



**City of Yuma, Arizona**  
**Single Audit Reporting Package**  
Year Ended June 30, 2017

**CITY OF YUMA, ARIZONA  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2017**

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Yuma, Arizona

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Yuma, Arizona's basic financial statements, and have issued our report thereon dated November 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Yuma, Arizona'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Yuma, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Yuma, Arizona'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's 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 City of Yuma, Arizona's 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
November 29, 2017

**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**

Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Yuma, Arizona

**Report on Compliance for Each Major Federal Program**

We have audited City of Yuma, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Yuma, Arizona's major federal programs for the year ended June 30, 2017. City of Yuma, Arizona's major federal programs are identified in the summary of auditor's 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Yuma, Arizona'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 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 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 City of Yuma, 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 on compliance for each major federal program. However, our audit does not provide a legal determination of City of Yuma, Arizona's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, City of Yuma, Arizona 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**

Management of City of Yuma, Arizona 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 City of Yuma, Arizona'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 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 City of Yuma, Arizona'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 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.

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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Yuma, Arizona as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Yuma, Arizona's basic financial statements. We issued our report thereon dated November 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 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 taken as a whole.

*Heinfeld, Meech & Co., P.C.*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
November 29, 2017

**CITY OF YUMA, ARIZONA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

| <u>Federal Pass-Through Agency</u>   | <u>CFDA<br/>Number</u> | <u>Federal Award<br/>Number</u> | <u>Total<br/>Expenditures &amp;<br/>Transfers</u> | <u>Amounts<br/>Provided to<br/>Subrecipients</u> |
|--|------------------------|---------------------------------|---|--|
| <b><u>U.S. Department of Defense</u></b>   |                        |                                 |   |  |
| Direct grants:   |                        |                                 |   |  |
| Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies | 12.610                 | EN1528-15-01                    | \$ 42,132   | \$   |
| <b><u>U.S. Department of Housing and Urban Development</u></b>                         |                        |                                 |   |  |
| Direct grants:   |                        |                                 |   |  |
| CDBG - Entitlement Grants Cluster:   |                        |                                 |   |  |
| Community Development Block Grants/Entitlement Grants                                  | 14.218                 | B-14-MC-04-0508                 | 13,208  |  |
| Community Development Block Grants/Entitlement Grants                                  | 14.218                 | B-15-MC-04-0508                 | 241,753   | 33,205   |
| Community Development Block Grants/Entitlement Grants                                  | 14.218                 | B-16-MC-04-0508                 | 353,038   | 83,012   |
| Total CDBG Entitlement Grants Cluster  |                        |                                 | <u>607,999</u>                                    | <u>116,217</u>                                   |
| HOME Investment Partnerships Program   | 14.239                 | 301-16                          | <u>223,685</u>                                    |  |
| Total U.S. Department of Housing and Urban Development                                 |                        |                                 | <u>831,684</u>                                    | <u>116,217</u>                                   |
| <b><u>U.S. Department of Justice</u></b>   |                        |                                 |   |  |
| Direct grants:   |                        |                                 |   |  |
| Bulletproof Vest Partnership Program   | 16.607                 | 2014 BVP                        | 1,422   |  |
| Bulletproof Vest Partnership Program   | 16.607                 | 2015 BVP                        | 10,221  |  |
| Total Bulletproof Vest Partnership Program   |                        |                                 | <u>11,643</u>                                     |  |
| Public Safety Partnership and Community Policing Grants                                | 16.710                 | 2013UMWX0012                    | 114,912   |  |
| Edward Byrne Memorial Justice Assistance Grant Program                                 | 16.738                 | 2015-DJ-BX-0578                 | 41,592  |  |
| Edward Byrne Memorial Justice Assistance Grant Program                                 | 16.738                 | 2016-DJ-BX-0811                 | 6,996   |  |
| Total Edward Byrne Memorial Justice Assistance Grant Program                           |                        |                                 | <u>48,588</u>                                     |  |
| Equitable Sharing Program  | 16.922                 | JLEOTFSA                        | 1,886   |  |
| Equitable Sharing Program  | 16.922                 | JLEOTFSA                        | 3,047   |  |
| Total Equitable Sharing Program  |                        |                                 | <u>4,933</u>                                      |  |
| Total U.S. Department of Justice   |                        |                                 | <u>180,076</u>                                    |  |
| <b><u>U.S. Department of Transportation</u></b>  |                        |                                 |   |  |
| Passed through Arizona Governor's Office of Highway Safety                             |                        |                                 |   |  |
| Highway Safety Cluster:  |                        |                                 |   |  |
| State and Community Highway Safety   | 20.600                 | 2016-AL-056                     | 6,300   |  |
| State and Community Highway Safety   | 20.600                 | 2017-AL-050                     | 17,500  |  |
| State and Community Highway Safety   | 20.600                 | 2017-PT-066                     | 4,800   |  |
| State and Community Highway Safety   | 20.600                 | 2017-PT-067                     | 19,161  |  |
| State and Community Highway Safety   | 20.600                 | 2017-405d-047                   | 27,000  |  |
| Total Highway Safety Cluster   |                        |                                 | <u>74,761</u>                                     |  |
| Passed through Arizona Department of Transportation:                                   |                        |                                 |   |  |
| Highway Planning and Construction Cluster:   |                        |                                 |   |  |
| Highway Planning and Construction (Federal-Aid Highway Program)                        | 20.205                 | IGA/JPA 11-073-I                | 43,729  |  |
| Highway Planning and Construction (Federal-Aid Highway Program)                        | 20.205                 | IGA/JPA 11-0201                 | 2,085   |  |
| Total Highway Planning and Construction Cluster  |                        |                                 | <u>45,814</u>                                     |  |
| Total U.S. Department of Transportation  |                        |                                 | <u>120,575</u>                                    |  |
| <b><u>U.S. Environmental Protection Agency</u></b>                                     |                        |                                 |   |  |
| Direct grants:   |                        |                                 |   |  |
| Brownfields Assessment and Cleanup Cooperative Agreements, Recovery Act                | 66.818                 | BF-00T91501-0                   | 19,598  |  |
| Brownfields Assessment and Cleanup Cooperative Agreements, Recovery Act                | 66.818                 | BF-99T32901                     | 201,714   |  |
| Total Brownfields Assessment and Cleanup Cooperative Agreements, Recovery Act          |                        |                                 | <u>221,312</u>                                    |  |



