County single audit reporting guidelines–2026

The Arizona Auditor General created these reporting guidelines following the U.S. Government Accountability Office's, U.S. Office of Management and Budget's, and the American Institute of Certified Public Accountants' authoritative literature. They include illustrative examples of schedules and disclosures as well as the auditors' reports. The examples are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

When county management uses these guidelines, management agrees to take responsibility for ensuring that its schedules, disclosures, and responses follow applicable authoritative guidance.

Placeholder text and inline instructions appears in brackets and uses the "Placeholder" character style. **[This is what placeholder text looks like.]** Placeholder text or inline instructions should not appear in the final report.

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[1] **When the Yellow Book report on internal control and on compliance is issued separately, move to the reports issued separately section at the bottom of the page.**

[Yellow Book report]

[Letterhead]

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*

Members of the Arizona State Legislature[1]

The Board of Supervisors of
[County name] 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, the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information[2] of **[County name]** County as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated **[date]**. **[Include a statement to describe the nature of an opinion modification, if the auditors expressed an opinion other than unqualified (i.e., a qualified opinion, an adverse opinion, or a disclaimer of opinion).[3] Use the following sentence to identify those funds, departments, component units, organizations, or functions/activities audited by other auditors, if making reference to the other auditors.]** Our report includes a reference to other auditors who audited the financial statements of [identify name of component unit, fund, organization, function, or activity], as described in our report on the County's financial statements. **[Include the following sentence when making reference to other auditors and using the inclusion approach to include the other auditors' results in the group auditors' report on internal control over financial reporting and on compliance and other matters.[4,5]]** This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other

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[1] **Auditors contracted with the Arizona Auditor General should address to "The Arizona Auditor General."**

[2] **Modify as appropriate to conform with the auditors' report issued for the financial statements.**

[3] **Auditors may include certain additional communications in this report that are not modifications to the auditors' opinion on the financial statements, e.g., if the auditor included a separate section in the opinion for "Substantial Doubt About the Entity's Ability to Continue as a Going Concern". Refer to AAG-GAS 4.92 - Example 4-3, Footnote 33.**

[4] **The group auditors who refer to the work of other (i.e., component) auditors in the report on an entity's financial statements also should acknowledge the involvement of the other auditors in the *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters issued for that entity. The group auditors must use either the reference or inclusion options. The Arizona Auditor General has chosen the inclusion option to include the results of the other auditors' audit(s) in the group auditors' *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters. However, contract auditors may use either the reference or inclusion options for reporting the results of other auditors. For additional guidance, refer to AAG-GAS 4.81–.87 and the scope paragraph of the illustrative report at 4.92–Example 4-6.**

[5] **When making reference to other auditors who did not perform a component audit under Government Auditing Standards, those other (i.e., component) auditors will not have issued the report *Government Auditing Standards* requires (that is, the report on internal control over financial reporting and on compliance and other matters). Instead, the component auditors will have issued the communication AU-C section 265 requires if there are significant deficiencies or material weaknesses that were identified. In this circumstance, the group auditors may be precluded from including the component auditors' significant deficiencies and material weaknesses in the report on internal control over financial reporting and on compliance and other matters. Refer to AAG-GAS 4.81–4.87 and 4.85–Footnote 60 for additional guidance.**

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 report(s) 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 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.

[Use the following paragraph when there are (1) no material weaknesses or significant deficiencies to report or (2) either material weaknesses or significant deficiencies are reported, but not both.]

A deficiency in internal control 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 a 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.

[Use the following paragraph when there are no material weaknesses or significant deficiencies to report.]

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. 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. However, material weaknesses or significant deficiencies may exist that were not identified.

[OR]

[Use the following paragraph when either material weaknesses or significant deficiencies are reported, but not both.]

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. **[Use the following sentence when no material weaknesses are reported:]** 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs

[OR] schedule of findings and recommendations as items **[List related finding reference numbers]**, that we consider to be material weaknesses **[OR]** significant deficiencies.

[OR]

[Use the following 3 paragraphs when material weaknesses and significant deficiencies are reported.]

