Maricopa County

Single Audit Report

Year Ended June 30, 2020

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General

ARIZONA Auditor General
Making a Positive Difference

The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

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AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*

Members of the Arizona State Legislature

The Board of Supervisors of
Maricopa County, Arizona

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Maricopa County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2020. Our report includes a reference to other auditors who audited the financial statements of the Stadium District, Risk Management, Employee Benefits Trust, Housing Authority, and Industrial Development Authority, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal control over financial reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we and the other auditors did identify certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 County's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-04 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02 to be significant deficiencies.

Compliance and other matters

As part of obtaining reasonable assurance about whether the County's basic 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 financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and that is described in the accompanying schedule of findings and questioned costs as item 2020-03.

County response to findings

The County's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Lindsey A. Perry, CPA, CFE
Auditor General

December 18, 2020

LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

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

Members of the Arizona State Legislature

The Board of Supervisors of
Maricopa County, Arizona

Report on compliance for each major federal program

We have audited Maricopa County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020, except for the Housing Voucher Cluster (14.871, 14.879, and 14.U02), a major federal program administered by the Housing Authority of Maricopa County. This major federal program was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to this major federal program's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the report of the other auditors. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on each major federal program

In our opinion, based on our audit and the report of the other auditors, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on internal control over compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We and the report of the other auditors did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 County's governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 18, 2020, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the report of the other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry, CPA, CFE
Auditor General

March 30, 2021

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles	**Unmodified**
Internal control over financial reporting	
Material weaknesses identified?	**Yes**
Significant deficiencies identified?	**Yes**
Noncompliance material to the financial statements noted?	**No**

Federal awards

Internal control over major programs	
Material weaknesses identified?	**No**
Significant deficiencies identified?	**None reported**
Type of auditors' report issued on compliance for major programs	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	**No**

Identification of major programs

Assistance Listings number	Name of federal program or cluster
10.561	SNAP Cluster
14.239	HOME Investment Partnerships Program
14.871, 14.879, 14.U02	Housing Voucher Cluster
21.019	Coronavirus Relief Fund
93.268	Immunization Cooperative Agreements
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between Type A and Type B programs	**$3,000,000**
Auditee qualified as low-risk auditee?	**No**

Financial statement findings

2020-01

The County's deficiencies in its process for managing and documenting its risks may put its IT systems and data at unintended and unnecessary risk

Condition—The County's process for managing and documenting its risks did not include identifying, classifying, and inventorying sensitive information that might need stronger access and security controls.

Effect—The County's administration and information technology (IT) management may put the County's IT systems and data at unintended and unnecessary risk.

Cause—The County was in the process of developing and documenting new policies and procedures but was not ready to implement them as of June 30, 2020.

Criteria—The County should follow a credible industry source such as the National Institute of Standards and Technology to help effectively manage risk at the County. Effectively managing risk should include addressing the risk of unauthorized access and use, modification, or loss of sensitive information.

Recommendations—The County should:

1. Implement the new IT policies and procedures once they are fully developed, documented, and approved.
2. Evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the County holds to assess where stronger access and security controls may be needed to protect data in accordance with State statutes and federal regulations.

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

This finding is similar to prior-year finding 2019-01.

2020-02

The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data

Condition—The County's control procedures were not sufficiently implemented to respond to risks associated with its IT systems and data because the County lacked sufficient procedures over restricting access to consistently help prevent or detect unauthorized or inappropriate access.

Effect—There is an increased risk that the County may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

Cause—The County did not prioritize developing a process to ensure all IT policies and procedures were being consistently followed.

Criteria—The County should follow a credible industry source such as the National Institute of Standards and Technology to implement effective internal controls that protect its IT systems and help ensure the integrity and accuracy of the data it maintains. Restricting access through logical access controls help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.

Recommendations—The County should prioritize developing a process to ensure all IT policies and procedures are being consistently followed and include sufficient procedures for restricting access, including the following:

1. Periodically review employee user and other user account access ensuring appropriateness and compatibility with job responsibilities.
2. Remove terminated employees' access to IT systems and data.
3. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
4. Enhance authentication requirements for IT systems.

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

This finding is similar to prior-year finding 2019-02.

2020-03

The County's District 5 Supervisor and his assistant made $11,544 in purchasing card purchases that contradicted County policies, which the County paid for, resulting in potential misuse of public monies and possibly violating the Arizona Constitution

Condition— During fiscal year 2020, the County's District 5 Supervisor and his assistant used their County purchasing cards to make $11,544 of purchases that contradicted County policies because they lacked the required reconciliation report to the monthly bank statements and were not reviewed and approved by a designated, independent County official. The County paid for these purchases on their behalf. We performed a detailed review of these purchases and identified that $10,119 had the following additional concerns:

- **$4,072 for 4 community water days events—**These events included $1,480 in food and refreshments, $1,692 for inflatable water slides, and $900 for disc-jockey services, which did not appear to be for official County business. Based on discussion with the District 5 Supervisor, the community water days events were to promote community engagement in services offered by the County and other local governments.
- **$1,519 for 80 invited guests to attend 2 leadership breakfasts—**These breakfasts were held at a golf course restaurant and did not appear to be for official County business. Based on the limited supporting documentation the District 5 Supervisor provided, the leadership breakfasts were held to provide the invited guests with educational information related to changes to the operations of the upcoming elections, the 2020 census, and County services.

