

**Yuma County, Arizona**  
**SINGLE AUDIT REPORTING PACKAGE**  
**Year Ended June 30, 2014**

**Yuma County, Arizona**  
Single Audit Reporting Package  
Year Ended June 30, 2014  
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Comprehensive Annual Financial Report

**Independent Auditors' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Basic Financial  
Statements Performed in Accordance with *Government Auditing Standards***

The Auditor General of the State of Arizona

The Board of Supervisors of  
Yuma County, Arizona

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yuma County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Fester & Chapman P.C." with a stylized ampersand.

December 22, 2014

**Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

The Auditor General of the State of Arizona

The Board of Supervisors of  
Yuma County, Arizona

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

We have audited Yuma County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

In our opinion, Yuma County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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

The County's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB circular A-133. Accordingly, this report is not suitable for any purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yuma County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic

financial statements. We issued our report thereon dated December 22, 2014, that contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Foster & Chapman P.C.*

December 22, 2014

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal agency / CFDA number	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>						
10.553	School Breakfast Program	Child Nutrition Cluster	Arizona Department of Education	14-10-01-0000, 14-87-57-001	\$ 25,249	\$ -
10.555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	14-10-01-0000, 14-87-57-001	60,364	-
	<i>Total Child Nutrition Cluster</i>				<u>85,613</u>	<u>-</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS11-004602	1,324,105	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	HI050079	358,044	-
10.769	Rural Business Enterprise Grants				20,000	-
10.781	ARRA-Water and Waste Disposal Systems for Rural Communities	Water and Waste Program Cluster			20,250	-
	<b>Total Department of Agriculture</b>				<u>1,808,012</u>	<u>-</u>
<b>Department of Commerce</b>						
11.307	Economic Adjustment Assistance	Economic Development Cluster			35,000	-
	<b>Total Department of Commerce</b>				<u>35,000</u>	<u>-</u>
<b>Department of Housing and Urban Development</b>						
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	CDBG-State-Administered CDBG Cluster	Governor's Office of Housing Development	121-13, 122-13, 129-13, 100-14	418,056	-
14.850	Public and Indian Housing				555,494	-
14.870	Resident Opportunity and Supportive Services - Service Coordinators				54,749	-
14.871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster			2,452,032	-
14.872	Public Housing Capital Fund	Capital Fund Program (CFP) Cluster			187,811	-
	<b>Total Department of Housing and Urban Development</b>				<u>3,668,142</u>	<u>-</u>
<b>Department of the Interior</b>						
15.226	Payments in Lieu of Taxes				3,476,376	-
	<b>Total Department of the Interior</b>				<u>3,476,376</u>	<u>-</u>
<b>Department of Justice</b>						
16.523	Juvenile Accountability Block Grants		Governor's Community Policy Office	JB-CSG-13-3365-018, JV-CSG-13-3365-10, JB-CSG-13-1273-13, JB-CSG-14-4365-12	34,198	-
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States		Governor's Office for Children, Youth and Families	J2-CSG-14-4181-10	29,081	-
16.575	Crime Victim Assistance		Arizona Department of Public Safety	2012-VA-GX-0022	171,274	-
16.606	State Criminal Alien Assistance Program				73,752	-
16.607	Bulletproof Vest Partnership Program				1,033	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	JAG Program Cluster	Arizona Criminal Justice Commission	DC-14-035, DC-14-030	216,844	-
16.755	Southwest Border Prosecution Initiative Program				164,260	-
16.922	Equitable Sharing Program				205,483	-
	<b>Total Department of Justice</b>				<u>895,925</u>	<u>-</u>
<b>Department of Labor</b>						
17.258	WIA Adult Program	WIA Cluster	Arizona Department of Economic Security	DE111015001	1,761,589	1,761,589
17.259	WIA Youth Activities	WIA Cluster	Arizona Department of Economic Security	DE111015001	1,240,795	1,240,795
17.278	WIA Dislocated Worker Formula Grants	WIA Cluster	Arizona Department of Economic Security	DE111015001	1,124,722	1,124,722
	<i>Total WIA Cluster</i>				<u>4,127,106</u>	<u>4,127,106</u>
	<b>Total Department of Labor</b>				<u>4,127,106</u>	<u>4,127,106</u>



