

**Yuma County, Arizona**

**SINGLE AUDIT REPORTING PACKAGE**

**Year Ended June 30, 2022**

**Yuma County, Arizona**  
Single Audit Reporting Package  
Year Ended June 30, 2022  
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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 Arizona Auditor General

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 U.S. Comptroller General, the financial statements of the governmental activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Yuma County (the County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 19, 2023. Our report includes a reference to other auditors who audited the financial statements of Yuma Private Industry Council, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report of the other auditors.

**Report on 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) as a basis for designing 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 controls 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 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 through 2022-003 that we consider to be significant deficiencies.

## **Report on 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 financial statements. 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 those of the other auditors, disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **County Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit that are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

## **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.

*Fester & Chapman, PLLC*

May 19, 2023



**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 the Uniform Guidance**

The Arizona Auditor General

The Board of Supervisors of  
Yuma County, Arizona

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Yuma County's compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Yuma County 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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 U.S. Comptroller General, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Management's Responsibilities for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instance of noncompliance that are required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item 2022-101. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the auditors' responsibilities for the audit of compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-101 to be a material weakness.

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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

### **Purpose of this Report**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **County Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the noncompliance and internal control over compliance findings that are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Yuma County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 19, 2023, that contained unmodified opinions on those financial statements. Our audit was performed 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 the Uniform Guidance 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.

*Fester & Chapman, PLLC*

May 19, 2023

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Agency/Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
<b>Department of Agriculture</b>						
10.555	National School Lunch Program <i>Total Child Nutrition Cluster</i>	Child Nutrition Cluster	Arizona Department of Education	ED09-0001	\$ 14,978	-
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	CTR040333	1,316,853	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program <i>Total SNAP Cluster</i>	SNAP Cluster	Arizona Department of Health Services	ADHS16-106310	326,986	-
	<b>Total Department of Agriculture</b>				<u>1,658,817</u>	<u>-</u>
<b>Department of Defense</b>						
12.610	Community Economic Adjustment Assistance For Compatible Use and Joint Land Use Studies <b>Total Department of Defense</b>			N/A	98,375	-
					<u>98,375</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>						
14.228	Community Development Block Grants/State's Program and Non-Entitlements Grants in Hawaii		Arizona Department of Health Services	114-21;115-21;116-21;107-21;121-21;302-21;139-22	1,209,267	-
14.239	Home Investment Partnerships Program		City of Yuma	505-20;510-22;305-22S	102,228	-
14.850	Public and Indian Housing			N/A	1,174,221	-
14.870	Resident Opportunity and Supportive Services-Service Coordinators			N/A	61,112	-
14.871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster		N/A	2,821,042	-
14.871	COVID-19 Section 8 Housing Choice Vouchers <i>Total Housing Voucher Cluster and 14.871</i>	Housing Voucher Cluster		N/A	19,055	-
					<u>2,840,097</u>	<u>-</u>
14.872	Public Housing Capital Fund			N/A	357,752	-
14.896	Family Self-Sufficiency Program <b>Total Department of Housing and Urban Development</b>			N/A	229,510	-
					<u>5,974,187</u>	<u>-</u>
<b>Department of the Interior</b>						
15.228	BLM Fuels Management and Community Fire Assistance Program Activities		Bureau of Land Management	L18AC00045	6,932	-
15.916	Outdoor Recreation Acquisition, Development and Planning <b>Total Department of the Interior</b>		National Park Service	04-00782	49,658	-
					<u>56,590</u>	<u>-</u>
<b>Department of Justice</b>						
16.034	COVID-19 Coronavirus Emergency Supplemental Funding Program		Arizona Criminal Justice Commission	ACESF-21-054	75,308	-
16.034	COVID-19 Coronavirus Emergency Supplemental Funding Program		Arizona Criminal Justice Commission	ACESF-22-018	21,976	-
16.034	COVID-19 Coronavirus Emergency Supplemental Funding Program <i>Total 16.034</i>				3,862	-
					<u>101,146</u>	<u>-</u>
16.575	Crime Victim Assistance		Arizona Department of Public Safety	2020-210	388,776	-
16.585	Drug Court Discretionary Grant Program				50,787	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program				29,004	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program <i>Total 16.738</i>		Arizona Criminal Justice Commission	DC-22-035; DC-20-014; 2019-MU-BX-K002	153,907	-
					<u>182,911</u>	<u>-</u>
	<b>Total Department of Justice</b>				<u>723,620</u>	<u>-</u>
<b>Department of Labor</b>						
17.258	WIOA Adult Program	WIOA Cluster	Arizona Department of Economic Security	DI21-002291	5,206,749	\$ 5,206,749
17.259	WIOA Youth Activities	WIOA Cluster	Arizona Department of Economic Security	DI21-002291	4,507,067	4,507,067
17.278	WIOA Dislocated Worker Formula Grants <i>Total WIOA Cluster</i>	WIOA Cluster	Arizona Department of Economic Security	DI21-002291	1,150,125	1,150,125
					<u>10,863,941</u>	<u>10,863,941</u>
	<b>Total Department of Labor</b>				<u>10,863,941</u>	<u>10,863,941</u>
<b>Department of Transportation</b>						
20.600	State and Community Highway Safety <i>Total Highway Safety Cluster</i>	Highway Safety Cluster	Governor's Office of Highway Safety	2021-405b-024; 2022-AI-013	26,461	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants <b>Total Department of Transportation</b>		Arizona Division of Emergency and Military Affairs	693JK31940003HMPEP	16,531	-
					<u>\$ 42,992</u>	<u>-</u>