- **$1,265 for purchases without required preapproval—**These included purchases that were not preapproved as required, such as $839 for a rental car that included $290 of unallowed auto liability rental car insurance and $426 for food and refreshments, which the Supervisor explained were for various County community outreach events.
- **$714 for catering an informal luncheon—**The Supervisor explained that he hosted this luncheon to meet with Arizona legislators. However, he did not obtain required advance approval for the food purchased.
- **$2,549 of various other purchases—**These were not always supported with itemized receipts or documentation when needed to indicate the County business purpose.

We reported similar concerns regarding the District 5 Supervisor's purchasing card purchases in the prior year.[1] After we brought those concerns to County management's attention on November 26, 2019, the County revoked the District 5 Supervisor's purchasing card privileges within the following week.

Effect—The County may have violated the Arizona Constitution, and the Supervisor and his assistant may have misused public monies that should have instead been used in support of official County business. Further, when elected officials do not follow established policies, they set an unfavorable tone that policies do not need to be followed.

Cause—The County's purchasing card policies did not designate a specific County official who should review Board of Supervisors members' purchasing card expenses. Further, at the time of these purchases, the County's policies did not provide clear guidelines defining types of purchases that might serve a County purpose, such as community events in support of strategic initiatives or local nonprofit organizations, or explain what documentation should be retained to support purchases that are not for obvious County business purposes.

Criteria—County purchasing card, food, and travel policies apply to all employees and Board of Supervisors members, including their staff. These policies require itemized receipts or other documentation to explain missing receipts or other necessary information; require reconciliation and review and approval of purchasing card expenses; require approval of travel and food-related event expenses prior to purchase; prohibit certain travel purchases, such as auto liability insurance on a rental car; and require each purchase to exclusively benefit the County. Further, the Arizona Constitution, Art. IX, Sec. 7, bans gifts or loans of public monies to individuals by counties.

Recommendations—During this audit, the County Board of Supervisors took some actions to address prior year concerns regarding the District 5 Supervisor's purchasing card purchases as well as concerns in this finding. Specifically, on December 9, 2020, the County Board of Supervisors adopted a new community outreach policy that defines allowable community outreach and strategic initiative expenses for Board of Supervisors members and approved revisions to the County's purchasing card policies requiring a Board of Supervisor member to file monthly reconciliation reports and all purchase documentation with the Clerk of the Board. Further, the County has hired a consultant to perform a review of the District 5 Supervisor's and any of his assistants' purchasing card expenses as needed since the time they were provided the purchasing cards in fiscal year 2018. The consultant's report was not finished at the time of this report's release. However, we have the following recommendations:

1. Require Board of Supervisors members and their staff to follow County purchasing card, food, and travel policies, including:

[1] Arizona Auditor General (2020), Maricopa County Single Audit Report Year Ended June 30, 2019 (p. 10). Phoenix: Arizona Auditor General.

a. Maintaining purchase documentation such as itemized receipts and, when necessary, an explanation of the public purpose and benefit to the County and its citizens.
b. Obtaining the required approvals before making travel and food-related event purchases.
c. Completing monthly reconciliation reports of the bank statements to supporting documentation.
2. Fully implement the County's new community outreach policy.
3. Improve its existing purchasing card policies by designating a specific County official to review a Board of Supervisors member's purchasing card expenses to ensure the documentation supports the allowability of the purchases.
4. Complete the in-depth analysis of all District 5 Office purchasing card expenses from current and prior years to identify unallowed costs and require the District 5 Supervisor and his assistants to immediately reimburse the County for any misspent public monies.

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

This finding is similar to prior-year findings 2019-03 and 2019-04.

Other auditors' financial statement finding

The other auditors who audited the Maricopa County Housing Authority reported the following finding.

2020-04

Maricopa County Housing Authority's financial reporting process lacked effective internal controls, and numerous adjustments were required by the Authority to correct the financial statements

Condition—There were multiple adjusting entries recorded during the course of the audit. This is indicative of a lack of internal controls over the financial reporting process.

Context—The Authority does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. We also proposed material audit adjustments in order to draft the financial statements. Most of the adjusting journal entries were related to transactions with related parties. Significant adjustments such as these are indicative of inadequate controls over financial reporting. Specifically, we noted the following:

- Recording of land purchase and related unearned revenue from the ground lease transaction entered into with a discretely presented component unit.
- Movement of The River at Eastline Village, LLC from blended component unit to discretely presented component unit.
- Adjustment made to properly report the Authority's beginning net position.
- Eliminations made to the Authority's notes receivable and payables and other interfund transactions as these transactions were between the Authority and its blended component units.
- Adjustment made to correct Coronavirus funding received as unearned revenue.

Effect—Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, a significant number of audit adjustments or a lack of timely financial information.

