

Gila County Transportation Excise Tax

County, city, and most towns used excise tax monies for highway and street purposes, but Miami did not always use excise tax monies appropriately

Performance Audit

June 2019
Report 19-108

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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June 27, 2019

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Transmitted herewith is a report of the Auditor General, *Gila County Transportation Excise Tax Performance Audit*. This report was conducted under the authority vested in the Auditor General by Arizona Revised Statutes §41-1279.03. I am also transmitting within this report the report highlights for this audit to provide a quick summary for your convenience.

As outlined in their responses, the City of Globe and the Towns of Miami and Payson agree with and plan to implement the recommendations directed to them.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey Perry, CPA, CFE
Auditor General

Attachment

cc: Gila County Board of Supervisors and Manager
Incorporated City's and Towns' Councils and Managers
Arizona Department of Transportation



Gila County Transportation Excise Tax

CONCLUSION: As required by law, we conducted a performance audit of the Gila County transportation excise tax (excise tax). We found that the County, Globe, and all 5 towns can demonstrate the excise tax's impact in solving transportation problems. However, we found that Miami did not always use excise tax monies appropriately. In addition, we found Globe, Miami, and Payson lacked policies and procedures regarding the allowable excise tax uses.

Statute outlines allowable excise tax uses

Transportation excise tax money is statutorily restricted to be used for highway and street purposes, which include highway and street improvements, such as construction, maintenance, repair, and roadside development of county, city and town roads, streets, and bridges. Excise tax monies can also be used for administrative expenses that indirectly support the functions of highways and streets. During calendar years 2014 through 2018, the period this audit covers, the excise tax generated \$15.3 million in revenue.

Excise tax recipients, distributions, population, and road miles maintained Calendar years 2014 through 2018

Recipient	Excise tax revenue	Population July 1, 2018	Road miles maintained
Gila County—unincorporated	\$ 9,068,692	26,253	752
Globe	1,646,399	7,503	139
Hayden	208,762	645	10
Miami	454,349	1,819	13
Payson	3,271,310	16,025	111
Star Valley	551,911	2,346	11
Winkelman	143,721	355	12
Total	\$15,345,144	54,946	1,048

Miami loaned excise tax monies to other funds

During our review of the audited financial statements and excise tax expenditures, we found that Miami loaned \$140,817 of excise tax monies to cover cash deficits in its General, Senior Center, and Transit funds making these monies unavailable for highway and street purposes. Loans of excise tax monies are inappropriate because they do not fall within the statutory definitions of highway and street purposes.

Recommendation

Miami should repay the inappropriately loaned excise tax monies and discontinue the practice of loaning any restricted monies to other funds.

Miami could not demonstrate indirect administrative expenses were appropriate

Miami paid \$83,613 for indirect administrative expenses—including costs for accounting, payroll, management, and information technology support—with excise tax monies. Although indirect administrative costs that support the functions of highway and street purposes are allowable, Miami was unable to demonstrate or provide documentation that these costs supported these functions.

Recommendation

Miami should review its past and future indirect administrative expenses to determine they were for highway and street purposes. Any impermissible past expenditures should be repaid.

Globe, Miami, and Payson lacked policies and procedures for excise tax uses

Globe, Miami, and Payson did not have had written policies and procedures that define the allowable uses of excise tax monies. Without appropriate written policies and procedures, there is an increased risk that excise tax monies will be used for impermissible purposes.

Recommendation

Globe, Miami, and Payson should develop and implement policies and procedures that define the allowable uses of excise tax monies.

3 of 7 entities did not have appropriate policies and procedures governing allowable uses of excise tax revenue.





