



City of Tucson, Arizona
Single Audit Reporting Package
Year Ended June 30, 2019

**CITY OF TUCSON, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2019**

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**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***

Independent Auditor's Report

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, the and the aggregate remaining fund information of City of Tucson, Arizona, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of Tucson, Arizona's basic financial statements, and have issued our report thereon dated March 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Tucson, Arizona'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 City of Tucson, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Tucson, Arizona'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 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Tucson, Arizona'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 of Tucson, Arizona's Response to Finding

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

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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 27, 2020

**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**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited City of Tucson, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Tucson, Arizona's major federal programs for the year ended June 30, 2019. City of Tucson, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Tucson, Arizona'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 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 City of Tucson, Arizona'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 City of Tucson, Arizona's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Tucson, Arizona 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 identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of City of Tucson, Arizona 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 City of Tucson, Arizona'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 City of Tucson, Arizona'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 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002, that we consider to be significant deficiencies.

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

City of Tucson, Arizona is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. City of Tucson, Arizona's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on it.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tucson, Arizona as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of Tucson, Arizona's basic financial statements. We issued our report thereon dated March 27, 2020, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
May 21, 2020

CITY OF TUCSON, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-14-MC040505			\$422,414	\$482,483	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-15-MC040505			\$227,758	\$419,181	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-16-MC040505			\$271,672	\$271,672	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-17-MC040505			\$390,023	\$405,655	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-18-MC 040505			\$847,058	\$1,820,587	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	B-11-MN-040507				\$8,715	\$3,408,293	CDBG - ENTITLEMENT GRANTS CLUSTER	\$3,408,293
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	E16MCO40505				\$86,819	\$666,021	N/A	\$0
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	E17MCO40505				\$245,240	\$666,021	N/A	\$0
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	E18MCO40505				\$333,962	\$666,021	N/A	\$0
SHELTER PLUS CARE	14.238	AZ0044L9T011710				\$468,476	\$937,569	N/A	\$0
SHELTER PLUS CARE	14.238	AZ0106L9T011709				\$469,093	\$937,569	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M14-DC040229			\$51,908	\$62,282	\$2,176,729	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M15-DC040229			\$1,040,000	\$1,040,000	\$2,176,729	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M16-DC040229			\$84,179	\$106,893	\$2,176,729	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M17-DC040229			\$400,192	\$538,746	\$2,176,729	N/A	\$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239	M18-DC040229			\$315,033	\$428,808	\$2,176,729	N/A	\$0
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	AZH16F002				\$31,836	\$518,830	N/A	\$0
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	AZH17F002				\$33,640	\$518,830	N/A	\$0
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	AZH18F002				\$453,354	\$518,830	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0200L9T011800				\$62,127	\$583,877	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0038L9T011710				\$105,104	\$583,877	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0161L9T011702				\$181,539	\$583,877	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0147L9T011703				\$31,680	\$583,877	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0147L9T011804				\$10,726	\$583,877	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267	AZ0161L9T011601				\$192,701	\$583,877	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-30011017D				\$523	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-30011018D				\$276,207	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-30011019D				\$275,166	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-40011117D				\$694	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-40011118D				\$348,918	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-40011119D				\$369,987	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-50011217D				\$831	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-50011218D				\$444,937	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-50011219D				\$460,878	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-60011317D				\$713	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-60011318D				\$413,507	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-60011319D				\$416,689	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00004817D				\$1,039	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00004818D				\$585,032	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00004819D				\$650,936	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-10011517D				\$110	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-10011518D				\$60,144	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-10011519D				\$64,881	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00005117D				\$542	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00005118D				\$295,512	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00005119D				\$310,404	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00604017D				\$152	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00604018D				\$81,225	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00604019D				\$87,834	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00006517D				\$85	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00006518D				\$45,042	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-00006519D				\$43,052	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-70012017D				\$231	\$5,484,804	N/A	\$0

