



**STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL**

DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

July 18, 2006

The Honorable Tom Horne  
State Superintendent of Public Instruction  
Arizona Department of Education  
1535 West Jefferson Street  
Phoenix, AZ 85007

Subject: Management Letter

Dear Mr. Horne:

In planning and conducting our single audit of the State of Arizona for the year ended June 30, 2005, we performed the following as required by *Government Auditing Standards* (GAS) and Office of Management and Budget (OMB) Circular A-133:

- Considered the Department's internal controls over financial reporting,
- Tested its internal controls over major federal programs, and
- Tested its compliance with laws and regulations that could have a direct and material effect on the State's financial statements and major federal programs.

Specifically, we performed tests of revenues, expenditures, and compliance with laws and regulations for the Title I Grants to Local Education Agencies, Special Education—Grants to States, Special Education—Preschool Grants, Even Start—State Educational Agencies, School Breakfast Program, National School Lunch Program, and Child and Adult Care Food Program.

All audit findings that are required to be reported by GAS and OMB Circular A-133 have been included in the State of Arizona's Single Audit Reporting Package for the year ended June 30, 2005, and have been communicated to your staff.

This letter is intended solely for the information of the Department and is not intended to be and should not be used by anyone other than the specified party. However, this letter is a matter of public record, and its distribution is not limited.

Should you have any questions concerning its contents, please let us know.

Sincerely,

Debbie Davenport  
Auditor General