YUMA COUNTY, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2010

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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 BASIC 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, 2010, which collectively comprise Yuma County, Arizona's basic financial statements and have issued our report thereon dated December 9, 2010. 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 Yuma County, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Yuma County, Arizona's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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 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 matters that we reported to management of Yuma County, Arizona in a separate letter dated December 9, 2010.

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, others within the County, 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

December 9, 2010

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INDEPDENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Yuma County, Arizona'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 Yuma County, Arizona's major federal programs for the year ended June 30, 2010. 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 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, 2010.

TUCSON • PHOENIX • FLAGSTAFF
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Internal Control Over Compliance

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 to determine the 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, 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 Yuma County, Arizona'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 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.

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 deficiencies, 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, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2010, and have issued our report thereon dated December 9, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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, management, others within the County, 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

December 9, 2010

YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures & Transfers
U.S. Office of National Drug Control Policy			
Passed through City of Tucson:			
High Intensity Drug Trafficking Area Program	07.UNKNOWN	HT18-08-2311, HT19-09-2311 HT18-08-2313, HT19-09-2313	$ 423,635
Total U.S. Office of National Drug Control Policy			423,635
U.S. Department of Agriculture			
Passed through Arizona Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	14-10-01-000	29,825
National School Lunch Program	10.555	14-10-01-000	46,675
			76,500
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HG861144, HG050007	1,156,462
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HG661037, HI050079	390,900
			1,547,362
Direct Program:			
ARRA - Recovery Act - Water and Waste Disposal Systems for Rural Communities	10.781	N/A	188,672
Total U.S. Department of Agriculture			1,812,534
U.S. Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing	14.850	N/A	652,060
Section 8 Housing Choice Vouchers	14.871	N/A	2,518,425
Capital Fund Program (CFP) Cluster:			
Public Housing Capital Fund	14.872	N/A	317,882
ARRA - Recovery Act - Public Housing Capital Fund Stimulus	14.885	N/A	318,222
			636,104
Passed through Governor's Office of Housing Development:			
Community Development Block Grants/State's Program Cluster:			
Community Development Block Grants/State's Program	14.228	134-09, 147-09, 149-09, 151-09, 135-09, 136-09	335,125
ARRA - Recovery Act - Community Development Block Grants/State's Program	14.255	114-10	682
			335,807
HOME Investment Partnership Program	14.239	315-07	308,518
			644,325
Total U.S. Department of Housing and Urban Development			4,450,914
U.S. Department of Interior			
Direct Programs:			
Payments in Lieu of Taxes	15.226	N/A	3,224,801
Community Wildfire Protection Plan	15.228	N/A	54,820
Total U.S. Department of Interior			3,279,621
U.S. Department of Justice			
Direct Programs:			
Federal Equitable Sharing Program	16. UNKNOWN	N/A	6,506
State Criminal Alien Assistance Program	16.606	N/A	162,766
Southwest Border Prosecution Initiative	16.755	N/A	1,323,630
Passed through Governor's Community Policy Office:			
Juvenile Accountability Block Grants	16.523	JB-CSG-07-9273-13, JB-CSG-09-9273-13 JB-CSG-08-9273-14, JB-CSG-09-9273-12A	34,061
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2006-VA-GX-0013 2009-VA-GX-0060	139,364
Passed through Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-10-063	43,521
Passed through Arizona Criminal Justice Commission:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC-10-019	18,585
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	DC-10-022, DC-10-042, 2009-SB-B9-0341	608,470
			627,055
Total U.S. Department of Justice			2,336,903
U.S. Department of Labor			
Passed through Arizona Department of Economic Security:			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	17.258	81302001, 101053001	1,884,913
WIA Youth Activities	17.259	81302001, 101053001	2,198,035
WIA Dislocated Workers	17.260	81302001, 101053001	591,441
ARRA - Recovery Act - WIA Adult Program	17.258	DE091204001	929,986
ARRA - Recovery Act - WIA Youth Activities	17.259	DE091204001	1,785,788
ARRA - Recovery Act - WIA Dislocated Workers	17.260	DE091204001	1,171,256
Total U.S. Department of Labor			8,561,419

See accompanying notes to schedule.

