

CITY OF TUCSON, ARIZONA
REPORT ON SINGLE AUDIT
JUNE 30, 2015

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INDEPENDENT AUDITORS' 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

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Tucson, Arizona (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2015-001, 2015-002, 2015-003, and 2015-004.

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Tucson, Arizona
January 27, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

Report on Compliance for Each Major Federal Program

We have audited the City of Tucson, Arizona's (the City's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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 auditing standards generally accepted in the United States of America; 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 City'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 City's compliance.

Basis for Qualified Opinion on Home Investment Partnership Program (CFDA#14.239)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding CFDA#14.239 Home Investment Partnership Program as described in finding 2015-006 for special test and provisions. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

Qualified Opinion on Home Investment Partnership Program (CFDA#14.239)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA#14.239 Home Investment Partnership Program for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-005 and 2015-007. Except as noted above, our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City 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 City'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 OMB Circular A-133, 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 City's internal control over compliance.

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weakness and significant deficiencies.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-006 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-005 and 2015-007 to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and Members of the City Council
City of Tucson, Arizona

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tucson, Arizona (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 27, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements as a whole. 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 basic financial statements. Such information is the responsibility of 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

The Purpose of this report on the schedule of expenditures of federal awards is to identify the federal awards expenditures by federal grantor in compliance with OMB Circular A-133. Accordingly, this report is not suitable for any other purposes.



CliftonLarsonAllen LLP

Tucson, Arizona

March 29, 2016 except for the Schedule of

Expenditures of Federal Awards which is dated January 27, 2016

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section I – Summary of Independent Auditors’ Results

Financial Statements

The type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of auditors’ report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Continued

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section I – Summary of Independent Auditors’ Results (Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	Home Investment Partnership Program
14.850	Public and Indian Housing
14.871, 14.879	Housing Voucher Cluster
20.205	Highway Planning and Construction Cluster
20.500, 20.507, 20.526	Federal Transit Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

yes no

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

Significant Deficiencies in Internal Control Over Financial Reporting

Finding 2015-001: Capital Assets

Condition

There is no effective review control established to ensure depreciable assets entered in the system are properly depreciated using the appropriate useful life and no control in place to ensure all construction in progress (CIP) placed in service are properly depreciated. Two significant adjustments were proposed and recorded by management in the financial statements to properly record depreciation in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Criteria

COSO/Internal Control Framework defines control activities as “policies and procedures that help ensure management’s directives are carried out. Management review controls are defined as, “the activities of a person, different than the preparer, through analyzing and performing oversight of activities performed and is an integral part of any internal control structure”.

Effect

Failure to perform adequate reviews and failure to properly depreciate capital assets when placed in service can lead to misstatements in the financial reporting process.

Cause

This is a result of the limited resources of the City, departments providing the required documentation to accounting, and the current lack of control procedures being performed.

Recommendation

We recommend management review current procedures to ensure assets are depreciated using an appropriate useful life, capitalized in the correct period, and depreciated when assets are placed in service.

View of Responsible Officials and Corrective Action Plan

The City concurs with the finding and identified two areas that the controls need to be improved. The first is to ensure that the in service dates agree with the documentation provided by City departments. The second is that depreciation is recorded, as needed, for assets entered into the accounting system after the final depreciation calculation of the fiscal year. The corrective plan is that the Finance Department staff will analyze a year-end depreciation report to compare useful life, in service date and total accumulated depreciation for the capital assets recorded in the financial system for the fiscal year.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings (Continued)

Significant Deficiencies in Internal Control Over Financial Reporting (Continued)

Finding 2015-002: Remediation Obligation

Condition

One of the remediation schedules calculated by the engineers was not updated for fiscal year 2015. A significant adjustment was proposed and recorded by management in the financial statements to properly record the obligation in accordance with US GAAP.

Criteria

GASB Statements No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations requires the City to record a liability for one or more components (for example, legal services, site investigation, or required postremediation monitoring) as they become reasonably estimable.

Effect

Failure to incorporate internal control procedures over the accuracy and completeness of the remediation calculation can lead to misstatements in the financial reporting process.

Cause

The City was not aware of the error.

Recommendation

We recommend management review its current process to ensure the remediation obligation is complete and accurate.

View of Responsible Officials and Corrective Action Plan

The City concurs with the finding. The Environmental Services Department will continue to work with its engineers to properly estimate the remediation obligation liability reported on the City's financial statements in accordance with GASB Statement No. 49. The department will prepare financial reports that are sealed by a registered professional engineer and will ensure the reports tie back to the source document.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings (Continued)

Significant Deficiencies in Internal Control Over Financial Reporting (Continued)

Finding 2015-003: Cash Reconciliations

Condition

Two significant reconciling items were incorrectly recorded in the cash reconciliations and general ledger. One item was recorded as outstanding disbursements and another as an outstanding deposit. The outstanding disbursements were transactions for fiscal year 2016 and the outstanding deposit cleared prior to year end. This resulted in a significant reclassification adjustment in the financial statements to properly record the cash in accordance with US GAAP.

Criteria

Cash and Cash equivalents should be recorded in accordance with US GAAP.

Effect

Failure to review in detail the cash reconciliations can lead to misstatements in the financial reporting process.

Cause

The City was not aware of the error.

Recommendation

We recommend management review its current process over cash to ensure the appropriate controls are in place for cash to be recorded in accordance with US GAAP.

