

Greenlee County, Arizona
Single Audit Reporting Package
June 30, 2021

Greenlee County, Arizona
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**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 Arizona Auditor General
The Board of Supervisors of
Greenlee County, Arizona

We have audited, 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, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Greenlee County, Arizona (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion of the effectiveness of the County'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 County'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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items **2021-001**, **2021-002** and **2021-003**, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic 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*.

Greenlee County Response to Findings

Greenlee County's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Snyder & Brown CPAs, PLLC

Tempe, Arizona
November 29, 2022

Independent Auditors' 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

The Arizona Auditor General
The Board of Supervisors of
Greenlee County, Arizona

Report on Compliance for Each Major Federal Program

We have audited Greenlee County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 the County'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 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Public Health Emergency Preparedness Program, Assistance Listing Number 93.069

As described in the accompanying schedule of findings and questioned costs, the County did not comply with the requirements regarding Allowable Costs/Costs Principles and Reporting of the Public Health Emergency Preparedness Program (Assistance Listing Number 93.069), Finding Numbers **2021-101** and **2021-102**. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to the Public Health Emergency Preparedness Program.

Qualified Opinion on Public Health Emergency Preparedness Program, Assistance Listing Number 93.069

In our opinion, except for the noncompliance described in the basis for qualified opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Public Health Emergency Preparedness Program (Assistance Listing Number 93.069) for the year ended June 30, 2021.

Unmodified Opinion on other major federal program

In our opinion, Greenlee County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed another instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item **2021-103**. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

The County's management 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 the County'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 the 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2021-101** and **2021-102** to be

material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item **2021-103** to be a significant deficiency.

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.

Greenlee County's response to findings

Greenlee County's responses to the findings identified in our audit are included in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. The County's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Greenlee County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 29, 2022, that contained unmodified opinions 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 the Uniform Guidance 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.

Snyder & Brown CPAs, PLLC

Tempe, Arizona
November 29, 2022

**Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? Yes

Non-Compliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Identification of major programs and type of auditor's report issued on compliance for major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Auditors' Report</u>
21.019	COVID-19 Coronavirus Relief Fund	Unmodified
93.069	Public Health Emergency Preparedness	Qualified
93.069	COVID-19 Public Health Emergency Preparedness	Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

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

Auditee qualified as low-risk auditee? No

Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II-Financial Statement Findings

2021-001- Cash Monitoring (Significant Deficiency: Repeat Finding)

Criteria: Pursuant to the Uniform Accounting Manual for Arizona Counties, Section VI-B-4 – *Reconciliation to the County Treasurer*, Counties should develop written policies to reconcile their cash balances by fund to the county treasurer’s records at least monthly, and at the fiscal year-end. Policies and procedures should also be established to ensure that cash activity relating to County departments is appropriately understood as to the availability of these resources, and that these accounts are appropriately reconciled and recorded in the County’s general ledger.

Condition: During 2021, the following was noted with respect to cash monitoring and reconciliations:

- Cash in total and by fund was reconciled between the Treasurer’s records and the County’s records at fiscal year-end. However, these reconciliations were not performed monthly.
- The cash on deposit at the courts totaling \$119,465 and various other accounts totaling \$126,041, including the Sherriff’s Commissary fund, withholding clearing and other accounts are not recorded by the County on an ongoing basis. Rather, the activity for these accounts are only recorded when cash is deposited with the County Treasurer and any remaining cash balances have become part of the overall reconciliation at year end.

Cause and Effect: The County has not established appropriate policies and procedures to monitor and reconcile all cash accounts on an ongoing, monthly, basis.

Auditors’ Recommendations: The County should perform an analysis of all cash accounts at decentralized departments and at the County Treasurer to ensure that balances are properly recorded in the County funds and to ensure that these accounts are reconciled throughout the year, on a monthly basis.

This finding is similar to prior-year finding 2020-001.

