gary Eide
Town Manager

Town Of Mammoth



June 2, 2006

Anne Hunter
Office of the Auditor General
2910 N 44th Street Suite 410
Phoenix, AZ 85018

RE: Town of Mammoth of Pinal County Transportation Excise Tax & Highway User's Revenue Fund

Dear Mrs. Hunter:

The Town of Mammoth has received the Auditor General's findings regarding the Town of Mammoth's audit of Pinal County Transportation Excise Tax and Highway User's Revenue fund. Below is the Town's response to the Auditor General's findings.

In reference to finding one: Mammoth should improve its planning process and recordkeeping. The finding of the Auditor General is agreed to and the audit recommendation will be implemented. The Town of Mammoth will improve the transportation planning process by implementing additional steps such as requiring Public Works to regularly inspect roads and categorize their conditions, this will allow the Town to prioritize the transportation projects. The Town will also hold public hearings with the community to receive the public's input. In addition, Mammoth will also hold transportation planning meetings to identify and prioritize transportation projects, with Public Works, the public and Council members.

In addition to prioritizing projects, the Town will also document what projects are in the process of being or have been completed. Public Works will keep a working log of how many hours and funds have been allocated to street projects.

In reference to finding two: Previous audits identified inappropriate expenditures, the finding of the Auditor General is agreed to and the audit recommendation will be implemented. The Town intends to pay back the funds where the Auditor General did not deem the expenditures appropriate.

As previously mentioned the Town of Mammoth will implement a system that would more accurately capture the time staff spend on road projects. Public Works is in the process of compiling a log that will keep track of hours spent on street improvements.

In sum, the Town is always seeking ways to improve systems. Every department is constantly networking with other agencies to be in compliance with their rules and regulations. The recommendations from the Auditor General's Office have been taken into consideration and are in the process of being implemented.

Sincerely,

Shannon Ortiz

Town Clerk

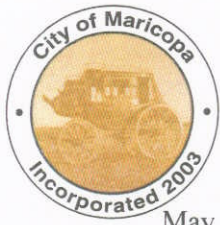
Town of Mammoth

Handicapped individuals with special accessibility needs may contact the ADA Coordinator for the Town of Mammoth, at (520) 487-2331 (V/TDD)

Telephone
(520) 487-2331 V/TDD

Mailing: P.O. Box 130, Mammoth, Arizona 85618
Street: 125 N. Clark Street, Mammoth, Arizona 85618
e-mail townofmammoth@theriver.com

FAX
(520) 487-2152



May 31, 2006

Debra K. Davenport, CPA
State of Arizona Auditor General
2910 N. 44th Street
Suite 410
Phoenix, AZ 85018

Re: Pinal County Transportation Excise Tax Audit

Dear Ms. Davenport:

Below, please find the City of Maricopa's ('City') response to the Auditor General's finding from its audit of the Pinal County Transportation Excise Tax. First though, let me congratulate you on the professionalism exhibited by your staff during the audit. They were always prompt in answering my questions and providing requested information as well as very understanding of the City's situation given its infancy as a municipal corporation.

Finding 1: County and cities and towns can demonstrate tax impact

It is unclear as to whether this finding requires a response; however the City's staff believes that the excise tax will have a significant impact on its transportation CIP over the next twenty years. The City annually adopts/updates its five year CIP and will be relying on the revenues from this tax to fund several eligible projects. In addition to performing a study on the Casa Grande – Maricopa Highway, the City will also be updating its Small Area Transportation Study in the upcoming fiscal year. These studies will provide important data that will help to program the City's CIP, including excise tax funded projects.

Finding 2: Improved policies and procedures needed to ensure excise tax used properly

Auditee Response

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The City's staff is well aware of the importance of written policies and procedures and will be working towards a written document covering all of its internal control and compliance issues over the next fiscal year.

Should you have any further questions, or need additional information from the City, please do not hesitate to contact me.

Sincerely, _____

Roger Kolman
Director of Finance



TOWN OF
QUEEN CREEK

June 5, 2006

Ms. Ann Hunter
State of Arizona
Office of the Auditor General
Fax: 602-553-0051
webmaster@azauditor.gov

Dear Ms. Hunter,

Per your letter of May 8, 2006, the findings of the Auditor General are agreed to and the audit recommendations will be implemented.

Please call if you have any questions.

Sincerely,

Yolanda Bracamonte
Finance Director
Town of Queen Creek
480-358-3170



Town of Superior

Town Hall • 734 Main Street • Superior, Arizona 85273
520-689-5752 • Fax: 520-689-5822 • TDD Relay 1-800-367-8938

June 2, 2006

State of Arizona Office of the Auditor General
Ms. Debbie Davenport, Auditor General
2910 North 44th Street
Suite 410
Phoenix, Arizona 85018

RE: Pinal County Transportation Excise Tax Audit

Dear Ms. Davenport:

Thank you for your audit letter dated May 25, 2006 regarding the Town of Superior's use of Pinal County Excise Tax revenues.

During the Regular Town Council Meeting held on Thursday, June 01, 2006, the Mayor and Town Council elected to accept the Superior audit findings and implement the recommendations.

Please be advised that the Town of Superior will reimburse the Excise Tax revenue fund as outlined on page 13 of the audit. General entries in the respective amounts of \$ 322 and \$ 29.15 will made to credit the Excise Tax Fund. Copies of the entries will be forwarded to your office early next week as our finance manager is out until Tuesday, June 6, 2006.

If you have any questions regarding this letter please feel free to call me at 520.689.5752.

Sincerely,

Ralph Velez
Interim Town Manager