View of Responsible Officials and Corrective Action Plan

The City concurs with the finding and identified a software application issue and a deficiency in the review of year-end cash receipts. The Finance Department will investigate the software application options to rectify early ledger postings of disbursements for the final fiscal year payroll. The Finance Department is also creating a year-end process for reviewing the bank deposits received at the end of the fiscal year to ensure material deposits are recorded on the ledger.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings (Continued)

Significant Deficiencies in Internal Control Over Financial Reporting (Continued)

Finding 2015-004: Mass Transit Prepaid Reconciliations

Condition

Mass Transit prepaid expenses were incorrectly recorded in the general ledger. We were unable to obtain support for one item and another item was recorded as a prepayment for a payment made in FY2016.

Criteria

Prepaid expenses should be recorded in accordance with US GAAP.

Effect

Failure to review in detail the prepaid reconciliations can lead to misstatements in the financial reporting process.

Cause

The City was not aware of the error.

Recommendation

We recommend management review its current process over Mass Transit prepaid expense reconciliations to ensure the appropriate controls are in place for prepaid expenses to be recorded in accordance with US GAAP.

View of Responsible Officials and Corrective Action Plan

The City concurs with the finding. After reviewing the current year-end process for balance sheet reconciliation, the Mass Transit Department is revising the process to include additional backup to support the balance at year end. This will provide the added detail necessary for City accounting to thoroughly review the prepaid reconciliation. Staff has been made of aware of the change in our reconciliation process.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs Section

Finding Reference: 2015-005

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Program Income, Allowable Costs/Cost Principles, and Period of Availability
Type of Finding:	Significant Deficiency in Internal Control and NonCompliance
Federal Program:	14.850 – Public and Indian Housing (PIH), 14.871, 14.879 – Housing Voucher Cluster (HVC), 14.239 – Home Investment Partnership Program (HOME)

Condition/Context

Departments lack documentation of review processes for several programs as follows:

- PIH – Unable to verify if the rental agreement was reviewed and approved by a supervisor for 2 of the 60 tested.
- PIH – For 11 of the 40 disbursements tested, we were unable to verify if the property manager reviewed and approved the disbursement.
- HVC – Evidence of a quality control review was not available for inspection for 7 of the 60 items tested.
- HOME – Unable to verify the review and approval of disbursements for 7 of the 40 items tested.

Criteria

- PIH – The annual reexamination packages and monthly entries are reviewed and approved by the senior accountant or supervisor to ensure program income is complete and accurate.
- PIH – Property manager reviews and approves disbursements.
- HVC – Housing Assistance Payment (HAP) invoices are created based on the most current approved contract. Quality Control approves the invoice to ensure completeness and accuracy of the HAP.
- HOME – Disbursements are reviewed and approved by the senior accountant, accounting assistant, or project coordinator.

Effect

- PIH - Lack of review results in non-compliance with program income and internal control procedures.
- PIH – Disbursements could be paid without appropriate approvals.
- HVC – HAP invoices could be paid without appropriate approvals.
- HOME – Disbursements could be paid without appropriate approvals.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Cause

- PIH - The department was not aware of the error.
- HVC – The Department retains a copy of the invoice, however, most quality control documents were discarded during the fiscal year.
- HOME – The Department was not aware of the error.

Recommendation

- PIH - We recommend the Department evaluate its current review procedures to ensure all program income is complete, accurate, and in accordance with the program compliance requirements.
- PIH – We recommend the Department retain the review and approval documentation of disbursements.
- HVC – We recommend the Department retain supporting quality control documentation for the approval of HAP payments.
- HOME – We recommend the Department retain the review and approved documentation of disbursements.

View of Responsible Officials and Corrective Action Plan

- PIH – Effective 6/22/15, the Department began a peer to peer file review process which will strengthen our internal controls related processing of Public Housing 50058's.
- HVC – This is related to last year's finding, the Department inadvertently disposed of HAP PR's earlier than they should have been. We are now ensuring that all HAP PR's are retained for a sufficient period of time.
- HOME - The department currently and will continue to retain the review and approved documentation of disbursements in house and will work with outside departments to gather supporting documentation for disbursements.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Finding Reference: 2015-006

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Special Test and Provisions
Type of Finding:	Material Weakness in Internal Control and Material NonCompliance
Federal Program:	14.239 – Home Investment Partnership Program (HOME)

Condition/Context

There were no Housing Quality Standards (HQS) inspections performed during the year.

Criteria

HQS inspections should be properly performed by the Department in accordance with OMB A-133 requirements.

Effect

Non-compliance with OMB A-133 requirements.

Cause

The lack of HQS inspections were due to turnover within the Department.

Recommendation

We recommend the Department review its current monitoring process and implement a review control to ensure HQS inspections are properly performed in accordance with OMB A-133 requirements.

View of Responsible Officials and Corrective Action Plan

Staffing levels have been increased and HQS inspections are commencing in March of 2016 with two monitoring projects being completed per month, which will include HQS inspections.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section III – Federal Award Findings and Questioned Costs Section (Continued)

Finding Reference: 2015-007

Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Earmarking
Type of Finding:	Significant Deficiency in Internal Control and NonCompliance
Federal Program:	20.500, 20.507, 20.526 – Federal Transit Cluster

Condition/Context

We were unable to verify who reviewed and approved the annual Federal Transit Authority (FTA) section 5307 security funds expended summary form. We were unable to recalculate the 5307 amount expended and reported for public transportation security projects.

