

Mohave County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2005

**Mohave County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2005**

Table of Contents

	<u>Page</u>
Annual Financial Report	
Issued Separately	
Reports on Compliance and Internal Control	
Independent Auditor’s 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 <i>Government Auditing Standards</i>	1-2
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	3-4
Schedule of Expenditures of Federal Awards	5-9
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	11
Financial Statement Findings	12
Federal Award Findings and Questioned Costs	12
County Responses	
Summary Schedule of Prior Audit Findings	15



**Independent Auditor's 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 Auditor General of the State of Arizona

The Board of Supervisors of
Mohave County, Arizona

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County, Arizona (the County) as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 2, 2005. Our report was modified as to consistency because of a change in reporting entity for a previously reported blended component unit of the County that is no longer financially accountable to the County and the implementation of Governmental Accounting Standards Board Statement No. 40. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 basic financial statements and not to provide an opinion on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the basic 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 internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of 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 determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 and 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.

Phoenix, Arizona
December 2, 2005



**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
Mohave County, Arizona

Compliance

We have audited the compliance of Mohave County, Arizona (the 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, 2005. 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 U.S. generally accepted auditing standards; 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 of the County's compliance with those requirements.

In our opinion, Mohave 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, 2005.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 matters in internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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 Mohave County as of and for the year ended June 30, 2005, and have issued our report thereon dated December 2, 2005. Our report was modified as to consistency because of a change in reporting entity for a previously reported blended component unit of the County that is no longer financially accountable to the County and the implementation of Governmental Accounting Standards Board Statement No. 40. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Mohave 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 and 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.

Phoenix, Arizona
December 2, 2005

**MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Arizona State Treasurer:			
Schools and Roads - Grants to States	10.665	N/A	\$ 499
Passed through Arizona Department of Education:			
National School Lunch Program	10.555	ADE Contract ED05 0001	54,528
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HG361076	620,521
State Administrative Matching Grants for Food Stamp Program	10.561	HI561077	18,799
Commodity Supplemental Food Program	10.565	HG361102	17,425
Passed through Western Arizona Council of Governments:			
Nutrition Services Incentive	10.570	E6209004-204-05	96,500
Passed through Arizona State Land Department:			
Cooperative Forestry Assistance	10.664	FHP-04	11,701
Total U.S. Department of Agriculture			<u><u>819,973</u></u>
<u>U.S. Department of Housing and Urban Development</u>			
Section 8 Housing Choice Vouchers	14.871	AZ043-VO	1,567,617
Passed through Arizona Department of Commerce:			
Community Development Block Grants/States Program	14.228	IGA 114.03	\$ 218,031
Community Development Block Grants/States Program	14.228	161-05 RA	36,334
Community Development Block Grants/States Program	14.228	159-05 RA	86,384
Community Development Block Grants/States Program	14.228	160-05 RA	39,672
Community Development Block Grants/States Program	14.228	158-05	<u>81,689</u>
<i>Subtotal CFDA 14.228</i>			462,110
Passed through Arizona Department of Housing:			
Supportive Housing Program	14.235	519-04	87,157
Shelter Plus Care	14.238	520-05	6,680
HOME Investment Partnerships Program	14.239	311.04	128,661
Passed through City of Las Vegas, Nevada:			
Housing Opportunities for Persons with AIDS	14.241	None	73,023
Total U.S. Department of Housing and Urban Development			<u><u>2,325,248</u></u>
<u>U.S. Department of the Interior:</u>			
Payments in Lieu of Taxes: Fish & Wildlife	15.226	N/A	1,982
Payments in Lieu of Taxes: Bureau of Land Management	15.226	N/A	1,869,675
Payments in Lieu of Taxes: Bureau of Reclamation	15.226	N/A	<u>100,000</u>
<i>Subtotal CFDA 15.226</i>			1,971,657

(continued)

The accompanying notes are an integral part of this schedule.

