



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Single Audit

Pima County
June 30, 2002



Debra K. Davenport
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.



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Pima County, Arizona
Single Audit Reporting Package
June 30, 2002

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

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of 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 financial statements of Pima County as of and for the year ended June 30, 2002, and have issued our report thereon dated December 31, 2002, which was modified due to our reliance on the reports of other auditors and as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 34 and a change in capitalization threshold. 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 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 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 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 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

December 31, 2002



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

DEBRA K. DAVENPORT, CPA
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, 2002. 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, 2002. 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 02-101.

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 02-101.

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 financial statements as of and for the year ended June 30, 2002, and have issued our report thereon dated December 31, 2002, which was modified due to our reliance on the reports of other auditors and as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 34 and a change in capitalization threshold. Our audit was made for the purpose of forming opinions on the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 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

March 6, 2003, except for the
Schedule of Expenditures of Federal Awards,
for which the date is December 31, 2002

Pima County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

<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.I2PSAP549		\$ <u>9,046,236</u>
U.S. Department of Agriculture			
National Forest System—Law Enforcement	10.Unknown		83,032
Disaster Reserve Assistance	10.452		123,061
Passed through the Arizona Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	C143042	82,583
National School Lunch Program	10.555	C143042	150,403
Total Child Nutrition Cluster			<u>232,986</u>
Passed through the Arizona Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	761096-2, 761096-5	1,529,445
Commodity Supplemental Food Program	10.565	761121-2, 261066-1	126,269
Passed through the Arizona State Treasurer			
Schools and Roads—Grants to States	10.665	1491, 1556	72,328
Watershed Protection and Flood Prevention	10.904		3,085,895
Total U.S. Department of Agriculture			<u>5,253,016</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants	14.218		3,591,117
Emergency Shelter Grants Program	14.231		126,668
Supportive Housing Program	14.235		832,001
Passed through the City of Tucson			
Supportive Housing Program	14.235	AZ-01-B901002, 0209-01	213,160
Total Supportive Housing Program	14.235		<u>1,045,161</u>
Passed through the City of Tucson			
HOME Investment Partnerships Program	14.239	0190-02	340,862
HOPE for Homeownership of Single Family Homes	14.240		448,525
Housing Opportunities for Persons with AIDS	14.241		187,667
Section 8 Housing Choice Vouchers	14.871		3,465,208
Total U.S. Department of Housing and Urban Development			<u>9,205,208</u>
U.S. Department of the Interior			
Sonoran Desert Conservation Plan	15.FFB		576,816
Payments in Lieu of Taxes	15.226		1,529,516
Total U.S. Department of the Interior			<u>2,106,332</u>
U.S. Department of Justice			
Federal Equitable Sharing Program	16.Unknown		56,833
Prisoner Housing Contract	16.Unknown		92,276
Southwest Border Local Assistance Initiative	16.Unknown		428,499
Passed through Pinal County			
Cannabis Eradication	16.Unknown	2001-09	10,000
Passed through the Arizona Governor's Division for Children			
Juvenile Accountability Incentive Block Grants	16.523	98-JAIBG-10 JA-IGA-01-2304-00	189,737
Passed through the Arizona Department of Economic Security			
Juvenile Accountability Incentive Block Grants	16.523	AD 000299-01Y1	44,281
Total Juvenile Accountability Incentive Block Grants	16.523		<u>234,018</u>
Passed through the Arizona Governor's Division for Children			
Title V—Delinquency Prevention Program	16.548	AD000299-01	171,315

(Continued)

See accompanying notes to schedule.

Pima County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

<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>
Passed through the Arizona Department of Public Safety Crime Victim Assistance	16.575	129-211	\$ 65,126
Passed through the Arizona Criminal Justice Commission Crime Victim Compensation	16.576	VC-01-059	78,203
Byrne Formula Grant Program	16.579	CRI99-014, CRI00-22	495,039
Passed through the City of Tucson Byrne Formula Grant Program	16.579	AL-060-99	<u>256,138</u>
Total Byrne Formula Grant Program	16.579		<u>751,177</u>
Drug Court Discretionary Grant Program	16.585		108,745
Local Law Enforcement Block Grants Program	16.592		596,906
State Criminal Alien Assistance Program	16.606		1,581,081
Bulletproof Vest Partnership Program	16.607		14,391
Public Safety Partnership and Community Policing Grants	16.710		<u>1,985,520</u>
Total U.S. Department of Justice			<u>6,174,090</u>
U.S. Department of Labor			
Passed through the Arizona Department of Economic Security Senior Community Service Employment Program	17.235	E6201071	10,727
Employment Services and Job Training Pilots—Demonstrations and Research	17.249		729,537
Welfare-to-Work Grants to States and Localities	17.253		822,559
Passed through the Arizona Department of Economic Security Welfare-to-Work Grants to States and Localities	17.253	E5709053	<u>115,187</u>
Total Welfare-to-Work Grants to States and Localities	17.253		<u>937,746</u>
Passed through the Arizona Department of Economic Security WIA Cluster			
WIA Adult Program	17.258	E5701019	2,589,806
WIA Youth Activities	17.259	E5701019, E5702011	1,096,234
WIA Dislocated Workers	17.260	E5701019, E5700039, E5701034	<u>2,775,504</u>
Total WIA Cluster			<u>6,461,544</u>
Youth Opportunity Grants	17.263		<u>6,203,110</u>
Total U.S. Department of Labor			<u>14,342,664</u>
U.S. Department of Transportation			
Passed through the Arizona Department of Transportation Highway Planning and Construction	20.205	SD02003D, SL43101C	865,271
Formula Grants for Other Than Urbanized Areas	20.509	JPA 97-65	174,275
Passed through the Arizona Governor's Office on Highway Safety State and Community Highway Safety	20.600	2001-PT-014 2001-PT-015, 2001-PT-016	67,251
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>92,427</u>
Total U.S. Department of Transportation			<u>1,199,224</u>
U.S. Department of Treasury			
Federal Equitable Sharing Program	21.Unknown		69,113
Reimbursement for Overtime	21.Unknown		<u>31,737</u>
Total U.S. Department of Treasury			<u>100,850</u>
U.S. Environmental Protection Agency			
Air Pollution Control Program Support	66.001		483,661
Air Pollution Control—Technical Training	66.006		79,427