**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal agency / CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
<b>Department of Transportation</b>						
20.600	State and Community Highway Safety	Highway Safety Cluster	Governor's Office of Highway Safety	2014-AL-015, 2014-PS-004, 2014-PT-010, 2014-AL-037, 2013-AL-003	\$ 92,720	\$ -
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		Governor's Office of Highway Safety	2013-164-051, 2014-164-052, 2013-164-052	106,007	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		Arizona Division of Emergency and Military Affairs	HM-HMP-0366-13-01-00	5,958	-
<b>Total Department of Transportation</b>					<u>204,685</u>	<u>-</u>
<b>Institute of Museum and Library Services</b>						
45.310	Grants to States		Department of Library, Archives and Public Records	None	30,000	-
<b>Total Institute of Museum and Library Services</b>					<u>30,000</u>	<u>-</u>
<b>Department of Education</b>						
84.011	Migrant Education - State Grant Program		Arizona Department of Education	14FT1MSY-470067-01A	264,750	-
84.027	Special Education - Grants to States	Special Education Cluster (IDEA)	Arizona Department of Education	12FT1NAD-270887-02A, 12FT2TI-270887-04A, 12FESCBG-270887-01A, 12FESSCG-270887-04A, 12FESCBG-270067-02A, 13FESCBG-370067-02A	224,706	-
84.367	Improving Teacher Quality State Grants		Arizona Department of Education	13FESSCB-370067-03A	22,758	-
<b>Total Department of Education</b>					<u>512,214</u>	<u>-</u>
<b>Department of Health and Human Services</b>						
93.008	Medical Reserve Corps Small Grant Program		Arizona Department of Health Services	MRC13-1146	3,402	-
93.069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS12-007899	225,387	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Arizona Department of Health Services	HG852308/ADHS13-041283	101,208	-
93.235	Affordable Care Act (ACA) - Abstinence Education Program		Arizona Department of Health Services	HR961143	54,649	-
93.268	Immunization Cooperative Agreements		Arizona Department of Health Services	HGG854294/ADHS13-041553	193,155	-
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance		Arizona Department of Health Services	ADHS13-042812	7,756	-
93.563	Child Support Enforcement		Arizona Department of Economic Security	None	146,282	-
93.667	Social Services Block Grant		Arizona Department of Economic Security	ADES14-060152	51,102	51,102
93.917	HIV Care Formula Grants		Arizona Department of Health Services	ADHS11-004694/ADHS13-040497	192,429	-
93.940	HIV Prevention Activities - Health Department Based		Arizona Department of Health Services	ADHS13-031658	21,344	-
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants		Arizona Department of Health Services	HG854319/ADHS13-036312	11,708	-
93.991	Preventive Health and Health Services Block Grant		Arizona Department of Health Services	ADHS14-063035	29,087	-
93.994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	HG854244/ADHS13-031658	154,599	-
<b>Total Department of Health and Human Services</b>					<u>1,192,108</u>	<u>51,102</u>

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

Federal agency / CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
<b>Executive Office of the President</b>						
95.001	High Intensity Drug Trafficking Areas Program		City of Tucson	HT13-2335, HT-12-2213, HT12-2236, HT-13-2307, HT12-2207	\$ 218,202	\$ -
<b>Total Executive Office of the President</b>					<u>218,202</u>	<u>-</u>
<b>Department of Homeland Security</b>						
97.042	Emergency Management Performance Grants		State of Arizona Department of Homeland Security	None	107,909	-
97.067	Homeland Security Grant Program		State of Arizona Department of Homeland Security	888403-01/03, 999403-01, 999607-01, 888435-02/03, 999438-01/02/03/04, 130411-01/02/03	1,599,541	-
<b>Total Department of Homeland Security</b>					<u>1,707,450</u>	<u>-</u>
<b>Total expenditures of federal awards</b>					<u>\$ 17,875,220</u>	<u>\$ 4,178,208</u>

**Yuma County, Arizona**  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014

**NOTE 1 - Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes Yuma County's federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 - Catalog of Federal Domestic Assistance (CFDA) Number**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*.

**NOTE 3 - Subrecipients**

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount</u>
WIA Cluster - Adult Program	17.258	\$ 1,761,589
WIA Cluster - Youth Activities	17.259	1,240,795
WIA Cluster - Dislocated Worker Formula Grants	17.278	1,124,722
Social Services Block Grant	93.667	51,102

**Yuma County, Arizona**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2014

**Summary of Auditors' Results**

***Financial Statements:***

Type of auditors' report issued:	Unmodified	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weakness(es) identified?	<u>          </u>	<u>      X      </u>
Significant deficiency(ies) identified?	<u>          </u>	<u>      X      </u> (None Reported)
Noncompliance material to the financial statements noted?	<u>          </u>	<u>      X      </u>

***Federal Awards:***

Internal control over major programs:		
Material weakness(es) identified?	<u>          </u>	<u>      X      </u>
Significant deficiency(ies) identified?	<u>          </u>	<u>      X      </u> (None Reported)
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	<u>          </u>	<u>      X      </u>

**Identification of major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
	WIA Cluster:
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants

**Yuma County, Arizona**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2014

**Summary of Auditors' Results - Continued**

Dollar threshold used to distinguish between Type A and Type B programs:	\$	536,257
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	<u>          </u>

***Other Matters***

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	<u>          </u>	<u>X</u>
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**Financial Statement Findings**

None reported.

**Federal Award Findings and Questioned Costs**

None reported.