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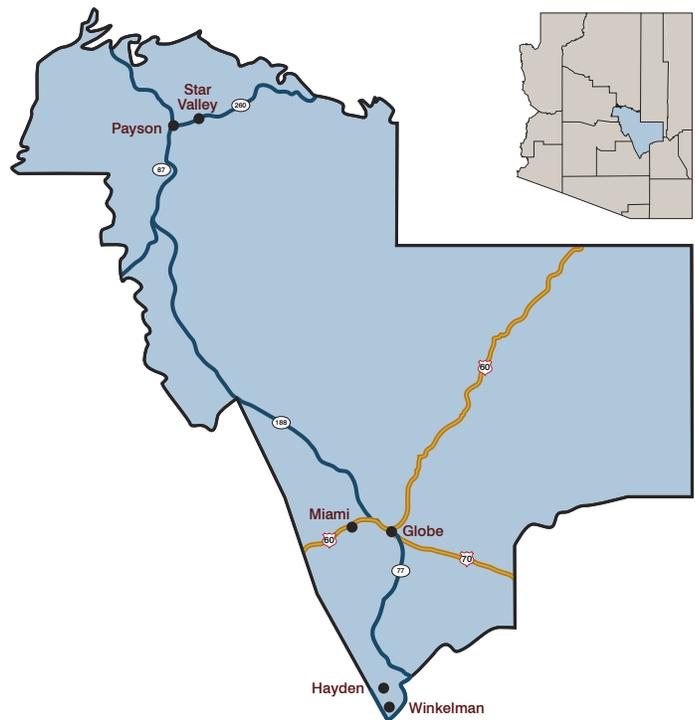
Transportation excise tax history

In 1994 and again in 2014, pursuant to Arizona Revised Statutes (A.R.S.) §42-6107, Gila County voters passed a half-cent sales tax to be used for highway and street purposes within the County and its incorporated City of Globe and towns of Hayden, Miami, Payson, Star Valley, and Winkelman (see Figure 1). Under the 1994 voter-approved transportation excise tax (excise tax), the County received all excise tax revenues to spend on highway and street projects throughout the County. However, in 2014, the voters approved the excise tax revenues to be distributed to the unincorporated County, Globe, and the 5 towns based on population for highway and street purposes within their jurisdiction. The County, Globe, and towns maintain approximately 1,048 miles of paved and unpaved roads (see Table 1 on page 2).¹

Excise tax generated \$15.3 million in revenue

During calendar years 2014 through 2018, the period this audit covers, the excise tax generated \$15.3 million in revenue. Table 1 on page 2 shows the excise tax revenue distributed to the County, Globe, and towns during this period. The State of Arizona's Treasurer's Office distributes collected excise tax revenue to the County, Globe, and towns proportionately based on their population. In addition to excise tax revenue, the County, Globe, and towns rely on other revenue to complete their highway and street projects, such as highway user fees.

Figure 1
Gila County map showing city and towns that receive excise tax revenue



Source: Auditor General staff reproductions of <https://google.com/maps/place/Gila+County+AZ>.

Statute outlines allowable excise tax uses

A.R.S. §28-6392 requires that excise tax monies be used only for highway and street purposes, which include highway and street improvements, such as construction, maintenance, repair, and roadside development of county, city, and town roads, streets, and bridges. Excise tax monies can also be used for administrative expenses that indirectly support the functions of highway and street purposes, such as transportation department management and administrative payroll; central services costs for accounting or information technology support; and utilities associated with highways and streets. However, as explained in Finding 1 (see page 5), Miami did not always use excise tax monies appropriately.

¹ The County, Globe, and the towns reported the road miles they maintain.

Table 1
Excise tax recipients, distributions, population, and road miles maintained
Calendar years 2014 through 2018

Recipient	Excise tax revenue	Population July 1, 2018	Road miles maintained
Gila County—unincorporated	\$ 9,068,692	26,253	752
Globe	1,646,399	7,503	139
Hayden	208,762	645	10
Miami	454,349	1,819	13
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Winkelman	143,721	355	12
Total	\$15,345,144	54,946	1,048

Source: Auditor General staff analysis of Gila County transportation excise tax revenue distribution data obtained from the Arizona Treasurer’s Office for calendar years 2014 through 2018; July 1, 2018, population estimates from the Arizona Office of Economic Opportunity website; and road miles maintained reported by the County, Globe, and towns.