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs **[OR]** schedule of findings and recommendations, we (and the other auditors) identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs **[OR]** schedule of findings and recommendations as items **[List related finding reference numbers]** to be material weaknesses.

A significant deficiency is a deficiency, or a 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs **[OR]** schedule of findings and recommendations as items **[List related finding reference numbers]** to be significant deficiencies.

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*. **[OR]** The results of our tests (and those of the other auditors) disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and that are described in the accompanying schedule of findings and questioned costs **[OR]** schedule of findings and recommendations as items **[List related finding reference numbers). See *Government Auditing Standards*, Chapter 6, for reporting criteria.]**

[In the rare instance when a separate letter to management to communicate other matters is being issued, add the following:] We also noted certain additional matters that we will report (reported) to the County's management in a separate letter at a future date (dated **[insert date]**).

[Use the following heading and paragraph if any internal control or compliance findings are reported.]

County response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit that are 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 responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and 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.

Lindsey A. Perry, CPA, CFE
Auditor General

[Auditors' report date (must be dated the same date as the auditors' report on the basic financial statements)]

[Uniform Guidance report]

[Letterhead]

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

Members of the Arizona State Legislature[6]

The Board of Supervisors of
[County name] County, Arizona

Report on compliance for each major federal program

[Use the following 4 paragraphs and their related headings for when an unmodified opinion is issued on each major federal program.]

Opinion on each major federal program

We have audited **[County name]** 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, 2026. **[Add the following to the end of previous sentence if major federal programs are audited by other auditors:]**, except for the **[List major federal program names and related Assistance Listings numbers of those programs audited by the other auditors]** major federal programs administered by the County's **[Identify the component unit, department, function, or activity of the County that administered those federal programs]**. **[Add the following sentence only when making reference to other auditors who audited major federal programs:]** Those major federal programs were audited by other auditors whose report(s) has (have) been furnished to us, and our opinion, insofar as it relates to those major federal programs' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the report(s) of the other auditors. 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, (based on our audit and the report[s] of the other auditors,) the 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, 2026.

[6] **Auditors contracted with the Arizona Auditor General should address to "The Arizona Auditor General."**

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 the 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 the County's compliance with the compliance requirements referred to above.

[OR—Use the following 6 paragraphs and their related headings for when a qualified opinion (or other opinion modification) is issued for a major federal program and an unmodified opinion is issued for each of the other major federal programs (modify example, as appropriate).]

Qualified and unmodified opinions

We have audited **[County name]** 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, 2026. **[Add the following to the end of previous sentence if major federal programs are audited by other auditors:]** , except for the **[List major federal program names and related Assistance Listings numbers of those programs audited by the other auditors.]** major federal programs administered by the County's **[Identify the component unit, department, function, or activity of the County that administered those federal programs. Consider presenting the major federal programs in a table format if there are multiple.]**. **[Add the following sentence only when making reference to other auditors who audited major federal programs:]** Those major federal programs were audited by other auditors whose report(s) has (have) been furnished to us, and our opinion, insofar as it relates to those major federal programs' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the other auditors' report(s). The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Qualified opinion on **[Identify the major federal program]***

In our opinion, (based on our audit and the report(s) of the other auditors,) except for the noncompliance described in the basis for qualified and unmodified opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on **[Identify the major federal program and Assistance Listings number(s)]** for the year ended June 30, 2026.

Unmodified opinion on each of the other major federal programs[7]

In our opinion, (based on our audit and the report(s) of the other auditors,) the 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2026.

Basis for qualified and unmodified opinions

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 the 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters giving rise to qualified opinion on ***[Identify major federal program]***[8]

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding **[Identify the major federal program and associated finding number(s) matched to the type(s) of compliance requirements]**. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

[Use the following subheading and paragraph only when the SEFA does not encompass the County's entire operations.]

