

Yuma County, Arizona  
Single Audit Reporting Package  
June 30, 2003

**Yuma County, Arizona**  
Single Audit Reporting Package  
June 30, 2003  
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**Comprehensive Annual Financial Report**  
Issued Separately

**Single Audit Section**

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

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

The Board of Supervisors of  
Yuma County, Arizona

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, 2003, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 12, 2003, which was modified as to consistency due to the County implementing a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all such internal control matters that might be material weaknesses. A

material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, federal awarding agencies, and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Miller, Allen & Co., P.C.".

December 12, 2003

**MILLER, ALLEN & CO., P.C.**

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**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control over Compliance in  
Accordance with OMB Circular A-133**

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

The Board of Supervisors of  
Yuma County, Arizona

**Compliance**

We have audited the compliance of Yuma County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 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. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Yuma County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

## Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all such internal control matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

## Schedule of Expenditures of Federal Awards

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, 2003, and have issued our report thereon dated December 12, 2003, which was modified as to consistency due to the County implementing a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Our audit was made for the purpose of forming 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, federal awarding agencies, and pass-through entities and it is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



December 12, 2003

Yuma County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA/Identifying Number (Note 2)	Pass-Through Grantor's Number	Expenditures
<u>U.S. Office of National Drug Control Policy</u>			
Passed through Pima County			
High Intensity Drug Trafficking Area Program	07.I0PSAP549, 07.I1PSAP549, 07.I2PSAP549	01-11-Y-128929-1000, 01-11-Y-130765-1001, 01-11-Y-130623-1001, 01-11-0-128893-1000, 01-11-0-127324-1099	\$ 481,906
Total U.S. Office of National Drug Control Policy			<u>481,906</u>
<u>U.S. Department of Agriculture</u>			
Water and Waste Disposal Systems for Rural Communities	10.760		173,671
Passed through Arizona Department of Education			
School Breakfast Program	10.553	KR10358	19,232
National School Lunch Program	10.555	KR10358	29,735
Passed through Arizona Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	261060,HG361072	877,541
State Administrative Matching Grants for Food Stamp Program	10.561	261097,HG361084	94,934
Total U.S. Department of Agriculture			<u>1,195,113</u>
<u>U.S. Department of Housing and Urban Development</u>			
Public and Indian Housing	14.850		597,196
Public and Indian Housing Drug Elimination Program	14.854		47,158
Resident Opportunity and Supportive Services	14.870		46,211
Section 8 Housing Choice Vouchers	14.871		2,151,354
Public Housing Capital Fund	14.872		352,828
Pass-through the City of Yuma:			
Community Development Block Grants/Entitlement Grants	14.218	H125-02, B01MC040508	59,570
Pass-through the Governor's Office of Housing Development:			
Community Development Block Grants/State's Program	14.228	060-01,109-03	357,636
HOME Investment Partnerships Program	14.239	171-02H	3,777
Total U.S. Department of Housing and Urban Development			<u>3,615,730</u>
<u>U.S. Department of the Interior</u>			
Payments in Lieu of Taxes	15.226		<u>3,404,409</u>
<u>U.S. Department of Justice</u>			
Edward Byrne Memorial State and Local Law Enforcement			
Assistance Discretionary Grants Program	16.580		68,951
Drug Court Discretionary Grant Program	16.585		155,762
Local Law Enforcement Block Grants Program	16.592		21,363
State Criminal Alien Assistance Program	16.606		552,866
Bulletproof Vest Partnership Program	16.607		3,057
Public Safety Partnership and Community Policing Grants	16.710		186,896
Federal Equitable Sharing Program	16.Unknown		3,822
Passed through the Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-03-063	17,333
Byrne Formula Grant Program	16.579	PC040-03	334,975
Passed through the Arizona Division of Emergency Management:			
State Domestic Preparedness Equipment Support Program	16.007	2002-TE-CX-0142	24,332

See accompanying notes to schedule.