During the period covered by this audit, the County, Globe, and towns used excise tax monies for various highway and street purposes, including paving and resurfacing roads, building bridges, and paying electricity expenses for street lights. Table 2 on page 3 shows the uses of excise tax revenue by the County, Globe, and towns in 2 categories: highway and street improvement and administrative expenses. Highway and street improvement expenses include all expenses associated with the construction, maintenance, repair, and roadside development of the County, Globe, and town roads, streets, and bridges. Administrative expenses are expenses that indirectly support highway and street improvement.

County, Globe, and towns use various methods to identify highway and street needs

The County, Globe, and towns use various methods to identify appropriate projects and uses of excise tax monies. The following describes the methods used:

- The County had its Gila County Transportation Study completed in January 2014. This study identified the County’s most critical transportation infrastructure needs and recommended near-, mid-, and long-term projects that the County intends to fund with excise tax and other transportation revenues.
- Globe created a strategic street improvement plan in July 2017 and reported that it will use excise tax monies to perform maintenance on its streets over the next 20 years. The type of maintenance is dependent on the condition of the street and could include resurfacing or replacement.
- Payson developed a 10-year streets improvement plan based on the March 2011 Payson Transportation Study conclusions and recommendations. The principal focus of this study was to develop a long-range multimodal transportation plan for Payson to identify road deficiencies and address growing demands placed on local roads as a result of significant population growth, economic development, and increased traffic volume.
- Star Valley reported that it plans to use excise tax monies for the next 4 to 5 years to perform systematic general maintenance, such as repaving, on the streets and roads on a priority basis. In addition, Star Valley had a Road Safety Assessment completed in November 2018 and will determine and plan for various street projects to be completed using excise tax monies based on this assessment.

Table 2
Excise tax use
Calendar years 2014 through 2018

Recipient	Highway and street improvements ¹	Percent of total	Administrative ²	Percent of Total	Total
Gila County—unincorporated	\$ 6,971,120	82%	\$1,517,708	18%	\$ 8,488,828
Globe	1,387,532	99	12,880	1	1,400,412
Hayden	145,489	76	46,724	24	192,213
Miami	50,783	19	212,383	81	263,166
Payson	2,833,828	91	291,712	9	3,125,540
Star Valley ³	0	N/A	0	N/A	0
Winkelman	63,419	70	27,415	30	90,834
Total	\$11,452,171	84%	\$2,108,822	16%	\$13,560,993

¹ Highway and street improvements include construction, reconstruction, maintenance, repair, and roadside development of roads, streets, and bridges; rights-of-way acquisitions; transportation studies; and environmental studies, if required, before road construction. This includes associated personnel costs.

² Administrative includes general expenses that support highways and street improvement, such as the electricity expenses for street lights and costs for centralized services, such as accounting and information technology support.

³ Star Valley did not spend excise tax monies during the audit period. However, according to Star Valley officials, it plans to spend the monies on maintenance, such as repaving its streets and roads, and for projects identified in its Road Safety Assessment that was completed in November 2018.

Source: Auditor General staff analysis of Gila County transportation excise tax expenditures from the County's, Globe's, and towns' general ledger for calendar years 2014 through 2018.

- The other towns—Hayden, Miami, and Winkelman—use excise tax monies for general street expenses such as electricity for the street lights or to maintain or repair streets as issues—such as potholes—arise and reported that they plan to continue using the excise tax monies for this purpose.

Excise tax helps solve highway and street problems

The County, Globe, and towns were able to demonstrate the impact the excise tax had in solving highway and street problems. Specifically, excise tax monies were used for projects to help address issues such as access to emergency services, roadway safety, and deteriorating roads. Some of the projects include:

- **Oak Creek bridge**—The County completed construction of a bridge on the Ewing Trail over Oak Creek in Tonto Basin in October 2014 that allows emergency services access to residents when weather makes Oak Creek impassible (see Photo 1). The bridge was part of a larger project to provide residents and visitors access to Tonto Basin. The total cost of the Oak Creek bridge portion of the project was \$2.2 million and was paid for with \$1.0 million in excise tax revenue and \$1.2 million in federal grant revenue.