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[7] **There is nothing to preclude the auditors from including the names of the federal programs for which the auditors are providing an unmodified opinion in the heading or in the opinion paragraph itself.**

[8] **For the matters giving rise to qualified opinion (or other opinion modification) paragraph, the auditors may use a table format when reporting opinion modifications for more than one federal program, with the following columns: Program (or Cluster) name, Assistance Listings number(s), Compliance requirement, and Finding number.**

Other matter—Federal expenditures not included in the compliance audit[9]

The County's basic financial statements include the operations of the **[Identify the component unit, department, function, or activity of County operations not included in the SEFA]**, which expended $**[dollar amount of federal awards expended, if known]** in federal awards that is not included in the County's schedule of expenditures of federal awards during the year ended June 30, 2026. Our compliance audit, described in the opinion on each major federal program section **[OR qualified and unmodified opinions section]**, does not include the operations of **[Identify the component unit, department, function, or activity of County operations not included in the SEFA]** because **[State the reason for the omission, such as the component unit, department, function, or activity engaged other auditors to perform a compliance audit]**.

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 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 the 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.

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[9] **Include this other-matter paragraph, preceding the management responsibilities for compliance section, if the audit of federal awards does not encompass the entirety of the auditee's operations expending federal awards to identify the operations not included in the auditee's SEFA and data collection form (form SF-SAC) in accordance with 2 CFR §200.514(a). This may occur when a part of the auditee's operations is not included on the SEFA and data collection form because those departments, agencies, or organizations have separate single audits that are submitted to the federal audit clearinghouse. In such situations, the auditors should follow the guidance in the AAG-GAS, Appendix B, paragraphs 7.03-7.05, 16.73, and Chapter 13, paragraph 13.68, Example 13-1—Footnote 5. If this is not applicable, then this section's heading and paragraph should be removed.**

- 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.

[Use the following heading and paragraph when compliance findings are reported that did not result in a qualified opinion on the major federal program.]

Other matters

The results of our auditing procedures (and those of the other auditors) disclosed (other) instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items **[List related finding reference numbers]**. Our opinion on each major federal program is not modified with respect to these matters.

Report on internal control over compliance

[Use the following 2 paragraphs when there are no material weaknesses or significant deficiencies to report.]

A deficiency in internal control 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 (and the report[s] of the other auditors) 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.

[OR—Use the following 3 paragraphs when either material weaknesses or significant deficiencies are reported, but not both.]

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. **[Use the following 2 sentences when only significant deficiencies are reported but no material weaknesses are reported:]** We (and the report(s) of the other auditors) did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we (and the report(s) of the other auditors) identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies. **[Use the following sentence when only material weaknesses are reported but no significant deficiencies are reported:]** However, as discussed below, we (and the report[s] of the other auditors) identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control 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. **[Use the following 2 sentences when only significant deficiencies are reported but no material weaknesses are reported:]** 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **[List related finding reference numbers]** to be significant deficiencies. **[Use the following sentence when only material weaknesses are reported but no significant deficiencies are reported:]** We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **[List related finding reference numbers]** to be material weaknesses.

[Use the following paragraph when only material weaknesses are reported but no significant deficiencies are reported (omit this paragraph when only significant deficiencies are reported):] 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

[OR—Use the following 3 paragraphs when both material weaknesses and significant deficiencies are reported.]

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we (and the report[s] of the other auditors) identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **[List related finding reference numbers]** to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **[List related finding reference numbers]** to be significant deficiencies.

[Use the following paragraphs in all reports]

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.

[Use the following heading and paragraph if any noncompliance findings or internal control deficiencies over compliance are reported.]

County response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the noncompliance and internal control over compliance findings that are 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 responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

[Use the following heading and paragraph when the County's SEFA is not included with the basic financial statements.]

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the County's governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated **[date]**, that contained unmodified opinions on those financial statements. **[Modify as necessary for departure from standard report.[10]]** Our report also included a reference to our reliance on other auditors. **[Modify as necessary and describe any additional departures from the other auditors' standard report.[10]]** 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 U.S. generally accepted auditing standards (by us and the other auditors).[11] In our opinion, (based on our audit, the procedures performed as described previously, and the report(s) of the other auditors,)[11] the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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[10] **[Modify as necessary to conform with the auditors' opinion modification(s) issued for the financial statements. Refer to AU-C section 725, *Supplementary Information in Relation to the Financial Statements as a Whole* for guidance. Also, see 725.A17 for the illustrative reports using a separate report for additional guidance on reporting.]**