Criteria

Per the A-102 Common Rule and OMB Circular A-110, these require that non-Federal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Effect

Earmarking compliance requirements may not be complete, accurate, and in accordance with OMB A-133 requirements.

Cause

The lack of documentation was due to turnover within the Department.

Recommendation

We recommend the Department to review its current procedures to ensure all federal funding with earmarking requirements are monitored and documentation maintained in accordance with the grant agreement and OMB A-133 requirements.

View of Responsible Officials and Corrective Action Plan

The department will require the contractor to submit monthly documentation to report whether or not 5307 funds for safety and security were expended during said timeframe. If applicable expenditures were incurred, detailed supporting documents will be submitted to the department for review and concurrence.

The department's policy and procedure bulletin, *FTA Grant Administration Reporting Requirements*, #3.01, dated April 14, 2014, is in-process of being enhanced to reflect this new procedure.

Questioned Costs

None

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section IV – Prior Year Federal Award Findings

Finding Reference: 2014-004

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Reporting
Type of Finding:	Compliance - Other Matter
Federal Program:	14.218 - CDBG Entitlement Grants Cluster

Condition/Context

Line 35 of the Consolidated Annual Performance and Evaluation Report (CAPER) was calculated incorrectly.

Current Year Status

Resolved

Finding Reference: 2014-005

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Compliance - Other Matter
Federal Program:	14.850 – Public and Indian Housing

Condition/Context

For 1 of the 40 payrolls tested, wages were not allocated to the proper fund within the program based on the approved labor distribution profile.

Current Year Status

Resolved

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section IV – Prior Year Federal Award Findings (Continued)

Finding Reference: 2014-006

Federal Agency:	U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Transportation
Compliance Requirement:	Program Income, Eligibility, Allowable Costs/Cost Principles, and Cash Management
Type of Finding:	Significant Deficiency in Internal Control
Federal Program:	14.850 – Public and Indian Housing (PIH), 14.871, 14.879 – Housing Voucher Cluster (HVC), 20.205 – Highway Planning and Construction Cluster (HPCC)

Condition/Context

Departments lack documentation of review processes for several programs as follows:

- PIH – Unable to verify who reviewed the annual reexamination packages for 2 of the 40 tested.
- HVC – Unable to verify who reviewed the enrollment packages for 6 of 40 packets tested.
- HVC – Evidence of a quality control review was not available for inspection for 16 of the 60 items tested.
- HPCC – Unable to verify the review and approval of several grant reimbursement requests for 3 of the 3 months tested.

Current Year Status

Resolved PIH and HPCC. Not resolved for HVC. See Finding 2015-005 for current year finding.

Finding Reference: 2014-007

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Eligibility
Type of Finding:	Compliance - Other Matter
Federal Program:	14.871, 14.879 – Housing Voucher Cluster

Condition/Context

For 1 of the 40 tested participants, the income used to determine the tenant's rent did not include overtime wages. Verification of assets was not performed for 1 of 40 participants tested.

Current Year Status

Resolved

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section IV – Prior Year Federal Award Findings (Continued)

Finding Reference: 2014-008

Federal Agency:	U.S. Department of Housing and Urban Development (HUD)
Compliance Requirement:	Special Tests and Provisions - Waiting List, Eligibility, Special Tests and Provisions – Depository Agreements
Type of Finding:	Compliance - Other Matter
Federal Program:	14.871, 14.879 – Housing Voucher Cluster (HVC), 14.850 – Public and Indian Housing (PIH)

Condition/Context

Department lack of documentation as follows:

- HVC - 1 of the 25 tested applicants did not have supporting documentation that applicant was properly selected from the waiting list.
- HVC - 1 of the 40 tested participants did not sign the voucher retained in the tenant file.
- HVC and PIH - There was no supporting documentation that a depository agreement was in place during the fiscal year.

Current Year Status

Resolved

Finding Reference: 2014-009

Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Material Weakness in Internal Control
Federal Program:	20.500, 20.507, 20.526 – Federal Transit Cluster

Condition/Context

We were unable to verify review and approval of exempt and non-exempt employee's time charged to the program for 29 of the 40 selected.

Current Year Status

Resolved

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

Section IV – Prior Year Federal Award Findings (Continued)

Finding Reference: 2014-010

Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Compliance – Other Matter
Federal Program:	20.500, 20.507, 20.526 – Federal Transit Cluster

Condition/Context

Unallowable costs of \$3,019 were charged to the program.

Current Year Status

Resolved

Finding Reference: 2014-011

Federal Agency:	U.S. Department of Transportation
Compliance Requirement:	Earmarking
Type of Finding:	Significant Deficiency in Internal Control and Compliance – Other Matter
Federal Program:	20.500, 20.507, 20.526 – Federal Transit Cluster

Condition/Context

We were unable to obtain supporting documentation to test earmarking compliance.

