

Yavapai County, Arizona

Single Audit Reporting Package

June 30, 2003

Yavapai County, Arizona
Single Audit Reporting Package
June 30, 2003
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Comprehensive Annual Financial Report

Issued separately

Single Audit Section

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MILLER, ALLEN & CO., P.C.

Certified Public Accountants

5333 NORTH 7TH STREET, SUITE 100

PHOENIX, ARIZONA 85014

TEL (602) 264-3888

FAX (602) 230-0348

MARK L. LANDY, C.P.A.
STEPHEN T. HARRIS, C.P.A.

ROBERT L. MILLER, C.P.A.
(1931 - 1992)

**Independent Auditor's Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Basic Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Auditor General of the State of Arizona

The Board of Supervisors of
Yavapai County, Arizona

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. 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 disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing

their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Miller, Allen & Co., P.C.

November 3, 2003

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PHOENIX, ARIZONA 85014
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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

The Auditor General of the State of Arizona

The Board of Supervisors of
Yavapai County, Arizona

Compliance

We have audited the compliance of Yavapai County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Yavapai County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for

the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all such internal control matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2003, and have issued our report thereon dated November 3, 2003. Our audit was made for the purpose of forming 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 OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, federal awarding agencies, and pass-through entities. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Miller, Allen & Co., P.C.

November 3, 2003

Yavapai County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's No.</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Pass-through programs from:			
Arizona Department of Education			
Nutrition cluster:			
School Breakfast Program	10.553	KR 10358	\$ 19,586
National School Lunch Program	10.555	KR 10358	29,380
Arizona Department of Health Services			
Commodity Supplemental Food Program	10.565	21074	33,844
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	261075	499,347
Arizona Department of Economic Security			
State Administrative Matching Grants for Food Stamp Program	10.561	261152, HG361083	20,334
Arizona State Treasurer			
Schools and Roads – Grants to States	10.665	None	870,389
Total U.S. Department of Agriculture			<u>1,472,880</u>
U.S. Department of Housing and Urban Development			
Pass-through programs from:			
Arizona Department of Commerce			
Community Development Block Grants/State's Program	14.228	147-92	289,075
Housing Opportunities for Persons with AIDS	14.241	069-00	27,135
Total U.S. Department of Housing and Urban Development			<u>316,210</u>
U.S. Department of the Interior			
Direct grants			
Payments in Lieu of Taxes (Section 1)	15.226		1,473,737
Distribution of Receipts to State and Local Governments	15.227		27,160
Total U.S. Department of the Interior			<u>1,500,897</u>
U.S. Department of Justice			
Direct grants			
Local Law Enforcement Block Grants Program	16.592		64,477
Public Safety Partnership and Community Policing Grants	16.710		115,571
Closed-Circuit Televising of Child Victims of Abuse	16.611		58,483
National Incident Based Reporting System	16.733		33,355
Supervised Visitation, Safe Havens for Children	16.527		2,792
Pass-through programs from:			
Arizona Governor's Office of Community Policy			
Juvenile Accountability Incentive Block Grants	16.523	00JAIBG-13, 01JAIBG-13	125,675
Arizona Governor's Office of Children			
Title V Delinquency Prevention Program	16.548	AD000299	83,196
Arizona Department of Public Safety			
Crime Victim Assistance	16.575	2001-956, 2001-905	152,388
Arizona Criminal Justice Commission			
Crime Victim Compensation	16.576	VC-00-062	18,648
Total U.S. Department of Justice			<u>654,585</u>
U.S. Department of Transportation			
Direct grants			
State and Community Highway Safety	20.600		20,420
Pass-through programs from:			
Arizona Department of Transportation			
Airport Improvement Program	20.106	E1157	270,305

See accompanying notes to schedule.

