

Yuma County

Annual financial statement and compliance audits

The County's fiscal year 2022 reported financial information is reliable. However, the County's auditors reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.¹

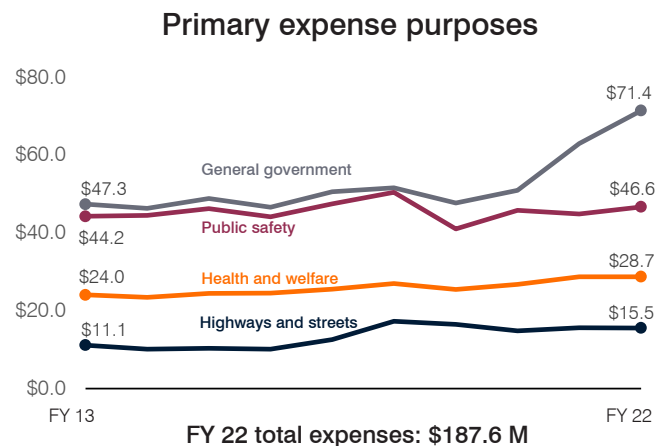
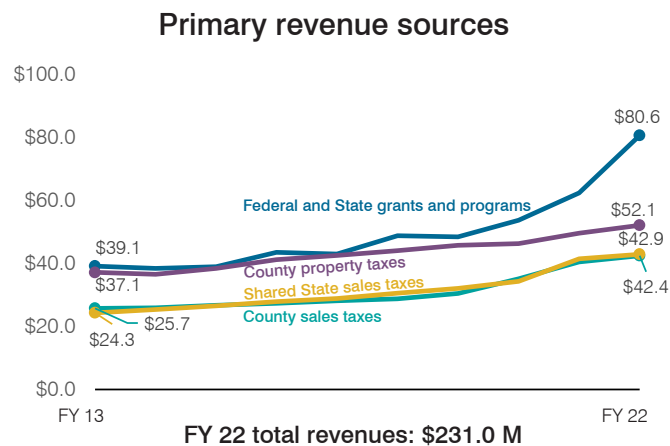
Audits' purpose

To express opinions on the County's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years (FY) 2013 through 2022

(In millions)



Source: Auditor General staff summary of information obtained from the County's financial statements.

Largest primary revenue sources FY 2022

- **Federal and State grants and programs 34.9%**—Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.
- **County property taxes 22.6%**—Levied and collected from property owners based on the assessed value of real and personal property within the County.

Largest primary expense purposes FY 2022

- **General government 38.1%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety 24.9%**—Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.

County's net position increased in FY 2022

County revenues were \$43.4 million greater than its expenses, increasing total net position to \$417.5 million at June 30, 2022. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

¹ The certified public accounting firm Fester and Chapman, PLLC conducted these audits under contract with the Arizona Auditor General in accordance with Arizona Revised Statutes §41-1279.21.

Auditor findings and recommendations

Summarized below are the findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses. The County needs to:

- Improve its comprehensive internal control procedures, including planning for contingencies and unexpected events, to ensure financial statements and applicable single audit documents are compiled accurately and issued in a timely manner. State law requires the County to issue its audited financial statements and Annual Expenditure Limitation Report (AELR) no later than 9 months after fiscal year-end, and federal Uniform Guidance requires the County to submit its Single Audit Report to the federal audit clearinghouse no later than 9 months after fiscal year-end. The County's auditors reported that the County's financial statements, AELR, and Single Audit Report were not completed and filed by the March 31, 2023, deadline, and the County initially overstated depreciation expense by approximately \$1.4 million, which it subsequently corrected. Failure to prepare accurate financial statements and complete the single audit process in accordance with federal Uniform Guidance could result in the suspension of federal funding. Further, inaccurate and untimely financial information prevents those charged with governance from making informed financial decisions. A similar finding was reported in the prior year.
- Prioritize developing, documenting, and implementing policies and procedures over its information technology (IT) systems and data, including sensitive data, to effectively prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss. The County's auditors found that processes for managing and documenting risks and control procedures over IT systems and data were not sufficient, which may put County operations and IT systems and data at unintended and unnecessary risk of potential harm. Similar IT findings were reported in prior years.

Auditor General website report links

- The June 30, 2022, Yuma County Annual Comprehensive Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the County's overall financial picture and the County auditors' reporting responsibilities.
- The County's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for State and Local Governments](#).
 - [Internal Control and Compliance Reports User Guide](#).