

Yuma County, Arizona
SINGLE AUDIT REPORTING PACKAGE
Year Ended June 30, 2016

Yuma County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2016
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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 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, 2016, 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 29, 2016.

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 black ink that reads "Fester & Chapman P.C." The signature is written in a cursive, flowing style.

December 29, 2016

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 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) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 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 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). Those standards and the Uniform Guidance 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, 2016.

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

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

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 29, 2016, 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 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 auditing standards generally accepted in the United States of America. 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.

A handwritten signature in black ink that reads "Fester & Chapman P.C." The signature is written in a cursive, flowing style.

December 29, 2016

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
Department of Agriculture						
10.553	School Breakfast Program	Child Nutrition Cluster	Arizona Department of Education	14-10-01-0000, 14-87-57-001	\$ 31,205	\$ -
10.555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	14-10-01-0000, 14-87-57-001	64,949	-
	<i>Total Child Nutrition Cluster</i>				<u>96,154</u>	<u>-</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS14-053059	1,387,066	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	ADHS12-030675; ADHS16-106310	330,091	-
10.770	Water and Waste Disposal Loans and Grants (Section 306C)				114,984	-
	Total Department of Agriculture				<u>1,928,295</u>	<u>-</u>
Department of Housing and Urban Development						
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		Governor's Office of Housing Development	100-14, 111-15, 118-15, 122-15	645,693	-
14.850	Public and Indian Housing				567,214	-
14.870	Resident Opportunity and Supportive Services - Service Coordinators				11,813	-
14.871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster			2,676,347	-
14.872	Public Housing Capital Fund				194,953	-
14.896	Family Self-Sufficiency Program				133,668	-
	Total Department of Housing and Urban Development				<u>4,229,688</u>	<u>-</u>
Department of the Interior						
15.226	Payments in Lieu of Taxes				3,768,167	-
	Total Department of the Interior				<u>3,768,167</u>	<u>-</u>
Department of Justice						
16.523	Juvenile Accountability Block Grants		Governor's Community Policy Office	JB-CSG-14-4365-12	10,478	-
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States		Governor's Office for Children, Youth and Families	J2-CSG-14-4181-10Y2	18,887	-
16.575	Crime Victim Assistance		Arizona Department of Public Safety	VS221016/VS2210X016-2	200,440	-
16.606	State Criminal Alien Assistance Program				65,516	-
16.726	Juvenile Mentoring Program		National CASA	AZ10771-13-0614-L1	37,314	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	DC-15-014, DC-15-035	191,489	-
16.922	Equitable Sharing Program				74,297	-
	Total Department of Justice				<u>598,421</u>	<u>-</u>
Department of Labor						
17.258	WIA/WIOA Adult Program	WIA/WIOA Cluster	Arizona Department of Economic Security	DI16-002113	1,043,334	1,043,334
17.259	WIA/WIOA Youth Activities	WIA/WIOA Cluster	Arizona Department of Economic Security	DI16-002113	2,115,055	2,115,055
17.278	WIA/WIOA Dislocated Worker Formula Grants	WIA/WIOA Cluster	Arizona Department of Economic Security	DI16-002113	1,039,956	1,039,956
	<i>Total WIA/WIOA Cluster</i>				<u>4,198,345</u>	<u>4,198,345</u>
	Total Department of Labor				<u>4,198,345</u>	<u>4,198,345</u>

See accompanying notes to schedule.

