

Pima County

Single Audit Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

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 and special reviews of school districts, state agencies, and the programs they administer.

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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 on compliance for each major federal program;
report on internal control over compliance; and report on schedule of
expenditures of federal awards required by the Uniform Guidance**

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Report on compliance for each major federal program

We have audited Pima County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on each major federal program

In our opinion, Pima County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other matters

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item 2016-101. Our opinion on each major federal program is not modified with respect to this matter.

Report on internal control over compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-101, that we consider to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pima County response to finding

Pima County's response to the finding identified in our audit is presented in its corrective action plan at the end of this report. The County's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on it.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 6, 2016, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Jay Zsorey, CPA
Financial Audit Director

March 27, 2017





SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles Unmodified

Internal control over financial reporting

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

Federal awards

Internal control over major programs

Material weaknesses identified? No

Significant deficiencies identified? Yes

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs

CFDA number	Name of federal program or cluster
14.267	Continuum of Care Program
17.268	H-1B Job Training Grants
20.205	Highway Planning and Construction
20.933	National Infrastructure Investments
93.093	Affordable Care Act (ACA) Health Profession Opportunity Grants
95.001	High Intensity Drug Trafficking Areas Program
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs	\$1,574,231
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Auditee qualified as low-risk auditee?	No
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Other matters

Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR 200.511(b)?	Yes
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Financial statement findings

Financial statement findings were reported in the separately issued report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*.

Federal award findings and questioned costs

2016-101

CFDA no. and name: Not applicable

Questioned costs: N/A

Criteria—In accordance with 2 Code of Federal Regulations (CFR) §200.510(b)(4), the County must identify on its schedule of expenditures of federal awards (SEFA) the total amount provided to subrecipients from each federal program.

Condition and context—The County did not initially identify on its SEFA \$3,663,633 of federal program monies it passed through to subrecipients. The County's SEFA was adjusted to identify these monies.

Effect—The County did not comply with the 2 CFR §200.510(b)(4) reporting requirements when it prepared its SEFA.

Cause—The County did not have effective control procedures in place to ensure that all monies passed through to subrecipients were properly identified on its SEFA.

Recommendation—To help ensure that the County complies with 2 CFR §200.510(b)(4), the County should develop and implement control procedures that identify all monies provided to subrecipients.

The County's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

COUNTY SECTION

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
Department of Agriculture						
10 unknown	U.S. Forest Service—Law Enforcement				\$ 18,400	
10 553	School Breakfast Program	Child Nutrition Cluster	Arizona Department of Education	ED09-0001	41,754	
10 555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	ED09-0001	80,575	
	<i>Total Child Nutrition Cluster</i>				<u>140,729</u>	
10 557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS14-053080	1,551,140	
10 561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	ADHS16-106455	6,778	
10 565	Commodity Supplemental Food Program	Food Distribution Cluster	Arizona Department of Health Services	ADHS12-010887, ADHS16-104449	138,123	
10 572	WIC Farmers' Market Nutrition Program (FMNP)		Arizona Department of Health Services	ADHS14-053080	1,803	
10 576	Senior Farmers Market Nutrition Program		Arizona Department of Health Services	ADHS12-010887, ADHS16-104449	3,499	
10 665	Schools and Roads—Grants to States	Forest Service Schools And Roads Cluster			185,809	
	Total Department of Agriculture				<u>2,027,881</u>	
Department of Housing and Urban Development						
14 185	Homeownership and Opportunity for People Everywhere				19,716	
14 218	Community Development Block Grants/Entitlement Grants	CDBG - Entitlement Grants Cluster			2,712,257	\$ 1,486,704
14 228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		Arizona Department of Housing	109-15	55,770	55,770
14 231	Emergency Solutions Grants Program				252,015	176,963
14 231	Emergency Solutions Grants Program		City of Tucson	18109	5,000	
	<i>Total 14.231</i>				<u>257,015</u>	<u>176,963</u>
14 239	Home Investment Partnerships Program		City of Tucson	17776	122,808	60,000
14 241	Housing Opportunities for Persons with AIDS				330,861	316,379
14 256	Neighborhood Stabilization Program (Recovery Act Funded)				85,991	
14 267	Continuum of Care Program				2,107,541	1,786,243
14 267	Continuum of Care Program		City of Tucson	17965	71,239	
	<i>Total 14.267</i>				<u>2,178,780</u>	<u>1,786,243</u>
	Total Department of Housing and Urban Development				<u>5,763,198</u>	<u>3,882,059</u>
Department of the Interior						
15 226	Payments in Lieu of Taxes				3,292,034	
15 227	Distribution of Receipts to State and Local Governments				1,500	
15 234	Secure Rural Schools and Community Self-Determination				54,266	
15 631	Partners for Fish and Wildlife				43,877	
15 659	National Wildlife Refuge Fund				39,560	
15 904	Historic Preservation Fund Grants-In-Aid		Arizona State Parks Board	441418, P13AF00142	1,000	
	Total Department of the Interior				<u>3,432,237</u>	
Department of Justice						
16 unknown	Federal Equitable Sharing Program				92,833	
16 013	Violence Against Women Act Court Training and Improvement Grants				4,103	