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005
(CONTINUED)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of the Interior - Continued:</u>			
Davis Camp	15.unknown	03-FG-30-0035	\$ 12,601
Improvements to Davis Camp	15 unknown	01-FG-30-0034	3,641
<i>Subtotal CFDA 15.unknown</i>			<u>\$ 16,242</u>
Total U.S. Department of the Interior			<u>1,987,899</u>
<u>U.S. Department of Justice</u>			
Community Prosecution and Project Safe Neighborhoods	16 609	N/A	5,465
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2002-358	35,128
Crime Victim Assistance: Domestic Violence	16.575	2002-357	37,768
Crime Victim Assistance: Colorado City	16.575	2002-356	26,023
<i>Subtotal CFDA 16.575</i>			98,919
Passed through Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-05-057	37,146
Byrne Formula Grant Program	16.579	PC-100-05	152,664
Local Law Enforcement Block Grants Program	16.592	LLBG-05-158	10,000
Passed through Arizona Governor's Community Policy Office:			
Juvenile Accountability Incentive Block Grants	16.523	00JAIBG-08	37,632
Passed through City of Kingman:			
Juvenile Accountability Incentive Block Grants	16.523	01JAIBG-24	5,235
<i>Subtotal CFDA 16.523</i>			42,867
Passed through Arizona Supreme Court-Juvenile Justice Services Division:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	IGA	4,589
Total U.S. Department of Justice			<u>351,650</u>
<u>U.S. Department of Labor</u>			
Passed through Arizona Department of Economic Security:			
Employment Service	17.207	E5203004	6,210
Senior Community Service Employment Program	17.235	E6204052	39,284

(continued)

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005
(CONTINUED)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Labor - Continued:</u>			
<i>Workforce Investment Act Cluster:</i>			
WIA Adult Program	17 258	E5703008	\$ 90,400
WIA Adult Program	17 258	E5704008	103,437
WIA Adult Program	17 258	E5705008	332,797
WIA Youth Activities	17 259	E5703008	9,170
WIA Youth Activities	17 259	E5704008	44,834
WIA Youth Activities	17 259	E5705008	330,713
WIA Youth Activities	17 259	E5706008	4,486
<i>Passed through Gila County, Arizona:</i>			
WIA Dislocated Workers	17 260	E5701014	26,013
<i>Total Workforce Investment Act Cluster</i>			\$ 941,850
Total U.S. Department of Labor			987,344
<u>U.S. Department of Transportation</u>			
<i>Passed through the Governor's Office of Highway Safety:</i>			
State and Community Highway Safety	20 600	2005-PT-004	14,033
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20 601	2004-410-002	1,366
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20 601	2004-163ID-003	4,904
<i>Subtotal CFDA 20.601</i>			6,270
<i>Passed through Arizona Emergency Response Commission:</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20 703	None	3,000
<i>Passed through Arizona Department of Emergency and Military Affairs:</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20 703	207035-01	14,890
<i>Subtotal CFDA 20.703</i>			17,890
Total U.S. Department of Transportation			38,193
<u>U.S. Environmental Protection Agency</u>			
<i>Passed through Arizona Department of Environmental Quality:</i>			
Water Quality Cooperative Agreements	66 463	EV 05-0063	2,656
Total U.S. Environmental Protection Agency			2,656
<u>U.S. Department of Energy:</u>			
<i>Passed through Arizona Radiation Regulatory Agency:</i>			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81 106	None	1,309
Total U.S. Department of Energy			1,309

(continued)

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005
(CONTINUED)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>			
Passed through Arizona Department of Education:			
Title I Program for Neglected and Delinquent Children	84.013	IGA	\$ 5,671
Special Education - Grants to States	84.027A	IGA	1,151
State Grants for Innovative Programs	84.298	IGA	171
Education Technology State Grants	84.318	IGA	391
Total U.S. Department of Education			7,384
<u>U.S. Department of Health and Human Services</u>			
Passed through Arizona Department of Health Services:			
Immunization Program	93.268	HG352194	449,249
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	252038	272,901
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG354253	6,317
Preventive Health and Health Services Block Grant	93.991	HG354182	\$ 64,440
Preventive Health and Health Services Block Grant	93.991	HG352236	9,065
Subtotal CFDA 93.991			73,505
Maternal and Child Health Services Block Grant to the States	93.994	HP461323-002	142,881
Maternal and Child Health Services Block Grant to the States	93.994	HP461413-005	4,115
Passed through Arizona Family Planning Council:			
Maternal and Child Health Services Block Grant to the States	93.994	HG361141	108,930
Subtotal CFDA 93.994			255,926
Passed through Arizona Family Planning Council:			
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	None	1,841
Family Planning Services	93.217	None	63,589
Passed through Governor's Council on Developmental Disabilities:			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	None	729
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DESE1604014	1,630
			2,359

(continued)

