

REPORT HIGHLIGHTS
 SINGLE AUDIT

Subject

Pima County spent \$69.1 million of federal monies and additional required matching monies this past year for 95 programs. The largest federal grants were for job training, transportation, drug trafficking, and health and human services. In return, the County must be accountable for its use of both federal and local monies, maintain strong internal controls, and comply with federal program requirements. As the auditors, our job is to determine whether the County has met its responsibilities.

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. However, for one program, our report recommends that the County improve its reporting procedures.



2004

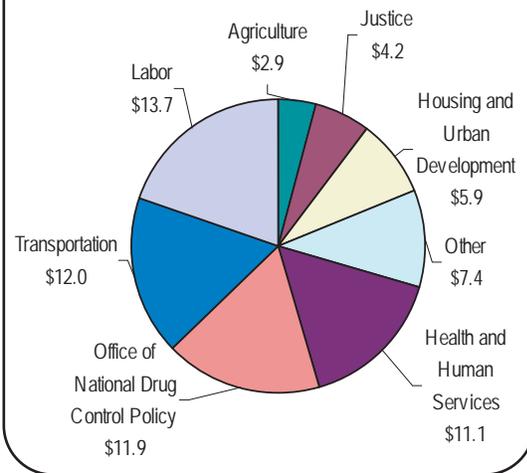
Year Ended June 30, 2004

The County Experienced an Overall Increase in Federal Awards

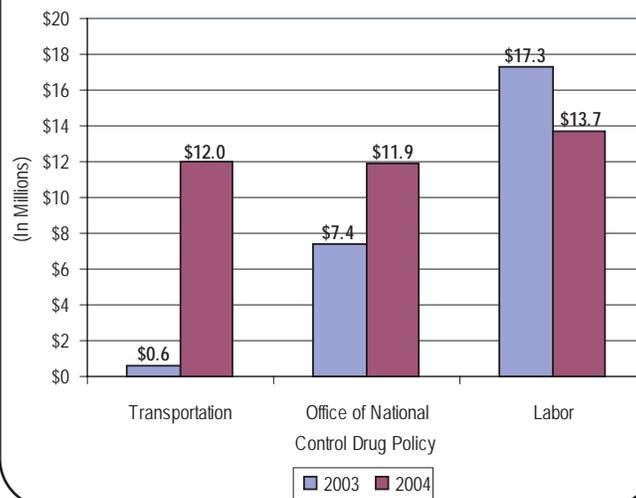
Overall, federal award expenditures increased by approximately \$14.2 million. The increase was primarily the result of the following:

- \$11.4 million increase in U.S. Department of Transportation programs, related to the funding of several large transportation projects.
- \$4.5 million increase in Office of National Drug Control Policy Programs, related to an increase in High Intensity Drug Trafficking Area monies that were passed through to other law enforcement agencies.
- \$3.6 million decrease in Department of Labor programs, related to reductions in the Work Investment Act and Youth Opportunity Grant Programs.

Fiscal Year 2004 Federal Expenditures by Awarding Agency Totaling \$69.1 Million (In Millions)



Federal Awarding Agencies with Significant Expenditure Changes Fiscal Years 2003 and 2004



The Single Audit Fact Sheet

- No weaknesses in financial reporting internal controls.
- One weakness in federal compliance internal controls which resulted in an immaterial violation of federal compliance requirements.
- No program costs were questioned as a result of our audit.

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.auditorgen.state.az.us

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Year Ended June 30, 2004