



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Financial Audit

Arizona Criminal Justice Commission

Drug and Gang Enforcement
Account Distributions

June 30, 2010



Debra K. Davenport
Auditor General

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Arizona Criminal Justice Commission
Report on Audit of Summary of
Drug and Gang Enforcement Account Distributions
June 30, 2010

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Honorable Janice K. Brewer, Governor

The Arizona Criminal Justice Commission

We have audited the accompanying Summary of Drug and Gang Enforcement Account Distributions for the year ended June 30, 2010, and from inception to June 30, 2010, pursuant to Arizona Revised Statutes (A.R.S.) §41-2402. This Summary is the responsibility of the Arizona Criminal Justice Commission's management. Our responsibility is to express an opinion on this Summary based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall summary presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Summary of Drug and Gang Enforcement Account Distributions was prepared for the purpose of complying with A.R.S. §41-2402 as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the accompanying Summary of Drug and Gang Enforcement Account Distributions presents fairly, in all material respects, the Commission's distributions for the year ended June 30, 2010, and from inception to June 30, 2010, of Drug and Gang Enforcement Account monies by type of activity specified by A.R.S. §41-2402.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Governor, the Arizona Criminal Justice Commission, and management 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.

Jay Zsorey, CPA
Financial Audit Director

February 23, 2011

Arizona Criminal Justice Commission
 Summary of Drug and Gang Enforcement Account Distributions
 Year Ended June 30, 2010, and from Inception to June 30, 2010

| Type of Activity | Distributions for Year Ended June 30, 2010 | | | | Total |
|---|--|---------------------|------------------------|------------------------|----------------------|
| | Federal | ARRA (Note 3) | Nonfederal (Note 4) | Reversions (Note 5) | |
| Investigation | \$ 444,562 | \$ 3,605,966 | \$ (88,552) | \$ 31,679 | \$ 3,930,297 |
| Prosecution: | | | | | |
| State and county prosecution | 321,239 | 5,081,684 | (54,215) | 11,121 | 5,337,587 |
| City and town prosecution | 73,235 | 287,184 | | | 360,419 |
| Adjudication | | | 3,536,311 | | 3,536,311 |
| Forensics | | 595,280 | | | 595,280 |
| Priority 5 projects (Note 6) | 384,011 | 846,044 | 190,816 | | 1,420,871 |
| Criminal Justice Records Improvement Program | <u>162,463</u> | <u>141,109</u> | <u>2,422</u> | | <u>305,994</u> |
| Total distributions for year ended June 30, 2010 | <u>\$ 1,385,510</u> | <u>\$10,557,267</u> | <u>\$ 3,586,782</u> | <u>\$ 42,800</u> | <u>\$ 15,486,759</u> |

| Type of Activity | Distributions from Inception in August 1987 to June 30, 2010 | | | | Total |
|--|--|---------------------|------------------------|------------------------|----------------------|
| | Federal | ARRA (Note 3) | Nonfederal (Note 4) | Reversions (Note 5) | |
| Investigation | \$ 54,810,124 | \$ 3,605,966 | \$ 28,031,330 | \$1,558,961 | \$ 84,888,459 |
| Prosecution: | | | | | |
| State and county prosecution | 50,080,298 | 5,081,684 | 27,828,734 | 548,514 | 82,442,202 |
| City and town prosecution | 4,171,857 | 287,184 | 2,356,988 | 209,713 | 6,606,316 |
| Adjudication | 6,998,480 | | 43,919,048 | 1,319,247 | 49,598,281 |
| Detention | 1,407,397 | | 6,061,249 | 64,605 | 7,404,041 |
| Drug abuse education (DARE) | 1,183,862 | | 190,123 | 44,764 | 1,329,221 |
| Forensics | 2,402,483 | 595,280 | 8,515,376 | 39,277 | 11,473,862 |
| Priority 5 projects (Note 6) | 384,011 | 846,044 | 190,816 | | 1,420,871 |
| Arizona Drug and Gang Prevention Resource Center | | | 4,238,300 | | 4,238,300 |
| State General Fund | | | 200,000 | | 200,000 |
| Criminal Justice Records Improvement Program | 6,647,332 | 141,109 | 1,632,633 | 146,911 | 8,274,163 |
| State matching for Edward Byrne Memorial Formula Grant Program (formerly entitled Drug Control and System Improvement—Formula Grant) | <u>(2,894,192)</u> | | <u>2,894,192</u> | | |
| Total distributions from inception to June 30, 2010 | <u>\$125,191,652</u> | <u>\$10,557,267</u> | <u>\$126,058,789</u> | <u>\$3,931,992</u> | <u>\$257,875,716</u> |

See accompanying notes to summary.