Photo 1
Oak Creek bridge



Source: Photo courtesy of Gila County.

- **Colcord Road**—During fiscal year 2016, Gila County paved 1.2 miles of Colcord Road, a forest highway under easement to the County, to the Gordon Canyon Bridge. This reduced dust, lowered maintenance expenses, and provided a better surface for the traveling public. The total cost of the project was \$297,486 and was paid for entirely with excise tax monies.
- **Road maintenance**—During calendar years 2014 through 2018, Globe paid a contractor \$1.2 million, or 88 percent of its transportation excise tax monies, to chip seal, crack seal, or fog coat several streets throughout the city to extend their useful lives. For example, in 2018, chip sealing was completed on Verde Lane addressing minor cracks and improving overall travel conditions (see Photo 2).

Photo 2
Globe road maintenance, Verde Lane
Before and after street improvements

Before



After



Source: Before photo courtesy of Globe; after photo taken by Auditor General staff.

- **Manzanita Drive**—Payson’s transportation study identified Manzanita Drive as having very poor pavement condition. During fiscal years 2016 and 2017, Payson paid \$436,516, including excise tax and other transportation revenues, to reconstruct and repave Manzanita Drive to improve mobility and enhance safety.



Miami did not use excise tax monies appropriately, and 3 entities lacked policies regarding allowable excise tax uses

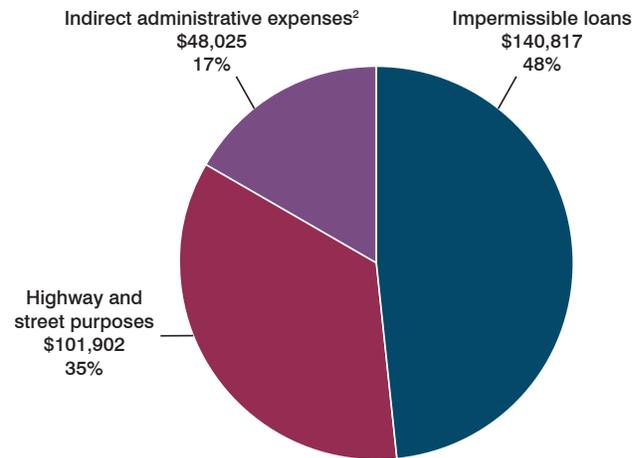
Our review of the County's, Globe's, and the towns' use of excise tax monies for calendar years 2014 through 2018 found 2 areas where Miami was noncompliant with statutory requirements regarding the use of the excise tax monies, and 3 entities lacked current policies and procedures governing the use of the excise tax monies. Specifically:

Miami inappropriately loaned excise tax monies to other funds, making those monies unavailable for highway and street purposes

Based on our review of audited financial statements and excise tax expenditures for calendar years 2014 through 2018², the County, Globe, and all but 1 town that received excise tax monies used them for highway and street purposes authorized by statute. However, Miami inappropriately loaned excise tax monies to other funds. Specifically, between January 1, 2015 and June 30, 2017, Miami received \$290,744 in excise tax revenue and inappropriately loaned \$140,817 of those monies (see Figure 2).³ Miami's fiscal year 2017 audited financial statements showed Miami loaned monies to cover cash deficits in its General, Senior Center, and Transit funds. A.R.S. §28-6392(B) restricts excise tax monies to be used only for highway and street purposes (see Introduction page 1). If excise tax monies are used for other purposes, the monies must be fully repaid or future excise tax distributions could be withheld. We were unable to determine whether Miami had made additional loans of excise tax monies or reduced the outstanding loan balance during fiscal year 2018 because Miami did not provide us with its 2018 audited financial statements until June 14, 2019.