**CITY OF YUMA, ARIZONA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**  
**(Concluded)**

| <u>Federal Pass-Through Agency</u>                      | <u>CFDA<br/>Number</u> | <u>Federal Award<br/>Number</u> | <u>Total<br/>Expenditures &amp;<br/>Transfers</u> | <u>Amounts<br/>Provided to<br/>Subrecipients</u> |
|---|------------------------|---------------------------------|---|--|
| <b><u>U.S. Marshall</u></b>                             |                        |                                 |   |  |
| Direct grants:  |                        |                                 |   |  |
| High Intensity Drug Trafficking Areas Program           | 95.001                 | HT-15-2536                      | 2,232   |  |
| <b><u>U.S. Department of Homeland Security</u></b>      |                        |                                 |   |  |
| Passed through Federal Emergency Management Agency:     |                        |                                 |   |  |
| Assistance to Firefighters Grant                        | 97.044                 | EMW-2015-FP-00482               | 10,000  |  |
| Passed through Arizona Department of Homeland Security: |                        |                                 |   |  |
| Homeland Security Grant Program                         | 97.067                 | 150427-01                       | 235,303   |  |
| Homeland Security Grant Program                         | 97.067                 | 150427-02                       | 235,211   |  |
| Homeland Security Grant Program                         | 97.067                 | 160423-01                       | 383,728   |  |
| Homeland Security Grant Program                         | 97.067                 | 150412-01                       | 15,750  |  |
| Total Homeland Security Grant Program                   |                        |                                 | <u>869,992</u>                                    |  |
| Total U.S. Department of Homeland Security              |                        |                                 | <u>879,992</u>                                    |  |
| <b>Total Expenditures of Federal Awards</b>             |                        |                                 | <u>\$ 2,278,003</u>                               | <u>\$ 116,217</u>                                |

See the accompanying notes to the schedule.

**CITY OF YUMA, 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 (Schedule) includes the federal grant activity of City of Yuma, Arizona under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**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 applicable Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2017 *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 4 – INDIRECT COST RATE**

The City has not elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

**CITY OF YUMA, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

**Summary of Auditor's Results:**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: No

Identification of major programs:

CFDA Numbers  
97.067

Name of Federal Program or Cluster  
Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

**Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No**

**Findings and Questioned Costs Related to Federal Awards: No**

**Summary Schedule of Prior Audit Findings required to be reported: No**