Yavapai County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's No.</u>	<u>Expenditures</u>
State Emergency Response Council			
Interagency Hazardous Materials Public Section Training and Planning Grants	20.703	HMEAZ8015060	\$ 52,316
Total U.S. Department of Transportation			<u>343,041</u>
Office of Library Services			
Direct Grants			
State Library Program	45.310		10,000
Total Office of Library Services			<u>10,000</u>
U.S. Federal Emergency Management Agency			
Direct			
State and Local All Hazards Emergency Operations Planning	83.562		14,425
Citizen Corps	83.564		11,268
Pass-through programs from:			
Arizona Department of Emergency Management Hazard Mitigation Grant	83.548	FEMA-977-DR-AZ	108,492
Arizona Department of Emergency and Military Affairs Emergency Management Performance Grants	83.552	EMF-1999-PA-9001	62,330
Total U.S. Federal Emergency Management Agency			<u>196,515</u>
U.S. Department of Education			
Direct Grants			
Special Education – State Program Improvements Grants for Children with Disabilities	84.323		9,749
Pass-through programs from:			
Arizona Department of Education			
Special Education cluster (IDEA):			
Special Education – Grants to States	84.027	02FESCBG-270744-01A	433,700
Special Education – Preschool Grants	84.173	02FESCBP-270744-02A	29,550
Safe and Drug-Free Schools and Communities - State Grants	84.186	02FSSIVB-270744-04A	10,041
Innovative Education Program Strategies	84.298	02FASTVI-270744-06A,	
		03FASTVA-370744-06A	97,111
Education Technology State Grants	84.318	02FASTVI-270744-03A	19
English Language Acquisition Grant	84.365	03FASENG-370744-07A	22,059
Arizona Department of Economic Security			
Special Education – Grants for Infants and Families with Disabilities	84.181	E1809009, E1800020, 161006, 061055	195,219
Total U.S. Department of Education			<u>797,448</u>
U.S. Department of Health and Human Services			
Direct grants			
Head Start	93.600		2,500
Community Health Centers	93.224		139,905
Community Access Program	93.252		273,308
Family Planning – Services	93.217		94,961
Pass-through programs from:			
Arizona Department of Health Services			
HIV Care Formula Grants	93.917	IGA W/COCONINO CO	82,373
Preventive Health and Health Services Block Grant	93.991	HG354186	71,142
Maternal and Child Health Services Block Grant to the States	93.994	26-1195, 061055, 16006, 96114, HG361142	409,369

See accompanying notes to schedule.

Yavapai County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's No.</u>	<u>Expenditures</u>
HIV Prevention Activities; Health Department Based	93.940	25-2026, 15-2019, HG352236	\$ 163,732
Immunization Grants	93.268	15-2048	84,541
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	161024	118,585
Centers for Disease Control and Prevention-Investigations and Technology	93.283	25-2037	314,534
Arizona Department of Economic Security Child Support Enforcement	93.563	None	92,596
Mountain Park Health Center Grants for Education, Prevention and Early Detection of Radiogenic Cancers and Diseases	93.257	HD030401	881
Total U.S. Department of Health and Human Services			<u>1,848,427</u>
Total Expenditures of Federal Awards			<u>\$ 7,140,003</u>

See accompanying notes to schedule.

Yavapai County
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Yavapai County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2003 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the federal contract number was used.

Note 3 - Subrecipients

The County did not provide federal awards to subrecipients during the year ended June 30, 2003.

Yavapai County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2003

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

YES NO

Material weakness identified in internal control over financing reporting?

_____ X

Reportable conditions identified not considered to be material weaknesses?

_____ X (none reported)

Noncompliance material to the financial statements noted?

_____ X

Federal Awards

Material weakness identified in internal control over major programs?

_____ X

Reportable conditions identified not considered to be material weaknesses?

_____ X (none reported)

Types of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?

_____ X

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
15.226	Payment in Lieu of Taxes (Section 1)
20.106	Airport Improvement Program
84.181	Special Education – Grants for Infants and Families with Disabilities
93.283	Center for Disease Control and Prevention – Investigations and Technology
93.940	HIV Prevention
93.994	Maternal and Child Health Services Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

X _____

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section. 315[b])?

_____ X

Yavapai County
Schedule of Findings and Questioned Costs
Year Ended June 30, 2003

Section II - Financial Statement Findings

No matters were identified that were required to be reported.

Section III – Federal Award Findings and Questioned Costs

No matters were identified that were required to be reported.