

Mohave County, Arizona
SINGLE AUDIT REPORTING PACKAGE
Year Ended June 30, 2022

Mohave County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2022
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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Basic Financial
Statements Performed in Accordance with *Government Auditing Standards***

The Arizona Auditor General
The Board of Supervisors of
Mohave County, Arizona

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County (the County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Mohave County Self-Insured Trust Fund and Employee Benefits Trust Fund, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. We and the other auditors identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mohave County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Mohave County's response to the findings identified in our audit that is presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements. Accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fester & Chapman, PLLC

March 30, 2023



Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Arizona Auditor General
The Board of Supervisors of
Mohave County, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mohave County's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Mohave County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the U.S. Comptroller General, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of Mohave County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mohave County's compliance with the compliance requirements referred to above.

Management's Responsibilities for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Mohave County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mohave County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal controls over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses, or significant deficiencies in internal control over compliance may exist that were not identified.

Purpose of this Report

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 30, 2023, that contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Fester & Chapman, PLLC

March 30, 2023

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal agency / Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
Department of Agriculture						
10 553	School Breakfast Program	Child Nutrition Cluster	Arizona Department of Education	ADE Contract ED09-0001	\$ 6,275	\$
10 555	National School Lunch Program (non-cash)	Child Nutrition Cluster	Arizona Department of Education	ADE Contract ED09-0001	134	
10 555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	ADE Contract ED09-0001	10,352	
	<i>Total 10.555</i>				<u>10,486</u>	
	<i>Total Child Nutrition Cluster</i>				<u>16,761</u>	
10 557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS19-207426-2	659,399	
10 561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	RFGA2020-001-003	162,687	
	<i>Total SNAP Cluster</i>				<u>162,687</u>	
10 665	Schools and Roads - Grants to States	Forest Service Schools and Roads Cluster			5,226	
	<i>Total Forest Service Schools and Roads Cluster</i>				<u>5,226</u>	
	Total Department of Agriculture				<u>844,073</u>	
Department of Housing and Urban Development						
14 228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		Arizona Department of Housing	106-21, 116-20, 113-21, 112-21, 111-21	657,441	191,797
14 239	Home Investment Partnerships Program		Arizona Department of Housing	302-20, 301-21	412,391	
14 241	COVID-19 Housing Opportunities for Persons with AIDS		Arizona Department of Housing	501-21	1,711	
14 241	Housing Opportunities for Persons with AIDS		Arizona Department of Housing	504-21,506-22, 505-21, 510-20	163,823	
	<i>Total 14.241</i>				<u>165,534</u>	
14 267	Continuum of Care Program		Arizona Department of Housing	535-21, 503-23, 524-21, 521-22, 536-21, 504-23	280,595	
14 871	COVID-19 Section 8 Housing Choice Vouchers	Housing Voucher Cluster			7,215	
14 871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster			2,842,203	
	<i>Total 14.871</i>				<u>2,849,418</u>	
14 879	COVID-19 Mainstream Vouchers	Housing Voucher Cluster			1,899	
14 879	Mainstream Vouchers	Housing Voucher Cluster			719,010	
	<i>Total 14.879</i>				<u>720,909</u>	
	<i>Total Housing Voucher Cluster</i>				<u>3,570,327</u>	
	Total Department of Housing and Urban Development				<u>5,086,288</u>	191,797
Department of the Interior						
15 659	National Wildlife Refuge Fund				3,616	
	Total Department of the Interior				<u>3,616</u>	
Department of Justice						
16 034	COVID-19 Coronavirus Emergency Supplemental Funding Program		Arizona Criminal Justice Commission	ACESF-21-031	1,704	
16 554	National Criminal History Improvement Program		Arizona Criminal Justice Commission	NCHIP-21-23-005	2,765	
16 575	Crime Victim Assistance		Arizona Department of Public Safety	2020-124, 2020-179	251,282	
16 606	State Criminal Alien Assistance Program				4,252	
16 607	Bulletproof Vest Partnership Program				5,168	
16 738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	DC-22-028	51,576	
16 738	Edward Byrne Memorial Justice Assistance Grant Program				9,299	
	<i>Total 16.738</i>				<u>60,875</u>	
16 838	Comprehensive Opioid, Stimulant, and Substance Abuse Program		Institute for Intergovernmental Research (IRR)	2019-RURAL-0047	47,262	
16 838	Comprehensive Opioid, Stimulant, and Substance Abuse Program				39,842	
	<i>Total 16.838</i>				<u>87,104</u>	
16 922	Equitable Sharing Program				13,848	12,500
16 Unknown	US Marshals Service District Fugitive Apprehension Task Force		Arizona Supreme Court, Arizona Office of the Court	MMO-M-18-D08-0-0000	3,418	
	Total Department of Justice				<u>430,416</u>	12,500