Cause—The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure the timely and accurate recording of financial transactions. We noted that the Authority relies on the audits of related parties in order to record a significant number of related party transactions. Related party transactions should be recorded by the Authority as they are incurred. The audited financial statements of related parties should be reviewed, but not relied upon for the recording of related party transactions.

Criteria—The internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Recommendations—The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority to review their current procedures for reconciliations and year end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate. We recommend the Authority implements a tracking system to ensure that related party transactions are recorded accurately when incurred in order to avoid delays or discrepancies in the reporting process. Additionally, the Authority's finance department should ensure that they are aware of all related party activities in order to avoid inaccurate reporting or non-reporting of related party transactions.

Federal award findings and questioned costs

None reported.

COUNTY SECTION

MARICOPA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2019 - 6/30/2020

Federal Awarding Agency/Program Title	*Federal CFDA Number*	*Additional Award Identification (Optional)*	*Name of Funder Pass-Through Entity*	*Identifying Number Assigned By Funder Pass-Through Entity*	*Total Amount Provided to Sub-Recipients*	*Federal Expenditures*	*Federal Program Total*	*Cluster Name*	*Cluster Total*
DEPARTMENT OF AGRICULTURE									
SCHOOL BREAKFAST PROGRAM	*10.553*		*ARIZONA DEPARTMENT OF EDUCATION*	*ED09-0001*		*$145,519*	*$167,725*	*CHILD NUTRITION CLUSTER*	*$432,363*
SCHOOL BREAKFAST PROGRAM	*10.553*		*ARIZONA DEPARTMENT OF EDUCATION*	*ED09-0001*		*$22,206*	*$167,725*	*CHILD NUTRITION CLUSTER*	*$432,363*
NATIONAL SCHOOL LUNCH PROGRAM	*10.555*		*ARIZONA DEPARTMENT OF EDUCATION*	*ED09-0001*		*$231,329*	*$264,638*	*CHILD NUTRITION CLUSTER*	*$432,363*
NATIONAL SCHOOL LUNCH PROGRAM	*10.555*		*ARIZONA DEPARTMENT OF EDUCATION*	*ED09-0001*		*$33,309*	*$264,638*	*CHILD NUTRITION CLUSTER*	*$432,363*
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	*10.557*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS15-084210 CTR040876 CTR046145*		*$9,656,963*	*$9,656,963*	*N/A*	*$0*
CHILD AND ADULT CARE FOOD PROGRAM	*10.558*		*ARIZONA DEPARTMENT OF EDUCATION*	*KR02-1170-ALS*		*$319,271*	*$319,271*	*N/A*	*$0*
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	*10.561*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-106547*	*$347,308*	*$2,129,952*	*$2,129,952*	*SNAP CLUSTER*	*$2,129,952*
SCHOOLS AND ROADS - GRANTS TO STATES	10.665					$365,787	$365,787	FOREST SERVICE SCHOOLS AND ROADS CLUSTER	$365,787
COOPERATIVE LAW ENFORCEMENT AGREEMENT	10.U01	16-LE-11031200-005				$132,005	$132,005	N/A	$0
TOTAL DEPARTMENT OF AGRICULTURE					$347,308	$13,036,341			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM	14.195					$1,178,880	$1,178,880	SECTION 8 PROJECT-BASED CLUSTER	$1,178,880
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218				$3,329,121	$3,936,185	$3,936,185	CDBG - ENTITLEMENT GRANTS CLUSTER	$3,936,185
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231				$302,377	$319,175	$319,175	N/A	$0
HOME INVESTMENT PARTNERSHIPS PROGRAM	14.239				$2,098,046	$3,119,124	$3,119,124	N/A	$0
PUBLIC AND INDIAN HOUSING	14.850					$147,979	$147,979	N/A	$0
SECTION 8 HOUSING CHOICE VOUCHERS	14.871					$15,286,660	$15,286,660	HOUSING VOUCHER CLUSTER	$15,501,604
MAINSTREAM VOUCHERS	14.879					$214,571	$214,571	HOUSING VOUCHER CLUSTER	$15,501,604
FAMILY SELF-SUFFICIENCY PROGRAM	14.896					$88,285	$88,285	N/A	$0
LEAD-BASED PAINT HAZARD CONTROL IN PRIVATELY-OWNED HOUSING	14.900					$21,337	$101,785	N/A	$0
LEAD-BASED PAINT HAZARD CONTROL IN PRIVATELY-OWNED HOUSING	*14.900*		*CITY OF PHOENIX*	*146579--0*		*$80,448*	*$101,785*	*N/A*	*$0*
CARES HOUSING VOUCHERS	14.U02	COVID-19 HCV				$373	$373	HOUSING VOUCHER CLUSTER	$15,501,604
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					$5,729,544	$24,393,017			
DEPARTMENT OF THE INTERIOR									