2021-002- Credit Card Approval and Purpose (Significant Deficiency: Repeat Finding)

Criteria: To help ensure that credit card purchases are appropriate and benefit the County as required by Arizona State law, policies should be established that require documentation of the legitimate purpose for all credit card purchases and these transactions should be approved prior to the transaction. The County’s policy is that County employees should complete the “Greenlee County Visa Charges” form and obtain prior approval from the County Administrator before incurring the credit card charge. These forms should also be completed to include a description and purpose of the credit card charges.

Condition: During fiscal year 2021 the County incurred approximately \$84,000 in credit card transactions. However, as required by County policy, the County Administrator did not indicate approval for the charges on the “Greenlee County Visa Charges” form. Although it is policy that receipts relating to credit card charges be turned in and maintained, there is no indication on the “Greenlee County Visa Charges” form that receipts were subsequently reconciled to the amounts and purposes listed on the forms.

Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Cause and Effect: The County has not adequately communicated credit card policy to all users and does not sufficiently monitor compliance with County policy. As a result, it is more likely that credit cards can be used for purposes that do not have a clear and direct benefit to the County.

Auditors' Recommendations: The County should analyze its credit card policies and ensure that these policies are appropriate and adequately communicated to each credit card user. The credit card transactions should then be monitored for compliance with County policies.

This finding is similar to prior-year finding 2020-002.

2021-003- Federal and State Grants and Contracts Reconciliations (Significant Deficiency)

Criteria: To help ensure that intergovernmental receivable and revenue are properly recorded, and to ensure that the Schedule of Expenditures of Federal Awards is correctly stated, all federal and state grants and contracts should be periodically analyzed to ensure that all revenue relating to the program is correctly recorded in accordance with revenue recognition criteria and accounts receivable and any County subsidies are appropriately recorded.

Condition: A detailed analysis was not performed for each grant and contract whereby the total cumulative expenditures in the applicable trial balance departments were compared to the total funding allowable under grant and contract agreements. Reconciliations of cost-reimbursement programs were also not performed where the County compared total allowable expenditures reported in the general ledger to revenue, to ensure that all applicable receivables have been billed and recorded. As a result, adjustments were necessary to correctly report the Schedule of Expenditures of Federal Awards.

Cause and Effect: The County has not established procedures whereby a detailed analysis of the grants and contracts accounts are reconciled to the award documentation and where expenditures for cost-reimbursement programs are reconciled to the revenue and receivables recorded. As a result, it is possible that allowable expenditures under the grants and contracts do not get billed in full or that expenditures could be reported in the incorrect year or otherwise misstated on the Schedule of Expenditures of Federal Awards. By not comparing total expenditures to the allowable funding under the grant and contract agreements, deficit fund balances and negative cash (due to the general fund) also occur, without a detailed understanding of how these funding shortfalls are to be eliminated.

Auditors' Recommendations: The County should analyze each grant and contract separately, whereby expenditures are accumulated for each period of performance and compared to the funding award, revenue and accounts receivable recorded. Funding shortfalls should be analyzed and eliminated through transfers or other methods.

**Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Section III-Federal Award Findings and Questioned Costs

2021-101- Allowable Costs/Cost Principles (Material Weakness, Material Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Health and Human Services
Titles:	Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness
Assistance Listing Number:	93.069
Award numbers and years	ADHS17-133192 (COVID-19 and Non COVID-19); July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Department of Health Services
Compliance Requirements:	Allowable Costs/Cost Principles
<i>Questioned Costs:</i>	Unknown

Criteria: The Uniform Guidance, 2 CFR 200.430, requires that payroll charges be based on actual costs incurred and accurately reflects the work performed. Further, documentation must be maintained that supports payroll related costs that are allocated to more than one federal program or to a federal program and nonfederal programs.