Current Year Status

Not Resolved. See Finding 2015-007 for current year finding.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
US Department of Agriculture									
092	Subrecipient	10.664	USDA	Cooperative Forestry Assistance	Arizona State Forestry Division	CCG 13-1305	11,000.00	7,665.00	-
				10.664			11,000.00	7,665.00	-
				Total US Department of Agriculture			11,000.00	7,665.00	-
Department Housing Urban Development (HUD)									
076	Direct	14.231	HUD	Emergency Solutions Grants Program	-	E11MC040505	424,973.00	2,623.51	2,623.51
076	Direct	14.231	HUD	Emergency Solutions Grants Program	-	E12MC040505	484,731.00	29,992.86	23,221.91
076	Direct	14.231	HUD	Emergency Solutions Grants Program	-	E13MC040505	372,387.00	107,674.55	79,745.55
076	Direct	14.231	HUD	Emergency Solutions Grants Program	-	E14MC040505	424,994.00	283,729.50	282,209.68
				14.231			1,707,085.00	424,020.42	387,800.65
076	Subrecipient	14.235	HUD	Supportive Housing Program	From Southern AZ Aids Foundation PHOP	AZ0040L9T011205	125,280.00	15,143.00	-
076	Subrecipient	14.235	HUD	Supportive Housing Program	From Southern AZ Aids Foundation PHOP	AZ0040L9T011407	121,824.00	71,566.38	-
076	Subrecipient	14.235	HUD	Supportive Housing Program	From Southern AZ Aids Foundation PHOP	AZ0041L9T011205	46,872.00	13,760.71	-
076	Subrecipient	14.235	HUD	Supportive Housing Program	From Southern AZ Aids Foundation PHOP	AZ0041L9T011407	45,576.00	24,824.19	-
				14.235			339,552.00	125,294.28	-
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	M11-DC040229	3,912,311.00	1,264,405.52	1,264,405.52
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	M12-DC040229	2,494,633.00	1,258,138.03	1,258,138.03
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	M13-DC040229	2,507,550.00	524,557.32	524,557.32
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	M14-DC040229	2,625,360.00	965,405.04	584,181.46
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	M15-DC040229	2,375,365.00	68,993.98	-
074	Direct	14.239	HUD	Home Investment Partnerships Program	-	EL Portal OP	15,383.40	198,975.46	-
				14.239			13,930,602.40	4,280,475.35	3,631,282.33
076	Direct	14.241	HUD	Housing Opportunities for Persons with AIDS	-	AZH-13-F002	433,227.00	104,869.58	103,153.54
076	Direct	14.241	HUD	Housing Opportunities for Persons with AIDS	-	AZH-14-F002	453,077.00	351,132.83	277,867.53
076	Subrecipient	14.241	HUD	Housing Opportunities for Persons with AIDS	From Pima County HOPWA	CT-CD-15*209	957,424.00	202,493.84	-
				14.241			1,843,728.00	658,496.25	381,021.07
025	Subrecipient	14.256	HUD	(ARRA) Neighborhood Stabilization Program	Pima County	EL Portal OP	-	82,946.75	-
				14.256			-	82,946.75	-
076	Direct	14.267	HUD	Continuum of Care Program	-	AZ0025L9T011306	657,190.00	656,962.47	549,840.00
076	Direct	14.267	HUD	Continuum of Care Program	-	AZ0025L9T011407	657,190.00	622.09	-
076	Direct	14.267	HUD	Continuum of Care Program	-	AZ0147L9T011300	61,535.00	28,780.14	27,627.49
076	Direct	14.267	HUD	Continuum of Care Program	-	AZ0038L9T011306	127,449.00	124,509.08	121,848.50
076	Direct	14.267	HUD	Continuum of Care Program	-	AZ0038L9T011407	123,225.00	8,973.22	8,658.34
076	Direct	14.267	HUD	Continuum of Care Program - Shelter Plus Care	-	AZ0106L9T011305	669,015.00	576,748.81	555,154.94
076	Direct	14.267	HUD	Continuum of Care Program - Shelter Plus Care	-	AZ0106L9T011406	647,151.00	1,633.36	-
076	Direct	14.267	HUD	Continuum of Care Program - Shelter Plus Care	-	AZ0044L9T011306	750,716.00	727,387.80	704,054.40
076	Direct	14.267	HUD	Continuum of Care Program - Shelter Plus Care	-	AZ0044L9T011407	726,236.00	53,944.27	51,516.24
				14.267			4,419,707.00	2,179,561.24	2,018,699.91
110	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-30011014D	475,634.00	237,266.86	-
110	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-30011015D	327,575.00	246,790.00	-
111	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-40011114D	600,822.00	299,715.43	-
111	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-40011115D	398,082.00	299,922.00	-
112	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-50011214D	726,106.00	362,212.86	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
112	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-50011215D	508,561.00	383,637.00	-
113	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-60011314D	610,974.00	304,530.86	-
113	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-60011315D	453,055.00	341,062.00	-
114	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00004814D	1,153,310.00	574,893.71	-
114	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00004815D	712,249.00	536,175.00	-
115	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-10011514D	104,925.00	52,291.29	-
115	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-10011515D	76,873.00	57,971.00	-
117	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00005114D	537,954.00	268,354.29	-
117	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00005115D	345,317.00	259,572.00	-
118	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00604014D	125,712.00	62,710.29	-
118	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00604015D	78,541.00	59,302.00	-
119	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00006514D	77,032.00	38,426.29	-
119	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-00006515D	50,509.00	37,976.00	-
120	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-70012014D	232,027.00	115,673.29	-
120	Direct	14.850	HUD	Public and Indian Housing	-	AZ004-70012015D	148,651.00	111,713.00	-
				14.850			7,743,909.00	4,650,195.17	-
076	Direct	14.870	HUD	Resident Opportunity and Supportive Services	-	AZ004RPS102A013	240,000.00	28,958.83	-
				14.870			240,000.00	28,958.83	-
076	Direct	14.896	HUD	Family Self-Sufficiency Program	-	AZ004FSH036A014	204,956.00	110,905.14	-
				14.896			204,956.00	110,905.14	-
076	Direct	14.877	HUD	Public Housing Family Self-Sufficiency Resident	-	AZ004RFS017A013	68,680.00	44,174.89	-
				14.877			68,680.00	44,174.89	-
122	Direct	14.900	HUD	Lead-Based Paint Hazard Control in Privately-Owned	-	AZLHB051612	2,480,000.00	916,056.25	56,966.72
