

**REPORT
 HIGHLIGHTS**
 SINGLE AUDIT

Subject

Pinal County spent \$13.9 million of federal monies and additional required matching monies this past year for 60 programs. The largest federal grants were for housing, health and welfare, family nutrition, and homeland security. In return, the County is responsible for demonstrating accountability for its use of both federal and state monies, maintaining strong internal controls, and complying with federal program requirements. As the auditors, our job is to determine whether the County met its responsibilities.

Our Conclusion

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



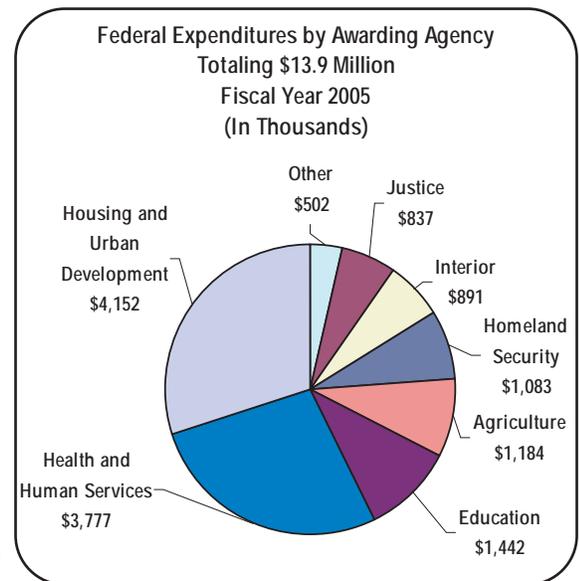
2005

Year Ended June 30, 2005

The County Experienced an Overall Increase in Federal Award Expenditures

Most of the County's federal programs had increased expenditures from the prior year. Overall, expenditures of federal awards increased by approximately \$1.2 million over the prior year. The largest increases were attributable to the following programs:

- \$442 thousand increase in U.S. Department of Justice/Homeland Security programs, mostly related to the State Domestic Preparedness Equipment Support Program.
- \$255 thousand increase in U.S. Department of Education programs, mostly related to the Literacy Through School Libraries, English Language Acquisition Grants, Title I Grants to Local Educational Agencies, and Reading First State Grants.
- \$222 thousand increase in U.S. Department of Agriculture programs, mostly related to the Special Supplemental Nutrition Program for Women, Infants, and Children; Grant Program to Establish a Fund for Financing Water and Wastewater Projects; and State Administrative Matching Grants for Food Stamp Program.
- \$163 thousand increase in U.S. Department of the Interior programs, mostly related to Payments in Lieu of Taxes.



The Single Audit Fact Sheet

- No weaknesses in financial reporting or federal compliance internal controls.
- No violations of federal program 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.azauditor.gov

Contact person for
this report:
Phil Shultz

REPORT
HIGHLIGHTS
SINGLE AUDIT

Year Ended June 30, 2005