**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Agency/Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
<b>Department of Treasury</b>						
21.019	COVID-19 Coronavirus Relief Fund		Arizona Office of the Governor	None	\$ 7,500,000	
21.019	COVID-19 Coronavirus Relief Fund		Arizona Department of Health Services	IGA2021-042	6,854	
	<i>Total 21.019</i>				<u>7,506,854</u>	
21.023	COVID-19 Emergency Rental Assistance Program			N/A	7,091,034	
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds			N/A	458,525	
	<b>Total Department of Treasury</b>				<u>15,056,413</u>	-
<b>Institute of Museum and Library Services</b>						
45.310	Grants to States		Arizona State Library Archives	2021-ARPA-61; 2021-0260-InEduc-1C	38,769	-
	<b>Total Institute of Museum and Library Services</b>				<u>38,769</u>	-
<b>Environmental Protection Agency</b>						
66.444	Lead Testing in School and Child Care Program Drinking Water		Arizona Department of Health Services	IGA2021-04	3,229	-
	<b>Total Environmental Protection Agency</b>				<u>3,229</u>	-
<b>Department of Education</b>						
84.010A	Title I Grants to Local Educational Agencies		Arizona Department of Education	20FT1TTI-010208-01A; 21FT1TTI-110208-01A	86,464	
84.013A	Title I State Agency Program for Neglected & Delinquent Children & Youth		Arizona Department of Education	21FLCCL-111577-02A	53,266	
84.027A	Special Education--Grants to States (IDEA, Part B)	Special Education Cluster (IDEA)	Arizona Department of Education	21FESCBG-110681-09A; 21FESCBG-110208-09A	39,937	
	<i>Total Special Education Cluster (IDEA) Cluster</i>				<u>39,937</u>	-
84.048A	Career and Technical Education-Basic Grants to States		Arizona Department of Education	21FCTDBG-110208-08A;22SCTDPP-210208-07A	8,613	
84.358A	Rural Education		Arizona Department of Education	S358A200029	2,523	
84.367A	Improving Teacher Quality State Grants		Arizona Department of Education	21FT1TTI-110208-03A	4,388	
84.424A	Student Support and Academic Enrichment Program		Arizona Department of Education	21FT4TIV-010208-01A	10,000	
84.425C	Education Stabilization Fund		Arizona Department of Education	21FCAAAG-110208-01	97,017	
84.425D	Education Stabilization Fund		Arizona Department of Education	20FERNT-01577-01A; 20FESSER-010208-01A	396,703	
	<i>Total 84.425</i>				<u>493,720</u>	
	<b>Total Department of Education</b>				<u>698,911</u>	-
<b>Election Assistance Commission</b>						
90.404	2018 HAVA Election Security Grants		Arizona Secretary of State	AZ18101001	17,200	
	<b>Total Election Assistance Commission</b>				<u>17,200</u>	-
<b>Department of Health and Human Services</b>						
93.069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS17-133162; CTR055221	253,862	-
93.070	Environmental Public Health and Emergency Response		Arizona Department of Health Services	ADHS18-175516	19,967	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		Arizona Department of Health Services	ADHS16-150243; RFGA2022-005-03	42,458	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Arizona Department of Health Services	ADHS18-188133	80,869	-
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention		University of Arizona	CTR#540895	48,472	-
93.137	Community Programs to Improve Minority Health Grant Program		Arizona Department of Health Services	1 CPIMP211272-01-00	287,001	
93.235	Affordable Care Act (ACA) Abstinence Education Program		Arizona Department of Health Services	ADHS17-00006630	95,833	-
93.261	National Diabetes Prevention Program: Preventing Type 2 Diabetes Among People at High Risk		Association of Diabetes Care & Education	17NUS8DP006361-01-00	16,439	
93.268	Immunization Cooperative Agreements		Arizona Department of Health Services	ADHS18-177693	656,456	-
93.323	Epidemiology and Laboratory Capacity for Infectious(ELC)		Arizona Department of Health Services	IGA2021-075; CTR057134	435,550	
93.391	COVID-19 Activities to Support State, Tribal, Local and Territorial Health Department Response to Public Health of Healthcare Crisis		Arizona Department of Health Services	CTR055996	184,934	-
93.495	Community Health Workers for Public Health Response and Resilient		Arizona Department of Health Services	1 NUS8DP007051-01-00	118,469	-
93.563	Child Support Enforcement		Arizona Department of Economic Security	None	194,965	
93.597	Grants to State for Access and Visitation Programs		Arizona Department of Economic Security	DE111153001	25,828	
93.658	Foster Care Title IV-E		Arizona Supreme Court	1004-020	50,997	
93.667	Social Services Block Grant		Arizona Department of Economic Security	ADES D18-002138	47,068	\$ 47,068
93.788	Opioid STR		Arizona Department of Health Services	CTR042317	98,220	
93.917	HIV Care Formula Grants		Arizona Department of Health Services	ADHD18-193952	\$ 195,983	-

