

REPORT HIGHLIGHTS SINGLE AUDIT

Subject

Pima County spent \$62 million of federal monies and additional required state matching monies this past year for 88 programs. The largest federal grants were for job training, drug trafficking, community development and housing, child support, and flood prevention. In return, the County must be accountable for its use of both federal and state monies, maintain strong internal controls, and comply with federal program requirements.

Our Conclusion

The County maintained adequate internal controls over financial reporting. The County also maintained adequate internal controls over, and complied with the federal program requirements for the programs tested. However, for one program, our report recommends that the County improve its cost allocation procedures.



2002

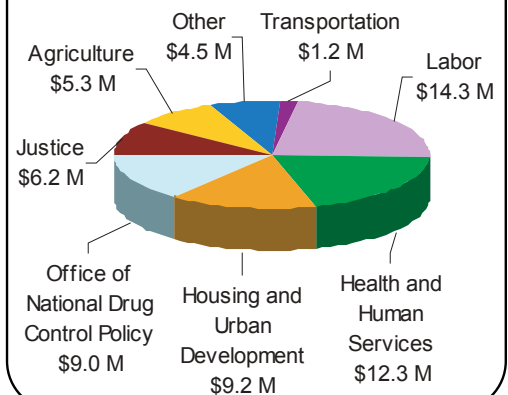
Year Ended June 30, 2002

The County Experienced an Overall Decrease in Federal Award Expenditures

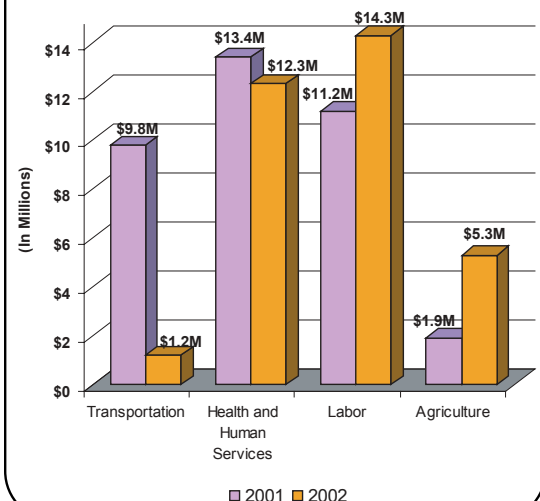
Although most of the County's federal programs experienced increases in expenditures over the prior year, a few programs had significant decreases. Overall, federal award expenditures decreased by approximately \$2.9 million over the prior year. The most significant fluctuations occurred in the following federal agencies and programs.

- \$8.6 million decrease in U.S. Department of Transportation programs, mostly related to the Highway Planning and Construction Program
- \$1.1 million decrease in U.S. Department of Health and Human Services programs, mostly related to the Social Services Block Grant Program
- \$3.1 million increase in U.S. Department of Labor programs, mostly related to youth employment and training programs
- \$3.4 million increase in U.S. Department of Agriculture programs, mostly related to a new federal program, the Watershed Protection and Flood Prevention Program

**FY 2002
 Federal Award Expenditures
 Totalling \$62.0M**



**Federal Awarding Agencies with
 Significant Expenditure Fluctuations
 Fiscal Year 2001 and 2002**



Auditors Evaluated Compliance With 7 Federal Programs

Auditors identified and tested 6 federal programs and 1 federal program cluster under the guidelines established by the Single Audit Act. Audit tests included evaluating the County's compliance with each

program's federal regulations generally related to expending, reporting, and monitoring federal awards. The table below lists the programs we audited and the federal awarding agency:

Federal Programs Audited

Federal Program

High Intensity Drug Trafficking Areas
Watershed Protection and Flood Prevention
Community Development Block Grants/ Entitlement Grants
Section 8 Housing Choice Vouchers
Public Safety Partnership and Community Policing Grants
Youth Opportunity Grants
Workforce Investment Act Program Cluster

Federal Awarding Agency

Office of National Drug Control Policy
Department of Agriculture
Department of Housing and Urban Development
Department of Housing and Urban Development
Department of Justice
Department of Labor
Department of Labor

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting
our Web site at:
www.auditorgen.state.az.us

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The Single Audit Fact Sheet

- No weaknesses in financial reporting internal controls.
- One weakness in federal compliance internal controls.
- One violation of federal compliance requirements with unknown questioned costs.

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Year Ended June 30, 2002