

Coconino County

Annual financial statement and compliance audits

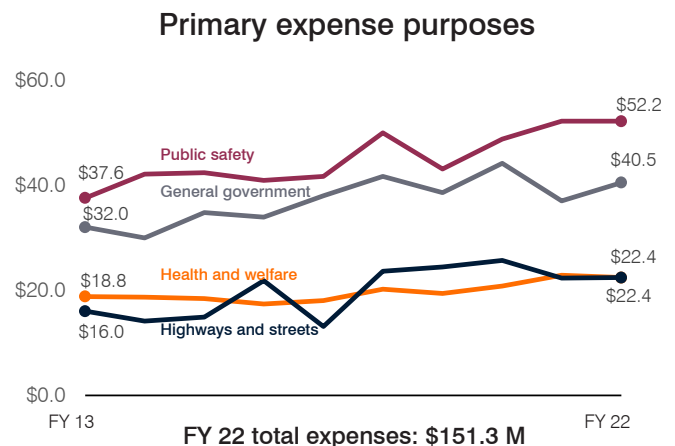
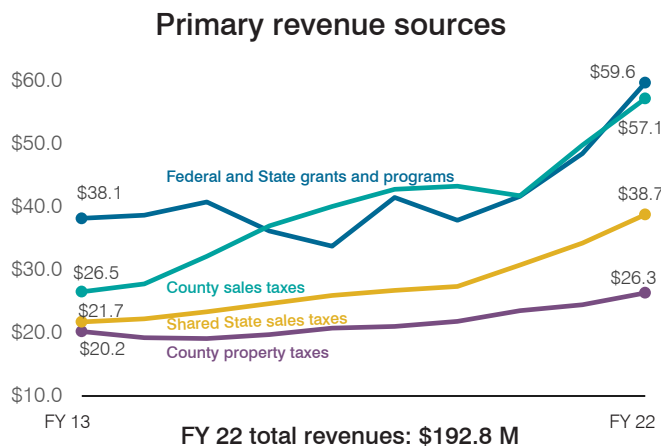
The County's fiscal year 2022 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

Audits' purpose

To express our opinions on the County's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years (FY) 2013 through 2022
(In millions)



Source: Auditor General staff summary of information obtained from the County's financial statements.

Largest primary revenue sources FY 2022

- **Federal and State grants and programs 30.9%**—Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.
- **County sales taxes 29.6%**—Consists primarily of general unrestricted taxes and those restricted for jail operations and highways and streets maintenance.

Largest primary expense purposes FY 2022

- **Public safety 34.5%**—Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.
- **General government 26.7%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.

County's net position increased in FY 2022

County revenues were \$41.5 million greater than its expenses, increasing total net position to \$228.3 million at June 30, 2022. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

Auditor findings and recommendations

Summarized below are our findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses. The County needs to:

- Provide key financial information to auditors by the agreed-upon deadlines established at the beginning of the audit to ensure timely issuance of its Annual Comprehensive Financial Report (ACFR), Single Audit Report, and Annual Expenditure Limitation Report (AELR). In addition, comply with State law and its outstanding AELRs for the fiscal years ended June 30, 2018 through June 30, 2022. We found that the County issued its ACFR 28 days later than required and its Single Audit Report to the federal audit clearinghouse 2 months past the March 31, 2023 deadline. We reported similar findings in prior years.
- Implement its policies and procedures over its information technology (IT) systems and data, including sensitive data, to effectively prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss. We found that processes for restricting access and managing changes for its IT systems and data were not sufficient, which may put County operations and IT systems and data at unintended and unnecessary risk of potential harm. We reported similar findings in prior years.
- Improve existing policies and procedures for federal grants by requiring the reviewer to verify costs were either incurred on or after the award term's start date or preapproved by the federal agency prior to requesting reimbursement from the federal agency. We found that for the Good Neighbor Authority program the County's Flood Control District requested and received reimbursement for \$42,555 of professional services that were before the grant award period and did not receive preapproval from the federal agency.

Auditor General website report links

- The June 30, 2022, Coconino County Annual Comprehensive Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the County's overall financial picture and our reporting responsibilities.
- The County's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for State and Local Governments](#).
 - [Internal Control and Compliance Reports User Guide](#).