Yuma County, Arizona

SINGLE AUDIT REPORTING PACKAGE

Year Ended June 30, 2013

Yuma County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2013
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Report Issued Separately

Comprehensive Annual Financial Report

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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 Auditor General of the State of Arizona

The Board of Supervisors of
Yuma 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, each major fund, and aggregate remaining fund information of Yuma County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 23, 2014.

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) to determine 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 control 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 a 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 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*.

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.

Foster & Chapman P.C.

January 23, 2014

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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 OMB Circular A-133

The Auditor General of the State of Arizona

The Board of Supervisors of
Yuma County, Arizona

Report on Compliance for Each Major Federal Program

We have audited Yuma County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. 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 the requirements of laws, regulations, contracts, and grants 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 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 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, Yuma 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, 2013.

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 OMB Circular A-133, 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 control 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.

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 OMB circular A-133. Accordingly, this report is not suitable for any purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 23, 2014, that contained an unmodified opinion 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 OMB Circular A-133 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 U.S. generally accepted auditing standards. 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.

Foster & Chapman P.C.

February 4, 2014

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed through Arizona Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	14-10-01-000, 14-87-57	$ 31,581
National School Lunch Program	10.555	14-10-01-000, 14-87-57	67,667
Total Child Nutrition Cluster			99,248
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ADHS11-004602	1,205,442
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HI050079	347,852
Water and Waste Program Cluster:			
ARRA - Water and Waste Disposal Systems for Rural Communities	10.781	N/A	76,784
Total U.S. Department of Agriculture			1,729,326
U.S. Department of Commerce			
Passed through Arizona State Library, Archives and Public Records:			
ARRA - Broadband Technology Opportunities Program (BTOP)	11.557	ASLAPR-AZJEC-IG-11-1-03, ASLAPR-AZJEC-IG-11-1-03A	19,523
Total U.S. Department of Commerce			19,523
U.S. Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing	14.850	N/A	597,153
Resident Opportunity and Supportive Services - Service coordinators	14.870	N/A	64,459
Section 8 Housing Choice Vouchers	14.871	N/A	2,124,011
Capital Fund Program (CFP) Cluster:			
Public Housing Capital Fund	14.872	N/A	202,302
Passed through Governor's Office of Housing Development:			
State-Administered CDBG Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	127-11,128-11,121-13,122-13,129-13	108,803
HOME Investment Partnerships Program	14.239	311-11	183,808
Total U.S. Department of Housing and Urban Development			3,280,536
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	3,244,942
Total U.S. Department of the Interior			3,244,942
U.S. Department of Justice			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	84,202
Bulletproof Vest Partnership Program	16.607	N/A	1,497
Southwest Border Prosecution Initiative Program	16.755	N/A	171,539
Equitable Sharing Program	16.922	N/A	728

See accompanying notes to schedule.

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2012-VA-GX-0022	$ 171,183
Passed through Governor's Community Policy Office:			
Juvenile Accountability Incentive Block Grants	16.523	JB-CSG-12-2366-08, JV-CSG-13-3365-10 JB-CSG-13-3365-01, JB-CSG-12-2366-08	$ 28,979
Passed through Arizona Criminal Justice Commission:			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC-13-022, DC-13-042	286,528
Total U.S. Department of Justice			744,656
U.S. Department of Labor			
Passed through Arizona Department of Economic Security:			
WIA Cluster:			
WIA Adult Program	17.258	DE111015001	1,294,022
WIA Youth Activities	17.259	DE111015001	1,895,346
WIA Dislocated Worker Formula Grants	17.278	DE111015001	1,980,921
Total WIA Cluster			5,170,289
Total U.S. Department of Labor			5,170,289
U.S. Department of Transportation			
Passed through Arizona Department of Emergency and Military Affairs:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	FFY 2012	5,579
Total U.S. Department of Transportation			5,579
U.S. Department of the Treasury			
Direct Program:			
Federal Equitable Sharing Program	21.000	N/A	5,023
Total U.S. Department of Treasury			5,023
Institute of Museum and Library Services			
Passed through Arizona State of Library, Archives and Public Records:			
Grants to States	45.310	None	17,218
Total Institute of Museum and Library Services			17,218
U.S. Environmental Protection Agency			
Direct Program:			
ARRA - Capitalization Grants for Drinking Water State Revolving Funds	66.468	N/A	42,151
Total U.S. Environmental Protection Agency			42,151
U.S. Department of Education			
Passed through Arizona Department of Education:			
Migrant Education-State Grant Program	84.011	13FEAMSY-370067-01A	276,562
Special Education Cluster (IDEA):			
Special Education-Grants to States	84.027	12FT1NAD-270887-02A, 12FT2TII-270887-04A 12FESCBG-270887-01A, 12FESSCG-270887-04A 12FESCBG-270067-02A, 12FESSCG-270067-04A	212,422
Improving Teacher Quality State Grants	84.367	13FESSCBG-370067-03A	58,900
Total U.S. Department of Education			$ 547,884