Loans of excise tax monies to other funds are inappropriate because they do not fall within the statutory definitions of highway and street purposes.

Figure 2
Miami's use of excise tax monies
January 1, 2015 through June 30, 2017¹



¹ Miami did not provide us with its 2018 audited financial statements until June 14, 2019.

² See next section for information on indirect administrative expenses.

Source: Auditor General staff analysis of Miami's annual financial statements for fiscal years 2015 through 2017.

² See Appendix A for specific methodology used to review excise tax expenditures.

³ Miami deposits all transportation revenue, including highway user fees, transportation excise taxes, and state grants, into a road fund that Miami calls the HURF Fund in its Annual Financial Statements. We have referred to this fund as the Road Fund.

Further, if excise tax monies are loaned to other funds, these monies are not available for appropriate purposes, such as road construction and maintenance.

Recommendation

1. Miami should repay its Road Fund for the inappropriately loaned excise tax monies and discontinue the practice of loaning any restricted monies, including excise tax monies, to other funds. If resources are not currently available to completely repay the loans, it should develop and implement a repayment schedule in accordance with A.R.S. §28-6392(B).

Miami response: As outlined in its [response](#), Miami agrees with the finding and will implement the recommendation.

Miami was unable to demonstrate indirect administrative expenses were appropriate

In addition to the inappropriate loans, Miami paid \$83,613 for indirect administrative expenses from January 1, 2015, through December 31, 2018—including costs for accounting, payroll, management, and information technology support—with excise tax monies. Although indirect administrative costs that support the functions of highway and street purposes are allowable, Miami was unable to demonstrate or provide documentation to indicate these indirect administrative costs supported these functions.

Recommendation

2. Miami should review its past and future indirect administrative expenses it charged or will charge to its Road Fund to determine if they were for highway and street purposes. Any impermissible past expenditures should be repaid.

Miami response: As outlined in its [response](#), Miami agrees with the finding and will implement the recommendation.

Globe, Miami, and Payson lacked policies and procedures for excise tax uses

In our review of the County, Globe, and the 5 towns, we found that Globe, Miami, and Payson did not have written policies and procedures that define the allowable uses of excise tax monies. Without appropriate written policies and procedures, there is an increased risk that excise tax monies will be used for impermissible purposes. Hayden and Winkelman developed and implemented policies and procedures during the audit.

3 of 7 entities did not have appropriate policies and procedures governing allowable uses of excise tax revenue.



Recommendation

3. Globe, Miami, and Payson should develop and implement appropriate policies and procedures that define the allowable uses of excise tax monies, including obtaining appropriate City/Town council approval.

Response: As outlined in their [responses](#), Globe, Miami, and Payson agree with the finding and will implement the recommendation.



SUMMARY OF RECOMMENDATIONS

Auditor General makes 3 recommendations

1. Miami should repay its Road Fund for the inappropriately loaned excise tax monies and discontinue the practice of loaning any restricted monies, including excise tax monies, to other funds. If resources are not currently available to completely repay the loans, it should develop and implement a repayment schedule in accordance with A.R.S. §28-6392(B).
2. Miami should review its past and future indirect administrative expenses it charged or will charge to its Road Fund to determine if they were for highway and street purposes. Any impermissible past expenditures should be repaid.
3. Globe, Miami, and Payson should develop and implement appropriate policies and procedures that define the allowable uses of excise tax monies, including obtaining appropriate City/Town council approval.



Objectives, scope, and methodology

The Office of the Auditor General has conducted a performance audit of the Gila County Transportation Excise Tax pursuant to A.R.S. §41-1279.03(A)(6).⁴ This statute requires a performance audit to be conducted in the tenth year that a county transportation excise tax has been in effect and every fifth year thereafter. This is the fourth performance audit of the County excise tax since its initial establishment in 1995. As required, this audit reviewed past and future planned expenditures of the excise tax revenues and determined the impact the revenues had in solving the County's, Globe's, and towns' highway and street problems. Also, this audit reviewed whether the County, Globe, and towns that received excise tax revenues used the excise tax monies in compliance with A.R.S. §28-6392(B), which requires that they be used for highway and street purposes.