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2005
(CONCLUDED)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Health and Human Services - Continued</u>			
Passed through Western Arizona Council of Governments:			
<i>Aging Cluster:</i>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	E6209004-204-05	\$ 55,936
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	E6209004-204-05	<u>238,185</u>
Total Aging Cluster			\$ 294,121
Social Services Block Grant	93.667	E6209004-204-05	26,958
Passed through Clark County, Nevada:			
HIV Emergency Relief Project Grants	93.914	None	85,934
HIV Emergency Relief Project Grants	93.914	2H89HA00054-07-00	<u>66,809</u>
Subtotal CFDA 93.914			152,743
Total U.S. Department of Health and Human Services			<u>1,599,509</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Arizona Department of Emergency and Military Affairs:			
<i>Homeland Security Grant Program Cluster:</i>			
State Domestic Preparedness Equipment Support Program	97.004	2003-TE-CX-0196	321,775
State Domestic Preparedness Equipment Support Program	97.004	2003-MU-CX-0034	136,896
Homeland Security Grant Program	97.067	EMF-2003-GR-0301 /EMF- 2004-GR-0401	<u>49,380</u>
Total Homeland Security Grant Program Cluster			508,051
Emergency Food and Shelter National Board Program	97.024	None	1,308
Public Assistance Grants	97.036	None	496,602
Hazard Mitigation Grant	97.039	Project 1422-3-2-P	19,109
Community Emergency Response Teams	97.054	None	7,309
Total U.S. Department of Homeland Security			<u>1,032,379</u>
<u>U.S. Office of National Drug Control Policy</u>			
Passed through Pima County Sheriff's Office:			
High Intensity Drug Trafficking Area Program XIV	07.14PSAP5		
	49	14PSAP549	138,359
High Intensity Drug Trafficking Area Program XV	07.15PSAP54		
	9Z	15PSAP549Z	21,188
Total U.S. Office of National Drug Control Policy			<u>159,547</u>
Total Expenditures of Federal Awards			\$ <u>9,313,091</u>

The accompanying notes are an integral part of this schedule.

Mohave County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Mohave County, Arizona 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 2005 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "unknown" were used.

Note 3 – Subrecipients

Mohave County did not have any subrecipients for the year ended June 30, 2005.

Mohave County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified	
	Yes	No
Material weaknesses identified in internal control over financial reporting?		X
Reportable conditions identified not considered to be material weaknesses?		(None Reported)
Noncompliance material to the financial statements noted?		X

Federal Awards

Material weaknesses identified in internal control over major programs?		X
Reportable conditions identified not considered to be material weaknesses?		(None Reported)
Type 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:

CFDA No	Program Description
14.228	Community Development Block Grants/States Program
14.239	HOME Investment Partnerships Program
16.579	Byrne Formula Grant Program
93.268	Immunization Program
93.914	HIV Emergency Relief Project Grants
93.994	Maternal and Child Health Services Block Grant to the States
97.004, 97.067	Homeland Security Grant Program Cluster
97.036	Public Assistance Grants

Dollar threshold to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as a 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
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Mohave County, Arizona
Schedule of Findings and Questioned Costs - Continued
Year Ended June 30, 2005

Financial Statement Findings

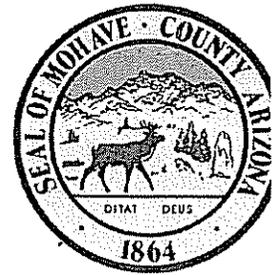
No matters were identified that were required to be reported.

Federal Award Findings and Questioned Costs

There were no instances of noncompliance that are required to be reported.

County Responses

Mohave County Financial Services



JOHN TIMKO
Finance Director

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

Phone: (928) 753-0735
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March 31, 2006

Debbie Davenport
Arizona Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport:

The accompanying Summary Schedule of Prior Audit Findings for the year ended June 30, 2005 has been prepared as required by the U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of the audit finding included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards.

Respectfully,

John Timko
Finance Director

**Mohave County
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2005**

Status of Federal Award Findings and Questioned Costs

Federal Award Finding

Finding 04-101

U.S. Department of Health and Human Services:

Passed through Western Arizona Council of Governments

Aging Cluster - Special Programs for the Aging – Title III, Part C

Nutrition Services

Contract No: E6209004-204-04

CFDA No: 93.045

Grant Period: July 1, 2003 – June 30, 2004

Questioned Costs: Unknown

Condition: Out of 15 participants selected for testing, the auditor's noted that two of the participants receiving congregate meals were under the age of 60, which is a requirement to participate in the nutrition services program. The County did not have procedures in place to monitor the age requirement related to the payment for meals.

Status: Mohave County now requires all participants to sign in each time they receive a meal. The first time a person comes in for a meal, they fill out an application which, with proper identification, verifies their date of birth along with other pertinent data. Guests, who do not qualify for the free meal, are charged a fee. At the end of the month, the sign in sheet which records the number of guests is reconciled to the money deposited with the treasurer.