DISTRIBUTION OF RECEIPTS TO STATE AND LOCAL GOVERNMENTS	15.227					$6,829	$6,829	N/A	$0
BLM FUELS MANAGEMENT AND COMMUNITY FIRE ASSISTANCE PROGRAM ACTIVITIES	15.228					$8,209	$8,209	N/A	$0
TOTAL DEPARTMENT OF THE INTERIOR						$15,038			
DEPARTMENT OF JUSTICE									
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM	16.034	COVID-19				$353,315	$353,315	N/A	$0
NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	*16.554*		*ARIZONA CRIMINAL JUSTICE COMMISSION*	*NCP 16-17-004 NCP 18-20-001*		*$137,537*	*$137,537*	*N/A*	*$0*
CRIME VICTIM ASSISTANCE	*16.575*		*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2016-VA-GX-0046 2017-VA-GX-0046 2018-235*		*$1,456,220*	*$1,456,220*	*N/A*	*$0*
CRIME VICTIM COMPENSATION	*16.576*		*ARIZONA CRIMINAL JUSTICE COMMISSION*	*VC-20-056*		*$778,530*	*$778,530*	*N/A*	*$0*
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606					$711,355	$711,355	N/A	$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738				$715,446	$962,178	$1,496,071	N/A	$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	*16.738*		*ARIZONA CRIMINAL JUSTICE COMMISSION*	*DC-19-027 DC-20-027*		*$533,893*	*$1,496,071*	*N/A*	*$0*
PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	*16.742*		*ARIZONA CRIMINAL JUSTICE COMMISSION*	*CV18-19-005*		*$11,804*	*$11,804*	*N/A*	*$0*
COURT APPOINTED SPECIAL ADVOCATES	*16.756*		*NATIONAL CASA/GAL ASSOCIATION*	*AZ10766-19-0120-RA*		*$19,635*	*$19,635*	*N/A*	*$0*
SMART PROSECUTION INITIATIVE	16.825					$16,853	$16,853	N/A	$0
NATIONAL SEXUAL ASSAULT KIT INITIATIVE	16.833					$633,086	$633,086	N/A	$0
EQUITABLE SHARING PROGRAM	16.922					$120,757	$120,757	N/A	$0
CENTRAL ARIZONA SAFE TRAIL TASK FORCE	16.U03	198-PX-C3103878				$1,058	$1,058	N/A	$0
FBI JOINT TERRORISM TASK FORCE	16.U04	415A-PX-A54566-S				$29,569	$29,569	N/A	$0
FBI DESERT HAWK FUGITIVE TASK FORCE	16.U05	88A-PX-46088				$71,632	$71,632	N/A	$0
US MARSHALS SERVICE TASK FORCE	16.U06	JLEOTFS4				$1,778	$1,778	N/A	$0
ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE	16.U07	SWAZP0826				$193,918	$193,918	N/A	$0
ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE	16.U08	SWAZP0858				$112,686	$112,686	N/A	$0
DEA TASK FORCE	16.U09	UNKNOWN				$50,158	$50,158	N/A	$0
TOTAL DEPARTMENT OF JUSTICE					$715,446	$6,195,962			
DEPARTMENT OF LABOR									
WIA ADULT PROGRAM	*17.258*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*DI16-002124 DI19-002202*		*$3,870,599*	*$3,929,837*	*WIOA CLUSTER*	*$14,832,115*
WIA ADULT PROGRAM	*17.258*		*STATE OF ARIZONA GOVERNOR'S OFFICE OF YOUTH, FAITH AND FAMILY*	*IGA-WP-19-010119-01*		*$59,238*	*$3,929,837*	*WIOA CLUSTER*	*$14,832,115*
WIA YOUTH ACTIVITIES	*17.259*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*DI16-002124 DI19-002202*		*$4,998,098*	*$4,998,098*	*WIOA CLUSTER*	*$14,832,115*
H-1B JOB TRAINING GRANTS	*17.268*		*CITY OF PHOENIX*	*143704--0*		*$62,916*	*$62,916*	*N/A*	*$0*
WIA DISLOCATED WORKER FORMULA GRANTS	*17.278*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*DI16-002124 DI19-002202*		*$5,904,180*	*$5,904,180*	*WIOA CLUSTER*	*$14,832,115*
TOTAL DEPARTMENT OF LABOR						$14,895,031			
DEPARTMENT OF TRANSPORTATION									
HIGHWAY PLANNING AND CONSTRUCTION	*20.205*		*ARIZONA DEPARTMENT OF TRANSPORTATION*	*Various*		*$20,844,138*	*$21,731,053*	*HIGHWAY PLANNING AND CONSTRUCTION CLUSTER*	*$21,731,053*
HIGHWAY PLANNING AND CONSTRUCTION	*20.205*		*MARICOPA ASSOCIATION OF GOVERNMENTS*	*656 1024*	*$310,345*	*$886,915*	*$21,731,053*	*HIGHWAY PLANNING AND CONSTRUCTION CLUSTER*	*$21,731,053*
COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS	*20.237*		*ARIZONA DEPARTMENT OF TRANSPORTATION*	*FM-CVN-0124-16-01-00*		*$141,151*	*$141,151*	*N/A*	*$0*
STATE AND COMMUNITY HIGHWAY SAFETY	*20.600*		*ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY*	*2019-AI-004 2019-AL-017 2019-PTS-026 2020-AI-006 2020-AL-21 2020PTS-031*		*$248,915*	*$248,915*	*HIGHWAY SAFETY CLUSTER*	*$258,011*
NATIONAL PRIORITY SAFETY PROGRAMS	*20.616*		*ARIZONA GOVERNOR'S OFFICE OF HIGHWAY SAFETY*	*2019-405D-022 2020-405D-023*		*$9,096*	*$9,096*	*HIGHWAY SAFETY CLUSTER*	*$258,011*
TOTAL DEPARTMENT OF TRANSPORTATION					$310,345	$22,130,215			
DEPARTMENT OF TREASURY									
CORONAVIRUS RELIEF FUND	21.019	COVID-19				$98,946,545	$98,946,545	N/A	$0
TOTAL DEPARTMENT OF TREASURY						$98,946,545			