See accompanying notes to schedule

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal agency / Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
Department of Labor						
17 258	WIA/WIOA Adult Program	WIOA Cluster	Arizona Department of Economic Security	DI21-002284	\$ 912,242	\$ 24,410
17 259	WIA/WIOA Youth Activities	WIOA Cluster	Arizona Department of Economic Security	DI21-002284	850,397	23,608
17 278	WIA/WIOA Dislocated Worker Formula Grants	WIOA Cluster	Arizona Department of Economic Security	DI21-002284	542,481	22,805
	<i>Total WIOA Cluster</i>				<u>2,305,120</u>	<u>70,823</u>
	Total Department of Labor				<u>2,305,120</u>	<u>70,823</u>
Department of Transportation						
20 600	State and Community Highway Safety	Highway Safety Cluster	Governor's Office of Highway Safety	2021-AL-021, 2022-405d-030	15,145	
	<i>Total Highway Safety Cluster</i>				<u>15,145</u>	
	Total Department of Transportation				<u>15,145</u>	
Department of Treasury						
21 023	COVID-19 Emergency Rental Assistance Program		Arizona Department of Economic Security	DS22-003150,DI21-002311	3,495,237	3,405,101
21 027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds		Arizona Criminal Justice Commission	VC-22-009	18,000	
21 027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds		Arizona Administrative Office of the Court	220800CB01, GR-ARPA-MHCF-070121- 01	89,091	
21 027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds				1,945,833	948,181
	<i>Total 21.027</i>				<u>2,052,924</u>	<u>948,181</u>
	Total Department of Treasury				<u>5,548,161</u>	<u>4,353,282</u>
The Institute of Museum and Library Services						
45 310	COVID-19 Grants to States		Arizona Secretary of State	2021-SRPA-35	20,996	
	Total National Endowment for the Humanities				<u>20,996</u>	
Environmental Protection Agency						
66 444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))		Arizona Department of Environmental Quality	IGA 2021-01	233	
66 463	Water Quality Cooperative Agreements State and Tribal Response Program		Arizona Department of Environmental Quality	EV2020-0002	3,885	
66 817	Grants		Arizona Department of Environmental Quality	ADEQ22-BF2204	177,198	
	Total Environmental Protection Agency				<u>181,316</u>	
Department of Education						
84 027A	Special Education- Grants to States (IDEA, Part B)	Special Education Cluster	Arizona Supreme Court	IGA #KR13-0137	9,575	
	<i>Total Special Education Cluster</i>				<u>9,575</u>	
84 425D	COVID-19 Elementary and Secondary School Emergency Relief Fund		Arizona Department of Education	IGA #KR13-0137	4,315	
	Total Department of Education				<u>13,890</u>	
Election Assistance Commission						
90 404	2018 HAVA Election Security Grants- Cyber Security		Arizona Secretary of State	None	165,974	
	Total Election Assistance Commission				<u>165,974</u>	
Department of Health and Human Services						
93 045	Special Programs for the Aging - Title III, Part C - Nutrition Services	Aging Cluster	Western Arizona Council of Governments	E86-6000539-401-01-22	508,775	
93 053	Nutrition Services Incentive Program	Aging Cluster	Western Arizona Council of Governments	E86-6000539-401-01-22	63,728	
	<i>Total Aging Cluster</i>				<u>572,503</u>	
93 069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS17-133195	244,184	
93 069	COVID-19 Public Health Emergency Preparedness		Arizona Department of Health Services	CTR055215	94,220	
	<i>Total 93.069</i>				<u>338,404</u>	
93 136	Injury Prevention and Control Research and State and Community Based Programs		Arizona Department of Health Services	IGA 2021-072	279,455	
93 268	COVID-19 Immunization Cooperative Agreements		Arizona Department of Health Services	CTR042198	37,989	

See accompanying notes to schedule

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal agency / Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
93 268	Immunization Cooperative Agreements <i>Total 93.268</i>		Arizona Department of Health Services	CTR042198	375,556 <u>413,545</u>	
93 323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		Arizona Department of Health Services	IGA2021-060	343,849	
93 323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) <i>Total 93.323</i>		Arizona Department of Health Services	ADHS17-163349	31,349 <u>375,198</u>	
93 354	COVID-19 Public Health Crisis Response Opioid		Arizona Department of Health Services	ADHS17-133195	75,950	
93 563	Child Support Enforcement Grants to States for Access and Visitation Programs		Arizona Department of Economic Security	DI18-002149, DI18-002167	152,923	
93 597			Arizona Department of Economic Security	DE111148001	22,373	
93 658	Foster Care TITLE IV-E		AZ-AOC	None	145,051	
93 667	Social Services Block Grant		Western Arizona Council of Governments	E86-6000539-401-01-22	157,421	
93 788	Opioid STR		STR Steward Health Care Network	YH17-0003-02	64,514	
93 788	Opioid STR <i>Total 93.788</i>		Arizona Department of Health Services	IGA2021-072	17,734 <u>82,248</u>	
93 870	Maternal, Infant and Early Childhood Home Visiting Grant		Arizona Department of Health Services	CTR050596	181,070	
93 940	HIV Prevention Activities - Health Department Based		Arizona Department of Health Services	ADHS18-188823	52,665	
93 977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		Arizona Department of Health Services	CTR043050	1,938	
93 994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	IGA2020-050, IGA2020-020	171,896 <u>3,022,640</u>	
Total Department of Health and Human Services						
Executive Office of the President						
95 001	High Intensity Drug Trafficking Areas Program Total Office of National Drug Control Policy		City of Tucson Police Department	HT-21-2936	93,647 <u>93,647</u>	
Department of Homeland Security						
97 024	Emergency Food and Shelter National Board Program				3,749	
97 024	COVID-19 Emergency Food and Shelter National Board Program <i>Total 97.024</i>				2,700 <u>6,449</u>	
97 042	Emergency Management Performance Grants		Arizona Department of Emergency and Military Affairs	EMF-2021-EP-00016/18	162,526	
97 045	Cooperating Technical Partners				395,637	
97 067	Homeland Security Grant Program		Arizona Department of Homeland Security	19-AZDOHS-HSGP-190510-03, 20-AZDOHS-HSGP-200505-02	2,210	826
Total Department of Homeland Security					<u>566,822</u>	<u>826</u>
Total Expenditures of Federal Awards					<u>\$ 18,298,104</u>	<u>\$ 4,629,228</u>

