Yuma County, Arizona

Single Audit Reporting Package

Year Ended June 30, 2004

Yuma County, Arizona

Single Audit Reporting Package
Year Ended June 30, 2004
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Comprehensive Annual Financial Report

Issued Separately

Single Audit Section

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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

Members of the Arizona State Legislature

The Board of Supervisors of
Yuma County, Arizona

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yuma 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 January 6, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 it 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.

Miller, Allen & Co., P.C.

January 6, 2005

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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

The Board of Supervisors of
Yuma County, Arizona

Compliance

We have audited the compliance of Yuma 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 auditing standards generally accepted in the United States of America; 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, Yuma 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 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, each major fund, and aggregate remaining fund information of Yuma County as of and for the year ended June 30, 2004, and have issued our report thereon dated January 6, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Yuma 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 it 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.

Miller, Allen & Co., P.C.

January 6, 2005

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

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Office of National Drug Control Policy			
Passed through Pima County			
High Intensity Drug Trafficking Area Program	07.I0PSAP549, 07.I1PSAP549, 07.I2PSAP549	01-11-Y-128929-1000, 01-11-Y-130623-1001, 01-11-0-128893-1000, 01-11-Y-132422-1002	$ 432,599
Total U.S. Office of National Drug Control Policy			432,599
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities	10.760		561
Passed through the Arizona Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	KR10358	22,800
National School Lunch Program	10.555	KR10358	35,568
			58,368
Passed through the Arizona Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HG361072	922,786
State Administrative Matching Grants for Food Stamp Program	10.561	HI461238, HG361084	315,348
Total U.S. Department of Agriculture			1,297,063
U.S. Department of Housing and Urban Development			
Public and Indian Housing	14.850		610,551
Resident Opportunity and Supportive Services	14.870		45,416
Section 8 Housing Choice Vouchers	14.871		2,149,704
Public Housing Capital Fund	14.872		293,206
Passed through the City of Yuma			
Community Development Block Grants/Entitlement Grants	14.218	H125-02, B01MC040508	18,868
Passed through the Governor's Office of Housing Development			
Community Development Block Grants/State's Program	14.228	109-03, 110-03, 112-03, 113-03, 186-04	291,247
HOME Investment Partnerships Program	14.239	171-02H	189,422
Total U.S. Department of Housing and Urban Development			3,598,414
U.S. Department of the Interior			
Payments in Lieu of Taxes	15.226		1,870,691
U.S. Department of Justice			
Southwest Border Protection Initiative	16.Unknown		1,782,012
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		35,222
Drug Court Discretionary Grant Program	16.585		150,369
Local Law Enforcement Block Grants Program	16.592		28,356
State Criminal Alien Assistance Program	16.606		174,069
Public Safety Partnership and Community Policing Grants	16.710		114,423
Federal Equitable Sharing Program	16.Unknown		8,420
Passed through the Arizona Criminal Justice Commission			
Crime Victim Compensation	16.576	VC-03-063	35,105
Byrne Formula Grant Program	16.579	PC040-03	254,326

See accompanying notes to schedule.