ENVIRONMENTAL PROTECTION AGENCY									
AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001					$968,469	$968,469	N/A	$0
SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	66.034					$122,249	$122,249	N/A	$0
STATE CLEAN DIESEL GRANT PROGRAM	66.040				$700,078	$801,166	$801,166	N/A	$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY					$700,078	$1,891,884			
DEPARTMENT OF ENERGY									
WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	*81.042*		*ARIZONA DEPARTMENT OF ADMINISTRATION OFFICE OF GRANTS AND FEDERAL RESOURCES*	*215-19 222-18*		*$439,630*	*$439,630*	*N/A*	*$0*
TOTAL DEPARTMENT OF ENERGY						$439,630			
DEPARTMENT OF EDUCATION									
ADULT EDUCATION - BASIC GRANTS TO STATES	*84.002*		*ARIZONA DEPARTMENT OF EDUCATION*	*20FAEABE-013237-01A 20FAEAPL-013237-01A 20FAEIEL-013237-01A 20FAEIET-013237-01A*		*$274,185*	*$274,185*	*N/A*	*$0*
SPECIAL EDUCATION_GRANTS TO STATES	*84.027*		*ARIZONA DEPARTMENT OF EDUCATION*	*20FESCBG-013229-09A*		*$52,170*	*$52,170*	*SPECIAL EDUCATION CLUSTER (IDEA)*	*$52,170*
ENGLISH LANGUAGE ACQUISITION STATE GRANTS	*84.365*		*ARIZONA DEPARTMENT OF EDUCATION*	*18FELENG-613245-66A*	*$78,177*	*$78,177*	*$78,177*	*N/A*	*$0*
TEACHER INCENTIVE FUND	84.374				$2,042,233	$11,383,267	$11,383,267	N/A	$0
TOTAL DEPARTMENT OF EDUCATION					$2,120,410	$11,787,799			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
SPECIAL PROGRAMS FOR THE AGING_TITLE III, PART B_GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	*93.044*		*AREA AGENCY ON AGING*	*2020-28-MCH*		*$697,964*	*$697,964*	*AGING CLUSTER*	*$697,964*
PUBLIC HEALTH EMERGENCY PREPAREDNESS	*93.069*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-130023 ADHS17-133194*		*$2,580,784*	*$2,580,784*	*N/A*	*$0*
ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	*93.070*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-175519 ADHS18-184151*		*$133,999*	*$133,999*	*N/A*	*$0*
BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES - PREVENTION AND SURVEILLANCE	*93.073*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS17-147348*		*$129,301*	*$129,301*	*N/A*	*$0*
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS	*93.074*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-130023 ADHS17-133194*		*$125,916*	*$125,916*	*N/A*	*$0*
FOOD AND DRUG ADMINISTRATION_RESEARCH	93.103					$47,306	$47,306	N/A	$0
PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	*93.116*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-188102*		*$374,055*	*$374,055*	*N/A*	*$0*
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136					$673,294	$764,725	N/A	$0
INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	*93.136*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-109742*		*$91,431*	*$764,725*	*N/A*	*$0*
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243				$311,552	$358,843	$358,843	N/A	$0
IMMUNIZATION COOPERATIVE AGREEMENTS	*93.268*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-177694 ADHS18-177694-2*		*$1,004,642*	*$1,004,642*	*N/A*	*$0*
STATE PARTNERSHIP GRANT PROGRAM TO IMPROVE MINORITY HEALTH	*93.296*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-175153*		*$1,788*	*$1,788*	*N/A*	*$0*
TEENAGE PREGNANCY PREVENTION PROGRAM	93.297				$107,460	$653,422	$653,422	N/A	$0
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	*93.323*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-130023 ADHS17-163348 CTR040486 CTR045915*		*$168,785*	*$168,785*	*N/A*	*$0*
PUBLIC HEALTH EMERGENCY RESPONSE: COOPERATIVE AGREEMENT FOR EMERGENCY RESPONSE: PUBLIC HEALTH CRISIS RESPONSE	*93.354*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS17-133194*		*$658,947*	*$658,947*	*N/A*	*$0*
PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	*93.539*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-177694*		*$221,952*	*$221,952*	*N/A*	*$0*
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	*93.558*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*ADES15-089115*	*$109,719*	*$586,158*	*$586,158*	*N/A*	*$0*
CHILD SUPPORT ENFORCEMENT	*93.563*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*DI18-00278 G1604AZ4004 G1804AZ4004*		*$2,402,860*	*$2,402,860*	*N/A*	*$0*
LOW-INCOME HOME ENERGY ASSISTANCE	*93.568*		*ARIZONA DEPARTMENT OF HOUSING*	*215-19 222-18*		*$1,010,234*	*$5,487,205*	*N/A*	*$0*
LOW-INCOME HOME ENERGY ASSISTANCE	*93.568*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*ADES15-089115*	*$433,144*	*$4,476,971*	*$5,487,205*	*N/A*	*$0*
COMMUNITY SERVICES BLOCK GRANT	*93.569*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*ADES15-089115*	*$261,333*	*$822,352*	*$822,352*	*N/A*	*$0*
REFUGEE AND ENTRANT ASSISTANCE_DISCRETIONARY GRANTS	*93.576*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*DI18-002141*		*$283,974*	*$283,974*	*N/A*	*$0*
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	*93.597*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*190241-G*		*$37,422*	*$37,422*	*N/A*	*$0*
HEAD START	93.600					$18,446,274	$18,446,274	HEAD START CLUSTER	$18,446,274
FOSTER CARE_TITLE IV-E	*93.658*		*ARIZONA SUPREME COURT, ADMINISTRATIVE OFFICE OF THE COURTS*	*NONE*		*$1,225,319*	*$1,225,319*	*N/A*	*$0*
SOCIAL SERVICES BLOCK GRANT	*93.667*		*AREA AGENCY ON AGING*	*2020-28-MCH*		*$492,171*	*$846,137*	*N/A*	*$0*
SOCIAL SERVICES BLOCK GRANT	*93.667*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*ADES15-089115*		*$353,966*	*$846,137*	*N/A*	*$0*
CHILD ABUSE AND NEGLECT DISCRETIONARY ACTIVITIES	*93.670*		*NATIONAL QUALITY IMPROVEMENT CENTER FOR COLLABORATIVE COMMUNITY COURT TEAMS*	*90CA1854*		*$70,801*	*$70,801*	*N/A*	*$0*
ENDING THE HIV EPIDEMIC: A PLAN FOR AMERICA RYAN WHITE HIV/AIDS PROGRAM PARTS A AND B (B)	93.686					$41,994	$41,994	N/A	$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	*93.758*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS16-102232*		*$348,164*	*$348,164*	*N/A*	*$0*
OPIOID STR	*93.788*		*GOVERNOR'S OFFICE OF YOUTH, FAITH AND FAMILY*	*IGA-STR-19-100518-01*		*$130,957*	*$130,957*	*N/A*	*$0*
MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT	*93.870*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS17-155910*	*$705,117*	*$1,651,379*	*$1,651,379*	*N/A*	*$0*
CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS	*93.898*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS17-147348*		*$108,546*	*$108,546*	*N/A*	*$0*
HIV EMERGENCY RELIEF PROJECT GRANTS	93.914	COVID-19			$6,071,279	$9,305,810	$9,305,810	N/A	$0
HIV CARE FORMULA GRANTS	*93.917*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS18-172583 ADHS18-188819 CTR043100*	*$896,028*	*$1,841,584*	*$1,841,584*	*N/A*	*$0*
HEALTHY START INITIATIVE	93.926					$947,804	$947,804	N/A	$0
HIV PREVENTION ACTIVITIES_HEALTH DEPARTMENT BASED	*93.940*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS17-141746 ADHS18-188819*		*$201,372*	*$201,372*	*N/A*	*$0*
PREVENTIVE HEALTH SERVICES_SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	*93.977*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS14-071224 ADHS16-116340 CTR040486*		*$427,025*	*$427,025*	*N/A*	*$0*
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	*93.994*		*ARIZONA DEPARTMENT OF HEALTH SERVICES*	*ADHS14-074958 ADHS16-102232 ADHS17-147348 ADHS18-175153 CTR046941*		*$489,434*	*$489,434*	*N/A*	*$0*
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					$8,895,632	$53,625,000			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
AMERICORPS	*94.006*		*ADMINSTRATIVE OFFICE OF THE COURTS, ARIZONA SUPREME COURT*	*NONE*		*$23,414*	*$168,764*	*N/A*	*$0*