We used various methods to determine the impact of the excise tax on the County's, Globe's and towns' highway and street problems and whether excise tax monies were being spent appropriately and according to statute. Specifically, we used the following methods:

- To determine the County's, Globe's, and towns' ability to demonstrate the impact of the excise tax in solving highway and street problems, we analyzed information related to the County, Globe, and town highway and street projects completed during calendar years 2014 through 2018, including project costs, descriptions, and contract information. We also reviewed information related to future project planning and selection processes, including transportation studies, minutes of County board or city/town council meetings, and discussed project planning with County, Globe, or town management.
- To determine compliance with statutory requirements that excise tax monies be spent for highway and street purposes, we:
 - Obtained and analyzed the County's, Globe's, and towns' revenue and expenditure data⁵ for the period January 1, 2014 through December 31, 2018. We reconciled the State of Arizona's Treasurer's Office excise tax disbursements to the County's, Globe's, and towns' respective funds into which they deposit excise tax monies.⁶ To determine the revenue and expenditure data was complete and reliable, we compared the County, Globe, and towns provided general ledger data to their fiscal years 2015 through 2018 audited financial statements.⁷ However, the audited financial statements for fiscal years 2017 and 2018 have not been completed for the County; the audited financial statements for fiscal year 2018 have not been completed for Globe; and Miami did not provide us with its 2018 audited financial statements until June 14, 2019. In those instances, we relied on detailed general ledger report information to determine that the revenue and expenditure data was complete and reliable.

⁴ A.R.S. §41-1279.03(A)(6) also requires a review of the distributions of Highway User Revenue Fund monies to ensure compliance with A.R.S. Title 28, Ch. 18, Art. 2 (A.R.S. §28-6531 et seq). Because external auditors review this information during financial statement audits, it was not addressed in this audit.

⁵ The County, Globe, and towns provided us with the general ledger data that they used to compile their annual financial statements.

⁶ The County and towns of Hayden, Miami, Payson, and Winkelman combine excise tax revenues with other restricted road fund monies such as highway user fees into a single fund in their accounting records and report these monies together on the audited financial statements.

⁷ We did not compare general ledger data to the fiscal year 2014 audited financial statements because the audit period covered only a portion of the year.

- We scanned the expenditure data and judgmentally or randomly selected samples of 5 to 57 excise tax transactions.⁸ For judgmental samples, we selected transactions for review based on project type, vendor name, transaction description, or types of transactions that had the greatest risk of noncompliance, such as indirect administrative costs or credit card transactions. For all transactions we selected, we obtained additional information, such as invoices, from the County, Globe, and towns, to determine the appropriateness of the expenditures.

We conducted this performance audit of the Gila County Transportation Excise Tax in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We express our appreciation to the County, Globe, and towns for their cooperation and assistance throughout the audit.

⁸ One excise tax transaction could include multiple excise tax expenditures. For example, a credit card payment transaction could consist of 50 separate excise tax expenditures.

RESPONSES



TOWN COUNCIL

Darryl Dalley, Mayor
Sammy Gonzales, Vice-Mayor
Michael Black
Patricia Bringham
Jose "Angel" Medina
Dan Moat
Don Reiman

TOWN OF MIAMI
"Copper Center of the World"

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ADMINISTRATION

Joseph Heatherly
Town Manager
Karen Norris
Town Clerk

June 19, 2019

Lindsey Perry, Auditor General
Arizona Office of the Auditor General
2910 North 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Perry;

The Town of Miami offers the following responses to the Auditor General's draft report of the Gila County Transportation Excise Tax, dated June 3, 2019. The Town has already taken some steps to improve the overall accuracy of financial activities and will develop and implement others as identified. The Town appreciates the efforts and suggestions from your office and especially the professionalism of Ms. Marcia Schweers.

