

**Mohave County, Arizona**  
**Single Audit Reporting Package**  
**Year Ended June 30, 2004**

**Mohave County, Arizona  
Single Audit Reporting Package  
Year Ended June 30, 2004**

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**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, 2004, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 16, 2005. Our report was modified due to our reliance on the report of other auditors. 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 and the reports of the other auditors noted no matters involving internal control over financial reporting and its operation that we and the other auditors 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 and the reports of the other auditors 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  
March 16, 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, 2004. 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, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and that is described in the accompanying schedule of findings and questioned costs as item 04-101.

## **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, 2004, and have issued our report thereon dated March 16, 2005. Our report was modified due to our reliance on the report of the other auditors. 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  
March 16, 2005

Mohave County, Arizona  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>			
<i>Passed through Arizona State Treasurer:</i>			
Schools and Roads Grants to States	10.665	None	\$ 502
<i>Passed through Arizona Department of Education:</i>			
National School Lunch Program	10.555	KR 10358	42,811
<i>Passed through Arizona Department of Health Services:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HG361076	580,156
Commodity Supplemental Food Program	10.565	HG361102	10,993
<i>Passed through Western Arizona Council of Governments:</i>			
Nutrition Services Incentive	10.570	E6209004-204-04	38,835
<i>Passed through Arizona State Land Department:</i>			
Cooperative Forestry Assistance	10.664	FHP-04	400
<i>Total U.S. Department of Agriculture</i>			<u>673,697</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Lower Income Housing Assistance Program, Section 8 Moderate Rehabilitation	14.856	N/A	1,638,353
<i>Passed through Arizona Department of Commerce:</i>			
Supportive Housing Program	14.235	539-03	81,668
Supportive Housing Program	14.235	519-04	<u>7,609</u>
<b>Subtotal CFDA 14.235</b>			89,277
Community Development Block Grants/States Program	14.228	IGA 114-03	229,339
HOME Investment Partnerships Program	14.239	146-02	52,079
<i>Passed through City of Las Vegas, Nevada:</i>			
Housing Opportunities for Persons with AIDS	14.241	None	<u>96,419</u>
<i>Total U.S. Department of Housing and Urban Development</i>			<u>2,105,467</u>
<b><u>U.S. Department of the Interior</u></b>			
Payments in Lieu of Taxes: Fish & Wildlife	15.226	N/A	3,928
Payments in Lieu of Taxes: Bureau of Land Management	15.226	N/A	1,818,201
Payments in Lieu of Taxes: Bureau of Reclamation	15.226	N/A	<u>100,000</u>
<b>Subtotal CFDA 15.226</b>			1,922,129
<i>Bureau of Reclamation:</i>			
Davis Camp	15.unknown	00-FC-30-0066	6,528
Improvements to Davis Camp	15.unknown	01-FG-30-0034	<u>7,038</u>
<b>Subtotal CFDA 15.BBA</b>			<u>13,566</u>
<i>Total U.S. Department of the Interior</i>			<u>1,935,695</u>

(Continued)

The accompanying notes are an integral  
part of this schedule.