				14.900			2,480,000.00	916,056.25	56,966.72
025	Direct	14.218	HUD	Community Development Block Grants/Entitlement	-	B-08-MN-04-0507	7,286,911.00	256,205.26	243,381.95
025	Direct	14.218	HUD	(HERA) Neighborhood Stabilization Program Grant	-	EI Portal OP	-	100,279.18	-
025	Direct	14.218	HUD	(HERA) Neighborhood Stabilization Program Grant	-	NSP1 PI Spent	-	352,205.20	332,716.24
025	Direct	14.218	HUD	(HERA) Neighborhood Stabilization Program Grant	-	B11-MN-04-0507	2,083,771.00	34,230.00	24,993.17
025	Direct	14.218	HUD	(HERA) Neighborhood Stabilization Program Grant	-	EL Portal OP	-	161,723.31	-
025	Direct	14.218	HUD	(HERA) Neighborhood Stabilization Program Grant	-	NSP3 PI Spent	-	154,297.41	268,791.68
025	Direct	14.218	HUD	Community Development Block Grants/Entitlement	-	B-12-MC-040505	5,104,483.00	629,881.14	114,274.20
025	Direct	14.218	HUD	Community Development Block Grants/Entitlement	-	B-13-MC-040505	5,231,416.00	4,310,182.67	1,058,611.39
026	Direct	14.218	HUD	Community Development Block Grants/Entitlement	-	B-14-MC-040505	5,113,873.00	1,391,436.22	34,149.68
025	Subrecipient	14.218	HUD	(HERA) Neighborhood Stabilization Program	Pima County	EL Portal OP	-	65,750.87	-
				14.218			24,820,454.00	7,456,191.26	2,076,918.31
073	Direct	14.856	HUD	Lower Income Housing Assistance - Section 8	-	AZ004-MOD I	15,442.00	15,442.00	-
073	Direct	14.856	HUD	Lower Income Housing Assistance - Section 8	-	AZ004-MOD II	167,099.00	167,099.00	-
073	Direct	14.856	HUD	Lower Income Housing Assistance - Section 8	-	AZ004-MOD III	237,270.00	237,270.00	-
				14.856			419,811.00	419,811.00	-
				Total Section 8 Project Cluster			419,811.00	419,811.00	-
073	Direct	14.871	HUD	Section 8 Housing Choice Vouchers	-	AZ004-TUC	29,322,406.36	29,322,406.36	-
073	Direct	14.871	HUD	Section 8 Housing Choice Vouchers	-	AZ004-FSS	69,158.84	69,158.84	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
073	Direct	14.871	HUD	Section 8 Housing Choice Vouchers	-	AZ033-PIMA	5,363,629.96	5,363,629.96	-
					14.871		34,755,195.16	34,755,195.16	-
073	Direct	14.879	HUD	Mainstream Vouchers	-	AZ033-MS	200,273.08	200,273.08	-
					14.879		200,273.08	200,273.08	-
				Total Housing Voucher Cluster			34,955,468.24	34,955,468.24	-
110-120	Direct	14.872	HUD	Public Housing Capital Fund	-	AZ20P004501-13	1,374,842.00	565,777.54	-
110-120	Direct	14.872	HUD	Public Housing Capital Fund	-	AZ20P004501-14	1,294,901.00	665,276.09	-
110-120	Direct	14.872	HUD	Public Housing Capital Fund	-	AZ20P004501-15	1,303,715.00	-	-
					14.872		3,973,458.00	1,231,053.63	-
Total Department Housing Urban Development							97,147,410.64	57,563,608.70	8,552,688.99
Department of the Interior (DOI)									
092	Subrecipient	15.904	DOI	Historic Preservation Fund Grants-In-Aid	Arizona State Parks Board	P13AF00142	20,000.00	5,000.00	-
092	Subrecipient	15.904	DOI	Historic Preservation Fund Grants-In-Aid	Arizona State Parks Board	AZ-13-016	10,000.00	9,000.00	-
092	Subrecipient	15.904	DOI	Historic Preservation Fund Grants-In-Aid	Arizona State Parks Board	AZ-13-021	30,000.00	26,500.00	-
					15.904		60,000.00	40,500.00	-
Total Department of the Interior							60,000.00	40,500.00	-
Department of Justice (DOJ)									
092	Direct	16.013	DOJ	Violence Against Women Court Training/Improvement	Department of Justice (DOJ)	2012-WC-AX-0006	430,899.00	176,017.83	-
					16.013		430,899.00	176,017.83	-
092	Subrecipient	16.523	DOJ	Juvenile Accountability Block Grants	Z Governors Office for Children, Youth, and Fam.	JB-CSG-14-4365-10	40,838.00	7,869.31	-
					16.523		40,838.00	7,869.31	-
092	Subrecipient	16.543	DOJ	Missing Children's Assistance	Phoenix Police Department	21SY FY15/16	15,000.00	5,192.49	-
					16.543		15,000.00	5,192.49	-
092	Direct	16.580	DOJ	BJA CNA Title 3	Department of Justice (DOJ)	2010-DD-BX-0564	400,000.00	173,456.32	-
					16.580		400,000.00	173,456.32	-
092	Subrecipient	16.607	DOJ	Bulletproof Vest Partnership Program	State of AZ Attorney General Office	1121-0235	101,019.05	17,494.12	-
					16.607		101,019.05	17,494.12	-
090	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	-	2010-UL-WX-0027	12,375,850.00	2,264,894.18	-
092	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	Department of Justice (DOJ)	2011-UL-WX-0001	6,187,850.00	2,076,013.83	-
092	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	Drug Enforcement Admin	21PZ08DH-10	17,202.25	7,022.58	-
092	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	Drug Enforcement Admin	AZ DEA 21QA	17,202.25	2,759.63	-
092	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	Department of Justice (DOJ)	DEA 21RY	17,374.25	17,374.25	-
092	Direct	16.710	DOJ	Public Safety Partnership/Community Policing	Drug Enforcement Admin	DEA 21SN	17,374.25	15,073.58	-
					16.710		18,632,853.00	4,383,138.05	-
092	Subrecipient	16.741	DOJ	DNA Backlog Reduction Program	AZ Criminal Justice Commission	DNB-13-004	148,133.00	80,237.99	-
092	Direct	16.741	DOJ	DNA Backlog Reduction Program	National Institute of Justice	2013-DN-BX-0119	199,799.00	153,145.57	-
					16.741		347,932.00	233,383.56	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	DC-13-034	315,018.00	236,263.00	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	Office of Justice Programs	2011-DJ-BX-3033	473,547.00	78,416.49	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	DC-13-020	66,896.00	14,638.00	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	2012-DJ-BX-0877	377,901.00	93,468.54	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Bureau of Justice Assistance	DC-14-023	762,162.00	83,327.27	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Bureau of Justice Assistance	2013-DJ-BX-1165	349,799.00	126,299.44	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	DC-15-013	756,637.00	302,655.00	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	DC-15-071	43,558.00	12,303.59	-
092	Subrecipient	16.738	DOJ	Edward Byrne Memorial Justice Assistance	AZ Criminal Justice Commission	2014-DJ-BX-1126	385,004.00	58,467.15	-
16.738							3,530,522.00	1,005,838.48	-
Total Department of Justice							23,398,044.00	6,002,390.16	-