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

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
Passed through the Arizona Division of Emergency Management			
State Domestic Preparedness Equipment Support Program	16.007	2002-TE-CX-0142 2003-MV-T3-0034	62,069
Passed through the Arizona Department of Public Safety			
Crime Victim Assistance	16.575	2003-054	117,940
Passed through the Governor's Community Policy Office			
Juvenile Accountability Incentive Block Grants	16.523	JB-GRA-02-4182-14/2 JB-GRA-03-5273-13/7 JB-GRA-03-5273-13/3 JB-GRA-02-4182-14/3 JB-GRA-03-532	73,528
Total U.S. Department of Justice			2,835,839
U.S. Department of Labor			
Passed through the Arizona Department of Economic Security			
Workforce Investment Act Cluster			
Workforce Investment Act – Adult Program	17.258	E5701002, E5702015, E5703014	2,910,134
Workforce Investment Act – Youth Activities	17.259	E5701002, E5702015, E5703014	3,866,652
Workforce Investment Act – Dislocated Workers	17.260	E5701002, E5702015, E5703014	1,063,212
Total U.S. Department of Labor			7,839,998
U.S. Department of the Treasury			
Federal Equitable Sharing Program	21.Unknown		22,082
National Foundation on the Arts and the Humanities			
Passed through the Arizona Department of Library, Archives and Public Records			
State Library Program	45.310	221-3-2-(01)(05), 2001-CIP-15	39,128
U.S. Department of Education			
Passed through the Arizona Department of Education			
Title I Grants to Local Educational Agencies	84.010	04FAATTI-460112-02A	34,554
Special Education--Grants to States	84.027	04FESCBG-470067-06A 03FESST2-370067-04A 03FESSS2-370067-03A 04FESSTT-470067-05A 03FESCBG-370887-06A 04FESCBG-470067-06A 03FESCBG-360112-02A	278,680
Fund for the Improvement of Education	84.215	04FAAPCE-470067-01A	33,332
Eisenhower Professional Development State Grants	84.281	03FASTII-360112-04A,	5,824
Innovative Education Program Strategies	84.298	03FASTVA-360112-05A	794
Reading First State Grants	84.357	04SASRS-470067-04A	16,046
Improving Teacher Quality State Grants	84.367	03FAAITY-470067-03A	72,649
Passed through the Arizona Supreme Court			
Title I Program for Neglected and Delinquent Children	84.013	04FASNAD-370887-01A	29,690
Total U.S. Department of Education			471,569

See accompanying notes to schedule.

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

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Health Care and Other Facilities	93.887		123,893
Passed through the Arizona Department of Health Services			
Voting Access for Individuals With Disabilities – Grants to States	93.617	None	1,563
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG352245	31,629
Immunization Grants	93.268	HG352199	529,096
Centers for Disease Control and Prevention-Investigations And Technical Assistance	93.283	252041	362,286
Child Abuse and Neglect State Grants	93.669	CFHS7682178	1,549
HIV Care Formula Grants	93.917	HG352332	123,724
HIV Prevention Activities - Health Department Based	93.940	HG352238	39,173
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG354256	31,187
Preventive Health and Health Services Block Grant	93.991	HG354187	65,605
Maternal and Child Health Services Block Grant to the States	93.994	961127,HG361143	96,403
Passed through the Arizona Department of Economic Security			
Child Support Enforcement	93.563	E7202027,E7203027	100,298
Passed through El Rio Santa Cruz Neighborhood Health Center			
Special Projects of National Significance	93.928	None	61,659
Total U.S. Department of Health and Human Services			1,568,065
General Services Administration			
Election Reform Payments	39.011		399,713
Total Expenditures of Federal Awards			$ 20,375,161

See accompanying notes to schedule.

Yuma County
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 Yuma 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) 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 was used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "unknown" was used.

Note 3 - Subrecipients

From the federal expenditures presented in the schedule, the County awarded the following to subrecipients.

Program Title	CFDA Number	Amount
Workforce Investment Act – Adult	17.258	$ 2,910,134
Workforce Investment Act – Youth	17.259	3,866,652
Workforce Investment Act – Dislocated Workers	17.260	1,063,212

Note 4 - Noncash Assistance

Noncash assistance in the form of vaccines was received from the Arizona Department of Health Services. The federal value of $416,504 is included in the schedule under federal program 93.268.

Yuma County
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 weakness identified in internal control over financing reporting?		X
Reportable conditions 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
Reportable conditions identified not considered to be material weaknesses?		X (none reported)
Types 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 Number	Name of Federal Program or Cluster
07.I0PSAP549	High Intensity Drug Trafficking Area Program
15.226	Payments in Lieu of Taxes
93.268	Immunization Grants
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance
16.Unknown	Southwest Border Protection Initiative
16.579	Byrne Formula Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 611,255	
Auditee qualified as 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