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

Federal Agency/Assistance Listings	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
93.940	HIV Prevention Activities Health Department Based		Arizona Department of Health Services	ADHS-18-188832	\$ 18,372	
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grant		Arizona Department of Health Services	CTR040483	19,435	
93.991	Preventive Health and Health Services Block Grants		Arizona Department of Health Services	IGA2020-025	61,279	-
93.994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	IGA2020-025	257,599	
	<b>Total Department of Health and Human Services</b>				<u>3,210,056</u>	<u>\$ 47,068</u>
<b>Corporation For National and Community Service</b>						
94.006	AmeriCorps State and National		Arizona Supreme Court	AC-VSG-18-090118-06Y2	8,072	-
	<b>Total Corporation For National and Community Service</b>				<u>8,072</u>	<u>-</u>
<b>Executive Office of the President</b>						
95.001	High Intensity Drug Trafficking Areas Program		City of Tucson	HT-20-2981; HT-22-2981 HT-20-2984; G21SA0007A	238,481	-
	<b>Total Executive Office of the President</b>				<u>238,481</u>	<u>-</u>
<b>Department of Homeland Security</b>						
97.042	Emergency Management Performance Grants		AZ Department of Emergency Affairs	EMF-2020-EP-00009	169,074	-
97.067	Homeland Security Grant Program		State of Arizona Department of Homeland Security	20-AZDOHS-HSGP-200604-01; 20-AZDOHS-HSGP-200407-01; 21-AZDOHS-HSGP-210407-01;2021-207-05 20-AZDOHS-OPSG-200437-01; 18-AZDOHS-OPSG-180408-04; 21-AZDOHS-OPSG-210415-01;	1,854,033	
	<b>Total Department of Homeland Security</b>				<u>2,023,107</u>	<u>-</u>
	<b>Total expenditures of federal awards</b>				<u>\$ 40,712,760</u>	<u>\$ 10,911,009</u>

**Yuma County, Arizona**  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

**NOTE 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes Yuma County's federal grant activity for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 - Federal Assistance Listings Number**

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2022 *Federal Assistance Listings*.