Department of Transportation (DOT)

092	Subrecipient	20.608	DOT	Minimun Penalties for Repeat Offenders for DWI	From AZ Department of Transportation	2014-164-018	25,000.00	24,665.13	-
092	Subrecipient	20.608	DOT	Minimun Penalties for Repeat Offenders for DWI	National Highway Traffic Safety Admin	2014-164-107	94,000.00	83,192.76	-
20.608							119,000.00	107,857.89	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(225)	50,000.00	4,175.28	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	HSIP-TUC-0(243)	800,000.00	2,341.23	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TUC SZ084 01C	750,000.00	405,475.10	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(259)D	75,000.00	64,354.22	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(260)D	400,000.00	72,987.89	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From Pima Association of Governments	PAG OWP	450,000.00	280,202.15	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	PAG OWP	10,000.00	26,141.03	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From Pima Association of Governments	PAG OWP - N/A	450,000.00	75,763.51	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From Pima County	STP-TUC-0(227)A	511,952.00	252,387.44	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TEA-TUC-0(234)A	75,000.00	67,081.45	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TAP TUC-0(237)D	75,000.00	74,845.50	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TEA-TUC-0(054)A	113,500.00	11,555.47	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(226)	2,512,348.00	922,967.35	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(250)	1,200,000.00	453,698.11	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TEA-TUC-0(218)D	38,086.00	39,987.90	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	HPP-TUC-0(238)	1,266,380.00	79,210.13	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TEA-TUC-0(219)D	131,631.00	39,611.20	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP TUC-0 (228)	166,911.00	1,130.11	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	HSIP-TUC 0(247)	70,725.00	16,667.00	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	HPS-TUC-0(205)A	617,588.00	9,187.00	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(228)A	277,020.00	81,627.32	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(204)X	3,015,537.00	623,006.33	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP TUC-0 (244)	500,167.20	846.81	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(213)	425,000.00	8,896.04	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	SRS-TUC-0(255)	201,000.00	992.01	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TEA-SRS TUC-0(251)	97,000.00	52,490.69	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	SRTS TUC-0 (245)	89,000.00	13,197.07	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	SRS 999-A(347)	55,355.00	37,917.01	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	SRS TUC-0(248)	59,200.00	22,087.07	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	HPP TUC-0(201)A	1,466,698.00	115,682.26	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	TCSP-TUC-0(241)	651,846.83	164,118.67	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(256)	99,958.00	10,014.19	-
091	Subrecipient	20.205	DOT	Highway Planning and Construction	From AZ Department of Transportation	STP-TUC-0(261)D	250,000.00	11,172.46	-
				20.205			16,951,903.03	4,041,817.00	-
				Total Highway Planning and Construction Cluster			16,951,903.03	4,041,817.00	-
095	Direct	20.500	DOT	Federal Transit Capital Investment Grants	-	AZ-04-0023	5,617,650.00	999,779.86	-
095	Direct	20.500	DOT	Federal Transit Capital Investment Grants	-	AZ-03-0044	6,639,832.00	1,361,273.87	-
095	Direct	20.500	DOT	Federal Transit Capital Investment Grants	-	AZ-03-0047	6,893,201.00	64,124.98	-
				20.500			19,150,683.00	2,425,178.71	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-95-X014	9,700,000.00	7,067.33	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-95-X022	4,012,440.00	974.00	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X078	9,737,468.00	48,320.08	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X100	11,241,976.00	34,924.14	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X113	12,104,359.00	100,192.99	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X116	10,183,953.00	12,879.99	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X119	11,654,940.00	291,453.77	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X126	7,403,600.00	5,293,609.58	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X130	8,961,921.00	1,078,068.89	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-90-X134	13,662,475.00	7,057,134.35	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-95-X020	1,568,248.00	1,568,247.47	-
095	Direct	20.507	DOT	Federal Transit Formula Grants	-	AZ-95-X025	1,352,197.00	1,352,196.46	-
				20.507			101,583,577.00	16,845,069.05	-
095	Direct	20.526	DOT	Bus and Bus Facilities Formula Program	-	AZ-34-0001	1,449,798.00	1,441,281.05	-
				20.526			1,449,798.00	1,441,281.05	-
