

Yuma County, Arizona
SINGLE AUDIT REPORTING PACKAGE
Year Ended June 30, 2012

Yuma County, Arizona
Single Audit Reporting Package
Year Ended June 30, 2012
Table of Contents

Single Audit Reports

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*.....1-2

Independent Auditors' Report on Compliance with Requirements That Could Have
a Direct and Material Effect on Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133.....3-5

Schedule of Expenditures of Federal Awards.....6-8

Notes to Schedule of Expenditures of Federal Awards.....9

Schedule of Findings and Questioned Costs.....10-11

Summary Schedule of Prior Audit Findings.....12-13

Report Issued Separately

Comprehensive Annual Financial Reports

**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 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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 4, 2013. 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

The County's management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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, management, others within the County, 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.

A handwritten signature in cursive script that reads "Fester & Chapman P.C.".

January 4, 2013

**Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on 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 Yuma County's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The County'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 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 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, 2012.

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 the requirements that could have a direct and material effect on a major federal program to determine the 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, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2012, and have issued our report thereon dated January 4, 2013, that contained an unqualified opinion 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 OMB Circular A-133 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 U.S. generally accepted auditing standards. 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.

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, management, others within the County, 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.

Foster & Chapman P.C.

January 31, 2013

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Arizona Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	14-10-01-000	\$ 31,554
National School Lunch Program	10.555	14-10-01-000	51,657
Total Child Nutrition Cluster			<u>83,211</u>
Passed through Arizona Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HG050290	1,187,304
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	HI050079	361,197
Water and Waste Program Cluster:			
ARRA - Water and Waste Disposal Systems for Rural Communities	10.781	N/A	6,577,220
Total U.S. Department of Agriculture			<u>8,208,932</u>
<u>U.S. Department of Commerce</u>			
Passed through Arizona State Library, Archives and Public Records:			
ARRA - Broadband Technology Opportunities Program (BTOP)	11.557	ASLAPR-AZJEC-IG-11-1-03	7,207
Total U.S. Department of Commerce			<u>7,207</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Public and Indian Housing	14.850	N/A	744,662
Section 8 Housing Choice Vouchers	14.871	N/A	2,160,484
Capital Fund Program (CFP) Cluster:			
Public Housing Capital Fund	14.872	N/A	377,502
Passed through Governor's Office of Housing Development:			
State-Administered CDBG Cluster:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	126-11, 127-11, 128-11, 129-11	404,062
ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.255	114-10	95,087
Total State-Administered CDBG Cluster			<u>499,149</u>
HOME Investment Partnerships Program	14.239	311-11	146,059
Total U.S. Department of Housing and Urban Development			<u>3,927,856</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	N/A	3,321,182
Total U.S. Department of the Interior			<u>3,321,182</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	93,406
Bulletproof Vest Partnership Program	16.607	N/A	1,497
Southwest Border Prosecution Initiative Program	16.755	N/A	628,936
Equitable Sharing Program	16.922	N/A	21,401
Passed through Arizona Department of Public Safety:			
Crime Victim Assistance	16.575	2011-VA-GX-0019	171,183
Passed through Governor's Community Policy Office:			
Juvenile Accountability Incentive Block Grants	16.523	JB-CSG-09-0273-12, JB-CSB-10-1273-14 JB-CSG-11-1273-12, JB-CSG-10-1273-15A JV-CSG-11-1273-13, JB-CSG-12-2366-08	37,245
Passed through Arizona Criminal Justice Commission:			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC-12-022, DC-12-042	520,216
Total U.S. Department of Justice			<u>1,473,884</u>
<u>U.S. Department of Labor</u>			
Passed through Arizona Department of Economic Security:			
WIA Cluster:			
WIA Adult Program	17.258	DE111015001	1,945,437
WIA Youth Activities	17.259	DE111015001	2,034,604
WIA Dislocated Worker Formula Grants	17.278	DE111015001	1,439,409
Total WIA Cluster			<u>5,419,450</u>
Total U.S. Department of Labor			<u>5,419,450</u>