[11] **[Only make reference to the other auditors in the auditors' report on the schedule of expenditures of federal awards (SEFA) when the other auditors specifically audited amounts or disclosures reported in the SEFA. Omit parenthetical phrase if not referring to other auditors.]**

Lindsey A. Perry, CPA, CFE
Auditor General

[Auditors' report date (The auditors' Uniform Guidance report should be dated when the procedures to satisfy the federal compliance audit requirements are completed. See the AU-C 935.34(m) & .A37 and AAG-GAS Appendix B, 16.20-22 for additional guidance for dating the Uniform Guidance report and in-relation-to opinion on the SEFA, respectively.)

Additional guidance and illustrative auditors' reports for the *Government Auditing Standards* and Uniform Guidance reports are included in the AICPA Audit Guide, *Government Auditing Standards and Single Audits*, Chapters 4, Chapter 13, and Appendix B, Chapter 16; and in AU-C section 935.]

[County name] County
Schedule of findings and questioned costs
June 30, 2026

[Schedule of findings and questioned costs]

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with U.S. generally accepted accounting principles	**[Unmodified, Qualified, Adverse, Disclaimer[12]]**
Is a going concern emphasis-of-matter paragraph included in the auditors' report?	**[Yes/No]**
Internal control over financial reporting	
Material weaknesses identified?	**[Yes/No]**
Significant deficiencies identified?	**[Yes/None reported]**
Noncompliance material to the financial statements noted?	**[Yes/No]**

Federal awards

Internal control over major program(s)	
Material weaknesses identified?	**[Yes/No]**
Significant deficiencies identified?	**[Yes/None reported]**
Type of auditors' report issued on compliance for major programs	**[Unmodified, Qualified, Adverse, Disclaimer[13]]**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?	**[Yes/No]**

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[12] **[As explained in the AICPA Audit and Accounting Guide, *State and Local Governments*, paragraph 16.02, the auditors generally express or disclaim an opinion on a government's basic financial statements by providing an opinion or disclaimer of opinion on each opinion unit required to be presented in those financial statements. Therefore, there could be multiple responses to this question for audits of a government's basic financial statements. For example, if the auditors' report was unmodified for the County's business-type activities and adverse for the discretely presented component unit, the response to this question could be as follows: "Unmodified opinion for the business-type activities and adverse opinion for the discretely presented component unit."]**

[13] **[If the auditors' report for 1 or more major programs is other than unmodified, indicate the type of report issued for each program. For example, if the auditors' report on major program compliance for an auditee having 5 major programs includes an unmodified opinion for 3 of the programs, a qualified opinion for 1 program, and a disclaimer of opinion for 1 program, the response to this question could be as follows: "Unmodified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer."]**

[County name] County
Schedule of findings and questioned costs
June 30, 2026

Identification of major programs

[Major programs should generally be identified in the same order as reported on the schedule of expenditures of federal awards (SEFA). In the case of a program cluster, only the cluster name as shown on the SEFA is required.]

Assistance Listings number(s)	Name of federal program(s) or cluster(s)

Dollar threshold used to distinguish between Type A and Type B programs	**$[XX]**
Auditee qualified as low-risk auditee?	**[Yes/No]**

[County name] County
Schedule of findings and questioned costs
June 30, 2026

Financial statement findings

User instructions:

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, instances of noncompliance, abuse, and other matters related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

When there are no financial statement findings to report, add "None reported." However, when the *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters has been issued separately, include the following:

Financial statement findings were reported in the separately issued 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*.

[OR]

[Use the following paragraph when the *Government Auditing Standards* report on internal control over financial reporting and on compliance was issued separately and no findings over financial reporting were included in that separately issued report.] The 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* was separately issued.

Financial statement finding: 2026-[XX]

[Finding heading]

Condition

[Condition is a situation that exists. The condition is determined and documented during the audit. Refer to *Government Auditing Standards*, paragraph 6.26.]

Effect

[The effect or potential effect is the outcome or consequence resulting from the difference between the condition and the criteria. Refer to *Government Auditing Standards*, paragraph 6.28.]

