Yavapai County, Arizona

Single Audit Reporting Package

Year ended June 30, 2004

Yavapai County, Arizona
Single Audit Reporting Package
Year ended June 30, 2004

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Issued Separately

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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 the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

Board of Supervisors of
Yavapai County, Arizona

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Yavapai County, Arizona (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 November 19, 2004, which was modified due to our reliance on the report of the 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 financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the 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 the 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 report 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
November 19, 2004

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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

Members of the Arizona State Legislature

Board of Supervisors of
Yavapai County, Arizona

Compliance

We have audited the compliance of Yavapai County, Arizona (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 audit 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, the 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.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with 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 the 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 the 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 Yavapai County as of and for the year ended June 30, 2004, and have issued our report thereon dated November 19, 2004, which 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 Yavapai 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
November 19, 2004

Yavapai County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed through Arizona Department of Education			
Nutrition cluster:			
School Breakfast Program	10.553	KR10358	$ 18,719
National School Lunch Program	10.555	KR10358	28,078
Total nutrition cluster			46,797
Passed through Arizona Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	90CI0944/35	621,731
State Administrative Matching Grants for Food Stamp	10.561	HG361083	2,438
Commodity Supplemental Food Program	10.565	21074	29,735
Passed through Arizona State Treasurer			
Schools and Roads-Grants to States	10.665		546,500
Total U.S. Department of Agriculture			1,247,201
U.S. Department of Housing and Urban Development			
Passed through Arizona Department of Commerce			
Community Development Block Grants/State's Program	14.228	147-92	788,360
Total U.S. Department of Housing and Urban Development			788,360
U.S. Department of the Interior			
Payments in Lieu of Taxes	15.226		1,359,624
Distribution of Receipts to State and Local Governments Taylor Grazing	15.227		23,738
Total U.S. Department of the Interior			1,383,362

(continued)

The accompanying notes are an integral part of this schedule.

Yavapai County
Schedule of Expenditures of Federal Awards - Continued
Year ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Justice			
Supervised Visitation, Safe Havens for Children	16.527		$ 2,109
Local Law Enforcement Block Grants Program	16.592		46,836
Closed-Circuit Televising of Child Victims of Abuse	16.611		75,984
Public Safety Partnership and Community Policing Grants	16.710		25,312
Passed through Arizona's Governor's Office for Community Policy			
Juvenile Accountability Incentive Block Grants	16.523	01JAIBG-13	84,923
Passed through Governor's Office for Children, Youth and Families			
Title V - Delinquency Prevention Program	16.548	AD000299	36,507
Passed through Arizona Department of Public Safety			
Crime Victim Assistance	16.575	2001-956	233,830
Passed through Arizona Criminal Justice Commission			
Crime Victim Compensation	16.576	VC-03-062	43,340
Total U.S. Department of Justice			548,841
U.S. Department of Transportation			
Passed through Arizona Department of Transportation			
Airport Improvement Program	20.106	E1157	67,945
Passed through Governor's Office of Highway Safety			
State and Community Highway Safety	20.600	2001-163-022	4,104
Total U.S. Department of Transportation			72,049

(continued)

The accompanying notes are an integral part of this schedule.

Yavapai County
Schedule of Expenditures of Federal Awards - Continued
Year ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education			
Title I Program for Neglected and Delinquent Children	84.013		$ 57,293
Passed through Arizona Department of Education			
Special Education Grants to States	84.027	04FESCBG-470744-01A	491,026
Special Education Preschool Grants	84.173	04FESCBG-470744-02A	34,200
Safe and Drug Free Schools and Communities State Grants	84.186	04FSSIVB-470744-07A	14,621
State Grants for Innovative Programs	84.298	04FAATVA-470744-04A	98,478
Improving Teacher Quality State Grants	84.367	04FAAITY-470744-05A	79,986
English Language Acquisition Grants	84.365	03FASENG-370744-07A	20,000
Passed through Arizona Department of Economic Security			
Special Education Grants for Infants and Families with Disabilities	84.181	E1800019	119,243
Total U.S. Department of Education			914,847
U.S. Department of Health and Human Services			
Medical Reserve Corps Small Grant Program	93.008		26,875
Community Health Centers	93.224		599,233
Healthy Community Access Program	93.252	6G920A000520A0	206,872
Passed through Arizona Family Council			
Family Planning Services	93.217	NONE	115,957
Passed through Mountain Park Health Center			
Grants for Education, Prevention, and Early Detection of Radiogenic Cancers and Diseases	93.257	HD030401	14,020
Passed through Arizona Department of Economic Security			
Child Support Enforcement	93.563	E7204025	117,419

(continued)

The accompanying notes are an integral part of this schedule.

Yavapai County
Schedule of Expenditures of Federal Awards - Concluded
Year ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services - Continued			
Passed through Arizona Department of Health Services			
Immunization Grants	93.268	152048	$ 242,784
Center for Disease Control and Prevention Investigations and Technical Assistance	93.283	25-2037	347,217
Cooperative Agreements for State Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	16-1024	142,681
HIV Prevention Activities Health Department Based	93.940	25-2026	122,949
Preventive Health and Health Services Block Grant	93.991	HG354186	77,666
Maternal and Child Health Services Block Grant to States	93.994	261195	361,184
Passed through Coconino County, Arizona			
HIV Care Formula Grants	93.917	IGA W/Coconino Co.	94,939
Total U.S. Department of Health Services			2,469,796
U.S. Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.004		449,435
Passed through Arizona Department of Emergency and Military Affairs			
Emergency Management Performance Grants	97.042	EMF-1999-PA-9001	68,220
Total U.S. Department of Homeland Security			517,655
Total expenditures of federal awards			$ 7,942,111

The accompanying notes are an integral part of this schedule.

Yavapai County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year ended June 30, 2004

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Yavapai County, Arizona and is presented on the modified accrual basis of accounting. The information on 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*.

Yavapai 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?		(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
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
10.665	Schools and Roads – Grants to States
14.228	Community Development Block Grant/State's Program
15.226	Payments in Lieu of Taxes
84.027	Special Education Grants to States
93.224	Community Health Centers
93.283	Center for Disease Control and Prevention Investigations and Technical Assistance
93.994	Maternal and Child Health Services Block Grant to States
97.004	State Domestic Preparedness Equipment Support Program

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

Financial Statement Findings

No matters were identified that were required to be reported.

Federal Award Findings and Questioned Costs

No matters were identified that were required to be reported.