Condition: We selected one pay period for test work for seven of the eight employees charged to the program during fiscal year 2021. The total payroll charged to the program for the entire fiscal year for the employees selected for testing was \$104,654 of the \$129,578 total charged to the program during 2021. The total payroll charged to all programs for these employees, including the Public Health Emergency preparedness program was \$403,668.45. Each employee had a portion of their salary charged to the program and a portion charged to other federal programs, nonfederal programs, or both. However, as required by the Uniform Guidance, the County did not maintain detailed time sheets or time studies supporting the allocation of payroll costs to the program. See the following table for a summary of employees selected for testing and total payroll costs:

**Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Position	County pay period No.	Selected Pay Period Gross			Selected Pay Period Gross wages charged to nonfederal programs	Selected Pay Period Total employee gross wages	Approximate total for fiscal year gross wages	
		wages charged to Public Health Emergency Preparedness Program 93.069	wages charged to other federal programs	wages charged to Public Health Emergency Preparedness Program 93.069			charged to Public Health Emergency Preparedness Program 93.069	Approximate total for fiscal year gross wages charged to all programs
Director of Nursing	1	\$ 749.30	\$ 777.06	\$ 1,248.84	\$ 2,775.20	\$ 18,830.12	\$ 74,757.14	
Health & County Services Director	2	2,640.31	-	1,076.65	3,716.96	69,409.16	95,672.73	
Administrative Assistance	7	34.38	361.03	1,323.79	1,719.20	893.88	44,699.12	
Clerk II	12	21.38	427.52	619.91	1,068.81	472.22	24,632.07	
Health Policy Manager	16	178.88	1,529.42	393.54	2,101.84	4,248.40	48,890.14	
Environmental Health Specialist	16	216.88	-	2,317.91	2,534.79	6,709.73	60,102.88	
Licensed Practical Nurse II	17	161.22	665.02	1,188.96	2,015.20	4,090.94	54,914.37	
Total wages of employees tested for fiscal year 2021						\$ 104,654.45	\$ 403,668.45	

Cause and Effect: The County has not implemented procedures that require payroll costs that are allocated to multiple programs be supported by detailed documentation (such as timesheets or recent time studies) supporting the allocation. As a result, costs could be charged to federal programs that do not coincide with actual work performed by the employee.

Auditors' Recommendations: The County should establish policies to ensure that payroll costs charged to multiple departments or programs be based on actual time incurred by each employee and that the allocation be supported by time and attendance records.

2021-102- Reporting (Material Weakness, Material Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Health and Human Services
Titles:	Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness
Assistance Listing Number:	93.069
Award numbers and years	ADHS17-133192 (COVID-19 and Non COVID-19); July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Department of Health Services
Compliance Requirements:	Reporting
Questioned Costs:	Unknown

Criteria: The intergovernmental agreement, section 5.1.1 requires the County to submit a mid-year report no later than January 31st and an end of year report not later than May 31st.

Condition: Although County personnel indicated that the reports were submitted within the required time-frame, these reports were submitted electronically and the County could not access them for audit review. As a result, the auditor could not verify accuracy or timeliness of required reports.

**Greenlee County, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Cause and Effect: The County has not implemented adequate procedures at the department level to ensure that documents are maintained in an organized and retrievable manner in cases where there has been significant employee turnover. As a result, documents that should have been available for audit review were unable to be located.

Auditors' Recommendations: The County should establish policies to ensure any electronically filed document is subsequently accessible.

2021-103- Single Audit Reporting Package Not Filed Timely (Significant deficiency, Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Treasury; U.S. Department of Health and Human Services
Titles:	COVID-19 Coronavirus Relief Fund; Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness
Assistance Listing Number:	21.019; 93.069
Award numbers and years	ARMT-20-046; ADHS17-133192 (COVID-19 and Non COVID-19); March 1, 2020 through December 30, 2020; July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Office of the Governor; Arizona Department of Health Services
Compliance Requirements:	Reporting
<i>Questioned Costs:</i>	Not applicable

Criteria: 200.512 of the Uniform Guidance requires that the County submit an annual single audit reporting package and submit the data collection form prior to nine months after the end of the audit period. Resulting from the ongoing COVID-19 pandemic, this single audit deadline was extended from March 31, 2022 to September 30, 2022 for the County's fiscal year ending June 30, 2021 single audit reports.