AMERICORPS	*94.006*	*ARIZONA GOVERNOR'S OFFICE FOR CHILDREN, YOUTH AND FAMILIES*	*AC-VSG-18-0900118-10*		*$145,350*	*$168,764*	*N/A*	*$0*
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					$168,764			
EXECUTIVE OFFICE OF THE PRESIDENT								
HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	95.001				$616,646	$616,646	N/A	$0
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT					$616,646			
DEPARTMENT OF HOMELAND SECURITY								
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	*97.042*	*ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS*	*EMF-2016-EP-008-S01 EMF-2018-EP-00012 EMF-2019-EP-00010*		*$861,519*	*$861,519*	*N/A*	*$0*
COOPERATING TECHNICAL PARTNERS	97.045				$29,743	$29,743	N/A	$0
HOMELAND SECURITY GRANT PROGRAM	*97.067*	*ARIZONA DEPARTMENT OF HOMELAND SECURITY*	*170203-03 170204-02 180810-01 180810-03 180810-04 190205-01 190206-01 190206-02 190811-01 190811-02*		*$544,378*	*$544,378*	*N/A*	*$0*
HOMELAND SECURITY BIOWATCH PROGRAM	97.091				$629,329	$629,329	N/A	$0
TOTAL DEPARTMENT OF HOMELAND SECURITY					$2,064,969			
TOTAL EXPENDITURE OF FEDERAL AWARDS				$18,818,763	$250,206,841			

