

**YUMA COUNTY, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2006**

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SINGLE AUDIT REPORTING PACKAGE
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CONTENTS

Page

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 <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs:	
Section I - Summary of Auditors' Results	8
Section II - Financial Statement Findings	9
Section III - Federal Award Findings and Questioned Costs	10
Summary Schedule of Prior Audit Findings	11



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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
Yuma County, Arizona

Members of the Board:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2006, which collectively comprise Yuma County, Arizona's basic financial statements and have issued our report thereon dated February 8, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Yuma County, Arizona'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 the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the 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 the 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 Yuma County, Arizona'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*.

We noted certain matters that we reported to management of Yuma County, Arizona in a separate letter dated February 8, 2007.

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.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

February 8, 2007



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**INDEPENDENT AUDITORS' 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
Yuma County, Arizona

Members of the Board:

Compliance

We have audited the compliance of Yuma County, Arizona 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, 2006. Yuma County, Arizona's major federal programs are identified in the Summary of Auditors' 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 Yuma County, Arizona's management. Our responsibility is to express an opinion on Yuma County, Arizona'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 Yuma County, Arizona'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 Yuma County, Arizona's compliance with those requirements.

In our opinion, Yuma County, Arizona 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, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 06-1.

Internal Control Over Compliance

The management of Yuma County, Arizona 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 Yuma County, Arizona'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 the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Yuma County, Arizona's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 06-1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma County, Arizona as of and for the year ended June 30, 2006, and have issued our report thereon dated February 8, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Yuma County, Arizona'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.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

February 8, 2007

Page 4

YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures & Transfers</u>
<u>U.S. Office of National Drug Control Policy</u>			
Passed through Pima County:			
High Intensity Drug Trafficking Area Program	07.15PSAP549	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	\$ 383,889
Total U.S. Office of National Drug Control Policy			383,889
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	954,105
Passed through Arizona Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553	KR10358	23,157
National School Lunch Program	10.555	KR10358	35,760
			58,917
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HG361072	956,665
State Administrative Matching Grants for Food Stamp Program	10.561	HI461238	284,456
			1,241,121
Total U.S. Department of Agriculture			2,254,143
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Public and Indian Housing	14.850	N/A	584,239
Section 8 Housing Choice Vouchers	14.871	N/A	2,167,705
Public Housing Capital Fund	14.872	N/A	279,539
Passed through City of Yuma:			
Community Development Block Grants/Entitlement Grants	14.218	H125-02, B01MC040508	9,488
Passed through Governor's Office of Housing Development:			
Community Development Block Grants/State's Program	14.228	109-03, 172-05, 174-05, 176-05 173-05, 178-05	141,617
Total U.S. Department of Housing and Urban Development			3,182,588
<u>U.S. Department of Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	1,944,685
Total U.S. Department of Interior			1,944,685
<u>U.S. Department of Justice</u>			
Direct Programs:			
Southwest Border Prosecution Initiative	16.UNKNOWN	N/A	635,209
Federal Equitable Sharing Program	16.UNKNOWN	N/A	3,452
Drug Court Discretionary Grant Program	16.585	N/A	17,617
Local Law Enforcement Block Grants Program	16.592	N/A	36,553
State Criminal Alien Assistance Program	16.606	N/A	220,339
Bulletproof Vest Partnership Program	16.607	N/A	1,712
Public Safety Partnership and Community Policing Grants	16.710	N/A	23,579
Passed through Arizona Criminal Justice Commission:			
Crime Victim Compensation	16.576	VC-05-063	38,785
Byrne Formula Grant Program	16.579	PC-040-05	162,434
			201,219
Passed through City of Yuma:			
Community Capacity Development Office	16.595	2204-WS-Q4-0104	10,044
Passed through Governor's Community Policy Office:			
Juvenile Accountability Incentive Block Grants	16.523	JB-GRA-035273 JB-GRA-024182 JB-GRA-03532	20,444
Total U.S. Department of Justice			1,170,168