Condition: The County did not submit its single audit reporting package or data collection form within the required deadline.

Cause and Effect: The County experienced turnover in some of the departments administering federal funds. As a result, documents were not available in a timely enough manner to meet the single audit deadline of September 30, 2022.

Auditors' Recommendations: The County should monitor federal awards and the required documentation to ensure that all information is organized and available for subsequent review.

County's Section

**Greenlee County Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Program Title	Assistance Listing Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number(s) Assigned by Funder Pass-Through Entity	Amount provided to subrecipients	Federal expenditures	Federal Program Total	Cluster Name	Cluster Total
<u>U.S. Department of Agriculture</u>									
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		Arizona Department of Health Services	ADHS19-206550	\$ -	\$ 117,939	\$ 117,939	N/A	
Schools and Roads - Grants to States	10.665				279,521	579,521	579,521	Forest Service Schools and Roads Cluster	\$ 579,521
Total U.S. Department of Agriculture					<u>279,521</u>	<u>697,460</u>			
<u>U.S. Department of Justice</u>									
Edward Byrne Memorial Justice Assistance Grant Program	16.738		Arizona Criminal Justice Commission	DC-19-006; DC-19-025	-	48,513	48,513	N/A	-
Total U.S. Department of Justice					<u>-</u>	<u>48,513</u>			-
<u>U.S. Department of Transportation</u>									
Airport Improvement Program	20.106					74,614	74,614	N/A	-
State and Community Highway Safety	20.600		Governor's Office of Highway Safety	2019-PTS-020; 2020-PTS-026		21,208	21,208	Highway Safety Cluster	21,208
Total U.S. Department of Transportation					<u>-</u>	<u>95,822</u>			
<u>U.S. Department of Treasury</u>									
Coronavirus Relief Fund	21.019	COVID-19	State of Arizona Office of the Governor	ERMT-20-046		574,263	574,263	N/A	-
Total U.S. Department of Treasury					<u>-</u>	<u>574,263</u>			-
<u>The Institute of Museum and Library Services</u>									
COVID 19 Grants to States	45.310	COVID-19	Arizona Secretary of State	2020-0720-29		4,000	52,840	N/A	-
Grants to States	45.310		Arizona Secretary of State	2021-0010-InfoAcc-04; 2021-0260-IncEduc-06; 2020-0170-05	-	48,840	52,840	N/A	-
Total Institute of Museum and Library Services					<u>-</u>	<u>52,840</u>			-
<u>U.S. Election Assistance Commission</u>									
HAVA Selection Security Grants	90.404		Arizona Secretary of State	AZ18101001	-	7,140	7,140	N/A	-
Total U.S. Election Assistance Commission					<u>-</u>	<u>7,140</u>			-
<u>U.S. Department of Health and Human Services</u>									
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		Southeastern Arizona Governments Organization	None	-	102,809	102,809	Aging Cluster	102,809
Public Health Emergency Preparedness	93.069		Arizona Department of Health Services	ADHS17-133192	-	225,541	401,632	N/A	-
COVID-19 Public Health Emergency Preparedness	93.069	COVID-19	Arizona Department of Health Services	ADHS17-133192	-	145,232	401,632	N/A	-
Immunization Cooperative Agreements	93.268		Arizona Department of Health Services	ADHS18-77681	-	91,422	91,422	N/A	-
COVID-19 Community Services Block Grant	93.569	COVID-19	Arizona Community Action Program	None	-	6,554	6,554	N/A	-
Foster Care Title IV-E	93.658		Arizona Department of Child Safety	None		4,728	4,728	N/A	-
Preventive Health and Health Services Block Grant	93.991		Arizona Department of Health Services	2020-019		34,273	34,273	N/A	-
Maternal and Child Health Services Block Grant to the States	93.994		Arizona Department of Health Services	2020-039	-	68,970	68,970	N/A	-
Total U.S. Department of Health and Human Services					<u>-</u>	<u>679,529</u>			-
<u>U.S. Department of Homeland Security</u>									
Emergency Management Performance Grants	97.042		Arizona Department of Emergency and Military Affairs	EMF-2017-EP-00008	-	91,065	91,065	N/A	-
Homeland Security Grant Program	97.067		Arizona Department of Homeland Security	180416-01	-	9,130	9,130	N/A	-
Total U.S. Department of Homeland Security					<u>-</u>	<u>100,195</u>			-
Total expenditures of federal awards					<u>\$ 279,521</u>	<u>\$ 2,255,762</u>			

