

Mohave County, Arizona
SINGLE AUDIT REPORTING PACKAGE
Year Ended June 30, 2007

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Annual Financial Report

Issued separately

Single Audit Section

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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*

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 the aggregate remaining fund information of Mohave County, Arizona as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2008. 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 as a basis for designing our audit procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's basic financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

We noted certain other matters that we reported to management of the County in a separate letter dated March 28, 2008.

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.

Foster & Chapman P.C.

March 28, 2008

**Independent Auditors' Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133**

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 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, 2007. The County's major federal programs are identified in the Summary of Auditors' 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, Arizona 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, 2007.

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 the 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, 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 control deficiency in the County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2007, and have issued our report thereon dated March 28, 2008. 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 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 by us in the audit of the basic financial statements and, in our opinion, based on our audit, 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.

Fester & Chapman P.C.

March 28, 2008

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

<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 Department of Education:			
National School Lunch Program	10.555	ED05 0001	\$ 56,281
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HG361076	\$ 693,562
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HP661311	28,761
<i>Subtotal CFDA 10.557</i>			722,323
State Administrative Matching Grants for Food Stamp Program	10.561	HG661032	38,092
Commodity Supplemental Food Program	10.565	HG361102	12,787
Passed through Arizona State Land Department:			
Cooperative Forestry Assistance	10.664	FHP-04	21,198
Passed through Arizona State Treasurer:			
Schools and Roads - Grants to States	10.665	N/A	624
Total U.S. Department of Agriculture			851,305
<u>U.S. Department of Housing and Urban Development</u>			
Housing Opportunity for Persons with AIDS	14.241	N/A	74,939
Section 8 Housing Choice Vouchers	14.871	N/A	1,683,527
Passed through Arizona Department of Housing:			
Community Development Block Grants/States Program	14.228	143-07	12,446
Community Development Block Grants/States Program	14.228	144-07	22,217
Community Development Block Grants/States Program	14.228	158-05	86,155
Community Development Block Grants/States Program	14.228	180-06	191,604
<i>Subtotal CFDA 14.228</i>			312,422
Supportive Housing Program	14.235	516-06C	5,833
Supportive Housing Program	14.235	521-06	88,895
Supportive Housing Program	14.235	523-06	20,768
Supportive Housing Program	14.235	532-07	8,624
<i>Subtotal CFDA 14.235</i>			124,120
HOME Investment Partnerships Program	14.239	305-06	509,412
Total U.S. Department of Housing and Urban Development			2,704,420
<u>U.S. Department of the Interior:</u>			
Payments in Lieu of Taxes: Fish & Wildlife	15.226	N/A	4,811
Payments in Lieu of Taxes: Bureau of Land Management	15.226	N/A	1,944,307
Payments in Lieu of Taxes: Bureau of Reclamation	15.226	N/A	100,000
<i>Subtotal CFDA 15.226</i>			2,049,118

(continued)

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007
(CONTINUED)

<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 the Interior - Continued:</u>			
Davis Camp	15.03-FG-30-0035	N/A	\$ 19,147
Total U.S. Department of the Interior			<u>2,068,265</u>
<u>U.S. Department of Justice</u>			
Domestic Cannabis Eradication/Suppression Program	16.2006-07	N/A	8,000
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	10,612
Passed through Arizona Criminal Justice Commission:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PC-07-100	<u>60,207</u>
Subtotal CFDA 16.738			70,819
Crime Victim Compensation	16.576	VC-07-057	35,598
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CVF06-07-306	6,486
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance: Domestic Violence	16.575	2005-391	59,191
Crime Victim Assistance: Restitution Advocate	16.575	2005-393	25,043
Crime Victim Assistance: Colorado City	16.575	2005-392	<u>51,458</u>
Subtotal CFDA 16.575			135,692
Passed through Arizona Governor's Office for Children, Youth & Families, Division for Children:			
Juvenile Accountability Incentive Block Grants	16.523	JB-CSG-07-8274-07	42,589
Passed through Arizona Supreme Court-Juvenile Justice Services Division:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	IGA - 05/09/06	7,246
Total U.S. Department of Justice			<u>306,430</u>
<u>U.S. Department of Labor</u>			
Passed through Arizona Department of Economic Security:			
Employment Service	17.207	E5203004	4,697
Employment Service	17.207	E0606061	<u>5,374</u>
Subtotal CFDA 17.207			10,071
Senior Community Service Employment Program	17.235	DES060645-1	79,482

(continued)

MOHAVE COUNTY, ARIZONA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2007
 (CONTINUED)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Labor - Continued:			
<i>Workforce Investment Act Cluster:</i>			
WIA Adult Program	17.258	E5706008	\$ 97,212
WIA Adult Program	17.258	E5706008-1	260,030
WIA Youth Activities	17.259	E5706008	55,316
WIA Youth Activities	17.259	E5706008-1	234,677
WIA Dislocated Workers	17.260	E5706008-1	39,000
<i>Passed through Gila County, Arizona:</i>			
WIA Dislocated Workers	17.260	MOU - 11/06/06	5,000
WIA Dislocated Workers	17.260	IGA - 04/05/06	25,740
<i>Total Workforce Investment Act Cluster</i>			\$ 716,975
Youth Opportunity Grants	17.263	E5706008	16,937
Youth Opportunity Grants	17.263	E5706008-1	4,013
<i>Subtotal CFDA 17.263</i>			20,950
WIA Incentive Grants - Section 503 Grants to States	17.267	DE071141	3,359
Total U.S. Department of Labor			830,837
U.S. Department of Transportation			
Passed through the Governor's Office of Highway Safety:			
<i>National Highway Traffic Safety Administration Cluster:</i>			
State and Community Highway Safety	20.600	2006-PT-004	24,091
State and Community Highway Safety	20.600	2007-PT-003	12,500
<i>Passed through La Paz County, Arizona:</i>			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	410	2,066
<i>Total National Highway Traffic Safety Administration Cluster</i>			38,657
Passed through Arizona Emergency Response Commission:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	03/10/05	1,500
Total U.S. Department of Transportation			40,157
U.S. Environmental Protection Agency			
Passed through Arizona Department of Environmental Quality:			
Water Quality Cooperative Agreements	66.463	EV 05-0063	2,743
Total U.S. Environmental Protection Agency			2,743

