



City of Yuma, Arizona
Single Audit Reporting Package
Year Ended June 30, 2019

**CITY OF YUMA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2019**

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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, 2019, 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 March 23, 2020. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 88

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FS-2019-001 that we consider to be a significant deficiency.

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*.

City of Yuma, Arizona's Response to Finding

City of Yuma, Arizona's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Yuma, Arizona's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
March 23, 2020

**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, 2019. 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, 2019.

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, 2019, 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 March 23, 2020, which contained unmodified opinions on those basic 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. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
March 23, 2020

CITY OF YUMA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
DEPARTMENT OF AGRICULTURE									
COOPERATIVE FORESTRY ASSISTANCE	10.664		ARIZONA DEPARTMENT OF FORESTRY AND FIRE MANAGEMENT	17DG-11031600-073		\$1,549	\$1,549	N/A	\$0
TOTAL DEPARTMENT OF AGRICULTURE						\$1,549			
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANT	14.218	B-14-MC-04-0508				\$46,266	\$823,595	CDBG - ENTITLEMENT GRANTS CLUSTER	\$823,595
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANT	14.218	B-15-MC-04-0508				\$58,705	\$823,595	CDBG - ENTITLEMENT GRANTS CLUSTER	\$823,595
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANT	14.218	B-16-MC-04-0508				\$71,710	\$823,595	CDBG - ENTITLEMENT GRANTS CLUSTER	\$823,595
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANT	14.218	B-17-MC-04-0508				\$99,810	\$823,595	CDBG - ENTITLEMENT GRANTS CLUSTER	\$823,595
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANT	14.218	B-18-MC-04-0508			\$83,034	\$547,104	\$823,595	CDBG - ENTITLEMENT GRANTS CLUSTER	\$823,595
HOME INVESTMENT PARTNERSHIPS PROGRAMS	14.239	M17-DC040230				\$838,816	\$838,816	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						\$83,034	\$1,662,411		
DEPARTMENT OF JUSTICE									
BULLETPROOF VEST PARTNERSHIP PROGRAM	16.607	2016 BVP				\$295	\$15,049	N/A	\$0
BULLETPROOF VEST PARTNERSHIP PROGRAM	16.607	2017 BVP				\$14,754	\$15,049	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	DC-19-014				\$51,998	\$262,985	N/A	\$0
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	TIPS-19-001				\$210,987	\$262,985	N/A	\$0
TOTAL DEPARTMENT OF JUSTICE						\$278,034			
DEPARTMENT OF TRANSPORTATION									
RECREATIONAL TRAILS PROGRAM	20.219		ARIZONA DEPARTMENT OF TRANSPORTATION	471515		\$1,441	\$1,441	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$1,441
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNORS OFFICE HIGHWAY SAFETY	2018-PTS-079		\$9,692	\$31,698	HIGHWAY SAFETY CLUSTER	\$43,885
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		ARIZONA GOVERNORS OFFICE HIGHWAY SAFETY	2019-PTS-064		\$22,006	\$31,698	HIGHWAY SAFETY CLUSTER	\$43,885
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNORS OFFICE HIGHWAY SAFETY	2018-405D-054		\$6,669	\$12,187	HIGHWAY SAFETY CLUSTER	\$43,885
NATIONAL PRIORITY SAFETY PROGRAMS	20.616		ARIZONA GOVERNORS OFFICE HIGHWAY SAFETY	2019-405D-048		\$5,518	\$12,187	HIGHWAY SAFETY CLUSTER	\$43,885
TOTAL DEPARTMENT OF TRANSPORTATION						\$45,326			
ENVIRONMENTAL PROTECTION AGENCY									
BROWNFIELDS ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	66.818	BF-99T32901				\$57,972	\$57,972	N/A	\$0
TOTAL ENVIRONMENTAL PROTECTION AGENCY						\$57,972			
DEPARTMENT OF HOMELAND SECURITY									
ASSISTANCE TO FIREFIGHTERS GRANTS	97.044	EMW-2017-FO-06904				\$18,424	\$18,424	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	160410-02		\$53,886	\$1,101,082	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	170439-01		\$436,964	\$1,101,082	N/A	\$0

HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180409-01	\$52,330	\$1,101,082	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180409-02	\$383,647	\$1,101,082	N/A	\$0
HOMELAND SECURITY GRANT PROGRAM	97.067		ARIZONA DEPARTMENT OF HOMELAND SECURITY	180409-03	\$174,255	\$1,101,082	N/A	\$0
STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER	97.083	EMW-2016-FH-00628			\$592,049	\$592,049	N/A	\$0
TOTAL DEPARTMENT OF HOMELAND SECURITY					<u>\$1,711,555</u>			
TOTAL EXPENDITURE OF FEDERAL AWARDS					<u>\$83,034</u>	<u>\$3,756,847</u>		

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

CITY OF YUMA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2018 - 6/30/2019

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Yuma under programs of the federal government for the year ended June 30, 2019. 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. 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.

10% De Minimis Cost Rate

The auditee did not use the de minimis cost rate.

Catalogue of Federal Domestic Assistance Numbers

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 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.

**CITY OF YUMA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: Yes
- 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnerships 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*: Yes

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: Yes

**CITY OF YUMA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001
Repeat Finding: Yes – FS-2018-001
Type of Finding: Significant Deficiency
Description: Financial Reporting

CRITERIA

Management is responsible for establishing and maintaining internal controls to ensure the City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). Controls should include a review of the financial statements to ensure all accounting transactions are properly reflected within the financial statements.

CONDITION

Internal controls did not operate as designed to detect errors in the financial statements.

CAUSE

The City experienced turnover in key positions during the year. Additionally, the City was not able to complete a thorough review of the financial statements prior to the audit.

EFFECT

Audit adjustments were necessary to properly state the City's financial statements.

CONTEXT

The following errors were noted during review of the financial statements:

- The governmental activities current and non-current portion of debt were misclassified by \$30,000.
- The Debt Service Fund reported a negative cash balance of \$11,479.
- Three of the City's bank accounts were not properly reconciled to the general ledger.
- The City has not established a process to record an allowance for doubtful accounts related to the ambulance operations.
- A contingent liability of \$1.0 million was not recorded.
- Negative unavailable revenues of \$341,546 were presented on the Statement of Net Position.
- Intrafund transfers of \$34,615 were not eliminated from the Water Fund.
- The General Fund had an intergovernmental receivable of \$103,018 that was not properly reversed during the year.

**CITY OF YUMA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number: FS-2019-001

CONTEXT

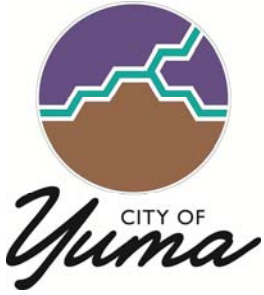
- The noncurrent portion related to the compensated absences accrual of \$57,623 was misclassified as a capital lease liability on the Statement of Net Position - Proprietary Funds.
- The value of the land associated with capital contributions was not capitalized.
- Insurance premiums for fiscal year 2019-20 paid in July 2019 were recorded as prepaid items and accounts payable in the Insurance Reserve and Workers Compensations Funds in the amounts of \$787,898 and \$142,573, respectively.
- Grant revenues of \$163,706 received after the period of availability were not properly recorded as unavailable revenue.
- Deferred outflows and expenses related to the City's Police and Fire pension plans were misstated by \$2.3 million.
- The footnote disclosure for capital leases did not include information about the assets capitalized and acquired through the capital lease.
- Interfund borrowing was misclassified on the Statements of Cash Flows as operating activities, rather than noncapital financing.
- The footnote disclosure for future debt service requirements included the interest payments from January 1, 2019. As a result the footnote was overstated by \$3.9 million.
- A city sales tax payment for \$210,370 was recorded in the wrong fiscal year.