PUBLIC AND INDIAN HOUSING	14.850	AZ004-70012018D		\$119,727	\$5,484,804	N/A	\$0
PUBLIC AND INDIAN HOUSING	14.850	AZ004-70012019D		\$129,806	\$5,484,804	N/A	\$0
LOWER INCOME HOUSING ASSISTANCE PROGRAM_SECTION 8 MODERATE REHABILITATION	14.856	AZ004-MOD III		\$73,509	\$152,418	SECTION 8 PROJECT-BASED CLUSTER	\$152,418
LOWER INCOME HOUSING ASSISTANCE PROGRAM_SECTION 8 MODERATE REHABILITATION	14.856	AZ004-MOD I		\$22,038	\$152,418	SECTION 8 PROJECT-BASED CLUSTER	\$152,418
LOWER INCOME HOUSING ASSISTANCE PROGRAM_SECTION 8 MODERATE REHABILITATION	14.856	AZ004-MOD II		\$56,871	\$152,418	SECTION 8 PROJECT-BASED CLUSTER	\$152,418
RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES - SERVICE COORDINATORS	14.870	ROSS171075		\$71,306	\$71,306	N/A	\$0
SECTION 8 HOUSING CHOICE VOUCHERS	14.871	AZ033-PIMA		\$5,607,819	\$36,059,823	HOUSING VOUCHER CLUSTER	\$36,238,914
SECTION 8 HOUSING CHOICE VOUCHERS	14.871	AZ004-TUC		\$30,452,004	\$36,059,823	HOUSING VOUCHER CLUSTER	\$36,238,914
PUBLIC HOUSING CAPITAL FUND	14.872	AZ20P004501-15		\$114,347	\$637,817	N/A	\$0
PUBLIC HOUSING CAPITAL FUND	14.872	AZ20P004501-16		\$164,754	\$637,817	N/A	\$0
PUBLIC HOUSING CAPITAL FUND	14.872	AZ20P004501-17		\$358,716	\$637,817	N/A	\$0
MAINSTREAM VOUCHERS	14.879	AZ033-MS		\$179,091	\$179,091	HOUSING VOUCHER CLUSTER	\$36,238,914
FAMILY SELF-SUFFICIENCY PROGRAM	14.896	FSS17AZ0453		\$135,462	\$228,987	N/A	\$0
FAMILY SELF-SUFFICIENCY PROGRAM	14.896	FSS18AZ0503		\$93,525	\$228,987	N/A	\$0
LEAD-BASED PAINT HAZARD CONTROL IN PRIVATELY-OWNED HOUSING	14.900	AZLHB061416		\$1,106,256	\$1,106,256	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				\$4,050,237	\$52,211,821		

DEPARTMENT OF THE INTERIOR

HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904	ARIZONA STATE PARKS BOARD	P13AF00142 / AZ-13-021	\$3,500	\$5,324	N/A	\$0
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904	ARIZONA STATE PARKS BOARD	P18AF00142/AZ-18-10013	\$1,824	\$5,324	N/A	\$0
TOTAL DEPARTMENT OF THE INTERIOR					\$5,324		

DEPARTMENT OF JUSTICE

JUSTICE SYSTEMS RESPONSE TO FAMILIES	16.021	2015-FJ-AX-0008		\$51,378	\$140,235	\$140,235	N/A	\$0	
OFFICE ON VIOLENCE AGAINST WOMEN SPECIAL PROJECTS	16.029	2017-TA-AX-K006			\$7,809	\$7,809	N/A	\$0	
SERVICES FOR TRAFFICKING VICTIMS	16.320	2015-VT-BX-K048			\$153,228	\$153,228	N/A	\$0	
NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	16.554		ARIZONA DEPARTMENT OF JUSTICE	NCP-11-12-001		-\$2,923	N/A	\$0	
GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM	16.590	2018-WE-AX-0007			\$157,178	\$157,178	N/A	\$0	
PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	16.710	2010CSWX0005			\$5,924	\$5,924	N/A	\$0	
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-19-033		\$90,802	\$687,246	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-19-071		\$17,967	\$687,246	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-19-013	\$64,955	\$231,669	\$687,246	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2017-DJ-BX-0407			\$76,342	\$687,246	N/A	\$0	
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2015-DJ-BX-0945		\$7,885	\$97,881	\$687,246	N/A	\$0	
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	2016-DJ-BX-0809		\$114,688	\$173,371	\$687,246	N/A	\$0	
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738		ARIZONA CRIMINAL JUSTICE COMMISSION	DC-14-001		-\$786	\$687,246	N/A	\$0
DNA BACKLOG REDUCTION PROGRAM	16.741	2018-DN-BX-0207			\$32,544	\$280,605	N/A	\$0	
DNA BACKLOG REDUCTION PROGRAM	16.741	2016-DN-BX-0069			\$139,497	\$280,605	N/A	\$0	
DNA BACKLOG REDUCTION PROGRAM	16.741	2017-DN-BX-0048			\$108,564	\$280,605	N/A	\$0	
PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	16.742		ARIZONA CRIMINAL JUSTICE COMMISSION	CV 18-19-006		\$9,411	\$9,411	N/A	\$0
BODY WORN CAMERA POLICY AND IMPLEMENTATION	16.835	2017-BC-BX-0055		\$58,758	\$234,433	\$234,433	N/A	\$0	
TOTAL DEPARTMENT OF JUSTICE				\$297,664	\$1,673,146				

