

Yuma County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2005

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Single Audit Reporting Package
Year Ended June 30, 2005

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**Independent Auditor's 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 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, 2005, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 27, 2006. Our report was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 40. We conducted our audit 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.

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 an opinion on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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 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*.

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 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.

Miller, Allen & Co., P.C.

January 27, 2006

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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

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, 2005. 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 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. Our audit does not provide a legal determination of 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, 2005.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 matters in internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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, 2005, and have issued our report thereon dated January 27, 2006. Our report was modified as to consistency because of the implementation of Governmental Accounting Standards Board Statement No. 40. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Yuma 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 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.


January 27, 2006

Yuma County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA Number | 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.I1PSAP549, 07.I2PSAP549, 07.I3PSAP549, 07.I4PSAP549 | 01-11-Y-132422-1002, 01-11-Y-134152-1003, 01-11-0-128893-1000, 01-11-Y-130623-1001, 01-11-Y-134152-1003 | \$ 291,941 |
| Total U.S. Office of National Drug Control Policy | | | 291,941 |
| <u>U.S. Department of Agriculture</u> | | | |
| Water and Waste Disposal Systems for Rural Communities | | | |
| Passed through the Arizona Department of Education | | | |
| Child Nutrition Cluster | | | |
| School Breakfast Program | 10.553 | KR10358 | 24,098 |
| National School Lunch Program | 10.555 | KR10358 | 37,234 |
| | | | 61,332 |
| Passed through the Arizona Department of Health Services | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children | 10.557 | HG361072 | 866,567 |
| State Administrative Matching Grants for Food Stamp Program | 10.561 | HI461238 | 338,366 |
| Total U.S. Department of Agriculture | | | 2,866,242 |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Public and Indian Housing | | | |
| Section 8 Housing Choice Vouchers | 14.850 | | 608,541 |
| Public Housing Capital Fund | 14.871 | | 2,217,316 |
| Public Housing Capital Fund | 14.872 | | 325,023 |
| Passed through the City of Yuma | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | H125-02, B01MC040508 | 7,672 |
| Passed through the Governor's Office of Housing Development | | | |
| Community Development Block Grants/State's Program | 14.228 | 109-03, 112-03, 172-05, 110-03, 186-04, 111-03, 173-05, 178-05 | 219,975 |
| HOME Investment Partnerships Program | 14.239 | 171-02H | 68,623 |
| Total U.S. Department of Housing and Urban Development | | | 3,447,150 |
| <u>U.S. Department of the Interior</u> | | | |
| Payments in Lieu of Taxes | | | |
| | 15.226 | | 1,909,810 |
| <u>U.S. Department of Justice</u> | | | |
| Southwest Border Protection Initiative | | | |
| Federal Equitable Sharing Program | 16.Unknown | | 913,833 |
| Bulletproof Vest Partnership Program | 16.Unknown | | 2,891 |
| Drug Court Discretionary Grant Program | 16.607 | | 1,657 |
| Local Law Enforcement Block Grants Program | 16.585 | | 131,244 |
| State Criminal Alien Assistance Program | 16.592 | | 6,984 |
| Public Safety Partnership and Community Policing Grants | 16.606 | | 217,921 |
| Passed through the Arizona Criminal Justice Commission | | | |
| Crime Victim Compensation | 16.710 | | 132,401 |
| Crime Victim Compensation | 16.576 | VC-05-063 | 16,497 |
| Byrne Formula Grant Program | 16.579 | PC-040-05 | 253,622 |

(Continued)

See accompanying notes to schedule.

Yuma County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005
(Continued)

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA Number | Pass-Through Grantor's Number | Expenditures |
|--|----------------|--|--------------|
| Passed through the Arizona Department of Public Safety Crime Victim Assistance | 16.575 | 2003-054 | 197,871 |
| Passed through the City of Yuma Community Capacity Development Office | 16.595 | 2204-WS-Q4-0104 | 9,901 |
| Passed through the Governor's Community Policy Office Juvenile Accountability Incentive Block Grants | 16.523 | JB-GRA-035273, JB-GRA-024182, JB-GRA-03532 | 50,297 |
| Total U.S. Department of Justice | | | 1,935,119 |
| <u>U.S. Department of Labor</u> | | | |
| Passed through the Arizona Department of Economic Security Workforce Investment Act Cluster Workforce Investment Act – Adult Program | 17.258 | E5703014, E5704014, E5705014 | 3,477,814 |
| Workforce Investment Act – Youth Activities | 17.259 | E5703014, E5704014, E5705014 | 3,285,544 |
| Workforce Investment Act – Dislocated Workers | 17.260 | E5703014, E5704014, E5705014 | 1,211,473 |
| Total U.S. Department of Labor | | | 7,974,831 |
| <u>U.S. Department of the Treasury</u> | | | |
| Federal Equitable Sharing Program | 21.Unknown | | 23,416 |
| <u>National Foundation on the Arts and the Humanities</u> | | | |
| Passed through Department of Library, Archives and Public Records State Library Program | 45.310 | 241-6-1-(07), 241-3-1-(15) | 30,689 |
| <u>Environmental Protection Agency</u> | | | |
| Surveys, Studies, Investigations and Special Purpose Grants | 66.606 | | 1,410,347 |
| <u>U.S. Department of Education</u> | | | |
| Passed through the Arizona Department of Education Title I Grants to Local Educational Agencies | 84.010 | 05FAATTI-560112-02A | 31,103 |
| Special Education--Grants to States | 84.027 | 05FESST2-570067-04A 05FESCBG-560112-01A 04FESSTT-470067-05A 05FESCBG-570067-02A 05FESCBG-570067-01A 05FESCBG-570887-05A | 249,021 |
| Reading First State Grants | 84.357 | 05FSASRS-570067-05A | 41,149 |
| Improving Teacher Quality State Grants | 84.367 | 05FAAT13-570067-03A 05FASTII-570887-01A 05FAATII-560112-03A | 55,112 |