YUMA COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006
(CONCLUDED)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures & Transfers</u>
<u>U.S. Department of Labor</u>			
Passed through Arizona Department of Economic Security:			
WIA Adult Program	17.258	E57014, E570504, E5706014	\$ 2,085,798
WIA Youth Activities	17.259	E57014, E570504, E5706014	2,368,071
WIA Dislocated Workers	17.260	E57014, E570504, E5706014	5,923
Total U.S. Department of Labor			<u>4,459,792</u>
<u>Institute of Museum and Library Services</u>			
Passed through the Department of Library, Archives and Public Records:			
State Library Program	45.310	241-6-1-(07), 241-3-1-(15)	8,147
Total Institute of Museum and Library Services			<u>8,147</u>
<u>Environmental Protection Agency</u>			
Direct Program:			
Congressionally Mandated Projects	66.202	N/A	96,965
Total Environmental Protection Agency			<u>96,965</u>
<u>U.S. Department of Education</u>			
Passed through Arizona Department of Education:			
Title I Grants to Local Educational Agencies	84.010	O5FAATTI-560112-02A	28,119
Special Education - Grants to States	84.027	06FESCBG-660112-01A	36,497
Improving Teacher Quality State Grants	84.367	06FAATII-660112-03A	1,256
			<u>65,872</u>
Passed through Arizona Supreme Court:			
Title I Program for Neglected and Delinquent Children	84.013	05FAANAD-570887-03A	33,355
Total U.S. Department of Education			<u>99,227</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Arizona Department of Health Services:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG352245	71,274
Immunization Grants	93.268	HG352245	551,603
HIV Care Formula Grants	93.917	HG352332, HG552273	126,607
HIV Prevention Activities - Health Department Based	93.940	HG352238, HG352232	24,961
Prevention Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG354256	27,661
Preventative Health and Health Services Block Grant	93.991	HG354187	47,693
Maternal and Child Health Services Block Grant to the States	93.994	HG361143, HG461416-007	108,174
			<u>957,973</u>
Passed through University of Arizona:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	Y404840	57,493
Passed through Arizona Department of Health Services:			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	252041	481,716
Total CFDA 93.283			<u>539,209</u>
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	E7204027, E7203027	9,869
Passed through El Rio Santa Cruz Neighborhood Health Center:			
Special Projects of National Significance	93.928	UNKNOWN	11,654
Total U.S. Department of Health and Human Services			<u>1,518,705</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Arizona Division of Emergency Management:			
State Preparedness Equipment Support Program	97.004	2003-MU-T3-0034	10,254
Total U.S. Department of Homeland Security			<u>10,254</u>
Total Expenditures of Federal Awards			<u>\$ 15,128,563</u>

**YUMA COUNTY, ARIZONA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2006**

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Yuma County, Arizona 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*.

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 2006 *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	\$ 2,085,798
Workforce Investment Act - Youth Activities	17.259	2,368,071
Workforce Investment Act - Dislocated Workers	17.260	5,923

NOTE 4 - NONCASH ASSISTANCE

Noncash assistance in the form of vaccines was received from the Arizona Department of Health Services. The federal value of \$412,433 is included in the schedule under federal program 93.268.

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be a material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not considered to be a material weakness(es)? X yes

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes no

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 and Children
14.871	Section 8 Housing Choice Vouchers
17.258, 17.259, 17.260	Workforce Investment Act Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$453,857

Auditee qualified as low-risk auditee? X yes no

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (Section 315[b])? yes X no

**YUMA COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006**

SECTION II - FINANCIAL STATEMENT FINDINGS

We noted no reportable conditions, material weaknesses or instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**YUMA COUNTY, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2006**

Status of Federal Award Findings and Questioned Costs

The County had no findings or questioned costs related to federal awards noted in prior audits that require a status.