**NOTE 4 - Indirect Cost Rate**

The County did not elect to use the 10 percent de minimus indirect cost rate as covered in 2 CFR §200.414.

**Yuma County, Arizona**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2022

**Summary of Auditors' Results**

***Financial Statements:***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles

Unmodified

	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?		X
Significant deficiency(ies) identified?	X	
Noncompliance material to the financial statements noted?		X

***Federal Awards:***

Internal control over major programs:

Material weakness(es) identified?	X	
Significant deficiency(ies) 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 2 CFR §200.516 (a)?	X	
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**Identification of major programs:**

Federal Assistance Listings Number	Name of Federal Program or Cluster
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children Housing Voucher Cluster:
14.871	Section 8 Housing Choice Vouchers and COVID-19 Section 8 Housing Choice Vouchers
21.019	COVID-19 Coronavirus Relief Fund
21.023	COVID-19 Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
97.067	Homeland Security Grant Program

**Yuma County, Arizona**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Summary of Auditors' Results - Continued**

Dollar threshold used to distinguish between Type A and Type B programs:	\$	1,221,384	
		<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?			<u>X</u>

***Other Matters***

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR §200.511 (b)?		<u>X</u>	<u>          </u>
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**Yuma County, Arizona**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Summary of Auditors' Results - Continued**

**Financial Statement Findings**

2022-001 Financial Reporting (Similar finding: 2021-02)

**Criteria:** State law requires the County to issue its audited financial statements and AELR within 9 months after fiscal year-end (Arizona Revised Statutes §41-1279.07[C]). In addition, the Governmental Accounting Standards Board established the accounting and financial reporting standard that requires the County to prepare its financial statements in accordance with GAAP.

**Condition:** The County did not issue the its audited financial statements until May 19, 2023. In addition, we determined that the County overstated depreciation expenses by approximately \$1.4 million, which was subsequently corrected by the County.

**Cause:** The County did not have adequate procedures in place to help ensure that financial statements and Single Audit Reports were prepared accurately and issued in a timely manner.

**Effect:** The financial statements were not completed until over nine months after the end of the fiscal year. Failure to prepare the financial statements and complete the audit in accordance with Uniform Guidance could result in the suspension of federal funding. Additionally, untimely financial information has the result of preventing those charged with governance from making informed financial decisions.

**Recommendation:** The County will improve upon its comprehensive internal control procedures as well as planning for contingencies and unexpected events to ensure financial statements and applicable single audit documents are compiled accurately and issued in a timely manner.

**Yuma County, Arizona**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Summary of Auditors' Results - Continued**

**Financial Statement Findings**

2022-002 Internal controls over information technology - Managing and Documenting Risk (Similar finding: 2021-03)

Criteria: The County should consider performing county-wide risk assessment that involves members of the County's administration and information technology (IT) management to determine the risks the County faces as it seeks to achieve its objectives to report accurate financial information and protect sensitive data.

Condition: The County did not perform a formal county-wide IT risk assessment, including identification, classification and inventorying of information.

Cause: The County has relied on an informal process to perform risk-assessment procedures.

Effect: There is an increased risk that the County's administration and IT management may not effectively respond to risks that may impact its IT resources.

Recommendation: To help ensure the County has effective policies and procedures to identify, analyze, and respond to risks that may impact its IT resources, the County needs to implement a countywide IT risk-assessment process.

**Yuma County, Arizona**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Summary of Auditors' Results - Continued**

**Financial Statement Findings**

2022-003 Internal control over information technology-Protection over Systems and Data (Similar finding: 2021-04)

- Criteria: The County should protect its IT systems and ensure the integrity and accuracy of the data it maintains.
- Condition: The County did not have a sufficiently developed, documented, and implemented control procedures to respond to risks associated with its IT systems and data.
- Cause: The County focused its efforts on the day-to-day operations and addressing staff turnover during the COVID-19 pandemic and had not prioritized addressing the risks associated with its IT systems.
- Effect: There is an increased risk that the County may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.
- Recommendation: The County should develop a comprehensive IT policies and procedures to manage system configurations and changes through well-defined, documented configuration management process.