Arizona Criminal Justice Commission
Notes to Summary of Drug and Gang Enforcement Account Distributions
Year Ended June 30, 2010, and from Inception to June 30, 2010

- Note 1 - Arizona Revised Statutes (A.R.S.) §41-2402(A) established the Drug and Gang Enforcement Account (Account) within the Criminal Justice Enhancement Fund to be used for the purpose of enhancing efforts to deter, investigate, prosecute, adjudicate, and punish drug offenders and members of criminal street gangs. To finance this effort, A.R.S. §41-2402(B) and (C) require the Arizona Criminal Justice Commission (Commission) to distribute monies from the Account within prescribed limits based on a plan of expenditures submitted to the Joint Legislative Budget Committee. Further, A.R.S. §41-2402(F) requires that any federal monies or state matching monies in the Account be allocated by the Commission pursuant to a plan approved by the federal government, notwithstanding the limitations prescribed in subsection B of the statute. The Summary of Drug and Gang Enforcement Account Distributions (Summary) presents distributions by type of activity specified by A.R.S. §41-2402 for the year ended June 30, 2010, and since the Account's inception in August 1987 to June 30, 2010.
- Note 2 - The proceedings of the Commission's open meeting, dated May 21, 2009, and submitted to the Joint Legislative Budget Committee, established the proposed distribution by activity (i.e., investigation, prosecution, adjudication, forensics, and so forth) for the Account for fiscal year 2010.
- Note 3 - The Commission first distributed American Recovery and Reinvestment Act (ARRA) monies in fiscal year 2010. A separate column was added to the Summary to distinguish ARRA monies from other federal monies as required by the ARRA.
- Note 4 - Nonfederal distributions for the Arizona Drug and Gang Prevention Resource Center were made from state appropriations of the fees collected pursuant to A.R.S. §12-284 and distributed pursuant to A.R.S. §12-284.03(A)(1). Beginning in fiscal year 2010, the Legislature appropriated these monies to support the Arizona Youth Survey conducted by the Commission. These monies are no longer distributed to the Arizona Drug and Gang Prevention Resource Center and, therefore, are no longer reported in the current year distributions. For all other activities, nonfederal distributions were made from fines and forfeits collected pursuant to A.R.S. §13-811(C) and the subrecipients' matching contributions to the program.
- Note 5 - Reversions consist of adjustments resulting from subrecipient-monitoring reviews performed by the Commission. These reversions are either deposited into the Account for redistribution in the following year or reverted to the federal government.
- Note 6 - In fiscal year 2010, the Commission expanded its Arizona Drug, Gang and Violent Crime Strategy to include a Priority 5 projects category. This category includes activities that were eligible under the Edward Byrne Memorial Justice Assistance Grant but were not included in the previously funded priorities of investigation, prosecution, adjudication, detention, drug abuse education, forensics and criminal history records improvement. Priority 5 projects include programs eligible under A.R.S. §41-2402 that support the primary purpose of enhancing efforts to deter, investigate, prosecute, adjudicate, and punish drug offenders and members of criminal street gangs.
- Note 7 - During fiscal year 2004, the Commission changed its method of accounting for subrecipient matching monies. Matching monies from subrecipients are no longer collected by the Commission and distributed from the Account. Subrecipients report spent matching monies on their monthly financial reports. As of July 1, 2003, subrecipient matching monies are excluded from the Summary since they are no longer considered distributions from the Account. However, total distributions from inception to June 30, 2010, still include subrecipient matching monies through June 30, 2003.

