

**YUMA COUNTY, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2009**

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SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2009**

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CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Auditor General of the State of Arizona

The Board of Supervisors
Yuma County, Arizona

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2009, which collectively comprise Yuma County, Arizona's basic financial statements and have issued our report thereon dated November 6, 2009. 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 Yuma County, Arizona's internal control over financial reporting as a basis for designing our auditing 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 Yuma County, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Yuma County, Arizona'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 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 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 Yuma County, Arizona's 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*.

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, management, and 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.

Heinfeld Meech & Co. P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

November 6, 2009



**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**

The Auditor General of the State of Arizona

The Board of Supervisors
Yuma County, Arizona

Compliance

We have audited the compliance of Yuma 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, 2009. Yuma County, Arizona'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 Yuma County, Arizona's management. Our responsibility is to express an opinion on Yuma County, Arizona'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 Yuma County, Arizona'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 Yuma County, Arizona's compliance with those requirements.

In our opinion, Yuma 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, 2009.

Internal Control Over Compliance

The management of Yuma County, Arizona 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 Yuma County, Arizona'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 Yuma County, Arizona's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 09-1 to be a significant deficiency.

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. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be material a weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Yuma County, Arizona'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.

Yuma County, Arizona's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Yuma County, Arizona's response and, accordingly, we express no opinion on it.

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, management, and 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

November 6, 2009

**YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures & Transfers</u>
<u>U.S. Office of National Drug Control Policy</u>			
Passed through Pima County:			
High Intensity Drug Trafficking Area Program	07.11PSAP549	HT16-06-2311	\$ 535,841
	07.12PSAP549	HT17-07-2311, -2313	
	07.13PSAP549	HT18-08-2311, -2313	
Total U.S. Office of National Drug Control Policy			535,841
<u>U.S. Department of Agriculture</u>			
Passed through Arizona Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	KR10358	30,013
National School Lunch Program	10.555	KR10358	46,136
			76,149
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HG861144	996,694
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HG661037	354,420
			1,351,114
Total U.S. Department of Agriculture			1,427,263
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Public and Indian Housing	14.850	N/A	605,426
Section 8 Housing Choice Vouchers	14.871	N/A	2,527,610
Public Housing Capital Fund	14.872	N/A	164,718
Passed through City of Yuma:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	9,000
Passed through Governor's Office of Housing Development:			
Community Development Block Grants/State's Program	14.228	147-07, 149-07, 150-07, 147-09, 135-09	381,788
HOME Investment Partnership Program	14.239	315.07	247,881
			629,669
Total U.S. Department of Housing and Urban Development			3,936,423
<u>U.S. Department of Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	4,308,880
Total U.S. Department of Interior			4,308,880
<u>U.S. Department of Justice</u>			
Direct Programs:			
Southwest Border Prosecution Initiative	16.755	N/A	1,591,205
Federal Equitable Sharing Program	16. UNKNOWN	N/A	12,972
State Criminal Alien Assistance Program	16.606	N/A	158,910
Passed through Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-09-063	53,288
Edward Byrne Memorial Formula Grant Program	16.579	DC-09-003	66,611
			119,899
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2006-VA-GX-0013	133,629
Passed through Governor's Community Policy Office:			
Juvenile Accountability Block Grants	16.523	JB-CSG-07-8274-12 JB-CSG-07-9273-13	29,284
Passed through Arizona Criminal Justice Commission:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC-09-031, DC-10-019	45,790
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	DC-10-042	1,776
			47,566
Total U.S. Department of Justice			2,093,465

YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009
(Concluded)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures & Transfers</u>
<u>U.S. Department of Labor</u>			
Passed through Arizona Department of Economic Security:			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	17.258	70304001, 81302001	\$ 2,214,717
WIA Youth Activities	17.259	70304001, 81302001	1,499,264
WIA Dislocated Workers	17.260	70304001, 81302001	588,282
Recovery Act - WIA Adult Program	17.258	DE09120Y001	79,939
Recovery Act - WIA Youth Activities	17.259	DE09120Y001	537,724
Recovery Act - WIA Dislocated Workers	17.260	DE09120Y001	37,883
Total U.S. Department of Labor			<u>4,957,809</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	N/A	1,500
Total U.S. Department of Transportation			<u>1,500</u>
<u>Institute of Museum and Library Services</u>			
Passed through the Department of Library, Archives and Public Records:			
Grants to States	45.310	381-41-01-(010)	56,636
Total Institute of Museum and Library Services			<u>56,636</u>
<u>U.S. Department of Education</u>			
Passed through Arizona Department of Education:			
Special Education - Grants to States	84.027	08FESSCG-870067-02 08FESSCG-970067-04 08FESSCG-770067-04 09FESCBG-970067-02 09FAAAZE-970067-01	228,927
Improving Teacher Quality State Grants	84.367		45,285
Total U.S. Department of Education			<u>274,212</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Arizona Department of Health Services:			
Public Health Emergency Preparedness	93.069	HG754206	368,357
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG852308	94,120
Immunization Grants	93.268	HG854294	109,903
HIV Care Formula Grants	93.917	HG352332	126,344
HIV Prevention Activities - Health Department Based	93.940	HG852271	18,722
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG854319	19,034
Maternal and Child Health Services Block Grant to the States	93.994	HG854244	89,635
			<u>826,115</u>
Passed through University of Arizona:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	Y404840	19,992
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	DES060735-1	144,922
Total U.S. Department of Health and Human Services			<u>991,029</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Arizona Division of Emergency Management:			
Emergency Management Performance Grants	97.042	N/A	65,226
Direct Program:			
Homeland Security Grant Program	97.067	N/A	261,726
Passed through Arizona Division of Emergency Management:			
Homeland Security Grant Program	97.067	333421-03, 444426-02, 444426-01	413,041
Total CFDA 97.067			674,767
Total U.S. Department of Homeland Security			<u>739,993</u>
			<u>\$ 19,323,051</u>

**YUMA COUNTY, ARIZONA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2009**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Yuma 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 2009 *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	\$ 2,294,656
Workforce Investment Act - Youth	17.259	2,036,988
Workforce Investment Act - Dislocated Workers	17.260	626,165

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? X yes 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 section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
16.755	Southwest Border Prosecution Initiative
17.258, 17.259, 17.260	Workforce Investment Act Cluster
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$579,692

Auditee qualified as low-risk auditee? X yes no

Other Matters

Auditee's Summary of Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (Section 315[b])? X yes no

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF HOMELAND SECURITY

Finding Number: 09-1

Program Name: Homeland Security Grant Program

Pass-Through Agency: Arizona Division of Emergency
Management

Questioned Costs: N/A

CFDA Number: 97.067

Grantor Numbers: 333421-03,
444426-02, 444426-01

CRITERIA

The County's management is responsible for establishing and maintaining internal controls that prevent or detect material misstatements to the Schedule of Expenditures of Federal Awards (SEFA). This includes identifying all federal programs by the *Catalog of Federal Domestic Assistance* (CFDA) number and title.

CONDITION/CONTEXT

The County's management did not have adequate internal control procedures in place over the preparation of the SEFA. The County did not initially identify the correct CFDA number for one federal award. The County has since made revisions and all federal awards are properly classified.

EFFECT

The County's internal controls over financial reporting of the SEFA were not adequate to ensure that a misstatement would be prevented and/or detected. The County originally classified one federal award under two separate CFDA numbers.

CAUSE

The County feels adequate internal controls are in place to properly identify and catalog received grants. This was an isolated oversight from both processing department (grantee) and Finance's Grant accountant. As new grants are received, responsible department enters the pertinent information which is later reviewed by Grants administrator for accuracy and completeness. Unfortunately, and due to the grants module used, grantees often copy information from an existing grant then update information. All pertinent information was updated for the grant in question except the CFDA number.

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Concl'd)

RECOMMENDATION

The County must design and implement effective internal control procedures to ensure the SEFA is free from material misstatements. Specifically, the County should evaluate all federal awards to ensure each is reported under the correct CFDA number.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The internal procedure has been reviewed and found to be adequate for the grant processing. Also, proper parties have been notified of the oversight. Management feels emphasis needs to be placed in the reviewing by both, grant receiving department and Grants auditor. Management will implement a check list procedure to verify proper and correct information has been entered into the system.

Contact Person: Gilberto Villegas, Assistant Director
Anticipated Completion Date: February 2010

**YUMA COUNTY, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2009**

Status of Federal Award Findings and Questioned Costs

CFDA No. 93.268

Program Name: Immunization Grants

Finding No. 07-1

Status: Fully corrected.