Cause

[The cause is the factor or factors responsible for the difference between the condition and the criteria and may also serve as a basis for recommendations for corrective actions. Refer to *Government Auditing Standards*, paragraph 6.27.]

Criteria

[Criteria identify the required or desired state or expectation with respect to the program or operation. Refer to *Government Auditing Standards*, paragraph 6.25.]

Recommendations to the [add name of auditee/responsible department/area, etc.]

[Describe the suggested corrective action.

Add the following as applicable. The Uniform Guidance requires identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, any applicable prior year audit finding numbers. [2 CFR §200.516(b)(9)]]

This finding is similar to prior-year finding 20**[XX]**-[**XX]** and was initially reported in fiscal year 20**[XX]**.

Views of responsible officials

County management concurs with this finding **[modify accordingly]**. The County's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

Other auditors' financial statement findings

User instructions:

When including other auditors' findings in the principal auditors' GAGAS report on internal control over financial reporting and on compliance and other matters, add the following sentence and the related other auditors' findings.[14]

The other auditors who audited the **[identify component unit, fund, component unit, organization, function, or activity]** of the County reported the following findings.

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[14] **[The Arizona Auditor General uses the inclusion option to include the results of the other auditors' audit(s) in the group auditors' GAGAS report (refer to footnote 3 above for more information and guidance). The other auditors' findings that meet the reporting criteria for inclusion in the GAGAS report on internal control over financial reporting and on compliance and other matters should be included as reported in their auditors' reports without modification, except to clearly identify the County's functions or activities to which those findings pertain.]**

Financial statement finding: 2026-[XX] [Number other auditors' findings in sequence with the principal auditors' findings.]

[Add Finding heading]

[Add other auditors' finding text.]

Federal award findings and questioned costs

User instructions:

This section identifies material weaknesses, significant deficiencies, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by 2 CFR §200.516(a).

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

When there are no material weaknesses, significant deficiencies, or instances of noncompliance related to federal programs, add "None reported."

Federal award finding: 2026-1[XX]

[Finding heading]

Cluster name: **[Delete row if not applicable]**	
Assistance Listings number(s) and name(s):	
Award number(s) and year(s):	
Federal agency:	
Pass-through grantor(s): **[Delete row if not applicable]**	
Compliance requirement(s):	
Questioned costs: **[Known questioned costs must be identified by applicable Assistance Listings numbers and applicable federal award identification numbers, and how these questioned costs were computed**	$

must be disclosed, as required by 2 CFR §200.516(b)(6). Further, when there are known questioned costs but the dollar amount is undetermined or not reported, a description of why the dollar amount was undetermined or otherwise could not be reported must be disclosed as required by §200.516(b)(7). If known questioned costs are small, consider stating that likely questioned costs were > $25,000 to help the federal agency understand why it was reported (AAG-GAS 15.39). See also 2 CFR 200.1 for a detailed definition of questioned costs.]

Condition

[The condition found, including facts that support the deficiency identified in the audit finding. Information should be included to provide proper perspective for evaluating the prevalence and consequences of the audit finding. Refer to 2 CFR §200.516(b)(3) and (8).]

Effect

[The possible asserted effect to provide sufficient information to the auditee and federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action. A statement of the effect or potential effect should provide a clear, logical link to establish the impact or potential impact of the difference between the condition and the criteria. Refer to 2 CFR §200.516(b)(5) for general definition of the Effect and 2 CFR §200.516(b)(6) & (7) for the required information pertaining to questioned costs which may be incorporated into the Effect.]

Cause

[A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action. Refer to 2 CFR §200.516(b)(4).]

Criteria

[The criteria or specific requirement upon which the audit finding is based, including the federal statutes, regulations, or the terms and conditions of the federal awards. Criteria generally identify the required or desired state or expectation with respect to

the program or operation. Criteria provide a context for evaluating evidence and understanding findings. Refer to 2 CFR §200.516(b)(2).]

Recommendations to the [add name of auditee/responsible department/area, etc.]

[Recommendations to prevent future occurrences of the deficiency identified in the audit finding. Refer to 2 CFR §200.516(b)(10).]