See Accompanying Notes to Schedule.

Greenlee County Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Note 1 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes Greenlee County's federal grant activity for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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 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 3 – Assistance Listing Number

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or the 2021 Federal Assistance Listings.

Note 4 - Indirect cost rate

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

Corrective Action Plan

DEREK D. RAPIER
County Administrator

BIANCA FIGUEROA
Clerk of the Board

(928) 865-2072
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BOARD OF SUPERVISORS
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CLIFTON, AZ 85533

DAVID GOMEZ
District 1

RON CAMPBELL
District 2

RICHARD LUNT
Chairman - District 3

Corrective Action Plan

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in Government Auditing Standards and by 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). Specifically, for each finding we are providing you with the name of the contact individual responsible for corrective action, the corrective action planned, and the anticipated completion date. The findings below are consistently numbered with the finding numbers assigned in the schedule of findings and questioned costs.

Financial Statement Findings

2021-001- Cash Monitoring and Reconciliations

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will develop a plan to reconcile funds monthly as opposed to annually to improve accuracy. The County is working with its accounting software vendor to attempt to find a way to IMPORT fiduciary bank account DATA managed by various County Offices into our accounting system. These accounts are under the exclusive control of the elected official to which they belong and currently reconciled monthly and approved by the Elected Official/Department Head. A copy of the bank statement and reconciliation is provided to the BOS office. The County's accounting system vendor has informed us that there is not a way to import these accounts to our total cash balance in the system. The county has inquired of other counties regarding this issue and discovered that they currently operate the same manner as Greenlee, and they likewise have not had success including their Fiduciary accounts into their accounting software. These accounts are managed by the respective offices, but the money held in these accounts does not belong to the County, but rather to individuals whose money is deposited into the account such as inmate commissary accounts or bond money posted by defendants. Because these funds are to be returned directly to the owner, the elected officials have retained operational control of these accounts.

Anticipated Completion Date: June 30, 2023

2021-002- Credit Card Approval and Purpose

Contact Name: Rene Ontiveros

Corrective Action Planned: In response to the FY2020 audit, Greenlee County updated its policy for approval of credit card use. However, due to the audit not having been completed until July 28, 2021, the new policy was not able to be implemented for FY2021. The new policy expands the individuals who can approve routine and small dollar purchases and the list of senior management personnel who can approve credit card usage. Senior management staff will still supervise daily routine and small dollar purchases. These changes will allow for a more timely and effective response to credit usage needs while still requiring approval from senior management staff. All credit card approval forms will be approved by signature of the listed senior management staff. This practice has been in place since December 2021.

Anticipated Completion Date: December 7, 2021

2021-003- Federal and State Grants and Contracts Reconciliations

Contact Name: Rene Ontiveros

Corrective Action Planned: Grants reviewed by the auditor demonstrate appropriate approval by the granting agencies in as much as submitted reports have been accepted and reimbursement has been received by the county. Nevertheless, to lessen the possibility of deficit funding or negative cash balances occurring, the finance department will require that each department or office that receives state or federal grants or contracts, at the time they apply for reimbursement of county funded expenditures, prepare a reconciliation record to be submitted to the county finance department., the reconciliation will account for all county funds paid for which reimbursement is requested along with all matching funds or resources provided by the county. This reconciliation will show use of funds by category such as wages, EREs, in kind use of employee time or equipment, etc. The categories of expenditures will be specific to each grant or contract as these categories will be different for each funding source. Supporting documentation for each reconciliation will be included such as reports, time sheets, equipment use, etc. These records and reconciliations should be kept with the grant applications or award notification for later review by either the finance department or auditors. the finance department will require that copies of reports or other documentation submitted online be printed or saved electronically by the office or department for future reference.