Mohave County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

NOTE 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes Mohave County's federal grant activity for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 - Federal Assistance Listings Number

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the June 30, 2022 *Federal Assistance Listings*. When no Federal Assistance Listings number had been assigned to a program, the two digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the 2-digit federal agency identifier and the word "unknown" were used.

NOTE 4 - Indirect Cost Rate

The County did not elect to use the 10 percent de minimus indirect cost rate as covered in 2 CFR §200.414.

Mohave County, Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2022

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles	Unmodified	
	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified?	X	
Noncompliance material to the financial statements noted?		X

Federal Awards:

Internal control over major programs:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified?		X (none reported)
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516 (a)?		X

Identification of major programs:

Federal Assistance Listings Number	Name of Federal Program or Cluster
	Housing Voucher Cluster:
14.871	Section 8 Housing Choice Vouchers
14.871	COVID-19 Section 8 Housing Choice Vouchers
14.879	COVID-19 Mainstream Vouchers
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
	Aging Cluster:
93.045	Special Programs for the Aging, Title III, Part C- Nutrition Service
93.053	Nutrition Services Incentive Program

Mohave County, Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2022

Summary of Auditors' Results - Continued

Dollar threshold used to distinguish between Type A and Type B programs:	\$	750,000		
			<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?			<u>X</u>	<u> </u>

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR §200.511 (b)?				<u>X</u>
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Financial Statement Findings

2022-001 Financial Reporting Process (Significant Deficiency in Internal Control)

Criteria:	The County should have adequate internal controls in place to help ensure that its financial statements and related note disclosures are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition, the County should review and reconcile its general ledger to prevent, detect and correct potential misstatement regularly.
Condition:	<p>There were numerous post-closing journal entries of various general ledger accounts that were provided after the initial working trial balances were provided at the commencement of fieldwork.</p> <p>1. Inventory balances in the County's general ledger were not updated timely and an additional expense of approximately \$35,000 was recorded to reflect changes in inventory.</p> <p>2. Fixed assets schedules were not reconciled to the County's general ledger and numerous post-closing journal entries were provided and posted into its business-type fund statement to properly state the capital assets and corresponding depreciation expenses and accumulated depreciation balances.</p>
Cause:	The County's reconciliation and review procedures were not performed timely.
Effect:	Several post-closing entries were necessary to correct account balances in the County's financial statements.
Recommendation:	The County should evaluate its year-end financial closing process and develop comprehensive policies and procedures to help ensure its financial reports are accurate and prepared in accordance with GAAP. It is also recommended that management review its general ledger regularly.

Federal Award Findings and Questioned Costs

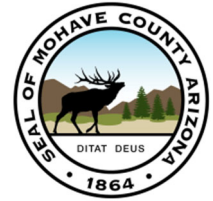
None

MOHAVE COUNTY FINANCIAL SERVICES

Luke G. Mournian, CPA
Chief Financial Officer

700 West Beale Street, 3rd Floor
P.O. Box 7000
Kingman, AZ 86402-7000

Phone: (928) 753-0735
Fax: (928) 753-0704
www.mohave.gov



March 30, 2023

Ms. Lindsey A. Perry
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Luke G. Mournian, CPA
Chief Financial Officer

Financial Statement Findings

2022-001 Financial Reporting Process (Significant Deficiency in Internal Control)

Recommendation: The County should evaluate its year-end financial closing process and develop comprehensive policies and procedures to help ensure its financial reports are accurate and prepared in accordance with GAAP. It is also recommended that management review its general ledger regularly.

Contact Person(s): Sheryl Ralph, Eddie Lopez

Anticipated completion date: June 30, 2023

County Discussion

Agreed. The County will evaluate its year-end financial closing process and update policies and procedures as needed to ensure accurate and timely preparation of financial reports. The County will evaluate its internal controls over year-end financial reporting, specifically those relating to periodic reconciliation and review of key general ledger accounts, including inventory and fixed assets. Additionally, we will review workload assignments to ensure those responsible have the appropriate training and experience needed to ensure internal controls are operating as intended.