(Continued)

YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(Concluded)

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures & Transfers
U.S. Department of Transportation			
Passed through Arizona Governor's Office of Highway Safety:			
State and Community Highway Safety	20.600	N/A	$ 30,000
Passed through Arizona Division of Emergency Management:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	2009/2010	2,060
Total U.S. Department of Transportation			32,060
Institute of Museum and Library Services			
Passed through the Department of Library, Archives and Public Records:			
Grants to States	45.310	381-41-01-(010)	3,176
Total Institute of Museum and Library Services			3,176
Environmental Protection Agency			
Direct Programs:			
Congressionally Mandated Projects	66.202	N/A	721,886
ARRA - Recovery Act - Capitalization Grants for Drinking Water State Revolving Fund	66.468	N/A	41,507
Total Environmental Protection Agency			763,393
U.S. Department of Energy			
Direct Program:			
ARRA - Recovery Act - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	17,162
Total U.S. Department of Energy			17,162
U.S. Department of Education			
Passed through Arizona Department of Education:			
Special Education - Grants to States	84.027	10FESCBG-070067-03A 10FESSCG-070067-02A	210,982
Improving Teacher Quality State Grants	84.367	10FAAAZE-070067-01A	60,583
			271,565
Passed through Arizona Department of Education:			
ARRA - Recovery Act - State Fiscal Stabilization Fund - Education State Grants	84.394	10FAAGSG-060112-01A	60,766
Passed through Arizona Governor's Office:			
ARRA - Recovery Act - State Fiscal Stabilization Fund - Education State Grants	84.394	10FAASFG-060112-03A	47,204
Total CFDA 84.394			107,970
Total U.S. Department of Education			379,535
U.S. Department of Health and Human Services			
Passed through Arizona Department of Health Services:			
Medical Reserve Corps Small Grant Program	93.008	MRCSG061001-03	5,920
Public Health Emergency Preparedness	93.069	754206 25-2041, HG754206	765,909
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG852308	85,100
Immunization Cluster:			
Immunization Grants	93.268	HG854294	122,329
ARRA - Recovery Act - Immunization Grants	93.712	HG854294	6,606
			128,935
HIV Care Formula Grants	93.917	HG552273	108,342
HIV Prevention Activities - Health Department Based	93.940	HG852271	24,488
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG854319	5,810
Maternal and Child Health Services Block Grant to the States	93.994	HG854244	58,690
			1,183,194
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	DES060735-1	128,965
Total U.S. Department of Health and Human Services			1,312,159
U.S. Department of Homeland Security			
Passed through Arizona Division of Emergency Management:			
Emergency Management Performance Grants	97.042	N/A	53,867
Passed through Arizona Division of Emergency Management:			
Homeland Security Grant Program	97.067	333407-01, 444403-01, 444403-03, 444426-01, 444426-02, 555403-02, 555435-01, 555435-02, 555435-03	2,008,057
Total U.S. Department of Homeland Security			2,061,924
Total Expenditures of Federal Awards			$ 25,434,435

See accompanying notes to schedule.

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 2010 *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 Program	17.258	$ 2,814,899
Workforce Investment Act – Youth Activities	17.259	3,983,823
Workforce Investment Act – Dislocated Workers	17.260	1,762,697

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? ____ 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? ____ yes __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 section 510(a) of OMB Circular A-133? ____ yes __X__ no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
15.226	Payments in Lieu of Taxes
17.258, 17.259, 17.260	Workforce Investment Act Cluster
84.394	ARRA - Recovery Act - State Fiscal Stabilization Fund - Education State Grants
93.069	Public Health Emergency Preparedness
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $763,033

Auditee qualified as low-risk auditee? __X__ yes ____ no

Other Matters

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

Status of Federal Award Findings and Questioned Costs

CFDA No. 97.067
Program Name: Homeland Security Grant Program
Finding No. 09-1

Status: Fully corrected.