				Total Federal Transit Cluster			122,184,058.00	20,711,528.81	-
095	Direct	20.513	DOT	Enhanced Mobility - Seniors/Disabilities	-	AZ-16-X001	1,058,235.00	200,000.00	-
				20.513			1,058,235.00	200,000.00	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X009	441,408.00	28,837.00	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X016	504,066.00	164,779.00	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X020	591,641.00	67,697.82	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X021	565,678.00	28,283.52	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X023	1,135,051.00	450,368.82	-
095	Direct	20.516	DOT	Job Access And Reverse Commute Program	-	AZ-37-X012	465,290.00	66,997.00	-
				20.516			3,703,134.00	806,963.16	-
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X004	196,373.00	23,536.00	-
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X006	223,339.00	205,216.00	-
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X011	241,262.00	217,136.00	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X015	278,098.00	250,288.00	-
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X017	547,282.00	46,982.04	-
095	Direct	20.521	DOT	New Freedom Program	-	AZ-57-X019	277,535.00	13,877.00	-
				20.521			1,763,889.00	757,035.04	-
Total Transit Services Programs Cluster							6,525,258.00	1,763,998.20	-
091	Subrecipient	20.600	DOT	State and Community Highway Safety	From AZ Department of Transportation	TAP-TUC-0(253)D	257,439.00	114,705.82	-
091	Subrecipient	20.600	DOT	State and Community Highway Safety	From AZ Department of Transportation	TAP-TUC-0(252)D	99,958.00	19,912.61	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2014-TR-005	51,465.58	51,465.48	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2014-PS-003	32,000.00	23,423.71	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2014-AI-006 21QH	5,490.00	3,647.18	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2014-OP-002	35,000.00	16,923.68	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2014-APT-079	74,536.00	72,422.71	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015-PT-045	84,000.00	84,000.00	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015-AI-012	7,080.00	3,145.20	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015-PS-005	30,000.00	30,000.00	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015-OP-009	53,654.70	36,388.33	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015-AL-022	89,028.00	89,028.00	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015A-PS-0111	15,000.00	4,610.71	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015A PT 069	30,000.00	8,658.72	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015A 405d 039	140,000.00	138,344.28	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015A AI 014	45,400.00	42,934.20	-
092	Subrecipient	20.600	DOT	State and Community Highway Safety	AZ Governor's Office of Highway Safety	2015A CIOT 018	15,000.00	15,000.00	-
				20.600			1,065,051.28	754,610.63	-
092	Subrecipient	20.601	DOT	Alcohol Impaired Driving Countermeasures Incentive	AZ Governor's Office of Highway Safety	2014-410-006	143,000.00	14,294.77	-
092	Subrecipient	20.601	DOT	Alcohol Impaired Driving Countermeasures Incentive	AZ Governor's Office of Highway Safety	2014-410-031	7,000.00	7,000.00	-
				20.601			150,000.00	21,294.77	-
Total Highway Safety Cluster							1,215,051.28	775,905.40	-
Total Department of Transportation (DOT)							146,995,270.31	27,401,107.30	-
Environmental Protection Agency (EPA)									
081	Subrecipient	66.468	EPA	Capitalization for Drinking Water State	AZ WIFA	920213-12, 920222-12	-	2,358,778.81	-
				66.468			-	2,358,778.81	-
002	Direct	66.818	EPA	Brownfields Assessment and Cleanup Coop	-	BF-00T50201-1 G9000R00	200,000.00	51,764.34	-
002	Direct	66.818	EPA	Brownfields Assessment and Cleanup Coop	-	BF-00T50201-1 G9000Y00	200,000.00	6,940.74	-
002	Direct	66.818	EPA	Brownfields Assessment and Cleanup Coop	-	BF-99T19401-0 G9000R00	200,000.00	49,871.92	-
				66.818			600,000.00	108,577.00	-
Total Environmental Protection Agency							600,000.00	2,467,355.81	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
Department of Health and Human Services (HHS)									
092	Direct	93.234	HHS	Traumatic Brain Injury State Demonstration	Department of Health and Human Services	1H79T1024220-01	750,000.00	220,311.27	-
				93.234			750,000.00	220,311.27	-
092	Direct	93.243	HHS	Substance Abuse and Mental Health Services	Department of Health and Human Services	1H79SM061702-01	342,320.00	57,966.03	-
092	Direct	93.243	HHS	Substance Abuse and Mental Health Services	Department of Health and Human Services	1H79TI025026-01	319,902.00	66,200.86	-
				93.243			662,222.00	124,166.89	-
092	Subrecipient	93.262	HHS	Occupational Safety and Health Program	University of Arizona	1R01OH009469-01	74,960.00	4,810.64	-
092	Subrecipient	93.262	HHS	Occupational Safety and Health Program	University of Arizona	120,658.00	6,588.00	4,372.91	-
				93.262			81,548.00	9,183.55	-
Total Department of Health and Human Services (HHS)							1,493,770.00	353,661.71	-