Finding 1: Miami did not use excise tax monies appropriately and lacks policies regarding allowable excise tax uses

Recommendation 1: Miami should repay its Road Fund for the inappropriately loaned excise tax monies and discontinue the practice of loaning any restricted monies, including excise tax monies, to other funds. If resources are not currently available to completely repay the loans, it should develop and implement a repayment schedule in accordance with A.R.S. §28-6392(B).

Town of Miami Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Town will coordinate efforts with our auditors to review current fund balances and transfer available funds from unrestricted sources to minimize the current reported loaned monies. The Town will also establish a repayment plan for any remaining loan amounts in accordance with A.R.S. 28-6392(B). Audit reports for fiscal year 2018 have been forwarded, June 13, to the Auditor General's office for their usage.

Recommendation 2: Miami should review its past and future indirect administrative expenses it charged or will charge to its Road Fund to determine if they were for highway and street purposes. Any impermissible past expenditures should be repaid.

Town of Miami Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Town of Miami will review all past and future allocation of indirect administrative expenses to ensure they comply with state mandated guidelines.

Recommendation 3: Miami should develop and implement appropriate policies and procedures that define the allowable uses of excise tax monies, including obtaining appropriate town council approval

Town of Miami Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Town of Miami has developed new instructional materials centering on the principles of Governmental Accounting and has reviewed that with senior staff and council members. In addition the Town will develop and implement appropriate policies and procedures for procurement, cash management, grant tracking, and other accounting related functions. The Town has recently implemented monthly review of accounting activities including reconciliation of subsidiary ledgers to the general ledger, revenue and expenditure transactions, matching of activity to recording of transactions and ensuring that the transactions are posted to the appropriate accounts and funds. The Town has already initiated a schedule, with our auditor, for the kick off and completion of the fiscal year 2019 audit within the guidelines of state law.

If there are any further questions on this matter please contact me at your convenience. Please have the final report directed to my attention.

Joseph Heatherly
Town Manager
Town of Miami

Cc: Marcia Schweers-via email
Adam Tillard-via email
Scott Powell, Colby & Powell –via email
Town of Miami Mayor, and Council Members



150 N. Pine Street Globe, AZ 85502
(928) 425-7146

June 14, 2019

Lindsay Perry, Auditor General
Arizona Office of the Auditor General
2910 N. 44th Street
Suite 410
Phoenix, AZ 85018

Reference: Findings of Five-Year Excise Tax Audit

Dear Ms. Perry,

In response to the Auditor General's Recommendation No. 3 for the finding that the City of Globe lacks policies regarding allowable excise tax uses, the City of Globe agrees to the audit recommendation that the City of Globe should develop and implement appropriate policies and procedures that define the allowable uses of excise tax monies, including obtaining appropriate City Council approval.

Council approved Policies, Procedures and Guidelines that define the allowable uses of excise tax monies and tracking of restricted funds, including Highway User Revenue funds, will be written and put into place by January 01, 2020.

Sincerely,


Paul Jepson
City Manager



Town of Payson
Town Manager's Office
303 N. Beeline Highway
Payson, Arizona 85541-4306

Town Manager (928) 472-5041
Town Hall (928) 474-5242
Fax (928) 474-4610

June 10, 2019

Lindsey Perry, Auditor General
Arizona Office of the Auditor General
2910 N. 44th Street, Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry

Following is the Town of Payson response to the Auditor General recommendations:

Finding 1: Payson lacks policies regarding allowable excise tax uses

Recommendation 3: Payson should develop and implement appropriate policies and procedures that define the allowable uses of excise tax monies, including obtaining appropriate town council approval.

Payson Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response Explanation: The Town of Payson will develop and implement financial policies and procedures that will define the allowable uses of excise tax monies, including obtaining appropriate town council approval. These policies and procedures will be developed and implemented within the next 120 calendar days.

Sincerely

LaRon G. Garrett, P.E.
Town Manager