Mohave County, Arizona  
Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Justice</u></b>			
State Criminal Alien Assistance Program	16.606	N/A	\$ 30,248
State Criminal Alien Assistance Program	16.606	N/A	<u>32,947</u>
<b>Subtotal CFDA 16.606</b>			\$ 63,195
Local Law Enforcement Block Grants Program	16.592	N/A	17,756
Community Prosecution and Project Safe Neighborhoods	16.609	N/A	7,049
<b><i>Passed through Arizona Department of Public Safety:</i></b>			
Crime Victim Assistance	16.575	2002-VA-GX-0004	151
Crime Victim Assistance	16.575	2003-VA-GX-0004	<u>69,974</u>
<b>Subtotal CFDA 16.575</b>			70,125
<b><i>Passed through Arizona Criminal Justice Commission:</i></b>			
Crime Victim Compensation	16.576	VC-04-057	39,949
Byrne Formula Grant Program	16.579	PC-100-04	148,517
<b><i>Passed through Arizona Governor's Community Policy Office:</i></b>			
Juvenile Accountability Incentive Block Grants	16.523	00JAIBG-08	31,830
<b><i>Passed through Arizona Supreme Court-Juvenile Justice Services Division:</i></b>			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	IGA	<u>4,500</u>
<b>Total U.S. Department of Justice</b>			<b>382,921</b>
<b><u>U.S. Department of Labor</u></b>			
<b><i>Passed through Arizona Department of Economic Security:</i></b>			
Senior Community Service Employment Program	17.235	E6204052	58,754
<b><i>Workforce Investment Act Cluster:</i></b>			
WIA Adult Program	17.258	E5703008	85,375
WIA Adult Program	17.258	E5704008	<u>298,865</u>
<b>Subtotal CFDA 17.258</b>			384,240
WIA Youth Activities	17.259	E5702008	6,044
WIA Youth Activities	17.259	E5703008	9,097
WIA Youth Activities	17.259	E5704008	<u>286,944</u>
<b>Subtotal CFDA 17.259</b>			302,085
<b><i>Passed through Gila County, Arizona:</i></b>			
WIA Dislocated Workers	17.260	E5701014	<u>69,000</u>
<b>Total Workforce Investment Act cluster</b>			<u>755,325</u>
<b>Total U.S. Department of Labor</b>			<b>814,079</b>
<b><u>U.S. Department of Transportation</u></b>			
<b><i>Passed through Arizona Department of Public Safety:</i></b>			
National Motor Carrier Safety	20.218	2003-216	15,100
<b><i>Passed through the Governor's Office of Highway Safety:</i></b>			
State and Community Highway Safety	20.600	2003-AL-008	1,867
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	2004-410-002	<u>18,633</u>
<b>Total U.S. Department of Transportation</b>			<b>35,600</b>

(Continued)

The accompanying notes are an integral  
part of this schedule.

Mohave County, Arizona  
Schedule of Expenditures of Federal Awards - Continued  
Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
<i>Passed through Arizona Department of Environmental Quality:</i>			
Water Quality Cooperative Agreements	66.463	EV 01-0065	\$ 5,035
Water Quality Cooperative Agreements	66.463	EV 01-0066	<u>7,000</u>
<b>Subtotal CFDA 66.463</b>			<b>\$ <u>12,035</u></b>
<i>Total U.S. Environmental Protection Agency</i>			<b>12,035</b>
<b><u>U.S. Department of Education</u></b>			
<i>Passed through Arizona Department of Education:</i>			
Title I Program for Neglected and Delinquent Children	84.013	IGA	7,023
Special Education Grants to States	84.027A	IGA	1,372
Education Technology State Grants	84.318	IGA	1,058
State Grants for Innovative Programs	84.298	IGA	<u>905</u>
<i>Total U.S. Department of Education</i>			<b>10,358</b>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Passed through Arizona Department of Health Services:</i>			
Immunization Grants	93.268	HG352194	335,944
Centers for Disease Control and Prevention			
Investigations and Technical Assistance	93.283	252038	193,397
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG354253	8,531
Preventive Health and Health Services Block Grant	93.991	HG354182	55,223
Preventive Health and Health Services Block Grant	93.991	HG352236	29,322
Preventive Health and Health Services Block Grant	93.991	PO # E3H82326	<u>2,500</u>
<b>Subtotal CFDA 93.991</b>			<b>87,045</b>
Maternal and Child Health Services Block Grant to the States	93.994	261194	27,523
Maternal and Child Health Services Block Grant to the States	93.994	PO # E3H84969	5,000
Maternal and Child Health Services Block Grant to the States	93.994	961124	109,540
Maternal and Child Health Services Block Grant to the States	93.994	HG361141	<u>2,450</u>
<b>Subtotal CFDA 93.994</b>			<b>144,513</b>
<i>Passed through Arizona Family Planning Council:</i>			
Family Planning Services	93.217	None	15,397

(Continued)

The accompanying notes are an integral  
part of this schedule.