**Yuma County, Arizona**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

**Summary of Auditors' Results - Continued**

**Federal Award Findings and Questioned Costs**

2022-101 Timeliness of financial reporting

Assistance Listings Number  
and Program Name:

Not Applicable

Questioned costs:

Not Applicable

Criteria:

2 Code of Federal Regulations (CFR) §200.302, 200.510, and 200.512 require the County to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after fiscal year-end.

Condition:

The County did not submit its Single Audit Report to the federal audit clearinghouse by March 31, 2023 which is the federal reporting deadline.

Cause:

The County did not have effective procedures in place to help ensure that complete financial statement were prepared and issued in a timely manner.

Effect:

Failure to prepare the financial statements and complete the audit in accordance with Uniform Guidance could result in the suspension of federal funding. Additionally, untimely financial information has the result of preventing those charged with governance from making informed financial decisions.

Recommendation:

The County will improve upon its comprehensive internal control procedures as well as dedicate necessary resources to ensure financial statements and applicable single audit documents are compiled and issued in a timely manner.

FINANCIAL  
SERVICES  
DEPARTMENT



Gilberto Villegas, Jr.  
Chief Financial Officer

Leonardo Tanory  
Deputy Chief Financial Officer

Accountability, Integrity, Innovation, Teamwork

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May 19, 2023

Lindsay A. Perry  
Arizona Auditor General  
2910 N. 44<sup>th</sup> St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gilberto", is written over a light blue rectangular background.

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Gilberto Villegas, Jr.  
Chief Financial Officer / Director  
Yuma County, Arizona.

## **Financial Statement Findings**

### **2022-001 Financial reporting**

Contact Person(s): Gilberto Villegas, Jr. Chief Financial Officer  
Anticipated completion date: June 30, 2023

County Discussion: Fiscal year 2020–2021 was a very challenging year for our department; In addition to dealing with the pandemic, staff shortages, implementation of new federal programs, new GASB Statement implementations, required migration of our ERP system to the Cloud, and the change to an almost complete remote audit; contributed to the financial statements be delayed.

Unfortunately, most of those challenges continue during the current fiscal year, 2021-2022, impeding us to complete audit within the six (6) months as previously planned. Staff shortages due to retirements on hard to fill positions; implementation of GASB Statement 87, *Leases*; but mainly, Year-end migration issues discovered with our new ERP system.

Finance continues with the same plan and audit strategy to complete audit and issue the financial statement package within six (6) months after the end of the fiscal year. Following and implementing auditors' financial review recommendations; now that system migration and year-end process are revised and completed, we are confident we are going to accomplish our goal.

### **2022-002 Internal controls over information technology - Managing and Documenting Risk**

Contact Person(s): Clif Summers, Chief Information Officer.  
Gil Villegas, Jr., Chief Financial Officer  
Anticipated completion date: June 30, 2023

County Discussion: County continues to make progress in fully addressing this item. The identification, classification and inventorying of information was delayed to implement other improvements to County's security systems, for example: completion of email phishing alerts and procedures, the "KnowBe4" security and notifications procedures, and the recent ERP Migration (January 2022) to the cloud. Data security has been a priority to Yuma County's Chief Information Officer, County believes additional security systems added is helping mitigate the risk exposure and factor.

## **Financial Statement Findings - continued**

### **2022-003 Internal controls over information technology - Protection over System and Data**

Contact Person(s): Clif Summers, Chief Information Officer.  
Gil Villegas, Jr., Chief Financial Officer

Anticipated completion date: June 30, 2023

County Discussion: County continues to work on their internal control procedures and with our ERP migration to the cloud, restriction controls were enhanced. Unfortunately, in the auditors' assessment these improvements are not sufficient to respond to the possible risks. Regarding Access, with the migration of our ERP system to the cloud, security has been enhanced to system access. Also, user accounts are now deactivated according to internal procedures. All system access, including administrators, are now evaluated to determine when it is to be changed and/ or terminated. Regarding System Configuration and Changes, County continues to develop new policies and strengthen the ones in place to provide detail guidance on this topic. Restricted Access, with the migration of our ERP system to the cloud, security has been enhanced for users. Although some policies and procedures exist, seems they are not properly documented to satisfy NIST framework requirements.

