

**REPORT
 HIGHLIGHTS
 SINGLE AUDIT**

Subject

Pima County spent \$45.8 million of federal monies and additional required matching monies this past year for 107 programs. 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

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



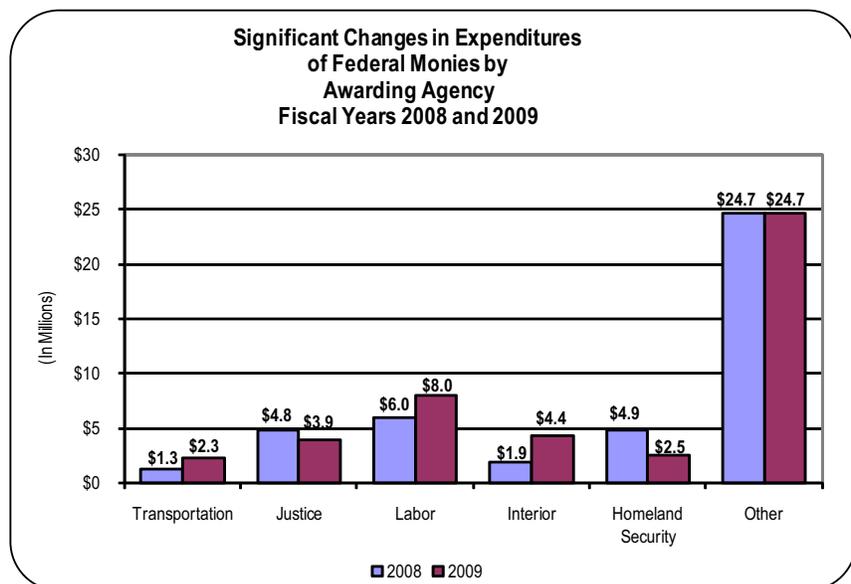
2009

Year Ended June 30, 2009

The County Experienced an Overall Increase in Expenditures of Federal Awards

Overall expenditures of federal awards increased by approximately \$2.2 million. The net increase was the result of the following:

- \$2.5 million increase in the U.S. Department of the Interior programs related primarily to the Payments in Lieu of Taxes (PILT) program. This increase was the result of the Emergency Economic Stabilization Act of 2008, which increased PILT payments to the full entitlement levels.
- \$2 million increase in the U.S. Department of Labor programs related primarily to American Recovery and Reinvestment Act (ARRA) monies received and expended as part of the Workforce Investment Act (WIA) programs and additional funding received and expended under the WIA Dislocated Workers program.
- \$1 million increase in U.S. Department of Transportation programs related to an increase in Highway Planning and Construction projects from four in 2008 to eight in 2009.
- \$2.4 million decrease in U.S. Department of Homeland Security programs primarily related to FEMA-funded flood repairs that were completed and the expiration of a 1-year, nonrecurring grant of \$1.5 million for purchase of a helicopter.
- \$0.9 million decrease in U.S. Department of Justice programs primarily related to Public Safety Partnership and Community Policing Grants that ended in 2008.



Federal Compliance Audit Summary

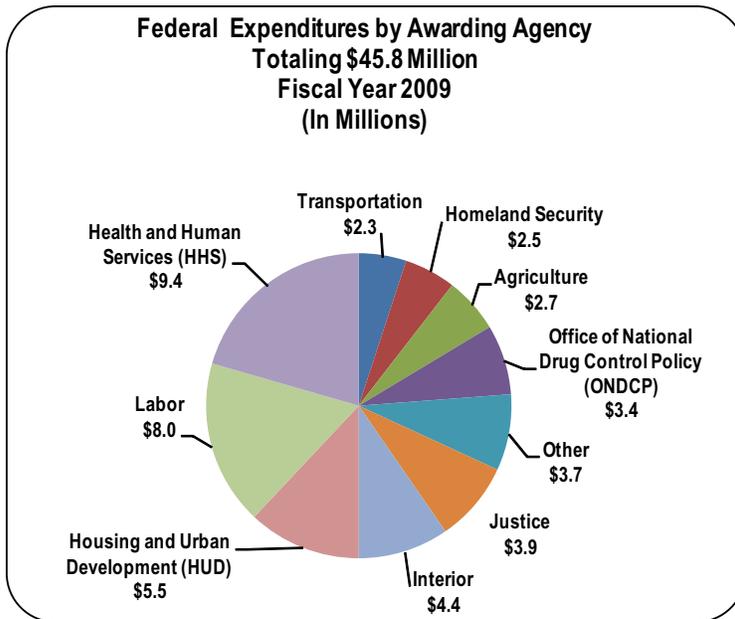
TO OBTAIN
MORE INFORMATION

Pima County spent \$45.8 million of federal monies and additional required matching monies this past year. Under the guidelines established by the Single Audit Act, auditors tested the federal programs presented in the table to the right. Also, the pie chart below shows the County's total fiscal year federal expenditures by awarding federal agency.

Awarding Federal Agency and Federal Program Tested	Expenditures (In Millions)
ONDCP: High-Intensity Drug Trafficking Areas	\$3.4
Agriculture: Special Supplemental Nutrition Program for Women, Infants, and Children	2.0
HUD: Community Development Block Grants/Entitlement Grants	2.7
HUD: Supportive Housing Program	2.1
Interior: Payments in Lieu of Taxes	4.3
Labor: Workforce Improvement Act Program Cluster	6.3
Transportation: Highway Planning and Construction	1.3
Homeland Security: Homeland Security Grant Program Cluster	1.9

A copy of the full report is available at:
www.azauditor.gov

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American Recovery and Reinvestment Act

According to the State of Arizona's Office of the Governor, it received Federal American Recovery Act monies totaling \$41 million under ARRA Workforce Improvement Act activities. Program monies were distributed to counties and tribes throughout the State to provide training for dislocated workers, adults, and youth in order to help them obtain employment. The State allocated Pima County \$5.6 million of this program's monies.

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