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
16 523	Juvenile Accountability Block Grants		Arizona Governor's Office for Children, Youth and Families, Division for Community and Youth Development	JB-CSG-14-4365-07Y2	48,294	
16 540	Juvenile Justice and Delinquency Prevention—Allocation to States		Arizona Governor's Office for Children, Youth and Families, Division for Children	J2-CSG-15-100115-08, J2-CSG-14-4181-08Y2, J2-CSG-15-100115-07	129,364	
16 575	Crime Victim Assistance		Arizona Department of Public Safety	2014-249, 2014-VA-GX-0018, 2015-261	489,467	
16 576	Crime Victim Compensation		Arizona Criminal Justice Commission	VC-16-059	372,881	
16 588	Violence Against Women Formula Grants		Arizona Governor's Office for Children, Youth and Families, Division for Women	ST-WSG-15-010115-15 & 15Y2, ST-WSG-15-010115-05 & 05Y2	356,900	
16 590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program				784,918	
16 606	State Criminal Alien Assistance Program				203,949	
16 738	Edward Byrne Memorial Justice Assistance Grant Program		City of Tucson	17678, 18241, 2012-DJ-BX-0877, 2013-DJ-BX-1165, 17489, 18057	137,153	
16 738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	DC-16-030	249,127	
	<i>Total 16.738</i>				<u>386,280</u>	
16 745	Criminal and Juvenile Justice and Mental Health Collaboration Program				26,992	26,992
16 812	Second Chance Act Reentry Initiative				291,854	291,854
	Total Department of Justice				<u>3,187,835</u>	<u>318,846</u>
Department of Labor						
17 235	Senior Community Service Employment Program		Arizona Department of Economic Security	ADES14-064665	65,277	
17 258	WIA/WIOA Adult Program	WIA/WIOA Cluster	Arizona Department of Economic Security	ADES14-053071, Di16-002120	3,134,848	945,069
17 259	WIA/WIOA Youth Activities	WIA/WIOA Cluster	Arizona Department of Economic Security	ADES14-053071, Di16-002120, 940015YT	1,865,327	1,208,224
17 278	WIA/WIOA Dislocated Worker Formula Grants	WIA/WIOA Cluster	Arizona Department of Economic Security	ADES14-053071, Di16-002120	2,303,256	761,871
	<i>Total WIA/WIOA Cluster</i>				<u>7,303,431</u>	<u>2,915,164</u>
17 268	H-1B Job Training Grants				1,210,584	876,674
17 268	H-1B Job Training Grants		Arizona Commerce Authority	2014-27	206,001	
	<i>Total 17.268</i>				<u>1,416,585</u>	<u>876,674</u>
17 282	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants		Pima Community College	None	29,866	
17 802	Veterans' Employment Program				2,493	
	Total Department of Labor				<u>8,817,652</u>	<u>3,791,838</u>

See accompanying notes to schedule.

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
Department of Transportation						
20 205	Highway Planning and Construction	Highway Planning And Construction Cluster	Arizona Department of Transportation	SS639-01C, SL699-01C, SL701-02D, SZ015-01C, SZ014-01C, SL926 03D/01C, SL702-01C, H8390-01C, SL599-01C, SS693-01C, SZ089-01X, SF013-02D/01C, SF024-01D/02D, SF022-01C, SF023-01C, SH589-03D, SF036-01X, S975-01C, SF034-02D, SF040-01D/01C, SL658-01C, SB462-01D/03D, SB463-01D/03D, SL737-03D, SH640-03D, SF048-01X, SH63801D/03D, SH652-01D/03D	9,561,576	
20 600	State and Community Highway Safety	Highway Safety Cluster	Arizona Governor's Office of Highway Safety	2015-PT-056, 2015-PT-029, 2015-OP-007, 2015-SB-001, 2016-AL-069, 2016-OP-005, 2016-AL-028, 2016-PT-026, 2016-PT-069	164,785	
20 616	National Priority Safety Programs	Highway Safety Cluster	Arizona Governor's Office of Highway Safety	2015-405d-014, 2015-405c-003	<u>101,063</u>	
	<i>Total Highway Safety Cluster</i>				<u>265,848</u>	
20 703	Interagency Hazardous Materials Public Sector Training and Planning Grants		Arizona Emergency Response Commission	HM-HMP-0513-15-01-11	15,266	
20 933	National Infrastructure Investments				<u>4,977,376</u>	<u>4,977,376</u>
	Total Department of Transportation				<u>14,820,066</u>	<u>4,977,376</u>
Department of Treasury						
21 unknown	State and Local Overtime and Authorized Expense Program				<u>19,984</u>	
Institute of Museum and Library Services						
45 310	Grants to States		Arizona State Library, Archives and Public Records	2015-35017-22	<u>70,000</u>	
Environmental Protection Agency						
66 001	Air Pollution Control Program Support				479,866	
66 034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act				111,490	
66 461	Regional Wetland Program Development Grants				88,098	
66 818	Brownfields Assessment and Cleanup Cooperative Agreements				<u>6,245</u>	
	Total Environmental Protection Agency				<u>685,699</u>	