(Continued)

See accompanying notes to schedule.

Pima County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

<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>
Passed through the Arizona Department of Transportation Air Pollution Control—National Ambient Air and Source Emission Data	66.007	SS50601C	\$ 28,386
Passed through the Arizona Department of Environmental Quality Water Pollution Control—State and Interstate Program Support	66.419	98-0044	2,000
Environmental Protection Consolidated Research	66.500		580,559
Passed through the Arizona Department of Environmental Quality Superfund Technical Assistance Grants (Tag) for Citizen Groups at Priority Sites	66.806	96-0110#4	29,988
Total U.S. Environmental Protection Agency			<u>1,204,021</u>
U.S. Department of Energy			
Passed through the Arizona Department of Commerce Weatherization Assistance for Low-Income Persons	81.042	201-00	<u>31,138</u>
U.S. Federal Emergency Management Agency			
Passed through the United Way Emergency Food and Shelter National Board Program	83.523	18-0272-00	<u>51,834</u>
U.S. Department of Education			
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	2,086
Title I Program for Neglected and Delinquent Children	84.013	S013A010003	15,845
Passed through the Arizona Supreme Court Title I Program for Neglected and Delinquent Children	84.013	25162	72,301
Total Title I Program for Neglected and Delinquent Children	84.013		<u>88,146</u>
Passed through the Arizona Department of Education Special Education—Grants to States	84.027	H027A010007	144,030
Vocational Education—Basic Grants to States	84.048	V048A010003	264,889
Safe and Drug-Free Schools and Communities—State Grants	84.186	S186A010003	541
Passed through the Arizona Supreme Court Safe and Drug-Free Schools and Communities—State Grants	84.186	25162	1,610
Total Safe and Drug-Free Schools and Communities—State Grants	84.186		<u>2,151</u>
Passed through the Arizona Department of Education Tech-Prep Education	84.243	V243A010003	207,086
Eisenhower Professional Development State Grants	84.281	S281A010003	519
Charter Schools	84.282		126,557
Foreign Language Assistance	84.293		156,379
Passed through the Arizona Department of Education Innovative Educational Program Strategies	84.298	S298A010003	431
Passed through the Arizona Supreme Court Innovative Educational Program Strategies	84.298	25162	1,610
Total Innovative Educational Program Strategies	84.298		<u>2,041</u>
Passed through the Arizona Department of Education Technology Literacy Challenge Fund Grants	84.318	S318X020003	4,599
Class Size Reduction	84.340	S340A010003	3,604
Passed through the Arizona Supreme Court Class Size Reduction	84.340	25162	15,754
Total Class Size Reduction	84.340		<u>19,358</u>
Total U.S. Department of Education			<u>1,045,691</u>

(Continued)

See accompanying notes to schedule.

