

**Yuma County, Arizona**

**SINGLE AUDIT REPORTING PACKAGE**

**Year Ended June 30, 2017**

**Yuma County, Arizona**  
Single Audit Reporting Package  
Year Ended June 30, 2017  
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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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 9, 2018.

**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.

*Fester & Chapman, PLLC*

March 9, 2018



**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, 2017. 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 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 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, 2017.

### **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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 9, 2018, 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.

*Fester & Chapman, PLLC*

March 9, 2018

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

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	\$ 35,491	\$ -
10.555	National School Lunch Program	Child Nutrition Cluster	Arizona Department of Education	14-10-01-0000, 14-87-57-001	68,744	-
	<i>Total Child Nutrition Cluster</i>				<u>104,235</u>	<u>-</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		Arizona Department of Health Services	ADHS14-053059	1,447,551	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	SNAP Cluster	Arizona Department of Health Services	ADHS12-030675; ADHS16-106310	354,967	-
10.770	Water and Waste Disposal Loans and Grants (Section 306C)				56,007	-
	<b>Total Department of Agriculture</b>				<u>1,962,760</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		Governor's Office of Housing Development	100-14; 111-15; 118-15; 122-15; 104-17; 109-17; 110-17; 117-17; 140-17	237,842	-
14.239	Home Investment Partnerships Program		Arizona Department of Housing	300-16	118,922	-
14.850	Public and Indian Housing				606,053	-
14.870	Resident Opportunity and Supportive Services - Service Coordinators				65,301	-
14.871	Section 8 Housing Choice Vouchers	Housing Voucher Cluster			2,666,573	-
14.872	Public Housing Capital Fund				144,858	-
14.896	Family Self-Sufficiency Program				195,981	-
	<b>Total Department of Housing and Urban Development</b>				<u>4,035,530</u>	<u>-</u>
<b>Department of the Interior</b>						
15.226	Payments in Lieu of Taxes				3,573,246	-
	<b>Total Department of the Interior</b>				<u>3,573,246</u>	<u>-</u>
<b>Department of Justice</b>						
16.575	Crime Victim Assistance		Arizona Department of Public Safety	2015-VA-GX-0032; 2013-VA-GX-0019	288,209	-
16.606	State Criminal Alien Assistance Program				72,570	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program		Arizona Criminal Justice Commission	DC-15-014, DC-15-035	190,082	-
16.922	Equitable Sharing Program				69,728	-
	<b>Total Department of Justice</b>				<u>620,589</u>	<u>-</u>
<b>Department of Labor</b>						
17.258	WIA/WIOA Adult Program	WIOA Cluster	Arizona Department of Economic Security	DI16-002113	1,443,601	1,443,601
17.259	WIA/WIOA Youth Activities	WIOA Cluster	Arizona Department of Economic Security	DI16-002113	2,316,330	2,316,330
17.278	WIA/WIOA Dislocated Worker Formula Grants	WIOA Cluster	Arizona Department of Economic Security	DI16-002113	1,397,289	1,397,289
	<i>Total WIOA Cluster</i>				<u>5,157,220</u>	<u>5,157,220</u>
	<b>Total Department of Labor</b>				<u>5,157,220</u>	<u>5,157,220</u>
<b>Department of Transportation</b>						
20.600	State and Community Highway Safety	Highway Safety Cluster	Governor's Office of Highway Safety	2016-PT-051; 2017-PT-065	25,982	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		Arizona Department of Emergency and Military Affairs	HM-HMP-0583-16-01-00/0513-15-01-00	11,044	-
	<b>Total Department of Transportation</b>				<u>37,026</u>	<u>-</u>
<b>Department of Treasury</b>						
21.000	Federal Equitable Sharing Program				95,435	-
	<b>Total Department of Treasury</b>				<u>95,435</u>	<u>-</u>

See accompanying notes to schedule.