Anticipated Completion Date: June 30, 2023

Federal Award Findings and Questioned Costs

2021-101- Allowable Costs/Cost Principles (Material Weakness, Material Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Health and Human Services
Titles:	Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness
Assistance Listing Number:	93.069
Award numbers and years	ADHS17-133192 (COVID-19 and Non COVID-19); July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Department of Health Services
Compliance Requirements:	Allowable Costs/Cost Principles
Questioned Costs:	Unknown

Contact Name: Rene Ontiveros

Corrective Action Planned: The Health Department currently only has a consolidated time sheet to track time spent by each employee working on each federal grant or funding source. Because a more detailed system for tracking hours does not currently exist, the finance department will work with the Health Department to establish a time tracking system to account daily for time spend working on each individual program.

Anticipated Completion Date: June 30, 2023

2021-102- Reporting (Material Weakness, Material Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Health and Human Services
Titles:	Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness
Assistance Listing Number:	93.069
Award numbers and years	ADHS17-133192 (COVID-19 and Non COVID-19); July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Department of Health Services
Compliance Requirements:	Reporting
Questioned Costs:	Unknown

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will require that copies of all reports submitted semiannual and annual be printed or saved electronically and retained by each department. Previous reports had been submitted but the system did not allow these reports to be searched for and printed as requested.

Anticipated Completion Date: June 30, 2023

2021-103- Single Audit Reporting Package Not Filed Timely (Significant deficiency, Compliance Finding)

Federal program information:

Funding agencies:	U.S. Department of Treasury; U.S. Department of Health and Human Services
Titles:	COVID-19 Coronavirus Relief Fund; Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness Assistance Listing Number: 21.019; 93.069
Award numbers and years	ARMT-20-046; ADHS17-133192 (COVID-19 and Non COVID-19); March 1, 2020 through December 30, 2020; July 1, 2020 through June 30, 2021
Pass-through grantor	Arizona Office of the Governor; Arizona Department of Health Services
Compliance Requirements:	Reporting
Questioned Costs:	Not applicable

Contact Name: Rene Ontiveros

Corrective Action Planned: The county begins its single audit process each year within one month of the close of the previous fiscal year end close. The County will be more proactive when engaging in an interactive process when it's assigned auditor requests information and will do so much earlier in the process. This will help facilitate timely completion and submission of the single audit reporting package.

Anticipated Completion Date: March 31, 2023

DEREK D. RAPIER
County Administrator

BIANCA FIGUEROA
Clerk of the Board

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Summary Schedule of Prior Audit Findings

We have prepared the accompanying summary schedule of prior year findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs.

The findings below are numbered with the finding numbers assigned in the 2020 schedule of findings and questioned costs.

Financial Statement Finding

Finding 2020-001, 2019-001 – Cash Monitoring and Reconciliations

Status – Partially corrected.

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will develop a plan to reconcile funds monthly as opposed to annually to improve accuracy.

Anticipated Completion Date: June 30, 2023

Finding 2020-002 – Credit Card Approval and Purpose

Status – Not corrected.

Contact Name: Rene Ontiveros

Corrective Action Planned: The County's Senior Management will approve and sign all credit card usage request forms. This will add another layer of proof of approval for business transactions.

Anticipated Completion Date: June 30, 2023

Federal Award Finding

Finding 2020-101 – 10.665 Forest Service Schools and Roads, U.S. Department of Agriculture

Status – Not corrected.

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will develop a budget for the Public Works Road Department to specifically identify the use of Forest Service Schools and Roads funds distributed to the County. The County will create a function code that will be utilized to identify the transactions in relation to the budget created for the funds received.

Anticipated Completion Date: June 30,2023