Mohave County, Arizona  
Schedule of Expenditures of Federal Awards - Concluded  
Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Health and Human Services - Continued</u></b>			
<i>Passed through Arizona Governor's Council on Developmental Disabilities:</i>			
Developmental Disabilities Basic Support and Advocacy Gra	93.630	None	\$ 9,258
<i>Passed through Western Arizona Council of Governments:</i>			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	E6209004-204-04	55,936
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	E6209004-204-04	<u>301,108</u>
<i>Total Aging cluster</i>			357,044
Social Services Block Grant	93.667	E6209004-204-03	29,344
<i>Passed through Clark County, Nevada:</i>			
HIV Emergency Relief Project Grants	93.914	None	<u>153,752</u>
<i>Total U.S. Department of Health and Human Services</i>			<b>1,334,225</b>
<b><u>U.S. Federal Emergency Management Agency</u></b>			
<i>Passed through Arizona Department of Emergency and Military Affairs:</i>			
State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0142	98,144
State Domestic Preparedness Equipment Support Program	97.004	2003-TE-CX-0196	61,682
State Domestic Preparedness Equipment Support Program	97.004	2003-MU-CX-0034	<u>28,025</u>
<b>Subtotal CFDA 97.004</b>			187,851
Emergency Food and Shelter National Board Program	97.024	None	78
Hazard Mitigation Grant	97.039	Project 1422-3-2-P	56,968
Emergency Management Performance Grants	97.042	EMF-2004-GR-0401	56,732
State and Local All Hazards Emergency Operations Planning	97.051	EMF-2003-GR-0310	65,200
Community Emergency Response Teams	97.054	None	<u>9,949</u>
<i>Total U.S. Federal Emergency Management Agency</i>			<b>376,778</b>
<b><u>U.S. Office of National Drug Control Policy</u></b>			
<i>Passed through Pima County Sheriff's Office:</i>			
High Intensity Drug Trafficking Area Program XII	07.12PSA549	01-11-M-130619-1001	15,260
High Intensity Drug Trafficking Area Program XIII	07.13PSA549	01-11-M-132763-1002	184,844
High Intensity Drug Trafficking Area Program XIV	07.14PSA549	01-11-M-134235-1003	<u>43,381</u>
<i>Total Office of National Drug Control Policy</i>			<b>243,485</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>7,924,340</u></b>

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, 2004**

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**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 2004 *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, 2004.

**Mohave County, Arizona**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2004**

**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?	X	
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
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
14.856	Low Income Housing Assistance Program, Section 8 Moderate Rehabilitation
17.258, 17.259, 17.260	Workforce Investment Act Cluster
93.044, 93.045	Aging Cluster - Special Programs for the Aging

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, 2004**

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**Financial Statement Findings**

No matters were identified that were required to be reported.

**Federal Award Findings and Questioned Costs**

There was one instance of noncompliance, which is listed below as finding 04-101.

**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:** We selected 15 participants for testing and 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 does not have procedures in place to monitor the age requirement related to the payment for meals.

**Criteria, Cause and Effect:** As required by CFR 42 USC 3027, an individual must be 60 years of age or older, or handicapped or disabled, or the spouse of a qualified individual to be eligible to receive congregate meals through the program. Individuals, who do not meet the criteria, are allowed to receive a meal for a fee. The County must monitor the age requirement of individuals receiving meals and determine if they are eligible. If the individual is not eligible, a fee must be collected. There is no monitoring in place to determine if individuals meet the eligibility requirement and that ineligible participants pay for their meals. The effect is the serving of meals to individuals who are not eligible. It is impracticable to compute questioned costs.

**Recommendation:** We recommend that the County implement a control system to monitor and verify eligibility and document collection of fees for ineligible participants.

**Mohave County  
Corrective Action Plan  
Year Ended June 30, 2004**

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Federal Award Findings and Questioned Costs

**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

**Corrective Action Planned:**

**Mohave County Senior Programs in conjunction with WACOG (Western AZ. Council of Governments) has come up with a corrective action plan that meets both the requirements of the SEFA audit and Older American Act reporting guidelines.**

**Action #1**

On the daily sign in sheet, there is a column where guests under age 60 are marked with a check mark to show they received a meal. The mark will be replaced with the amount of money collected. For example John Doe \$3.50. This will be done at the senior center locations.

**Action #2**

At the end of each month the Senior Centers send their sign in sheets to the Office Specialist to reconcile units served. At this time, the Office Specialist will make sure the sign in sheets have been filled out correctly. The Office Specialist will ensure that people who are not 60 years of age, handicapped, disabled, or the spouse of a qualified individual have been charged the appropriate fee and that it was documented on the sign in sheet.

**Action #3** We are preparing to I.D. all individuals at the time of their initial registration.

WACOG or Mohave County Senior Programs have been able to find out if this is allowed per Older American Act regulations. Prop 200 in Arizona requires people provide proof of citizenship to access services. Some senior centers have begun asking for proof of citizenship but many do not.