

Mohave County, Arizona
SINGLE AUDIT REPORTING PACKAGE
Year Ended June 30, 2020

Mohave County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2020
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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Basic Financial
Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 14, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Fester & Chapman, PLLC

May 14, 2021



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

The Arizona Auditor General

The Board of Supervisors of
Mohave County, Arizona

Report on Compliance for Each Major Federal Program

We have audited Mohave County's compliance with the types of compliance requirements described 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, 2020. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, Mohave County complied, in all material respects, with the types of 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, 2020.

Report on Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 14, 2021, that contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Fester & Chapman, PLLC

May 14, 2021

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal agency/CFDA 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	Arizona Department of Education	ADE Contract ED09-0001	\$ 14,263	\$
10 555	National School Lunch Program (non-cash)	Child Nutrition Cluster	Arizona Department of Education	ADE Contract ED09-0001	1,574	
10 555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	ADE Contract ED09-0001	9,088	
	<i>Total 10.555</i>				<u>10,662</u>	
	Total Child Nutrition Cluster				<u>24,925</u>	
10 557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS14-053050, ADHS19-207426	617,592	
10 561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	ADHS16-106573	138,745	
10 665	Schools and Roads - Grants to States	Forest Service Schools and Roads Cluster			4,613	
	Total Department of Agriculture				<u>785,875</u>	
Department of Housing and Urban Development						
14 228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		Arizona Department of Housing	116-20, 102-19, 101-19, 100-19	392,523	
14 228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				708	
	<i>Total 14.228</i>				<u>393,231</u>	
14 239	Home Investment Partnerships Program		Arizona Department of Housing	302-20, 300-19, 305-18	187,307	
14 241	Housing Opportunities for Persons with AIDS		Arizona Department of Housing	516-19, 524-17, 505-18, 510-20	142,714	
14 267	Continuum of Care Program		Arizona Department of Housing	533-19, 590-20, 549-19, 525-20, 552-19, 586-20	273,258	
14 871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster			2,336,457	
14 879	Mainstream Vouchers	Housing Voucher Cluster			289,828	
	<i>Total Housing Voucher Cluster</i>				<u>2,626,285</u>	
	Total Department of Housing and Urban Development				<u>3,622,795</u>	
Department of the Interior						
15 659	National Wildlife Refuge Fund				2,552	
Department of Justice						
16 543	Missing Children's Assistance		City of Phoenix Police Department	CT150922-0	4,735	
16 575	Crime Victim Assistance		Arizona Department of Public Safety	2018-306, 2018-307, 2018-308, 2018-309	198,970	
16 606	State Criminal Alien Assistance Program				4,262	
16 607	Bulletproof Vest Partnership Program				4,913	
16 738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	DC-20-028	54,702	
16 738	Edward Byrne Memorial Justice Assistance Grant Program				5,842	
	<i>Total 16.738</i>				<u>60,544</u>	
16 Unknown	US Marshals Service District Fugitive Apprehension Task Force		Arizona Supreme Court	MMO-M-18-D08-0-0000	4,749	
	Total Department of Justice				<u>278,173</u>	

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
Department of Labor						
17 207	Employment Service/Wagner-Peyser Funded Activities	Employment Service Cluster	Arizona Department of Economic Security	IGA - DE081154-001	\$ 4,196	\$
17 258	WIA/WIOA Adult Program	WIOA Cluster	Arizona Department of Economic Security	DI19-002203	678,699	
17 259	WIA/WIOA Youth Activities	WIOA Cluster	Arizona Department of Economic Security	DI19-002203	766,871	
17 278	WIA/WIOA Dislocated Worker Formula Grants	WIOA Cluster	Arizona Department of Economic Security	DI19-002203	631,538	
	<i>Total WIOA Cluster</i>				2,077,108	
	Total Department of Labor				2,081,304	
Department of Transportation						
20 600	State and Community Highway Safety	Highway Safety Cluster	Governor's Office of Highway Safety	2020-AI-010, 2020-PTS-035	23,967	
Department of Treasury						
21 019	COVID-19 Coronavirus Relief Fund		State of Arizona Office	ERMT-CFR-21-1006	4,649,284	
Environmental Protection Agency						
66 463	Water Quality Cooperative Agreements		Arizona Department of Environmental Quality	EV 2020-0002	1,837	
Department of Education						
84 027A	Special Education- Grants to States (IDEA, Part B)	Special Education Cluster	Arizona Supreme Court	IGA#KR13-0137	5,178	
Election Assistance Commission						
90 404	2018 HAVA Election Security Grants- Cyber Security		Arizona Secretary of State	None	15,994	
Department of Health and Human Services						
93 045	Special Programs for the Aging - Title III, Part C - Nutrition Services	Aging Cluster	Western Arizona Department of Governments	E86-6000539-401-01-20	431,612	
93 053	Nutrition Services Incentive Program	Aging Cluster	Western Arizona Department of Governments	E86-6000539-401-01-20	63,081	
	<i>Total Aging Cluster</i>				494,693	
93 069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS 17-133195	300,116	
93 110	Maternal and Child Health Federal Consolidated Programs		Arizona Department of Health Services	241-4-5132	5,475	
93 136	Injury Prevention and Control Research and State and Community Based Programs		Arizona Department of Health Services	CTR044397	154,542	
93 268	Immunization Cooperative Agreements		Arizona Department of Health Services	CTR042198	160,142	
93 323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		Arizona Department of Health Services	ADHS17-163349	845	
93 354	Public Health Crisis Response		Arizona Department of Health Services	ADHS17-133195	109,211	
93 563	Child Support Enforcement		Arizona Department of Economic Security	ADES13-028556, DI18-002149, DI18-002167	196,242	