Executive Office of the President (EOP)									
160	Direct	95.001	EOP	HIDTA 21	ONDCP	G11SA0007A	5,042,496.33	124,026.97	-
160	Direct	95.001	EOP	HIDTA 22	ONDCP	G12SA0007A	4,769,326.78	560,981.97	18,997.05
160	Direct	95.001	EOP	HIDTA 23	ONDCP	G13SA0007A	4,245,956.00	1,601,082.18	738,951.82
160	Direct	95.001	EOP	HIDTA 24	ONDCP	G14SA0007A	5,250,671.00	2,704,348.11	1,863,769.34
160	Direct	95.001	EOP	HIDTA 24	ONDCP	G15SA0007A	5,360,735.00	258,894.05	127,028.54
				95.001			24,669,185.11	5,249,333.28	2,748,746.75
Total Executive Office of the President							24,669,185.11	5,249,333.28	2,748,746.75

Department of Homeland Security (DHS)									
092	Direct	97.044	DHS	Assistance to Firefighters Grant	Department of Homeland Security	EMW-2013-FO-05888	319,770.00	287,792.63	-
				97.044			319,770.00	287,792.63	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	888418-01	136,108.00	80.29	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	130409-02	37,496.00	1,700.08	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	130409-03	359,872.00	149,779.20	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	130409-04	519,940.00	519,940.00	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-01	19,500.00	18,303.27	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-04	8,060.00	5,322.30	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-04	26,400.00	26,400.00	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-04	6,000.00	6,000.00	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-08	577,500.00	273,479.74	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	AZ Department of Homeland Security	140407-09	221,940.00	6,393.53	-

**CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Fund	Type	CFDA	Agency	Program Title	Grantor	Award Number	Award	Current Expenditures	Pass-Through
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	-	130408-3	50,400.00	18,823.37	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	-	130408-02	18,000.00	17,966.24	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	-	140406-01	81,600.00	46,171.24	-
092	Subrecipient	97.067	DHS	Homeland Security Grant Program	-	140406-02	46,592.00	45,972.77	-
				97.067			2,109,408.00	1,136,332.03	-
092	Direct	97.075	DHS	Rail and Transit Security Grant Program	Department of Homeland Security (DHS)	EMW-2011-RA-K00079-S01	306,264.00	218,640.86	-
				97.075			306,264.00	218,640.86	-
Total Department of Homeland Security (DHS)							2,735,442.00	1,642,765.52	-
GRAND TOTAL FEDERAL							297,110,122.06	100,728,387.48	11,301,435.74

CITY OF TUCSON, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City 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*. Because the Schedule presents only a portion of the operations of the City, it is not intended to and does not present the financial position, results of operations and cash flows of the City of Tucson, Arizona.

NOTE 2 CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the Catalog of Federal Domestic Assistance.

NOTE 3 TAXABLE CERTIFICATES OF PARTICIPATION, BUILD AMERICA BOND PROGRAM AND QUALIFIED ENERGY CONSERVATION BONDS

The City of Tucson Taxable Certificates of Participation Series 2010-A has a Build America Bonds (BAB's) subsidy and a Qualified Energy Conservation Bonds (QECB) subsidy. The purpose of the Build America Bonds is to reduce the cost of borrowing for state and local issuers and governmental agencies. BAB's are taxable municipal bonds which carry special tax credits and federal subsidies. They are not considered federal awards in accordance with OMB Circular A-133, therefore, not included in the schedule. In fiscal year 2015, total BABS interest subsidy received for Series 2010-A was \$816,349 and the QECB interest subsidy received for Series 2010-A was \$207,628.

The City of Tucson Taxable Certificates of Participation Series 2011 includes a QECB subsidy. The Energy Improvement and Extension Act of 2008, authorized the issuance of Qualified Energy Conservation Bonds (QECBs) that may be used to finance certain types of energy projects. In fiscal year 2015, the City received a QECB interest subsidy from the Department of the Treasury in the amount of \$21,533.

NOTE 5 PASS – THROUGH

Represents amounts received from direct or subrecipient (indirect) awards passed through the City of Tucson to an external entity.

This information is an integral part of the accompanying schedule.