## **Federal Award Findings and Questioned Costs**

### **2022-101 Timeliness of financial reporting**

Contact Person(s): Gilberto Villegas, Jr. Chief Financial Officer

Anticipated completion date: June 30, 2023

County Discussion: Fiscal year 2020–2021 was a very challenging year for our department; In addition to dealing with the pandemic, staff shortages, implementation of new federal programs, new GASB Statement implementations, required migration of our ERP system to the Cloud, and the change to an almost complete remote audit; contributed to the financial statements be delayed.

Unfortunately, most of those challenges continue during the current fiscal year, 2021-2022, impeding us to complete audit within the six (6) months as previously planned. Staff shortages due to retirements on hard to fill positions; implementation of GASB Statement 87, *Leases*; but mainly, Year-end migration issues discovered with our new ERP system.

Finance continues with the same plan and audit strategy to complete audit and issue the financial statement package within six (6) months after the end of the fiscal year. Following and implementing auditors' financial review recommendations; now that system migration and year-end process are revised and completed, we are confident we are going to accomplish our goal.

FINANCIAL  
SERVICES  
DEPARTMENT



Gilberto Villegas, Jr.  
Chief Financial Officer  
Leonardo Tanory  
Deputy Chief Financial Officer

Accountability, Integrity, Innovation, Teamwork

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May 19, 2023

Lindsay A. Perry  
Arizona Auditor General  
2910 N. 44<sup>th</sup> St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gilberto", is written over a light blue rectangular background.

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Gilberto Villegas, Jr.  
Chief Financial Officer / Director  
Yuma County, Arizona.

## Status of Financial Statement Findings

**Title:** Payroll Timecards review and approval  
**Finding No.:** 2021-01  
**Status:** Fully corrected  
**County Discussion:** County migrated ERP system to the CLOUD last January 2022, with the migration to the new system, internal programming controls were updated and new ones implemented that addressed the issue. As stated on my previous report:

With the ERP migration to the Cloud, the Payroll division stopped approving timecards for other departments except for:

- A few Elected Officials for whom the payroll supervisor is the designated approver.
- Changes to timecards to enter donated hours to other employees (Extended Illness Bank).
- Emergencies situations, when an approver cannot be found within 30 minutes after the deadline.

In all circumstances, designated approver is notified (e-mailed) of the timecard approved and requested a written acknowledgement. All these changes have been incorporated to our internal payroll process written procedures. Finally, as recommended, department heads have been reassigned to a different approver, as new County Administrator agreed to the new process.

**Title:** Timeliness and accuracy of financial statements  
**Finding No.:** 2021-02  
**Status:** Partially corrected  
**County Discussion:** Fiscal year 2020–2021 was a very challenging year for our department; In addition to dealing with the pandemic, staff shortages, implementation of new federal programs, new GASB Statement implementations, required migration of our ERP system to the Cloud, and the change to an almost complete remote audit; contributed to the financial statements be delayed.

Unfortunately, most of those challenges continue during the current fiscal year, 2021-2022, impeding us to complete audit within the six (6) months as previously planned. Staff shortages due to retirements on hard to fill positions; implementation of GASB Statement 87, *Leases*; but mainly, Year-end migration issues discovered with our new ERP system.

Finance continues with the same plan and audit strategy to complete audit and issue the financial statement package within six (6) months after the end of the fiscal year. Following and implementing auditors' financial review recommendations; now that system migration and year-end process are revised and completed, we are confident we are going to accomplish our goal.