DEPARTMENT OF TRANSPORTATION

HIGHWAY PLANNING AND CONSTRUCTION	20.205		PIMA ASSOCIATION OF GOVERNMENTS	STP-TUC-0(259)D	\$336	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	PAG OWP	\$257,853	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	TEA-TUC 0 (234) A	\$590,263	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	TAP TUC-0(237)D	\$7,488	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	STP-TUC-0(250)	\$30,521	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	STP TUC-0 (228)	\$30,258	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393

HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	STP-TUC-0(204)X	\$105,181	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	TUC-0(264)D	\$97,744	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	SRS-TUC-0(251)	\$737,966	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	SRTS TUC-0 (245)	\$376,381	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	SRS TUC-0(248)	\$457,075	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	HPP TUC-0(201)A	\$4,116,703	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	TCSP-TUC-0(241)	\$4,628,570	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
HIGHWAY PLANNING AND CONSTRUCTION	20.205		ARIZONA DEPARTMENT OF TRANSPORTATION	TUC-0(214)-SL624	\$796,054	\$12,232,393	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$12,232,393
FEDERAL TRANSIT_CAPITAL INVESTMENT GRANTS	20.500	AZ-03-0047			\$2,145	\$2,145	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X100			\$21,358	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2018-022			\$2,818,824	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2018-012			\$4,272,425	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2019-002			\$6,717,176	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X119			\$1,971	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X126			\$53,273	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X130			\$60,046	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X134			\$88,078	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X140			\$67,805	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2018-024			\$1,571	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2018-021			\$1,408,821	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-95-X032			\$602,167	\$16,113,515	FEDERAL TRANSIT CLUSTER	\$17,402,978
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	GRT-18-0007123-T			\$200,000	\$200,000	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
JOB ACCESS AND REVERSE COMMUTE PROGRAM	20.516	AZ-37-X020				\$164,512	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
JOB ACCESS AND REVERSE COMMUTE PROGRAM	20.516	AZ-37-X021				\$91,772	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
NEW FREEDOM PROGRAM	20.521	AZ-57-X004				\$8,020	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
NEW FREEDOM PROGRAM	20.521	AZ-57-X017				\$141,647	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
NEW FREEDOM PROGRAM	20.521	AZ-57-X019				\$21,679	TRANSIT SERVICES PROGRAMS CLUSTER	\$627,630
BUS AND BUS FACILITIES FORMULA PROGRAM	20.526	AZ-34-0008				\$1,287,318	FEDERAL TRANSIT CLUSTER	\$17,402,978
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA DEPARTMENT OF TRANSPORTATION	STP-TUC-0(260)D	\$165,241	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA DEPARTMENT OF TRANSPORTATION	SRS 999-M(91)	\$31,171	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA DEPARTMENT OF TRANSPORTATION	TAP-TUC-0(252)D	\$6,079	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-AI-006	\$9,897	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-PTS-057	\$11,736	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-PTS-056	\$65,620	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-AI-010	\$2,130	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-AI-011	\$1,751	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-OP-018	\$14,912	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-PTS-071	\$1,486	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-OP-015	\$14,942	\$324,965	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) DISCRETIONARY SAFETY GRANTS	20.614		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-PB-009	\$56,081	\$56,081	N/A	\$0
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-CIOT-026	\$11,133	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-409D-043	\$75,725	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-405B-013	\$21,249	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284

NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2019-405H-020	\$85,419	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-405D-064	\$70,386	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-405D-052	\$7,407	\$285,331	HIGHWAY SAFETY CLUSTER	\$596,284
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		AZ GOVERNOR'S OFFICE OF HIGHWAY SAFETY	2018-405H-018	\$14,012	\$285,331	N/A	\$0
TOTAL DEPARTMENT OF TRANSPORTATION					\$200,000	\$30,929,378		
ENVIRONMENTAL PROTECTION AGENCY								
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BF-99T19401-G900NY00			\$24,737	\$48,593	N/A	\$0
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BF-99T19401-G900OR00			\$17,293	\$48,593	N/A	\$0
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BF-99T74201-G923OR00	PETROLEUM		\$2,984	\$48,593	N/A	\$0
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BF-99T74201-G923NY00	HAZARDOUS		\$3,579	\$48,593	N/A	\$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY						\$48,593		
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	H795M061702			\$210,451	\$452,229	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	H79TI025026			\$23,311	\$452,229	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	H79TI081024			\$218,467	\$452,229	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES						\$452,229		
EXECUTIVE OFFICE OF THE PRESIDENT								
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001	G16SA0007A				\$114,093	N/A	\$0
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001	G17SA0007A			\$1,066,894	\$3,289,630	N/A	\$0
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001	G18SA0007A			\$1,051,510	\$2,724,455	N/A	\$0
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT					\$2,118,404	\$6,128,178		
DEPARTMENT OF HOMELAND SECURITY								
DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	97.036		ARIZONA DEPARTMENT OF HOMELAND SECURITY	777416-08	-\$1,765	-\$1,765	N/A	\$0
ASSISTANCE TO FIREFIGHTERS GRANT	97.044		UNIVERSITY OF ARIZONA	293871	\$5,943	-\$134,695	N/A	\$0
ASSISTANCE TO FIREFIGHTERS GRANT	97.044		UNIVERSITY OF ARIZONA	404154	\$1,411	-\$134,695	N/A	\$0
ASSISTANCE TO FIREFIGHTERS GRANT	97.044		ARIZONA DEPARTMENT OF HOMELAND SECURITY	EMW-2016-FO-01220	-\$142,049	-\$134,695	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180405-02	\$40,427	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180405-03	\$10,711	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	16-AZDOHS-HSGP-160407-05	\$8,744	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	17-AZDOHS-HSGP-170408-04	\$7,511	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	18-AZDOHS-HSGP-180406-02	\$15,150	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	17-AZDOHS-OPSG-170408-02	\$318,723	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	16-AZDOHS-OPSG-160407-04	\$15,931	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	18-AZDOHS-OPSG-180406-03	\$113,135	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	150408-03	\$2,412	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	170407-01	\$33,725	\$626,015	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	170407-02	\$485	\$626,015	N/A	\$0

<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>170407-03</i>	<i>\$2,700</i>	<i>\$626,015</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>180405-01</i>	<i>\$76,481</i>	<i>\$626,015</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>444904-01</i>	<i>-\$17,845</i>	<i>\$626,015</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>10-AZDOHS-HSGP-777910-02</i>	<i>-\$482</i>	<i>\$626,015</i>	<i>N/A</i>	<i>\$0</i>
<i>HOMELAND SECURITY GRANT PROGRAM</i>	<i>97.067</i>	<i>ARIZONA DEPARTMENT OF HOMELAND SECURITY</i>	<i>10-AZDOHS-HSGP-777910-09</i>	<i>-\$1,793</i>	<i>\$626,015</i>	<i>N/A</i>	<i>\$0</i>
TOTAL DEPARTMENT OF HOMELAND SECURITY				<u>\$489,555</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u>\$6,666,305</u>	<u>\$91,938,224</u>		

Please Note:

Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

CITY OF TUCSON, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of City of Tucson, Arizona under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. 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 applicable Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

10% De Minimis Cost Rate

The auditee did not use the de minimis cost rate.