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed through Arizona Department of Emergency and Military Affairs:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	FFY 2012	\$ 1,000
Total U.S. Department of Transportation			1,000
<u>U.S. Department of the Treasury</u>			
Direct Program:			
Federal Equitable Sharing Program	21.UNKNOWN	N/A	6,723
Total U.S. Department of Treasury			6,723
<u>Institute of Museum and Library Services</u>			
Passed through Department of Library, Archives and Public Records:			
Grants to States	45.310	None	26,675
Total Institute of Museum and Library Services			26,675
<u>U.S. Environmental Protection Agency</u>			
Direct Program:			
ARRA - Capitalization Grants for Drinking Water State Revolving Funds	66.468	N/A	1,057,759
Total U.S. Environmental Protection Agency			1,057,759
<u>U.S. Department of Energy</u>			
Direct Program:			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	46,963
Total U.S. Department of Energy			46,963
<u>U.S. Department of Education</u>			
Passed through Arizona Department of Education:			
Migrant Education-State Grant Program	84.011	12FEAMSY-270067-03A	270,266
Special Education Cluster (IDEA):			
Special Education-Grants to States	84.027	12FT1NAD-270887-02A, 12FT2TII-270887-04A 12FESCBG-270067-02A; 12FESSCG-270067-04A 12FESCBG-270887-01A; 12FESSCG-270887-04A	255,346
Vocational Rehabilitation Cluster:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126	DE111356001, ADES12017178	108,236
Improving Teacher Quality State Grants	84.367	12FESCBG-270067-02A	16,494
State Fiscal Stabilization Fund Cluster:			
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	12FT1EJB-260112-10A	29,001
Passed through Governor's Office of Economic Recovery:			
ARRA - State Fiscal Stabilization Fund - Government Services	84.397	OER-11-IGA-GS-16,-39,-186	395,582
Total State Fiscal Stabilization Fund Cluster			424,583
Total U.S. Department of Education			1,074,925
<u>U.S. Department of Health and Human Services</u>			
Passed through Arizona Department of Health Services:			
Medical Reserve Corps Small Grant Program	93.008	MRCSG061001-03	1,957
Public Health Emergency Preparedness	93.069	754206 25-2041	73,086
Affordable Care Act (ACA) - Abstinence Education Program	93.235	None	94,720
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HG852308	105,458
Immunization Cluster:			
Immunization Grants	93.268	HG854294	132,044
Affordable Care Act (ACA) - Centers for Disease Control and Prevention			
Investigations and Technical Assistance	93.283	HG160087	79,968
HIV Care Formula Grants	93.917	HG552273	128,981
HIV Prevention Activities - Health Department Based	93.940	HG852271	14,512
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	HG854319	6,868
Maternal and Child Health Services Block Grant to the States	93.994	HG854244	45,481
Passed through Arizona Department of Economic Security:			
Child Support Enforcement	93.563	None	157,596
Total U.S. Department of Health and Human Services			840,671

YUMA COUNTY
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>Executive Office of the President</u>			
Passed through City of Tucson:			
High Intensity Drug Trafficking Areas Program	95.001	HT20-10-2313, HT21-11-2313, HT20-10-2311, HT21-11-2311	\$ 470,163
Total Executive Office of the President			<u>470,163</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Arizona Department of Emergency and Military Affairs:			
Emergency Management Performance Grants	97.042	None	95,966
Homeland Security Grant Program	97.067	444403-03, 777403-01, 777403-02, 888403-01, 888403-02, 555403-02, 777437-01, 888437-01	749,669
Total U.S. Department of Homeland Security			<u>845,635</u>
Total Expenditures of Federal Awards			<u>\$ 26,729,025</u>

Yuma County, Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

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) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2012 *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
WIA Cluster - Adult Program	17.258	\$ 1,945,437
WIA Cluster - Youth Activities	17.259	2,034,604
WIA Cluster - Dislocated Workers Formula Grant	17.278	1,439,409

Yuma County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
	Yes	No
Internal control over financial reporting:		
Material weaknesses identified?		X
Significant deficiencies identified?		X (None Reported)
Noncompliance material to the financial statements noted?		X

Federal Awards

Internal control over major programs:		
Material weaknesses identified?		X
Significant deficiencies identified?		X (None Reported)

Type of auditors' 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:

CFDA Number	Name of Federal Program or Cluster
10.781	ARRA - Water and Waste Disposal Systems for Rural Communities
14.228	State - Administered CDBG Cluster:
14.255	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
14.872	ARRA - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
17.258	Capital Fund Program (CFP) Cluster:
17.259	Public Housing Capital Fund
17.278	WIA Cluster:
66.468	WIA Adult Program
84.394	WIA Youth Activities
84.397	WIA Dislocated Worker Formula Grants
84.397	ARRA - Capitalization Grants for Drinking Water State Revolving Funds
84.397	State Fiscal Stabilization Fund Cluster:
84.397	ARRA - State Fiscal Stabilization Fund - Education State Grants
84.397	ARRA - State Fiscal Stabilization Fund - Government Services

Yuma County, Arizona
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2012

Summary of Auditors' Results - Continued

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 801,871
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u> </u>	<u> X </u>

Other Matters

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

Financial Statement Findings

None reported.

Federal Award Findings and Questioned Costs

None reported.

**FINANCIAL
SERVICES
DEPARTMENT**

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Director**



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**Gil Villegas, Jr.
Deputy Director**

January 31, 2013

Debbie Davenport
State of Arizona, Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Dear Ms. Davenport:

The accompanying Summary Schedule of Prior Audit Findings has been prepared as required by U.S. Office of Management and Budget Circular A-133. Specifically, we are reporting the status of audit findings included in the prior audit's Schedule of Findings and Questioned Costs related to federal awards. This schedule also includes audit findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were not corrected.

Sincerely,

Yuma County

Yuma County, Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2012

Status of Federal Award Findings and Questioned Costs

CFDA No:	10.781
Program:	ARRA - Water and Waste Disposal Systems for Rural Communities
Finding No:	2011-2
Status:	Fully corrected