

REPORT HIGHLIGHTS

Pinal County Transportation Excise Tax

Pinal County and most of its incorporated cities and towns appropriately used transportation excise tax revenues and demonstrated measurable project impacts. However, the Town of Mammoth lacked the ability to demonstrate that it spent all excise tax monies appropriately.

Audit Purpose

This performance audit evaluated whether Pinal County and its incorporated cities and towns expended transportation excise tax revenues in compliance with *Arizona Revised Statutes (A.R.S.) §28-6392(B)* and whether those expenditures contributed to measurable improvements in addressing countywide transportation needs. The audit assessed whether completed projects from calendar years 2021 through 2025 and planned projects through 2030, contributed to measurable improvements in addressing transportation needs, such as reducing traffic congestion, improving roadway safety, and enhancing environmental quality and regional economic vitality. Additionally, the audit evaluated the County's and its incorporated cities' and towns' internal controls, governance practices, and oversight mechanisms to ensure excise tax monies are properly managed, prioritized, and aligned with statutory and public expectations.

Key Findings

1. Pinal County and its incorporated cities and towns, other than the Town of Mammoth, were able to demonstrate that they used transportation excise tax monies for allowable highway and street purposes.
2. Transportation excise tax-funded projects addressed roadway condition, safety, mobility, drainage, and access needs across the County.
3. The County and participating jurisdictions used formal planning, budgeting, and oversight processes to identify, prioritize, approve, and monitor transportation projects.
4. The Town of Mammoth lacked the ability to demonstrate that it spent all excise tax monies appropriately because it did not maintain sufficient documentation and continuity in its records and procedures.

Key Recommendations

The Town of Mammoth should:

1. Develop and implement formal written policies and procedures addressing allowable uses, documentation standards, responsibilities, records retention, and oversight.
2. Centralize transportation excise tax project files and supporting documentation to ensure records are complete, current, and accessible.
3. Maintain adequate documentation for all charges to excise tax monies, clearly demonstrating the nature, purpose, and eligibility of each expenditure.
4. Demonstrate that all excise tax monies were used for allowable purposes by maintaining sufficient documentation for each expenditure.