[Add the following as applicable. The Uniform Guidance requires identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, any applicable prior year audit finding numbers. Refer to 2 CFR §200.516(b)(9).]

This finding is similar to prior-year finding 20**[XX]**-1**[XX]** and was initially reported in fiscal year 20**[XX]**.

Views of responsible officials

County management concurs with this finding **[modify accordingly]**. The County's corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials regarding these recommendations. We are not required to audit and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

[References]

American Institute of Certified Public Accountants (AICPA) (April 2026). AICPA Codification of Statements on Auditing Standards (SAS) (SAS Numbers 122 to 149*, cited as AU-C).

https://www.aicpa-cima.com/resources/download/aicpa-statements-on-auditing-standards-currently-effective

* Section 600A has been added to retain currently effective content until SAS No. 149 becomes effective.

AICPA (April 1, 2025). AICPA Audit Guide: *Government Auditing Standards and Single Audits* (cited as AAG-GAS).

AICPA (March 1, 2025). AICPA Audit and Accounting Guide: *State and Local Governments* (cited as AAG-SLG).

U.S. Office of Management and Budget (2026). Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit*

***Requirements for Federal Awards* (Uniform Guidance).**
https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200

_______________ County
Schedule of expenditures of federal awards
Year ended June 30, 2026

Federal agency/ Assistance Listings number	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			$	$
10.555	National School Lunch Program	Child Nutrition Cluster				
Total Child Nutrition Cluster						
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children					
Total Department of Agriculture						
Department of Housing and Urban Development						
14.218	Community Development Block Grants/Entitlement Grants	CDBG–Entitlement/ Special Purpose Grants Cluster				
14.817	Section 8 Housing Choice Vouchers	Housing Voucher Cluster				
Total Department of Housing and Urban Development						
Department of Justice						
16.575	Crime Victim Assistance					
16.576	Crime Victim Compensation					
16.738	Edward Byrne Memorial Justice Assistance Grant Program					
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	XXX		
Total Edward Byrne Memorial Justice Assistance Grant Program						
16.unknown	DEA Task Force					
Total Department of Justice						
Department of Labor						
17.258	WIOA Adult Program	WIOA Cluster				
17.259	WIOA Youth Activities	WIOA Cluster				
17.278	WIOA Dislocated Worker Formula Grants	WIOA Cluster				
Total WIOA Cluster						
Total Department of Labor						
Department of Transportation						
20.205	Highway Planning and Construction					
20.600	State and Community Highway Safety	Highway Safety Cluster				

See accompanying notes to schedule.

Total Department of Transportation			
Department of Homeland Security			
97.067	Homeland Security Grant Program		
Total Department of Homeland Security			
Total expenditures of federal awards		$	$

With the exception of program clusters, programs should be listed in Assistance Listings number order. In addition, when there are multiple listings for the same Assistance Listings number, a total for the Assistance Listings number needs to be presented. Also, for a program cluster, provide the total for the cluster.

[Notes to schedule of expenditures of federal awards]

User instructions:

The schedule of expenditures of federal awards at a minimum must include the following:

1. Individual federal programs by federal agency. For clusters of federal programs, provide the cluster name, list the individual federal programs within the cluster, and provide the applicable federal agency name.
2. For federal awards received as a subrecipient, the name of the pass-through grantor entity and identifying number the pass-through entity assigned.
3. Total federal awards expended for each individual federal program and the associated Assistance Listings number or other identifying number when the Assistance Listings number is not available. Also, for a federal program cluster, provide the total for the cluster. Note that under the *Uniform Guidance*, all noncash awards must be presented on the schedule's face.
4. Amount of federal awards expended for loan or loan guarantee programs. For the basis for determining federal awards expended for these programs, see Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.502.
5. Total amount provided to subrecipients from each federal program. Note that under the *Uniform Guidance*, amounts provided to subrecipients must go on the face of the schedule.

See the most current *AICPA Audit Guide, Government Auditing Standards and Single Audits*, for more information.

