

REPORT HIGHLIGHTS
SINGLE AUDIT

Subject

Pinal County spent \$11 million of federal monies and additional required state matching monies this past year for 57 programs. The largest federal grants were for housing, health and welfare, family nutrition, and crime control. In return, the County must be accountable for its use of both federal and state monies, maintain strong internal controls, and comply with federal program requirements.

Our Conclusion

The County maintained adequate internal controls over financial reporting. The County also maintained adequate internal controls over, and complied with the federal program requirements for, the programs tested.



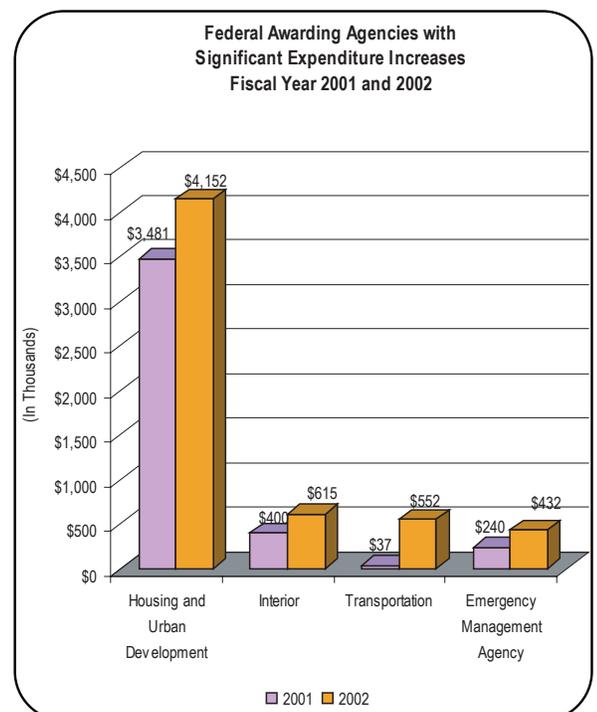
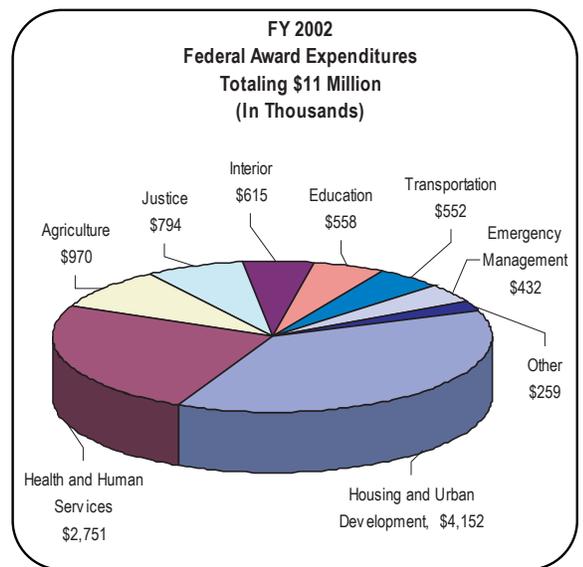
2002

Year Ended June 30, 2002

The County Experienced an Overall Increase in Federal Award Expenditures

Most of the County's federal programs experienced increases in expenditures over the prior year. Overall, federal award expenditures increased by approximately \$1.4 million over the prior year. The most significant increase occurred in the following federal agencies and programs.

- \$671 thousand in U.S. Department of Housing and Urban Development programs, mostly related to the Public and Indian Housing Program
- \$215 thousand increase in U.S. Department of the Interior programs, mostly related to the Payment in Lieu of Taxes Program
- \$515 thousand increase in U.S. Department of Transportation programs, mostly related to the Highway Planning and Construction Program
- \$192 thousand increase in U.S. Federal Emergency Management Agency, mostly related to the Public Assistance Program



Auditors Evaluated Compliance With 6 Federal Programs

Auditors identified and tested six federal programs under the guidelines established by the Single Audit Act. Audit tests included evaluating the County's compliance with each

program's federal regulations generally relating to expending, reporting, and monitoring federal awards. The table below lists the programs we audited and the federal awarding agency:

Federal Programs Audited	
Federal Program	Federal Awarding Agency
Special Supplemental Nutrition Program for Women, Infants, and Children	Department of Agriculture
Public Housing Capital Fund	Department of Housing and Urban Development
Payments in Lieu of Taxes	Department of Interior
Byrne Formula Grant Program	Department of Justice
Highway Planning and Construction	Department of Transportation
Public Assistance Grants	Federal Emergency Management Agency

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting our Web site at:
www.auditor.gen.state.az.us

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The Single Audit Fact Sheet

- No weaknesses in financial reporting internal controls.
- No weaknesses in federal compliance internal controls.
- No violations of federal compliance requirements.
- No program costs were questioned as a result of our audit.

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Year Ended June 30, 2002