(Continued)

See accompanying notes to schedule.

Yuma County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005
(Continued)

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA Number | Pass-Through Grantor's Number | Expenditures |
|---|----------------|----------------------------------|----------------------|
| Passed through the Arizona Supreme Court | | | |
| Title I Program for Neglected and Delinquent Children | 84.013 | 05FAANAD-570887-03A | 34,532 |
| Total U.S. Department of Education | | | <u>410,917</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 | HG352245 | 35,442 |
| Immunization Grants | 93.268 | HG352245 | 478,323 |
| Centers for Disease Control and Prevention-Investigations and Technical Assistance | 93.283 | 252041 | 334,576 |
| Child Abuse and Neglect State Grants | 93.669 | CFH178028131 | 775 |
| HIV Care Formula Grants | 93.917 | HG352332, HG552273 | 158,957 |
| HIV Prevention Activities - Health Department Based Preventive Health Services - Sexually Transmitted Diseases Control Grants | 93.940 | HG352238, HG352232 | 26,165 |
| Preventive Health and Health Services Block Grant | 93.977 | HG354256 | 30,965 |
| Maternal and Child Health Services Block Grant | 93.991 | HG354187 | 30,938 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | HG361143, HG461413-007 | 127,689 |
| Passed through the University of Arizona | | | |
| Centers for Disease Control and Prevention-Investigations and Technical Assistance | 93.283 | Y404840 | 34,425 |
| Passed through the Arizona Department of Economic Security | | | |
| Child Support Enforcement | 93.563 | E7204027,E7203027 | 83,549 |
| Passed through El Rio Santa Cruz Neighborhood Health Center | | | |
| Special Projects of National Significance | 93.928 | Unknown | 58,955 |
| Total U.S. Department of Health and Human Services | | | <u>1,400,759</u> |
| <u>U.S. Department of Homeland Security</u> | | | |
| Passed through the Arizona Department of Emergency and Military Affairs | | | |
| Homeland Security Grant Program Cluster | | | |
| State Domestic Preparedness Equipment Support Program (Grant Year 2003) | 97.004 | 2003MU-T3-0034 | 402,230 |
| State and Local Homeland Security Exercise Support (Grant Year 2003) | 97.006 | 2003MU-T3-0034 | 103,532 |
| Total U.S. Department of Homeland Security | | | <u>505,762</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 22,206,983</u> |

See accompanying notes to schedule.

Yuma County
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

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.

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 2005 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word "unknown" were used.

Note 3 - Subrecipients

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

| Program Title | CFDA Number | Amount |
|---|-------------|--------------|
| Workforce Investment Act – Adult Program | 17.258 | \$ 3,477,814 |
| Workforce Investment Act – Youth Activities | 17.259 | 3,285,544 |
| Workforce Investment Act – Dislocated Workers | 17.260 | 1,211,473 |

Note 4 - Noncash Assistance

Noncash assistance in the form of vaccines was received from the Arizona Department of Health Services. The federal value of \$354,960 is included in the schedule under federal program 93.268.

Yuma County
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2005

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

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:

Unqualified

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

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|---|---|
| 10.760 | Water and Waste Disposal Systems for Rural Communities |
| 10.561 | State Administrative Matching Grants for Food Stamp Program |
| 14.850 | Public and Indian Housing |
| 14.872 | Public Housing Capital Fund |
| 16.Unknown | Southwest Border Protection Initiative |
| 66.606 | Surveys, Studies, Investigations and Special Purpose Grants |
| 84.027 | Special Education – Grants to States |
| Homeland Security Grant Program Cluster | |
| 97.004 | State Domestic Preparedness Equipment Support Program |
| 97.006 | State and Local Homeland Security Exercise Support |

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$ 666,209 _____

Auditee qualified as low-risk auditee? _____ X _____

Other Matters

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