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (schedule) includes **[County name]** County's federal grant activity for the year ended June 30, 2026. 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.*

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. **[Modify if presenting all or certain expenditures on another 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 2026 *Federal Assistance Listings*. When no Federal Assistance Listings number had been assigned to a program, the 2-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. **[Modify accordingly.]**

Note 4 - Indirect cost rate

The County **[elected or did not elect]** to use the 15 percent de minimis indirect cost rate as covered in 2 CFR §200.414. **[*Uniform Guidance,* 2 CFR §200.510(b)(6), requires the County to disclose whether or not it elected to use the 15 percent de minimis cost rate that 2 CFR §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.]**

[Sample transmittal letter for the auditee's corrective action plan]

[Letterhead]

[Date]

Lindsey A. Perry
Arizona 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,

[County representative's name]
[Title]

[County name] County
Corrective action plan
Year ended June 30, 2026

Financial statement findings

2026-01

[Subject heading]
[Name(s) of contact person(s)]
Anticipated completion date:

[Describe the corrective action planned.]

[Omit the above section when there were no financial statement findings reported. However, when the *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters has been issued separately and included financial statement findings, include the following:]

The corrective action plan for financial statement findings was included in the separately issued 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*.

Financial statement findings

2026-101

Assistance Listings number and program name:
[Name(s) of contact person(s)]
Anticipated completion date:

[Describe the corrective action planned.]

[If the County does not agree with an audit finding or believes corrective action is not required, then its corrective action plan must include an explanation and specific reasons why it does not agree with the finding or believes corrective action is not required. *Uniform Guidance* 2 CFR §200.511(c)]

[When the audited entity's comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, the auditors should evaluate the validity of the audited entity's comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement. Conversely, the auditors should modify their report as necessary if they find the comments valid and supported by sufficient, appropriate evidence (*Government Auditing Standards* 2024 version, paragraph 6.60).]

[Sample transmittal letter for the auditee's summary schedule of prior audit findings]

[Letterhead]

[Date]

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

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required 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, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

[County representative's name]
[Title]

[County name] County
Summary schedule of prior audit findings
Year ended June 30, 2026

User instructions:

For each finding in this Schedule:

- If the status is fully corrected, no further explanation is necessary.
- If the status is partially corrected, the County should describe the reasons for the finding's recurrence, the partial action taken, and the remaining planned action.
- If the status is not corrected, the County should describe the reasons for the finding's recurrence and the planned action.
- If the County took corrective action that was significantly different from the corrective action it previously reported in a corrective action plan or in a federal agency's or pass-through entity's management decision, the County should explain the action taken and why it was different.
- If the County believes the finding is no longer valid or does not warrant further action, it should describe the reasons for this position. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:
  - Two years have passed since the County submitted the audit report in which the finding occurred to the Federal Audit Clearinghouse.
  - A federal agency or pass-through entity is not currently following up with the auditee on the audit finding.
  - A federal agency or pass-through entity did not issue a management decision.

Status of financial statement findings

[Subject heading]

Finding number: **[Use itemized number from most recent prior year report and list only the most recent prior year's finding number. Further, the County should also disclose the initial year this finding occurred in accordance with 2 CFR 200.511(a).]** This finding initially occurred in fiscal year 20**[XX]**.

Status: **[Choose one of the following:]** Fully corrected, partially corrected, not corrected, significantly different corrective action, or no longer valid.

[Explanation, if required. When audit findings were not corrected or were only partially corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's

management decision, the summary schedule must provide an explanation (2 CFR §200.511[b][2]). See 2 CFR §200.511 for more information.]

Status of federal award findings and questioned costs

Assistance Listings number and program name:

Finding number: **[Use itemized number from most recent prior year report and list only the most recent prior year's finding number. Further, the County should also disclose the initial year this finding occurred in accordance with 2 CFR 200.511(a).]** This finding initially occurred in fiscal year 20**[XX]**.

Status: **[Choose one of the following:]** Fully corrected, partially corrected, not corrected, significantly different corrective action, or no longer valid.

[Explanation, if required. When audit findings were not corrected or were only partially corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the federal agency's or pass-through entity's management decision, the summary schedule must provide an explanation (2 CFR §200.511[b][2]). See 2 CFR §200.511 for more information.]