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

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>Institute of Museum and Library Services</b>						
45.310	Grants to States		Department of Library, Archives and Public Records	None	\$ 20,701	\$ -
<b>Total Institute of Museum and Library Services</b>					<u>20,701</u>	<u>-</u>
<b>Department of Education</b>						
84.010	Title I Grants to Local Educational Agencies		Arizona Department of Education	16-FT1NAD-617161-46B	28,852	-
84.027	Special Education - Grants to States (IDEA, Part B)	Special Education Cluster (IDEA)	Arizona Department of Education	17FESCBG-710681-09A; 17FESSCG-711577-55B; 17FESCBG-711577-09A; 17FESCBG-710208-09A	83,437	-
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		Arizona Department of Economic Security	DI16-002114	27,950	27,950
84.367	Improving Teacher Quality State Grants		Arizona Department of Education	16FESCBG-610208-09A; 16FT1TII-617161-03A	4,648	-
<b>Total Department of Education</b>					<u>144,887</u>	<u>27,950</u>
<b>Department of Health and Human Services</b>						
93.008	Medical Reserve Corps Small Grant Program		Arizona Department of Health Services	MRC14-1146 (YCPHSD NO)	1,989	-
93.069	Public Health Emergency Preparedness		Arizona Department of Health Services	ADHS17-133162	241,939	-
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		Arizona Department of Health Services	ADHS12-007899	36,269	-
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program		Arizona Department of Health Services	ADHS16-150243	39,634	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		Arizona Department of Health Services	ADHS13-041283	47,093	-
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention		University of Arizona	5U48DP005002-03R	10,638	-
93.235	Affordable Care Act (ACA) Abstinence Education Program		Arizona Department of Health Services	ADHS17-00006630	22,366	-
93.268	Immunization Cooperative Agreements		Arizona Department of Health Services	ADHS13-041553	22,604	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		Arizona Department of Health Services	ADHS17-133162	18,991	-
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in part by Prevention and Public Health Funds		Arizona Department of Health Services	ADHS13-041553	357,740	-
93.563	Child Support Enforcement		Arizona Department of Economic Security	None	169,599	-
93.597	Grants to States for Access and Visitation Programs		Arizona Department of Economic Security	None	20,460	-
93.917	HIV Care Formula Grants		Arizona Department of Health Services	ADHS13-040497	160,376	-
93.940	HIV Prevention Activities-Health Department Based		Arizona Department of Health Services	ADHS13-031658	23,824	-
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants		Arizona Department of Health Services	ADHS14-068673	11,111	-
93.991	Preventive Health and Health Services Block Grant		Arizona Department of Health Services	ADHS16-102202	62,616	-
93.994	Maternal and Child Health Services Block Grant to the States		Arizona Department of Health Services	ADHS14-074955; ADHS16-102202	196,943	-
<b>Total Department of Health and Human Services</b>					<u>1,444,192</u>	<u>-</u>
<b>Executive Office of the President</b>						
95.001	High Intensity Drug Trafficking Areas Program		City of Tucson	HT16-2638; HT16-2644; HT15-2535; HT16-2636	258,752	-
<b>Total Executive Office of the President</b>					<u>258,752</u>	<u>-</u>

See accompanying notes to schedule.

**YUMA COUNTY**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

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 Homeland Security</b>						
97.042	Emergency Management Performance Grants		State of Arizona Department of Homeland Security	DHS-16-GPD-042-09-01	\$ 104,374	\$ -
97.047	Pre-Disaster Mitigation		State of Arizona Department of Homeland Security	PDMC-PL-09-AZ-2015-005; EMF-2016-PC-0003	8,156	-
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	1,244,741	-
<b>Total Department of Homeland Security</b>					<u>1,357,271</u>	<u>-</u>
<b>Total expenditures of federal awards</b>					<u>\$ 18,707,609</u>	<u>\$ 5,185,170</u>

See accompanying notes to schedule.

**Yuma County, Arizona**  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

**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, 2017. 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 2017 *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, 2017

**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:**

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
14.850	Public and Indian Housing
14.871	Housing Voucher Cluster: Section 8 Housing Choice Vouchers
15.226	Payments in Lieu of Taxes

**Yuma County, Arizona**  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2017

**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.