## Status of Financial Statement Findings - continued

**Title:** Internal controls over information technology - Managing and Documenting Risk

**Finding No.:** 2021-03 (similar finding 2020-01 and 2019-01)

**Status:** Partially corrected

**County Discussion:** County continues to make progress in fully addressing this item. The identification, classification and inventorying of information was delayed to implement other improvements to County's security systems, for example: completion of email phishing alerts and procedures, the "KnowBe4" security and notifications procedures, and the recent ERP Migration (January 2022) to the cloud.

Data security has been a priority to Yuma County's Chief Information Officer, County believes additional security systems added is helping mitigate the risk exposure and factor.

**Title:** Internal control information technology-Protection over Systems and Data

**Finding No.:** 2021-04 (similar finding 2020-02 and 2019-02)

**Status:** Partially corrected

**County Discussion:** County continues to work on their internal control procedures and with our ERP migration to the cloud, restriction controls were enhanced. Unfortunately, in the auditors' assessment these improvements are not sufficient to respond to the possible risks.

Regarding Access, with the migration of our ERP system to the cloud, security has been enhanced to system access. Also, user accounts are now deactivated according to internal procedures. All system access, including administrators, are now evaluated to determine when it is to be changed and/ or terminated.

Regarding System Configuration and Changes, County continues to develop new policies and strengthen the ones in place to provide detail guidance on this topic.

Restricted Access, with the migration of our ERP system to the cloud, security has been enhanced for users. Although some policies and procedures exist, seems they are not properly documented to satisfy NIST framework requirements.

## Status of Financial Statement Findings - continued

**Title:** Procurement card use on food and beverages without a proper documentation  
**Finding No.:** 2021-05  
**Status:** Fully corrected  
**County Discussion:** The Financial Services department has implemented a process to notify, via written memorandum to file, the County Administrator and the Board of Supervisors prior to utilizing public funds in food and/or beverages. Although it is understood the expenditures are approved during the budget process, the written procedure has been implemented to satisfy the requirement.

Departments are now aware that written notification is required for all events, internal and or public where public funds may be required to acquire beverages and/or food. Events like, employee recognition programs and/or public events and or ceremonies are now required to submit written notification.

In addition to the written notification, the Yuma County Financial Services has been working on a comprehensive policy to provide additional guidance on the implementation of Article IX section 7 of the Arizona Constitution. Financial services have contacted other local governments and procured current State guidance to the subject to create our own policy.



## Status of Federal Award Findings and Questioned Costs

**Assistance Listings Number and Program Name:** 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases

**Finding No.:** 2021-101

**Status:** Fully corrected

**County Discussion:** The Financial Services department has notified the Health Services District, regarding the proper procurement requirements. Also, during the current fiscal year, the Financial Services Department was approved a new position (procurement agent) to assist with the procurement process. Audit item completed as previously noted.

**Assistance Listings Number and Program Name:** Housing Voucher Cluster:  
14.871 COVID-19 Section 8 Housing Choice Vouchers  
14.871 Section 8 Housing Choice Vouchers

**Finding No.:** 2021-102

**Status:** Fully corrected

**County Discussion:** Audited files identified with inaccurate data have been corrected to match supporting documentation on files. The Inaccurate data found on audited files did not have any effect in HAP payments.

Housing Department has procedures in place to perform quality control on quarterly family reports. Department uses the tools EIV (*Enterprise Income Verification*) and IVT (*Income Validation Tool*) required by HUD on all files to identify and reduce administrative and subsidy payments errors, fraud, waste and abuse in HUD's Rental Assistance Programs. Such reports provide validation of tenant reported wages and all other sources of Income or any other discrepancies. If discrepancies are found Housing Department follow the proper steps to correct the issues before transmitting the data to PIC (*Public and Indian Housing Information Center*).

**Assistance Listings Number and Program Name:** Housing Voucher Cluster:  
14.871 COVID-19 Section 8 Housing Choice Vouchers  
14.871 Section 8 Housing Choice Vouchers

**Finding No.:** 2021-103

**Status:** Fully corrected

**County Discussion:** According to the Housing Department; Housing Accounts are now into interest-bearing accounts. Treasurer office assisted with the process. Also, a depository agreement was presented to the Board of Directors for approval and a copy will be send to HUD Office at the next Board Meeting available.