See accompanying notes to schedule

Mohave County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
93 597	Grants to States for Access and Visitation Programs		Arizona Department of Economic Security	DE111148001	29,903	
93 658	Foster Care-Title VI-E		Arizona Administrative Office of Court	None	4,391	
93 667	Social Services Block Grant		Western Arizona Departments of Governments	E86-6000539-401-01-20	164,195	
93 788	Opioid STR		Steward Health Care Network	YH17-0003-02	57,054	
93 870	Maternal, Infant and Early Childhood Home Visiting Grant		Arizona Department of Health Services	241-4-5132	122,243	
93 940	HIV Prevention Activities - Health Department Based		Arizona Department of Health Services	ADHS18-188823	28,301	
93 977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		Arizona Department of Health Services	CTR043050	11,476	
93 994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	ADHS 16-102329	136,127	
Total Department of Health and Human Services					1,974,956	
Office of National Drug Control Policy						
95 001	High Intensity Drug Trafficking Areas Program		City of Tucson	G19SA0007A, G20SA0007A	91,702	
Department of Homeland Security						
97 024	Emergency Food and Shelter National Board Program				1,843	
97 042	Emergency Management Performance Grants		Arizona Department of Emergency and Military Affairs	DHS-19-GPD-042-09-01	140,168	
97 045	Cooperating Technical Partners				433,598	
97 067	Homeland Security Grant Program		Arizona Department of Homeland Security	190511-01, EMW-2019-SS-00002-S01	39,425	
Total Department of Homeland Security					615,034	
Total Expenditures of Federal Awards					\$ 14,148,651	\$ -

Mohave County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

NOTE 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes Mohave County's federal grant activity for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 - Summary of Significant Accounting Policies

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

NOTE 3 - Federal Assistance Listings Number

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2020 *Federal Assistance Listings*. When no Federal Assistance Listings number had been assigned to a program, the two digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the 2-digit federal agency identifier and the word "unknown" were used.

NOTE 4 - Indirect Cost Rate

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

NOTE 5 - Donated Personal Protective Equipment (PPE)

The fair market value of donated personal protective equipment the County received for the COVID-19 response for the year ended June 30, 2020 was \$ 162,204.

Mohave County, Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2020

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles

Unmodified

	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified?		X (none reported)
Noncompliance material to the financial statements noted?		X

Federal Awards:

Internal control over major programs:

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.267	Continuum of Care Program
16.575	Crime Victim Assistance
21.019	COVID-19 Coronavirus Relief Fund

Mohave County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Summary of Auditors' Results - Continued

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

Other Matters

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

None

Federal Award Findings and Questioned Costs

None

MOHAVE COUNTY FINANCIAL SERVICES

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Financial Services Director

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May 14, 2021

Lindsey Perry
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.

Sincerely,

Coral A. Loyd
Financial Services Director

Mohave County, Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

Status of Financial Statement Findings

The County should improve its risk-assessment process to include information technology security.

Finding No.: 2019-001, 2018-001, 2017-002, 2016-02, 2015-02, 2014-05, 2013-05

Status: Fully corrected

The County should improve its contingency planning procedures for its information technology resources.

Finding No.: 2019-002, 2018-002, 2017-003, 2016-06, 2015-05, 2014-08

Status: Fully corrected