

Yuma Metropolitan Planning Organization
Single Audit Reporting Package

Year ended June 30, 2023

Table of Contents

Page

Single Audit Reports

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	3-5
Schedule of Findings and Questioned Costs.....	6
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards.....	8

Reports issued separately

Annual Comprehensive Financial Report

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Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Executive Board of
Yuma Metropolitan Planning Organization

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 and each major fund of Yuma Metropolitan Planning Organization, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Yuma Metropolitan Planning Organization’s basic financial statements, and have issued our report thereon dated January 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yuma Metropolitan Planning Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yuma Metropolitan Planning Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of Yuma Metropolitan Planning Organization’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 a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yuma Metropolitan Planning Organization'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 financial statements. 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.

Walker & Armstrong, LLP

Phoenix, Arizona
January 17, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

The Executive Board of
Yuma Metropolitan Planning Organization

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Yuma Metropolitan Planning Organization's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Yuma Metropolitan Planning Organization's major federal programs for the year ended June 30, 2023. Yuma Metropolitan Planning Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yuma Metropolitan Planning Organization 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Yuma Metropolitan Planning Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Yuma Metropolitan Planning Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Yuma Metropolitan Planning Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Yuma Metropolitan Planning Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Yuma Metropolitan Planning Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Yuma Metropolitan Planning Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Yuma Metropolitan Planning Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Yuma Metropolitan Planning Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and major fund of Yuma Metropolitan Planning Organization, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Yuma Metropolitan Planning Organization's basic financial statements. We issued our report thereon dated January 17, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 as a whole.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Wacke & Armstrong, LLP

Phoenix, Arizona
January 17, 2024

**Yuma Metropolitan Planning Organization
Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

A. Summary of Audit Results:

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Material weakness(es) identified in internal control over financial reporting?		<u>X</u>
Significant deficiency identified not considered to be a material weakness?	<u>None Reported</u>	
Noncompliance material to the financial statements noted?		<u>X</u>

Federal Awards

Material weaknesses identified in internal control over major programs?		<u>X</u>
Significant deficiency identified not considered to be a material weakness?	<u>None Reported</u>	
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		<u>X</u>

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal Program</u>
20.205	<i>Highway Planning and Construction Cluster:</i> Highway Planning and Construction

Dollar threshold used to distinguish between Type A and B programs:	<u>\$ 750,000</u>	
Auditee qualified as a low-risk auditee?		<u>X</u>

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with 2 CFR 200.511(b)?		<u>X</u>
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B. Financial Statement Findings: None

C. Federal Award Findings: None

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**Yuma Metropolitan Planning Organization
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listings Number</u>	<u>Pass-through Grantor Number</u>	<u>Program Expenditures</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through Arizona Department of Transportation:</i>			
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	20.205	GRT-21-0008169-T	\$ 471,829
Highway Planning and Construction	20.205	GRT-21-0008169-T	<u>189,164</u>
<i>Total Highway Planning and Construction Cluster</i>			660,993
<i>Passed through Arizona Department of Transportation:</i>			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GRT-21-0008169-T	109,140
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	GRT-21-0008169-T	<u>5,484</u>
<i>Total FAL 20.505</i>			114,624
<i>Passed through Arizona Department of Transportation:</i>			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GRT-20-0007800-T	2,236
COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	GRT-22-0008881-T	<u>35,424</u>
<i>Total FAL 20.509</i>			37,660
<i>Passed through Arizona Department of Transportation:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	GRT-22-0008881-T	<u>69,336</u>
<i>Total U.S. Department of Transportation</i>			882,613
<u>Environmental Protection Agency</u>			
<i>Passed through Arizona Department of Environmental Quality:</i>			
Air Pollution Control Program Support	66.001	ADEQ18-198213	<u>10,000</u>
<i>Total Environmental Protection Agency</i>			<u>10,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 892,613</u></u>

See accompanying notes to the schedule.

Yuma Metropolitan Planning Organization
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (schedule) includes Yuma Metropolitan Planning Organization's federal grant activity for the year ended June 30, 2023. The information in this schedule is presented in accordance with the 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).

Note 2 – Indirect Cost Rate

Grantor funding under Yuma Metropolitan Planning Organization's federal awards does not allow for indirect costs and, accordingly, Yuma Metropolitan Planning Organization did not use the 10 percent de minimis indirect cost rate covered in 2 CFR §200.414.

Note 3 - 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 4 – Federal Assistance Listings Numbers

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2023 *Federal Assistance Listings*.