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Independent Auditors’ Report

To the Honorable Board of Supervisors
of Pima County, Arizona
Tucson, Arizona

We have audited the accompanying financial statements of Pima County Development Services Enterprise Fund, an enterprise fund of Pima County, Arizona, as of June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Pima County, Arizona’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards established by the AICPA and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Pima County Development Services Enterprise Fund and do not purport to, and do not, present fairly the financial position of Pima County, Arizona as of June 30, 2010, or the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pima County Development Services Enterprise Fund as of June 30, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2010 on our consideration of Pima County Development Services Enterprise Fund’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Accordingly, we express no such opinion. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles requires that management’s discussion and analysis be presented as supplementary information to the financial statements. Pima County Development Services Enterprise Fund has not presented the management’s discussion and analysis that U.S. generally accepted accounting principles has determined is necessary to supplement, although not required to be part of, the financial statements.

October 26, 2010
Phoenix, Arizona
PIMA COUNTY, ARIZONA  
Development Services Enterprise Fund  
Statement of Net Assets  
June 30, 2010

<table>
<thead>
<tr>
<th><strong>Assets</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 3,485,667</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>3,356</td>
</tr>
<tr>
<td>Due from other Pima County funds</td>
<td>12,342</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>8,638</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>328,248</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>54,505</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,892,756</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>1,095,002</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,037,455)</td>
</tr>
<tr>
<td><strong>Total capital assets (net)</strong></td>
<td>57,547</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>57,547</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,950,303</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Liabilities</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>19,361</td>
</tr>
<tr>
<td>Accrued employee compensation</td>
<td>694,149</td>
</tr>
<tr>
<td>Due to other Pima County funds</td>
<td>32,394</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>745,904</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>745,904</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Net assets</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>57,547</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,146,852</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$3,204,399</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
### PIMA COUNTY, ARIZONA
#### Development Services Enterprise Fund
#### Statement of Revenues, Expenses and Changes in Net Assets
#### Year Ended June 30, 2010

**Operating revenues:**
- Charges for services $5,885,693
- Other 154,498
- **Total operating revenues:** 6,040,191

**Operating expenses:**
- Employee compensation 5,908,148
- Operating supplies and services 65,197
- Utilities 84,279
- Repair and maintenance 80,915
- General and administrative 1,555,332
- Consultants and professional services 43,667
- Depreciation 207,270
- **Total operating expenses:** 7,944,808

**Operating loss** (1,904,617)

**Nonoperating revenues:**
- Investment earnings 35,627
- Gain on disposal of capital assets 225
- **Total nonoperating revenues:** 35,852

**Loss before transfers** (1,868,765)

**Transfers in** 2,000,000

**Transfers (out)** (55,233)

**Change in net assets** 76,002

**Net assets, July 1, 2009** 3,128,397

**Net assets, June 30, 2010** $3,204,399

See accompanying notes to financial statements
PIMA COUNTY, ARIZONA  
Development Services Enterprise Fund  
Statement of Cash Flows  
June 30, 2010

**Cash flows from operating activities:**
- Receipts from customers for goods and services $5,619,382
- Receipts from other Pima County funds for reimbursement of personnel services 27,933
- Receipts from miscellaneous operations 100,173
- Payments to employees (4,788,738)
- Payments to suppliers for goods and services (164,877)
- Payments to other Pima County funds for goods and services (2,850,226)

Net cash used for operating activities (2,056,353)

**Cash flows from noncapital financing activities:**
- Transfers in 2,000,000
- Transfers out (30,490)
- Loans with other Pima County funds 19,314

Net cash provided by for noncapital financing activities 1,988,824

**Cash flows from capital and related financing activities:**
- Proceeds from sale of equipment 1,352

Net cash provided by capital and related financing activities 1,352

**Cash flows from investing activities:**
- Interest received on investments 49,018

Net cash provided by investing activities 49,018

**Net decrease in cash and cash equivalents** (17,159)

Cash and cash equivalents, July 1, 2009 3,502,826

**Cash and cash equivalents, June 30, 2010** $3,485,667

(continued)
Reconciliation of operating loss to net cash used for operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(1,904,617)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used for operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>207,270</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in assets:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$(311,998)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>7,499</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>$(8,638)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accrued employee compensation</td>
<td>$(34,879)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$(10,990)</td>
</tr>
<tr>
<td>Net cash used for operating activities</td>
<td>$(2,056,353)</td>
</tr>
</tbody>
</table>

Noncash investing, capital and noncapital financing activities during the year ended June 30, 2010:

The Fund retired fully depreciated capital assets with an original cost of $36,801.

The Fund received a fully depreciated asset with an original value of $6,050.