See accompanying notes to schedule.

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Passed through Arizona Department of Health Services:			
Medical Reserve Corps Small Grant Program	93.008	MRC13-1146	$ 249
Public Health Emergency Preparedness	93.069	ADHS12-007899	286,065
Affordable Care Act (ACA) - Abstinence Education Program	93.235	HR961143	109,103
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG852308/ADHS13-041283	94,271
Immunization Cooperative Agreements	93.268	HG854294/ADHS13-041553	245,982
HIV Care Formula Grants	93.917	HG552273/ADHS13-040497	133,166
HIV Prevention Activities - Health Department Based	93.940	HG852271/ADHS13-031658	21,935
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG854319/ADHS13-036312	6,941
Maternal and Child Health Services Block Grant to the States	93.994	HG854244/ADHS13-031658	28,507
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	None	144,034
Social Services Block Grant	93.667	DE13-039748	54,271
Total U.S. Department of Health and Human Services			1,124,524
Executive Office of the President			
Passed through City of Tucson:			
High Intensity Drug Trafficking Areas Program	95.001	HT12-2235, HT21-11-2313 HT12-2213, HT21-11-2311, HT-12-2207	545,079
Total Executive Office of the President			545,079
U.S. Department of Homeland Security			
Passed through Arizona Department of Homeland Security:			
Emergency Management Performance Grants	97.042	None	137,468
Homeland Security Grant Program	97.067	888435-01, 888435-02,777437-03 888403-01, 888403-02, 555435-05 777437-05, 555435-04, 777437-04 999403-01, 888403-03, 555435-05 999607-01, 999438-02	2,115,487
Total U.S. Department of Homeland Security			2,252,955
Total Expenditures of Federal Awards			$ 18,729,685

See accompanying notes to schedule.

Yuma County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

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) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2013 *Catalog of Federal Domestic Assistance*.

NOTE 3 - Subrecipients

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

Program Title	CFDA Number	Amount
WIA Cluster - Adult Program	17.258	$ 1,294,022
WIA Cluster - Youth Activities	17.259	1,895,346
WIA Cluster - Dislocated Worker Formula Grants	17.278	1,980,921

Yuma County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued:	Unmodified	
	Yes	No
Internal control over financial reporting:		
Material weaknesses identified?		X
Significant deficiencies identified?		X (None Reported)
Noncompliance material to the financial statements noted?		X

Federal Awards:

Internal control over major programs:		
Material weaknesses identified?		X
Significant deficiencies 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 Circular A-133 (section .510[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
15.226	Payments in Lieu of Taxes
	WIA Cluster:
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
95.001	High Intensity Drug Trafficking Areas Program
97.067	Homeland Security Grant Program

Yuma County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Summary of Auditors' Results - Continued

Dollar threshold used to distinguish between Type A and Type B programs:		$ 561,891
	Yes	No
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

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

None reported.