



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

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

May 12, 2006

Mark Winkleman, State Land Commissioner
Arizona State Land Department
1616 W. Adams Street
Phoenix, Arizona 85007

Subject: Management Letter

Dear Mr. Winkleman:

In planning and conducting our audit of the State of Arizona for the year ended June 30, 2005, we considered the Arizona State Land Department's internal controls over financial reporting and tested its compliance with laws and regulations that could have a direct and material effect on the State's financial statements as required by *Government Auditing Standards*.

Specifically, we performed tests of cash receipts, receivables, deferred revenues, revenues, related parties, and statutory compliance.

There are no audit findings that are required to be reported by *Government Auditing Standards*. However, we have communicated isolated or less significant deficiencies directly to your staff.

This letter is intended solely for the information of the Arizona State Land 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,

Dennis L. Mattheisen, CPA
Financial Audit Director

cc: Sharon Gulden, Chief Accountant