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal agency/CFDA number	Federal program name	Cluster title	Pass-through grantor	Pass-through grantor's number(s)	Program expenditures	Amount provided to subrecipients
Department of Transportation						
20.600	State and Community Highway Safety	Highway Safety Cluster	Governor's Office of Highway Safety	2015-PT-048, 2015-AL-026, 2015-AI-006 2016-PT-051; 2016-PT-076	\$ 45,437	\$ -
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		Arizona Department of Emergency and Military Affairs	HM-HMP-0366-13-01-00	4,720	-
Total Department of Transportation					<u>50,157</u>	<u>-</u>
Department of Treasury						
21.000	Federal Equitable Sharing Program				66,324	-
Total Department of Treasury					<u>66,324</u>	<u>-</u>
Institute of Museum and Library Services						
45.310	Grants to States		Department of Library, Archives and Public Records	None	20,174	-
Total Institute of Museum and Library Services					<u>20,174</u>	<u>-</u>
Department of Education						
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		Arizona Department of Education	16-FT1NAD-617161-46B	67,241	-
84.027	Special Education - Grants to States	Special Education Cluster (IDEA)	Arizona Department of Education	16FESCBG-617161-09A; 16FESSCG-617161-55B; 16FESCBG-611577-09A; 16FESSCG-611577-55B; 15FESCBG-511577-55B	168,828	-
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		Arizona Department of Economic Security	DI16-002114	27,950	27,950
84.184	Safe and Drug-Free Schools and Communities - National Programs		Arizona Department of Education	15-08-EDSG	13,581	-
84.367	Improving Teacher Quality State Grants		Arizona Department of Education	16FESCBG-610208-09A; 16FT1TII-617161-03A	31,830	-
Total Department of Education					<u>309,430</u>	<u>27,950</u>
Department of Health and Human Services						
93.008	Medical Reserve Corps Small Grant Program		Arizona Department of Health Services	MRC14-1146 (YCPHSD NO)	1,511	-
93.069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS12-007899	276,350	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Arizona Department of Health Services	ADHS13-041283	94,712	-
93.268	Immunization Cooperative Agreements		Arizona Department of Health Services	ADHS13-041553	193,303	-
93.424	Non-ACA/PPHF-Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations		Arizona Department of Health Services	2015-030202	4,250	-
93.563	Child Support Enforcement		Arizona Department of Economic Security	None	152,846	-
93.597	Grants to States for Access and Visitation Programs		Arizona Department of Economic Security	None	14,732	-
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)		Arizona Department of Health Services	ADHS14-063035	46,000	-
93.917	HIV Care Formula Grants		Arizona Department of Health Services	ADHS13-040499	159,148	-

See accompanying notes to schedule.

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal agency/CFDA number	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	ADHS13-031658	18,327	-
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants		Arizona Department of Health Services	ADH14-068673	25,121	-
93.991	Preventive Health and Health Services Block Grant		Arizona Department of Health Services	ADHS16-102202	45,963	
93.994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	ADHS13-034545/ADHS14-074955/ ADHS15-094997	39,665	-
Total Department of Health and Human Services					<u>1,071,928</u>	<u>-</u>
Executive Office of the President						
95.001	High Intensity Drug Trafficking Areas Program		City of Tucson	HT14-2335, HT15-2339, HT15-2539; HT-14-2307	\$ 244,239	\$ -
Total Executive Office of the President					<u>244,239</u>	<u>-</u>
Department of Homeland Security						
97.042	Emergency Management Performance Grants		State of Arizona Department of Homeland Security	None	83,911	-
97.067	Homeland Security Grant Program		State of Arizona Department of Homeland Security	140410-01;150411-01;140600-02/ 140403-01; 140411-02-03; 150426-01-02;140411-05	937,692	-
Total Department of Homeland Security					<u>1,021,603</u>	<u>-</u>
Total expenditures of federal awards					<u>\$ 17,506,771</u>	<u>\$ 4,226,295</u>

See accompanying notes to schedule.

Yuma County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

NOTE 1 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes Yuma County's federal grant activity for the year ended June 30, 2016. 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 - Catalog of Federal Domestic Assistance (CFDA) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2016 *Catalog of Federal Domestic Assistance*.

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, 2016

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 (None Reported)
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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
	WIA/WIOA Cluster:
17.258	WIA/WIOA Adult Program
17.259	WIA/WIOA Youth Activities
17.278	WIA/WIOA Dislocated Worker Formula Grants
95.001	High Intensity Drug Trafficking Areas Program

Yuma County, Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2016

Summary of Auditors' Results - Continued

Dollar threshold used to distinguish between Type A and Type B programs:	\$	750,000
	<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 2 CFR 200.511 (b)?	<u> </u>	<u>X</u>
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Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

None reported.