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.

MARICOPA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2019 - 6/30/2020

Significant Accounting Policies Used in Preparing the SEFA

Expenditures reported on the schedule are reported on the modified accrual basis of accounting, except for the following programs: Forest Service Schools and Roads Cluster (10.665) and Distribution of Receipts to State and Local Governments (15.227). For these programs, revenues received during the fiscal year are considered earned and are reported as expenditures. All remaining expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

10% De Minimis Cost Rate

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

Basis of presentation

The accompanying schedule of expenditures of federal awards (schedule) includes Maricopa County's federal grant activity for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal Assistance Listing number

The program titles and Federal Assistance Listing numbers were obtained from the federal or pass-through grantor or the *2020 Federal Assistance Listings* . When no Federal Assistance Listings number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

COUNTY RESPONSE

Maricopa County
Office of Budget and Finance

301 West Jefferson St.
Suite 960
Phx, AZ 85003-2148
Phone: 602-506-3561
Fax: 602-506-4451
www.maricopa.gov/

March 30, 2021

Lindsey Perry
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry:

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

Sincerely,

Cynthia Goelz
Chief Financial Officer

2020-01 The County's deficiencies in its process for managing and documenting its risks may put its IT systems and data at unintended and unnecessary risk.
Contact person(s): Kevin Westover, Business Engagement Manager, Office of Enterprise Technology and Deborah Lukens, Information Technology Manager, Maricopa County Treasurer's Office
Anticipated completion date: December 31, 2021

Concur. Maricopa County takes all IT audit findings seriously and will make efforts to resolve any deficiencies. The County will take actions to improve policies and processes for managing and documenting risks.

2020-02 The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data.
Contact person(s): Kevin Westover, Business Engagement Manager, Office of Enterprise Technology and Deborah Lukens, Information Technology Manager, Maricopa County Treasurer's Office
Anticipated completion date: December 31, 2021

Concur. Maricopa County takes all IT audit findings seriously and will make efforts to resolve any deficiencies. The County made improvements during fiscal year 2021 and will continue to make improvements related to logical and physical access controls. While the County has policies in place, the policies were not fully operationalized due to increased workload related to supporting the County during the Covid-19 pandemic. The County will work to operationalize these policies during calendar year 2021.

2020-03 The County's District 5 Supervisor and his assistant made $11,544 in purchasing card purchases that contradicted County policies, which the County paid for, resulting in potential misuse of public monies and possibly violating the Arizona Constitution.
Contact person(s): Cynthia Goelz, Chief Financial Officer
Anticipated completion date: December 31, 2021

Concur. Maricopa County takes all findings seriously and has already taken steps to strengthen internal controls, clarify policies and procedures, and ensure corrections are made. In December 2020, the County made updates to the travel and purchasing card policies, which clarified language and added a requirement for the Board of Supervisors to file travel and purchasing card supporting documentation with the Clerk of the Board. In addition, the County established a community outreach policy in December 2020, which defines allowable expenses and outlines procedures related to community outreach and other strategic initiatives that the Board of Supervisors either are engaged or participate. The County will continue to work to ensure that County purchasing card, food, community outreach, and travel policies are followed. In addition, the County continues to improve communication and training processes over purchasing card transactions to ensure that purchasing card activity complies with County policies and procedures and that proper documentation is maintained. The County will review current and prior year purchasing card expenses and current policies and procedures to address the recommendations provided, as applicable, and take appropriate action.

HOUSING AUTHORITY
of MARICOPA COUNTY

HAMC

February 22, 2021

Pete Koziol
U.S. Department of Housing & Urban Development
Office of Public Housing
One North Central Suite 600
Phoenix, AZ 85004-4414

Subject: AZ009 2020 Audit Corrective Action Plan

Dear Mr. Koziol,

The Housing Authority of Maricopa County respectfully submits the following Corrective Action Plan for the year ended 2020. The audit report included one finding related to year-end audit adjustments and financial statements, addressed below.

FINANCIAL STATEMENT FINDINGS

2020-001: Audit Adjustments and Preparation of the Financial Statements

Condition: There were multiple adjusting journal entries recorded during the course of the audit. This is indicative of a lack of internal controls over the financial reporting process.