The Fund transferred the following capital assets with a net book value of $24,743: $4,109 to the County's general government, $15,529 to the Other Internal Service Fund and $5,105 to the Wastewater Management Fund.
Note 1 - Summary of Significant Accounting Policies

The accounting policies of Pima County (County) and its Development Services Enterprise Fund (Fund) conform to U.S. generally accepted accounting principles (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the regulatory requirements of the State of Arizona. A summary of the County’s significant accounting policies affecting the Fund follows.

During the year ended June 30, 2010, Pima County adopted early implementation of the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; however, GASB Statement No. 54 does not apply to the Fund.

A. Reporting Entity

The Fund is accounted for as an enterprise fund of Pima County, Arizona, and the ultimate financial accountability for the Fund remains with Pima County. The Fund’s management is responsible for issuing zoning permits and enforcing and administering building and zoning codes and land development ordinances in Pima County.

The financial statements present only the Development Services Enterprise Fund as one of the funds of Pima County and are not intended to present the balances and activity of Pima County in its entirety.

B. Fund Accounting

The Fund’s accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Fund’s available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

The Fund’s financial transactions are recorded and reported as an enterprise fund because its operations are financed and operated in a manner similar to private business enterprises. It is the intent of the Board of Supervisors that the costs (expenses, including depreciation) of goods or services provided by the Fund on a continuing basis be financed or recovered primarily through user charges.

C. Basis of Accounting

Basis of accounting relates to the timing of the measurements made, and determines when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements of the Fund are reported using the economic resources measurement focus and are presented on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flow. When both restricted and unrestricted net assets are available to finance Fund expenses, restricted resources are used before unrestricted resources. Interfund transactions that would be treated as revenues or expenses if they involved parties external to County are recorded in the appropriate revenue or expense accounts. Intrafund transactions within the fund are eliminated for the consolidated financial statement presentation. Unless in conflict with GASB pronouncements, the Fund follows Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions, and Accounting Research Bulletins. The Fund has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

D. Basis of Presentation

The financial statements include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.
Note 1 - Summary of Significant Accounting Policies (continued)

A statement of net assets provides information about the assets, liabilities, and net assets of the Fund at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net assets are classified according to external restrictions or availability of assets to satisfy the Fund’s obligations. Invested in capital assets represents the cost of capital assets, net of accumulated depreciation. Restricted net assets encompass grants, contracts, and other resources that have been externally restricted for specific purposes. Unrestricted net assets include all other net assets, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in fund net assets provides information about the Fund’s financial activities during the year. Revenues and expenses are classified as either operating or non-operating, and all changes in net assets are reported including capital contributions and transfers. Generally, charges for services and other fees generated for issuing zoning permits and enforcing building, zoning, and land development rules and regulations are considered to be operating revenues. Other revenues, such as investment income, are not generated from operations and are considered to be non-operating revenues. Operating expenses include the cost of providing services, administrative expenses, and depreciation on capital assets.

A statement of cash flows provides information about the Fund’s sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as operating, noncapital financing, capital and related financing, or investing.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash on deposit with the Pima County Treasurer, investments with the State Treasurer, and deposits held in escrow accounts from both restricted and unrestricted sources. Unrestricted cash and cash equivalents consist of cash on hand, cash and investments held by the Pima County Treasurer in an investment pool, and investments with the State Treasurer. Restricted cash and cash equivalents consist of cash and investments held by the Pima County Treasurer in an investment pool, and deposits held in escrow accounts. All investments are stated at fair value.

F. Accounts Receivable

Accounts receivable consist primarily of amounts due from customers for services provided. These balances are stated at the amount management expects to collect. Management provided for probable uncollectible amounts through charges to earnings and credits to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

G. Capital Assets

Capital assets are reported at cost. The Fund capitalizes all land regardless of cost, buildings and intangible software assets valued at $100,000 and all machinery and equipment valued at $5,000 and above. Depreciation of assets is charged as an expense against operations.

Assets are depreciated over their estimated useful lives using the straight-line method. For assets that are depreciated the estimated useful lives are as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>7-10 years</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>5-15 years</td>
</tr>
</tbody>
</table>
Note 1 - Summary of Significant Accounting Policies (continued)

H. Compensated Absences

Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 240 hours of vacation depending upon years of services, but any vacation hours in excess of the maximum amount that are unused at year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 1,920 of sick hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Sick leave benefits do not vest with employees; however employees who are eligible to retire from County service into the Arizona State Retirement System, may request sick leave be converted to annual leave, on a predetermined conversion basis. An estimate of those retirement payouts is accrued as a liability.

Note 2 - Cash and Investments

Cash and cash investments consist of $500 of cash on hand and $3,485,167 of cash on deposit with the County Treasurer and are available on demand. The Treasurer pools these deposits with other County monies for investment within the County Treasurer’s pool. The Fund’s deposits are included in the Treasurer’s investment pool but are not identified with specific investments.