Catalogue of Federal Domestic Assistance Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 Catalog of Federal Domestic Assistance. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word unknown were used.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: Yes
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: Yes

Identification of major programs:

CFDA Numbers

14.850
14.871, 14.879
14.900

Name of Federal Program or Cluster

Public and Indian Housing
Housing Voucher Cluster
Lead-Based Paint Hazard Control in
Privately-Owned Housing

Dollar threshold used to distinguish between Type A and Type B programs: \$2,758,147

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: Yes

Findings and Questioned Costs Related to Federal Awards: Yes

Summary Schedule of Prior Audit Findings required to be reported: No

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Finding Number: FS-2019-001

Repeat Finding: No

Type of Finding: Significant deficiency

Description: Internal controls over financial reporting

CRITERIA

The Government Accounting Standards Board (GASB) Concepts Statement No. 1 identifies timeliness as a basic characteristic of financial reporting for state and local governments. The City's internal controls should extend beyond the general ledger and the processing of transactions to also include the annual closing process and the timely preparation of the financial statements. The financial statements should be issued within six months of the year-end to allow the City Council, management, grantor agencies and other stakeholders to make informed decisions.

CONDITION

The City did not have adequate internal controls and procedures in place to ensure the timely issuance of the financial statements. Significant accounting information and reporting funds were not available to be audited until after January 1, 2020. In addition, the annual closing and preparation of the City's housing department's financial statements were significantly delayed. The U.S. Department of Housing and Urban Development's issued a report on February 6, 2020 after its on-site review in which the report identified significant financial management weaknesses.

CAUSE

The City had turnover and a number of personnel changes in key positions related to the annual closing process and the preparation of the financial statements. In addition, the housing department of the City implemented a new financial management system during the fiscal year.

EFFECT

The City's internal controls over financial reporting do not provide for the timely issuance of the financial statements. In addition, the internal controls over the financial reporting of the housing programs required significant year-end review and numerous adjustments increasing the risk that a misstatement would not be prevented or detected.

CONTEXT

The City's financial statements for the year ended June 30, 2019 were not issued until March 27, 2020 and the schedule of expenditures of federal awards was not provided until April 23, 2020. In addition, the U.S. Department of Housing and Urban Development's review determined the housing department's financial and internal controls needed improvements.

RECOMMENDATION

The City should invest the necessary resources in personnel, training and development of procedures to ensure the timely issuance of the City's financial statements and correct deficiencies in the financial reporting of the housing programs noted by the U.S. Department of Housing and Urban Development.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001

VIEWS OF RESPONSIBLE OFFICIALS
See Corrective Action Plan

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-001

Repeat Finding: No

Program Name/CFDA Title: Public and Indian Housing

CFDA Number: 14.850

Federal Agency: Department Housing Urban Development

Federal Award Number: Multiple

Pass-Through Agency: N/A

Questioned Costs: N/A

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirement: Eligibility, Special Tests and Provisions

CRITERIA

For public housing agencies (PHA) participating in the Public and Indian Housing program, the PHA must do the following in relation to eligibility for individuals:

- As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 960.259).
- For both family income examinations and reexaminations, obtain and document in the family file third-party verification of (1) reported family annual income, (2) the value of assets, (3) expenses related to deductions from annual income, and (4) other factors that affect the determination of adjusted income or income based rent (24 CFR section 960.259).
- Determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR part 5, subpart F (24 CFR sections 5.601 *et seq.*, and 24 CFR sections 960.253, 960.255, and 960.259)
- Select tenants from the public housing waiting list (24 CFR sections 960.206 and 960.208).

CONDITION

The City did not retain necessary documentation for all tenant files reviewed to support verification of income eligibility and to document that a third party verification was performed in accordance with program requirements. In addition, the City did not select tenants from the public housing waiting list for all new tenant file reviewed.

CAUSE

Internal controls and review procedures did not function as designed throughout the entire audit year for all required compliance requirements of the program.

EFFECT

The City was not always in compliance with the compliance requirements of the program.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-001

CONTEXT

During the review of eligibility of individuals participating in the Public and Indian Housing program, the following items were noted:

- For one of 20 continuing tenants reviewed, the City did not retain necessary information, documentation, and releases to be able to verify eligibility. Additionally, the City did not retain third-party verification for the same continuing tenant.
- For three of 20 applicants, the applicants were not on the waiting list provided by the City.