Pima County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number/ Federal Identification Number (Note 2)	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
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	129282-0701	\$ 1,056,800
Maternal and Child Health Federal Consolidated Programs	93.110		55,303
Passed through the Arizona Department of Health Services			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	15-2070, 15-2070-1	53,983
Passed through the Arizona Family Planning Council			
Family Planning—Services	93.217	DHHS-09-H-001701-5	757,697
Consolidated Knowledge Development and Application (KD&A) Program	93.230		1,173,387
Passed through the Southern Arizona Aids Foundation			
Consolidated Knowledge Development and Application (KD&A) Program	93.230	PIMA CO	<u>8,405</u>
Total Consolidated Knowledge Development and Application Application (KD&A) Program	93.230		<u>1,181,792</u>
Passed through the Arizona Department of Health Services			
Immunization Grants	93.268	30-4067, 30-4067-8, 152046-2	198,454
Centers for Disease Control and Prevention—Investigations and Technical Assistance	93.283	252036	23,634
Passed through the Arizona Department of Economic Security			
Temporary Assistance for Needy Families	93.558	E6302025	134,928
Family Support Payments to States—Assistance Payments	93.560	E6302025	169,315
Child Support Enforcement	93.563	E7200019, E7201019	4,694,423
Refugee and Entrant Assistance—State Administered Programs	93.566	E6300104	20,749
Low-Income Home Energy Assistance	93.568	E6301007, E6302025	369,200
Community Services Block Grant	93.569	E6301007, E6302025	739,724
Social Services Block Grant	93.667	124429-0798	1,494,956
Passed through the Southern Arizona Aids Foundation			
HIV Care Formula Grants	93.917	PIMA CO	7,861
Passed through the Tucson Community Foundation			
HIV Care Formula Grants	93.917	C125822	<u>101,885</u>
Total HIV Care Formula Grants	93.917		<u>109,746</u>
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		220,590
Passed through the Arizona Department of Health Services			
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	161011-1, 161011-2	290,281
HIV Prevention Activities—Health Department Based	93.940	15-2003, 15-2023 85-2035, 85-2036, 85-2039	347,571
Passed through the Southern Arizona Aids Foundation			
HIV Prevention Activities—Health Department Based	93.940	PIMA CO	<u>8,905</u>
Total HIV Prevention Activities—Health Department Based	93.940		<u>356,476</u>
Passed through Arizona Department of Health Services			
Human Immunodeficiency Virus (HIV)/ Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	15-2068, 15-2068-2	85,240
Preventive Health Services—Sexually Transmitted Diseases Control Grants	93.977	5-2004	118,162
Preventive Health and Health Services Block Grant	93.991	96-2021-3, 26-1115, E2H77563	65,417
Maternal and Child Health Services Block Grants to the States	93.994	16-1015, 16-1066, 26-1192 E2H76416	<u>62,204</u>
Total U.S. Department of Health and Human Services			<u>12,259,074</u>
Total Expenditures of Federal Awards			<u>\$ 62,019,378</u>

See accompanying notes to schedule.

Pima County
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

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

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2002 *Catalog of Federal Domestic Assistance*. 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	07.12PSAP549	\$6,524,300
Community Development Block Grants/ Entitlement Grants	14.218	707,955
Section 8 Housing Choice Vouchers	14.871	3,465,208

Pima County
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2002

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.I2PSAP549	High Intensity Drug Trafficking Areas
10.904	Watershed Protection and Flood Prevention
14.218	Community Development Block Grants/Entitlement Grants
14.871	Section 8 Housing Choice Vouchers
16.710	Public Safety Partnership and Community Policing Grants
	WIA Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
17.263	Youth Opportunity Grants

Dollar threshold used to distinguish between Type A and Type B programs:		\$1,860,581	
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>	___
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Pima County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2002

Federal Award Finding and Questioned Cost

02-101

Federal Identification No.: 07.I2PSAP549—High Intensity Drug Trafficking Areas (HIDTA)

U.S. Office of National Drug Control Policy

Award Period: 10/1/1997 to 12/31/2002

Award Number: I8PSAP549

Allowable Costs/Cost Principles

Questioned Cost: Unknown

The County did not have adequate policies and procedures to ensure that it allocated costs based on the relative benefits received as required by OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*, Attachment A, Subpart C(3). The County Sheriff's Office purchased a \$167,304 telephone switch upgrade for its administrative building and charged \$56,537 of the costs to the HIDTA program. However, the County lacked adequate documentation that showed how it determined the relative benefits to the HIDTA program.

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

To help ensure compliance with allowable costs/cost principles, the County should further develop its policies and procedures to ensure that it appropriately allocates costs based on the relative benefits received.



**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 11, 2003

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 persons 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

PIMA COUNTY
Corrective Action Plan
Year Ended June 30, 2002

FEDERAL AWARD FINDINGS AND QUESTIONS COSTS

02-101

Federal Identification No.: 07-12PSAP549

Contact Person – Betty Cohen

Anticipated Completion Date – Completed

The County concurs with the finding. The County will ensure all future costs made to the HIDTA program will be supported by adequate documentation. Additionally, any allocation of charges made to HIDTA program will document the relative benefits to the program.



PIMA COUNTY
FINANCIAL & INFORMATION SERVICES DEPARTMENT

130 WEST CONGRESS STREET
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Carol M. Bonchalk, Director

March 6, 2003

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.

Sincerely,

Carol M. Bonchalk, Director
Financial and Information Services

CMB:phs

Attachment

PIMA COUNTY
Schedule of Prior Year Audit Findings
Year Ended June 30, 2002

Status of Federal Award Findings and Questioned Costs

CFDA No.: 14.218 -Community Development Block Grants/Entitlement Grants
U.S. Department of Housing and Urban Development
Finding No. **01-101**
Status: **Fully corrected**