Credit Risk—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy with respect to credit risk. The Pima County Treasurer’s investment pool is unrated.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect an investment’s fair value. The County does not have a formal investment policy with respect to interest rate risk. The Pima County Treasurer’s investment pool had a weighted average maturity of 177 days at June 30, 2010.

Legal Provisions—Arizona Revised Statutes authorize counties to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk—Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody’s investors service or A1 or better by Standard and Poor’s rating service.
2. Corporate bonds, debentures, and notes must be rated A or better by Moody’s investors service or Standard and Poor’s rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody’s investors service and Standard and Poor’s rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk—Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.
Note 2 - Cash and Investments (continued)

Concentration of credit risk—Statutes do not include any requirements for concentration of credit risk.

Interest rate risk—Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk—Statutes do not allow foreign investments.

Note 3 - Capital Assets

Capital asset activity for the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2009</td>
<td>(207,270)</td>
<td>(25,870)</td>
<td>June 30, 2010</td>
</tr>
<tr>
<td>Equipment</td>
<td>$ 1,402,601</td>
<td>$ 6,050</td>
<td>$(313,649)</td>
<td>$ 1,095,002</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,111,914)</td>
<td>(213,320)</td>
<td>287,779</td>
<td>(1,037,455)</td>
</tr>
<tr>
<td>Total capital assets, net</td>
<td>$ 290,687</td>
<td>$(207,270)</td>
<td>$(25,870)</td>
<td>$ 57,547</td>
</tr>
</tbody>
</table>

Note 4 - Claims, Judgments and Risk Management

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fund is a participant in Pima County’s self-insurance program, and in the opinion of the Fund’s management, that program would cover any unfavorable outcomes from these risks. Accordingly, the Fund has no risk of loss beyond adjustments to future years’ premium payments to Pima County’s self-insurance program. All estimated losses for unsettled claims and actions of Pima County are determined on an actuarial basis and are included in the Pima County Comprehensive Annual Financial Report.

Note 5 - Related Party Transactions

Administrative and Fiscal Services—For the year ended June 30, 2010, the Fund incurred expenses from Pima County for a variety of administrative and fiscal services totaling $2,499,386. Of that amount, $1,126,356 was for temporary or part-time staffing, $161,360 was for motor pool charges, $924,983 was for the allocation of overhead, $58,691 was for supplies, $65,689 was for self-insurance premiums, $22,360 was for printing and microfilming, and $139,947 was for other miscellaneous charges.

Public Works Center—The Fund occupies a portion of the Public Works Center and pays rent equivalent to its pro rata share of the building expenses incurred by the Pima County Facilities Management Department. For the year ended June 30, 2010, rent expense for the Fund totaled $322,907.

Note 6 - Due To/From Other Pima County Funds

Due to other Pima County funds represents payables for goods and services. At June 30, 2010, the payables included $1,904 due to the General Fund and $30,490 due to Capital Projects. Due from other Pima County funds represents the reallocation of June credit card fees. At June 30, 2010 the receivables included $3,145 due from Transportation Fund, $238 due from Environmental Quality, $8,943 due from Wastewater Management and $16 due from Graphic Services.
Note 7 – Retirement Plan

Plan Description—The Fund contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan administered by the Arizona State Retirement System (ASRS) that covers employees of the State of Arizona and employees of participating political subdivisions and school districts.

Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree’s average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee’s monthly compensation. Health insurance premium benefits are generally paid as a flat dollar amount per month towards the retiree’s health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her spouse. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members’ and the County’s contribution rates. For the year ended June 30, 2010, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.4 percent (9 percent for retirement and 0.4 percent for long-term disability) of the members’ annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 9.4 percent (8.34 percent for retirement, 0.66 percent for health insurance premium, and 0.4 percent for long-term disability) of the members’ annual covered payroll.

The County’s contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

<table>
<thead>
<tr>
<th>Years ended June 30</th>
<th>Retirement Fund</th>
<th>Health Benefit Supplement Fund</th>
<th>Long-Term Disability Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$ 347,489</td>
<td>$ 27,499</td>
<td>$ 16,666</td>
</tr>
<tr>
<td>2009</td>
<td>$ 476,871</td>
<td>$ 57,296</td>
<td>$ 29,842</td>
</tr>
<tr>
<td>2008</td>
<td>$ 646,531</td>
<td>$ 84,330</td>
<td>$ 40,157</td>
</tr>
</tbody>
</table>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Board of Supervisors
of Pima County, Arizona
Tucson, Arizona

We have audited the financial statements of Pima County Development Services Enterprise Fund (the “Fund”), an enterprise fund of Pima County, Arizona, as of June 30, 2010 and have issued our report thereon dated October 26, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Pima County’s management, Board of Supervisors and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Walker & Armstrong LLP
Phoenix, Arizona
October 26, 2010