Criteria: The internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financing reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: The Authority does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. We also proposed material audit adjustments in order to draft the financial statements. Most of the adjusting journal entries were related to transactions with related parties. Significant adjustments such as these are indicative of inadequate controls over financial reporting. Specifically, we noted the following:

- Recording of land purchase and related unearned revenue from the ground lease transaction entered into with a discretely presented component unit.
- Movement of The River at Eastline Village, LLC from blended component unit to discretely presented component unit.
- Adjustment made to properly report the Authority's beginning net position.
- Eliminations made to the Authority's notes receivable and payables and other interfund transactions as these transactions were between the Authority and its blended component units.
- Adjustment made to correct Coronavirus funding received as unearned revenue.

Effect: Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, a significant number of audit adjustments or a lack of timely financial information.

Cause: The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure the timely and accurate recording of financial transactions. We note that the Authority relies on the audits of related parties in order to record a significant number of related party transactions. Related party transactions should be recorded by the Authority as they are incurred. The audited financial statements of related parties should be reviewed, but not relied upon for the recording of related party transactions.

Corrective Action/Actions Taken: We have established an updated monthly closing procedure that includes reconciliation, review and analysis of intercompany and related party transactions and balances. Adequate staffing has been assigned and financial results for these related parties are now reported and included in our monthly financial reports.

Target Completion Date: Complete, corrective action has been taken and HAMC has fully implemented the adequate action to address this issue.

If you have questions regarding this Corrective Action Plan, please contact Mario L Aniles, Deputy Director at (602) 744-4517. Thank you.

Sincerely,

Mario L. Aniles
Deputy Director

CC: Gloria Munoz, Executive Director, Housing Authority of Maricopa County

301 West Jefferson St.
Suite 960
Phx, AZ 85003-2148
Phone: 602-506-3561
Fax: 602-506-4451
www.maricopa.gov/

March 30, 2021

Lindsey Perry
Auditor General
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Cynthia Goelz
Chief Financial Officer

Status of financial statement findings

The County should improve access controls over its information technology resources
Finding No. 2015-02, 2016-02, 2017-02

Information technology (IT) controls – access, configuration and change management, security, and contingency planning
Finding No. 2018-02

Information technology (IT) access controls
Finding No. 2019-02

Status: Partially corrected

Maricopa County takes all IT audit findings seriously and will make efforts to resolve any deficiencies. The County made and will continue to make improvements with logical and physical access controls. The County will also implement new or enforce existing policy involving logical and physical access controls. Contact persons are Kevin Westover, Business Engagement Manager, Office of Enterprise Technology (602) 506-1667 and Deborah Lukens, Information Technology Manager, Maricopa County Treasurer, (602) 372-4472.

The County should improve security over its information technology resources and improve its risk assessment process
Finding No. 2017-01

Managing Risk
Finding No. 2018-01, 2019-01

Status: Partially corrected

Maricopa County takes all IT audit findings seriously and will make efforts to resolve any deficiencies. The County will continue to make improvements in the risk assessment process. Additionally, the County will develop policy where lacking and enforce policy where necessary. Contact persons are Kevin Westover, Business Engagement Manager, Office of Enterprise Technology (602) 506-1667 and Deborah Lukens, Information Technology Manager, Maricopa County Treasurer, (602) 372-4472.

The County's District 5 Board of Supervisors member and his assistant made purchases that conflicted with County policies and lacked appropriate documentation and the County paid for them, which put public monies at risk of misuse.
Finding No. 2019-03

Status: Partially corrected

The County updated and implemented policies related to community outreach, travel and purchasing cards in December 2020. The County continues to improve communication and training processes over purchasing card transactions to ensure that purchasing card activity complies with County policies and procedures and that proper documentation is maintained. In addition, the County contracted with an outside consultant in October 2020 to perform a detailed review of District 5 purchasing card expenditures for fiscal years 2018 and 2020 and expenditures through October 2020 for fiscal year 2021. The County Board of Supervisors is in the process of reviewing the outside consultant's report in conjunction with the fiscal year 2019 finding to determine the appropriate resolution.

County Supervisors' purchasing card travel expense were not appropriately reviewed and approved before the County paid them, which put public monies at risk of misuse.
Finding No. 2019-04
Status: Partially corrected.

The County updated its travel policy in December 2020 to ensure proper oversight of travel expenditures is maintained. The updated travel policy includes requirements for the Board of Supervisors to submit travel claims and provide all supporting travel documentation to the Clerk of the Board. In addition, the updated travel policy requires all travel documents with claims for reimbursements to be approved by another Board member and the County Treasurer. The County hired an outside consultant in October 2020 to perform a detailed review of purchasing card travel expenses for District 5 for fiscal years 2018 and 2020, and expenditures through October 2020 for fiscal year 2021, and is currently reviewing the results of that review. Further, the County will continue to work with all Board of Supervisor Districts to ensure that all travel complies with County policies and procedures and that proper documentation is maintained.

Maricopa County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

Status of federal award findings and questioned costs

CFDA No.: 93.600 Head Start
Finding No. 2016-111, 2017-107, 2018-101
Status: Fully corrected.

ARIZONA
Auditor General
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