See accompanying notes to schedule.

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
Department of Energy						
81 042	Weatherization Assistance for Low-Income Persons		Arizona Governor's Office of Energy Policy	EW-ESA-14-4181-07	29,880	
Department of Education						
84 002	Adult Education—Basic Grants to States		Arizona Department of Education	16FAEABE-613309-16B, 16FAEWIO-613309-05A/16FAEWPL-613309-05A	101,054	
84 010	Title I Grants to Local Educational Agencies		Arizona Department of Education	16FT1TTI-610267-01A	16,967	
84 013	Title I State Agency Program for Neglected and Delinquent Children and Youth		Arizona Supreme Court	None	87,537	
84 027	Special Education—Grants to States	Special Education Cluster (IDEA)	Arizona Department of Education	H027A0090007	204,819	
84 184	School Safety National Activities		Arizona Department of Education	ADE 15-05 EDSG	26,199	
84 365	English Language Acquisition State Grants		Arizona Department of Education	T365A30003A	32,337	
84 367	Supporting Effective Instruction State Grant		Arizona Supreme Court	None	23,065	
84 367	Supporting Effective Instruction State Grant		Arizona Department of Education	16FT1TTII-610267-03A	3,150	
	<i>Total 84.367</i>				26,215	
	Total Department of Education				495,128	
Election Assistance Commission (EAC)						
90 401	Help America Vote Act Requirements Payments		Arizona Secretary of State	None	56,266	
Department of Health and Human Services						
93 044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers	Aging Cluster	Pima Council on Aging	ADES15-089129	22,884	
93 069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS15-096707	689,772	
93 074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		Arizona Department of Health Services	ADHS16-100124	88,974	
93 093	Affordable Care Act (ACA) Health Profession Opportunity Grants		Pima County Community College District	90FX0005, B1510925	568,456	285,447
93 103	Food and Drug Administration—Research				34,818	
93 116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Arizona Department of Health Services	ADHS13-041212, ADHS16-102509	73,432	
93 136	Injury Prevention and Control Research and State and Community Based Programs		Arizona Department of Health Services	ADHS16-110837	8,067	
93 217	Family Planning—Services		Arizona Family Health Partnership	None	935,071	
93 236	Grants to States to Support Oral Health Workforce Activities		Arizona Department of Health Services	15-095351	1,624	
93 243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance				775,324	
93 268	Immunization Cooperative Agreements		Arizona Department of Health Services	ADHS13-041821	231,341	