RECOMMENDATION

The City should review internal controls and review procedures to minimize errors and lack of documentation for program requirements.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-002

Repeat Finding: No

Program Name/CFDA Title: Housing Voucher Cluster

CFDA Numbers: 14.871, 14.879

Federal Agency: Department Housing Urban Development

Federal Award Number: AZ033, AZ004

Pass-Through Agency: N/A

Questioned Costs: N/A

Type of Finding: Noncompliance, Significant Deficiency

Compliance Requirement: Eligibility, Special Tests and Provisions

CRITERIA

For public housing agencies (PHA) participating the Housing Choice Vouchers program, the PHA must do the following in relation to eligibility for individuals:

- As a condition of admission or continued occupancy, require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).
- For both family income examinations and reexaminations, obtain and document in the family file third-party verification of (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income based rent (24 CFR section 982.516).
- Determine income eligibility and calculate the tenant's rent payment using the documentation from third-party verification in accordance with 24 CFR part 5 subpart F (24 CFR section 5.601 *et seq.*) (24 CFR sections 982.201, 982.515, and 982.516).
- Reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification (24 CFR section 982.516).

Additional program requirements of the Housing Choice Vouchers program include the following:

- PHAs must inspect units leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report (24 CFR sections 982.158(d) and 982.405(b)).
- A PHA that administers covered public and Indian housing assistance must submit *HUD 60002, Section 3 Summary Report, Economic Opportunities for Low and Very Low-Income Persons (OMB No. 2529-0043)* information using the automated Section 3 Performance Evaluation and Registry System (SPEARS) (24 CFR sections 135.3(a)(1) and 135.90).

CONDITION

The City did not retain necessary documentation for all tenant files reviewed to support verification of income eligibility as well as to determine and to document that a third-party verification was performed in accordance with program requirements. In addition, failed inspection documentation was not maintained in one instance and the *HUD Form 60002* was not submitted timely.

**CITY OF TUCSON, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding Number: 2019-002

CAUSE

Internal controls and review procedures did not function as designed throughout the entire audit year for all required compliance requirements of the program

EFFECT

The City was not always in compliance with the compliance requirements of the program.

CONTEXT

During the review of eligibility of individuals participating in the Housing Choice Vouchers program, the following was noted:

- For one of 40 tenant files reviewed, the privacy act notice (form HUD-9886) was not maintained as required as required as a condition of admission.
- For three of 40 tenant files reviewed, third party verification was not maintained.
- For three of 40 tenant files reviewed, a reasonable rent comparability worksheet was not maintained.
- For two of 40 tenant files reviewed, no initial or current re-inspection was documented in the tenant file.
- For four of 40 tenant files reviewed, the housing assistance payment contract (form HUD 52641) was not maintained in the and therefore it could not be verified against the family report (form HUD 50058).
- For one of 25 tenant files reviewed of failed inspections, the City did not document enforcement of owners returning units to Housing Quality Standards in order to keep housing assistance payment funding.
- The City did not submit the required *HUD 60002, Section 3 Summary Report, and Economic Opportunities for Low-and very Low-Income Persons (OMB No. 2529-0043)* for the audit year under review in a timely basis, the reports were submitted on May 18, 2020.
- For 10 of 16 program disbursements reviewed the purchase order did not have an expenditure limit, or the purchase order was prepared after the receipt of goods or services.

RECOMMENDATION

The City should review internal controls and review procedures to minimize errors and lack of documentation for program requirements.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



CITY OF TUCSON

FINANCE DEPARTMENT
ADMINISTRATION

June 19, 2020

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The names of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

Sincerely,

Jeffrey Yates
Business Services Director

**CITY OF TUCSON, ARIZONA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2019-001

Contact Person: Elizabeth Morales

Anticipated Completion Date: 08/30/2020

Planned Corrective Action: The City shall invest the necessary resources in personnel, training and development of procedures to ensure the timely issuance of the City's financial statements and correct deficiencies in the financial reporting of housing programs noted by the U.S. Department of Housing and Urban Development.

Findings and Questioned Costs Related to Federal Awards

Finding Number: 2019-001

Program Name/CFDA Title: Public and Indian Housing

CFDA Number: 14.850

Contact Person: Elizabeth Morales

Anticipated Completion Date: 08/30/2020

Planned Corrective Action: The City shall review internal controls and review procedures to minimize errors and lack of documentation for program requirements.

Finding Number: 2019-002

Program Name/CFDA Title: Housing Voucher Cluster

CFDA Number: 14.871, 14.879

Contact Person: Elizabeth Morales

Anticipated Completion Date: 08/30/2020

Planned Corrective Action: The City shall review internal controls and review procedures to minimize errors and lack of documentation for program requirements.