Yuma County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA/Identifying Number (Note 2)	Pass-Through Grantor's Number	Expenditures
Passed through the Arizona Department of Public Safety: Crime Victim Assistance	16.575	2000-909,2001-959, 2001-968	107,433
Passed through the City of Yuma: Byrne Formula Grant Program	16.579	AL-070-02	46,618
Passed through the Governor's Community Policy Office: Juvenile Accountability Incentive Block Grants	16.523	01JAIBG-14 JB-GRA-02-4182-14	117,057
Total U.S. Department of Justice			1,640,465
<u>U.S. Department of Labor</u>			
Passed through the Arizona Department of Economic Security: Workforce Investment Act Cluster Workforce Investment Act – Adult	17.258	E5701002,E5702015, E5703014	3,917,372
Workforce Investment Act - Youth	17.259	E5701002, 5702015, E5703014	3,676,018
Workforce Investment Act - Dislocated Workers	17.260	E5701002, 5702015, E5703014	1,115,680
One-Stop Career Center Initiative	17.257	E5702015	60,158
Total U.S. Department of Labor			8,769,228
<u>U.S. Department of Transportation</u>			
Passed through from Governor's Office of Community and Highway Safety: State and Community Highway Safety	20.600	2002-PT-018	4,209
<u>U.S. Department of the Treasury</u>			
Federal Equitable Sharing Program	21.Unknown		17,752
<u>National Foundation on the Arts and the Humanities</u>			
Passed through the Department of Library, Archives and Public Records: State Library Program	45.310	221-3-2-(01)(05), 2001-CIP-15	43,804
<u>Federal Emergency Management Agency</u>			
Passed through the State of Arizona Division of Emergency Management: Hazard Mitigation Grant	83.548	HMGP Project 977-13	353,611
<u>U.S. Department of Education</u>			
Passed through the Arizona Department of Education: Title I Grants to Local Educational Agencies	84.010	03FASTTI-360112-03A	38,246
Special Education--Grants to States	84.027	03FESCBG-370067-01A, 03FESST2-370067-04A, 03FESSS2-370067-03A, 02FESSTT-270067-08A, 03FESCBG-370887-06A, 03FESCBG-360112-02A	234,468

See accompanying notes to schedule.

Yuma County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA/Identifying Number (Note 2)	Pass-Through Grantor's Number	Expenditures
Safe and Drug-Free Schools and Communities-State Grants	84.186	03FSSIVB-370887-04A	455
Fund for the Improvement of Education	84.215	03FASPCE-370067-05C	33,332
Eisenhower Professional Development State Grants	84.281	03FASTII-360112-04A, 03FASTII-370887-02A	19,250
Innovative Education Program Strategies	84.298	03FASTVA-370887-05A, 03FASTVA-360112-05A	2,781
School Renovation Grants	84.352	03FADSIT-360112-01A	85,000
Improving Teacher Quality State Grants	84.367	03FAAITQ-370067-05C	5,884
Passed through the Arizona Supreme Court:			
Title I Program for Neglected and Delinquent Children	84.013	03FASNAD-370887-01A	31,567
Total U.S. Department of Education			<u>450,983</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Arizona Department of Health Services:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	152072,HG352245	29,173
Immunization Grants	93.268	152049,HG352199	482,192
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	252041	199,687
Child Abuse and Neglect State Grants	93.669	CFHS7682178	3,000
HIV Care Formula Grants	93.917	152064, HG352332	107,639
HIV Prevention Activities - Health Department Based	93.940	152020, HG352238	36,613
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	052005, HG354256	29,409
Preventive Health and Health Services Block Grant	93.991	261111, HG354187	76,153
Maternal and Child Health Services Block Grant to the States	93.994	861007, 961127,HG361143	195,797
Passed through the Arizona Department of Economic Security:			
Child Support Enforcement	93.563	E7202027,E7203027	99,856
Passed through El Rio Santa Cruz Neighborhood Health Center:			
Special Projects of National Significance	93.928	Unknown	49,155
Total U.S. Department of Health and Human Services			<u>1,308,674</u>
Total Expenditures of Federal Awards			<u>\$ 21,285,884</u>

See accompanying notes to schedule.

Yuma County  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2003

**Note 1 - Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Yuma County 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. Noncash assistance in the form of vaccines was received from the Arizona Department of Health Services. The federal value of \$389,705 is included in the schedule under federal program 93.268.

**Note 2 - Catalog of Federal Domestic Assistance (CFDA) Numbers**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2003 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the federal contract number was used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "unknown" was used.

**Note 3 - Subrecipients**

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

Program Title	CFDA Number	Amount
One-Stop Career Center Initiative	17.257	\$ 60,158
Workforce Investment Act – Adult	17.258	3,917,372
Workforce Investment Act – Youth	17.259	3,676,018
Workforce Investment Act – Dislocated Workers	17.260	1,115,680

Yuma County  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2003

**Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	<b>Unqualified</b>	
	YES	NO
Material weakness identified in internal control over financing reporting?	_____	X
Reportable conditions identified not considered to be material weaknesses?	_____	X (none reported)
Noncompliance material to the financial statements noted?	_____	X

**Federal Awards**

Material weakness identified in internal control over major programs?	_____	X
Reportable conditions identified not considered to be material weaknesses?	_____	X (none reported)
Types of auditor's report issued on compliance for major programs:	<b>Unqualified</b>	

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?	_____	X
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants & Children
14.871	Section 8 Housing Choice Vouchers
15.226	Payments in Lieu of Taxes
Workforce Investment Act Cluster	
17.258	Workforce Investment Act – Adult
17.259	Workforce Investment Act – Youth
17.260	Workforce Investment Act – Dislocated Workers

Dollar threshold used to distinguish between Type A and Type B programs:	_____	\$ 638,576
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Auditee qualified as low-risk auditee?	X	_____
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**Other Matters**

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section. 315[b])?	_____	X
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