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
93 332	Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces		Arizona Association of Community Health Centers	NAVCA140112-0101/9NAVPCHD2 0152016	29,553	
93 505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program		Arizona Department of Health Services	ADHS13-047273, ADHS14-056244	878,245	
93 524	Building Capacity of the Public Health System to Improve Population Health Through National, Non-Profit Organizations- Financed in Part by Prevention and Public Health Funds (PPHF)		National Association of City and County Health Officials	2015-120701	15,782	
93 558	Temporary Assistance for Needy Families	TANF Cluster	Arizona Department of Economic Security	ADES15-089143	531,482	424,171
93 563	Child Support Enforcement		Arizona Department of Economic Security	DE111163001, DI16-002162, DI16-002133	882,802	
93 568	Low-Income Home Energy Assistance		Arizona Department of Economic Security	ADES15-089143	737,867	
93 568	Low-Income Home Energy Assistance		Arizona Department of Housing	LW-ESA-12-2182-07	87,482	
	<i>Total 93.568</i>				<u>825,349</u>	
93 569	Community Services Block Grant		Arizona Department of Economic Security	ADES15-089143	759,462	451,640
93 597	Grants to States for Access and Visitation Programs		Arizona Department of Health Services	1601AZSAVP/G11 01AZSAVP	23,390	
93 742	PPHF: Early Childcare and Education Obesity Prevention Program - Obesity Prevention in Young Children - financed solely by Public Prevention and Health Funds		Arizona Department of Health Services	ADHS14-052919, ADHS16-104450	4,552	
93 752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, financed in part by Prevention and Public Health Funds		Arizona Department of Health Services	ADHS14-064601	267,464	179,742
93 758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)		Arizona Department of Health Services	ADHS 14-063033, ADHS 16-102323	127,930	
93 767	Children's Health Insurance Program		Pima Community Access Program	None	573	
93 917	HIV Care Formula Grants		Arizona Department of Health Services	ADHS13-040489	71,850	
93 940	HIV Prevention Activities—Health Department Based		Arizona Department of Health Services	ADHS16-102722	309,553	96,177
93 944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		Arizona Department of Health Services	ADHS12-016586	37,034	
93 945	Assistance Programs for Chronic Disease Prevention and Control		Arizona Department of Health Services	ADHS14-065423, ADHS16-114530	33,326	
93 959	Block Grants For Prevention and Treatment Of Substance Abuse		Arizona Department of Health Services	ADHS12-020392	8,325	
93 977	Preventive Health Services—Sexually Transmitted Diseases Control Grants		Arizona Department of Health Services	ADHS14-071222	140,997	
93 994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	ADHS 15-095351, ADHS 13-035921, ADHS 16-102323	209,845	
	Total Department of Health and Human Services				<u>8,587,277</u>	<u>1,437,177</u>
Office of National Drug Control Policy						
95 001	High Intensity Drug Trafficking Areas Program				<u>1,680,773</u>	

Pima County
Schedule of expenditures of federal awards
Year ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's numbers	Program expenditures	Amount provided to subrecipients
Social Security Administration						
96 Unknown	Funds Received from the Social Security Administration				93,764	
Department of Homeland Security						
97 024	Emergency Food and Shelter National Board Program				125,899	
97 024	Emergency Food and Shelter National Board Program		United Way	None	7,941	
	<i>Total 97.024</i>				<u>133,840</u>	
97 042	Emergency Management Performance Grants		Arizona Department of Emergency and Military Affairs	EMW-2015-EP-00048	523,605	
97 045	Cooperating Technical Partners				31,929	
97 047	Pre-Disaster Mitigation		Arizona Department of Homeland Security	EMF-2012-PC-0001	370,107	353,748
97 067	Homeland Security Grant Program		Arizona Department of Homeland Security	1500403-01, 10-AZDOHS-HSGP-777411-02, 140404-01/02/03, 150404-02/03/04	1,647,235	
	Total Department of Homeland Security				<u>2,706,716</u>	<u>353,748</u>
	Total expenditures of federal awards				<u>\$ 52,474,356</u>	<u>\$ 14,761,044</u>

Pima County
Notes to schedule of expenditures of federal awards
Year ended June 30, 2016

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards includes Pima County's federal grant activity for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3 - Catalog of Federal Domestic Assistance (CFDA) numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2016 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

Note 4 - Indirect cost rate

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

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COUNTY RESPONSE



March 27, 2017

Ms. Debbie Davenport
Arizona Auditor General
2910 N. 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in Government Auditing Standards and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Specifically, for each finding we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Keith Dommer, Director
Finance and Risk Management

Pima County, Arizona
Corrective Action Plan
Year Ended June 30, 2016

2016-101

CFDA No. and Name:

Not Applicable

Questioned Costs:

None

Contact Person: Marilyn Hutzler, Grants Manager, Finance and Risk Management

Anticipated completion date: June 2017

Response: Pima County agrees with the finding. The Grants Management Division has updated its procedures to identify and report amounts passed through to sub-recipients. By the anticipated completion date, all staff will be trained and implementing the updated procedures.



March 10, 2017

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs.

Sincerely,

Keith Dommer, Director
Finance and Risk Management

Keith Dommer, Director

130 W. Congress, 6th Fl. Tucson, Arizona 85701-1317 • Phone: 520-724-8496 • Fax: 520-770-4173

Pima County
Summary schedule of prior audit findings
Year ended June 30, 2016

Status of financial statement findings

The County should improve security over its information resources

Finding no.: 2015-01

Status: Not corrected

The County should improve access controls over its information resources

Finding no.: 2015-02

Status: Not corrected

The County should improve its information technology change management processes

Finding no.: 2015-03

Status: Not corrected

The County should improve its disaster recovery plan for its information technology resources

Finding no.: 2015-04

Status: Not corrected

Reason for recurrence and planned corrective action

Findings 2015-01, 2015-02, 2015-03, and 2015-04 recurred because the findings were not fully identified until midway through fiscal year 2015-16. As a result, the findings could not be corrected before the end of the fiscal year. Please see the related Corrective Action Plan included in Pima County's Report on Internal Control and Compliance for the year ended June 30, 2016.