RECOMMENDATION

The City should ensure the financial statements are prepared in accordance with GAAP. Additionally, adequate time should be allocated to complete a thorough review of the financial statements prior to the audit.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.



FINANCE DEPARTMENT
One City Plaza
Yuma, Arizona 85364
Phone: (928) 373-5000

March 23, 2020

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Lisa Marlin
Director of Financial Services

**CITY OF YUMA, ARIZONA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2019**

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding Number: FS-2019-001

Contact Person: Lisa Marlin

Anticipated Completion Date: December 31, 2020

Planned Corrective Action:

Internal Controls

Finance Department management staff recognizes that there has been no progress related to timing of the audit and publication of the CAFR. While the Finance Department fully intended to complete financial statements more timely than in FY18, the key position to the management and preparation of the financial report was vacated just after the end of FY19, a vacancy that lasted about four months. Approximately one month later, one of only three accountants left employment with the City. However, we have recently hired a very well equipped and capable Accounting Manager who possesses many years of governmental accounting experience and is dedicated to ensuring that an aggressive schedule be met for FY20 and beyond. Unfortunately, we are still in the hiring process for an accountant, which is an integral part of the financial reporting process. We expect this to be completed within the next month.

Management staff believes that we have already made significant improvements to internal controls and have refined several processes to ensure financial reporting accuracy, to include the addition of staff in order to re-allocate workload and ensure strong back up of key processes. While Finance continues to make appropriate adjustments for bank reconciliation controls, there are a number of other areas where strengthening internal controls are progressing. These are:

- Additional review and approval requirements for posting journal entries
- Strengthening journal entry back-up documentation requirements
- Additional review and approval requirements for invoice processing
- Revising documented procedures to align with current staffing levels and required outcomes
- Thorough review of financial statements by both the Accounting Manager and the Finance Director, with a final checklist to be developed for use as a “pre-audit” tool

In addition to procedural changes, staff will undergo a review of existing capabilities with the intent of providing training opportunities in both governmental accounting and technological tools to enhance staff’s ability to look beyond the transaction to the financial statement as a whole. Key analytical skills are expected to improve with this process.

Management staff is dedicated to correcting these deficiencies in the most expeditious manner and will continue to work toward improving time management and efficient, practical processes that will better prepare us for timely, accurate financial reporting over the coming year.

**CITY OF YUMA, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

**Status of Findings Related to Financial Statements Reported in Accordance with
*Government Auditing Standards***

Finding Number: FS-2018-001

Status: Partially Corrected. Please see current year finding FS-2019-001.

Planned Corrective Action:

Reconciliations

Finance Department management staff have reviewed the current internal controls in place for bank reconciliations and have determined that revisions are required to ensure timely and accurate completion, regardless of staff turnover. Therefore, the Finance Department is in the process of revising current internal controls to include timelines required for completion and review of all bank reconciliations. Additionally, management has determined that a re-allocation of work is necessary to provide more timely completion of bank reconciliations as well as more oversight, and are currently in the process of re-allocation of workload. Finally, management has determined that a stronger back-up procedure must be in place to ensure minimal disruption during staff leave and/or turnover of staff.

Financial Statement Review

Finance Department management staff have reviewed the FY2018 financial statement preparation process and have determined that, due to constraints in time and workload, appropriate and thorough financial statement review was not performed prior to audit. However, the Finance Department intends to begin preparing financial statements earlier than it did for FY2018 and will ensure appropriate oversight and review throughout the entire process. Additionally, staff is in the process of revising procedures to include required timelines and appropriate steps to be taken during financial statement preparation by each staff member involved in its preparation. The Director of Financial Services will perform thorough oversight and review of this process in its entirety on an annual basis in order to ensure accurate and timely financial statements.