(continued)

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007
(CONTINUED)

<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 Education</u>			
Passed through Arizona Supreme Court:			
Title I Program for Neglected and Delinquent Children	84.013	IGA - 05/09/06	\$ 3,133
Special Education - Grants to States	84.027	IGA - 05/09/06	\$ 6,442
Special Education - Grants to States	84.027A	IGA - 05/09/06	<u>6,727</u>
Subtotal CFDA 84.027			13,169
Safe and Drug-Free Schools and Communities - State Grants	84.186A	IGA - 05/09/06	200
State Grants for Innovative Programs	84.298	IGA - 05/09/06	271
Passed through Arizona Department of Education:			
Tech-Prep Education	84.243	V243A060003	79,445
Total U.S. Department of Education			<u><u>96,218</u></u>
<u>U.S. Election Assistance Commission</u>			
Passed through Arizona Secretary of State:			
Help America Vote Act Requirements Payments	90.401	Public Law 107-252 10/29/02	38,992
Total U.S. Election Assistance Commission			<u><u>38,992</u></u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Arizona Department of Health Services:			
Immunization Grants	93.268	HG352194	619,597
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	252038	686,021
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HG354182	<u>71,740</u>
Subtotal CFDA 93.283			757,761
Child Abuse and Neglect State Grants	93.669	05/1995	4,555
HIV Prevention Activities - Health Department Based	93.940	HG352236	22,567
Maternal and Child Health Services Block Grant to the States	93.994	HP461323-003	100,112
Maternal and Child Health Services Block Grant to the States	93.994	HP461413-005	<u>2,500</u>
Subtotal CFDA 93.994			102,612
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG354253	7,310
Passed through Arizona Family Planning Council:			
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	MOU-Chlamydia 03/09/04	<u>1,490</u>
Subtotal CFDA 93.977			8,800
Family Planning Services	93.217	76-1107	55,550
Family Planning Services	93.217	HG361141	<u>120,800</u>
Subtotal CFDA 93.217			176,350
Passed through Arizona Department of Economic Security:			
Grants to States for Access and Visitation Programs	93.597	DES060677-1	8,342
Passed through Arizona Secretary of State:			
Voting Access for Individuals with Disabilities - Grants to States	93.617	IGA - 3/27/07	1,697
Voting Access for Individuals with Disabilities - Grants to States	93.617	IGA - 3/2007	<u>65,292</u>
Subtotal CFDA 93.617			66,989

(continued)

The accompanying notes are an integral part of this schedule.

MOHAVE COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007
(CONCLUDED)

<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 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	\$ 45,735
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	E6209004-204	275,308
Nutrition Services Incentive Program	93.053	E6209004-204	<u>75,000</u>
<i>Total Aging Cluster</i>			\$ 396,043
National Family Caregiver Support	93.052	E6209004-204	5,000
Social Services Block Grant	93.667	E6209004-204	37,188
Passed through Clark County Social Services, Nevada:			
HIV Emergency Relief Project Grants	93.914	IGA 2/5/07	84,039
HIV Emergency Relief Project Grants	93.914	IGA 8/7/07	<u>55,631</u>
<i>Subtotal CFDA 93.914</i>			139,670
Total U.S. Department of Health and Human Services			<u><u>2,345,474</u></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			
State Homeland Security Grant Program	97.004	2004-GE-T4-0051	444,018
State Homeland Security Grant Program-Citizens Corp Program	97.004	2004-GE-T4-0051	2,852
Homeland Security Grant Program	97.067	EMF-2004-GR-0401	56,533
Homeland Security Grant Program	97.067	2005-GE-T5-0051	286,302
Homeland Security Grant Program-Citizens Corp Program	97.067	222508-05	134
Homeland Security Grant Program	97.067	2006-GE-T6-0007	<u>112,000</u>
<i>Total Homeland Security Grant Program Cluster</i>			901,839
Emergency Food and Shelter National Board Program	97.024	None -10/01/99	1,413
Total U.S. Department of Homeland Security			<u><u>903,252</u></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.HT16-06-1310	HT16-06-1310	68,704
High Intensity Drug Trafficking Area Program XV	07.I5PSAP549Z	I5PSAP549Z	<u>30,615</u>
Total U.S. Office of National Drug Control Policy			<u><u>99,319</u></u>
Total Expenditures of Federal Awards			<u><u>\$ 10,287,412</u></u>

The accompanying notes are an integral part of this schedule.

Mohave County, Arizona
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

NOTE 1 - Basis of Accounting

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

NOTE 2 - Catalog of Federal Domestic Assistance (CFDA) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2007 *Catalog of Federal Domestic Assistance Update*. 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, 2007.

Mohave County, Arizona
Summary of Findings and Questioned Costs
Year Ended June 30, 2007

Summary of Auditors' Results

Financial Statements

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

Federal Awards

Material weakness identified in internal control over major programs?		X
Significant deficiencies identified not considered to be material weaknesses?		X (None Reported)

Type of auditors 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
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Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplement Nutrition Program for Women, Infants, and Children
15.226	Payments in Lieu of Taxes Workforce Investment Act Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
	Aging Cluster
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 308,622

Auditee qualified as low-risk auditee? X

Other Matters

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

Mohave County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

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.