

Greenlee County

Annual financial statement and compliance audits

The County's fiscal year 2022 reported financial information is reliable. However, the County's auditors reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.¹

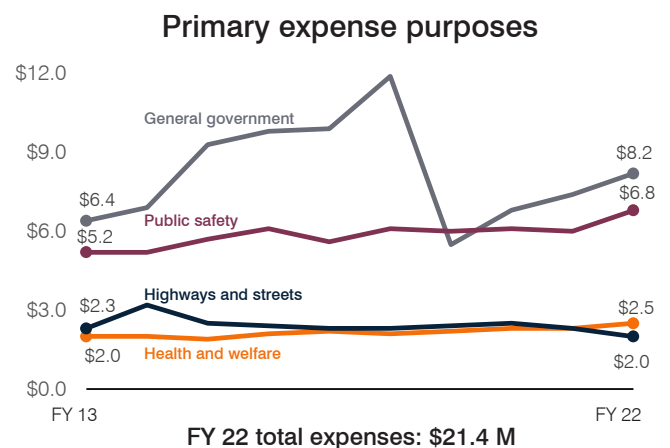
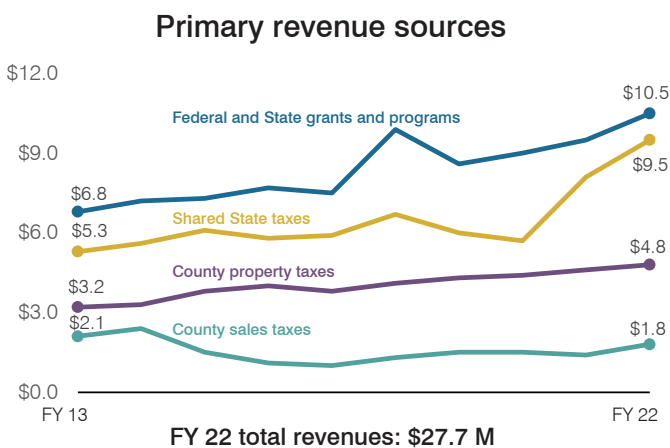
Audits' purpose

To express 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 37.9%**—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.
- **Shared State taxes 34.1%**—Comes from State sales and other shared taxes the State of Arizona collects and the Arizona State Treasurer distributes to the County based on the State's statutory distribution formulas.

Largest primary expense purposes FY 2022

- **General government 38.2%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections. Expenses were \$6.4 million less in FY 2019 than in FY 2018 primarily because pension benefit expense decreased, and these expenses have remained fairly consistent thereafter.
- **Public safety 31.6%**—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.

County's net position increased in FY 2022

County revenues were \$6.3 million greater than its expenses, increasing total net position to \$17.4 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, financed purchases, and accounts payable. Of the total net position, \$13.2 million is restricted by external parties or is not in spendable form, and the remaining \$4.2 million is unrestricted.

¹ The certified public accounting firm Snyder & Brown, CPAs, PLLC conducted these audits under contract with the Arizona Auditor General in accordance with Arizona Revised Statutes §41-1279.21.

Auditor findings and recommendations

Summarized below are the 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:

- Perform an analysis of all cash accounts held by the County Treasurer and other County departments and ensure that it records and reconciles all cash balances at least monthly and resolves any differences between the departmental records and the County's general ledger. The County's auditors found that the County Treasurer reconciled cash balances at year-end only rather than on a monthly basis throughout the fiscal year. Additionally, the County had not recorded cash balances held by the Courts totaling \$71,333 and other cash balances of the Sheriff's Commissary and various other accounts totaling \$60,594. The County's auditors reported a similar finding in the prior year.
- Analyze its procurement card policies and procedures to ensure they are comprehensive, communicate them to all County employees, and monitor compliance. The County's auditors found that it was not always evident that prior authorization had been obtained before making credit card purchases, as required by the County's policies and procedures. The County's auditors reported a similar finding in the prior year.
- Reconcile each federal award's revenues to its expenditures and award documentation to correctly report amounts on the County's federal awards schedule and to help ensure the County receives reimbursement for all allowable expenditures and avoids funding shortfalls. The County's auditors found that the County lacked procedures to ensure that all federal awards' revenues and expenditures are reconciled on a routine basis. The County's auditors reported a similar finding in the prior year.
- Develop and implement written policies and procedures to ensure that all federal program expenditures for the Forest Service Schools and Roads Cluster are budgeted, separately identifiable, and reviewed for allowability under federal program requirements. The County's auditors reported a similar finding in prior years.
- Monitor its federal awards and prepare the necessary documentation for audit in a timely manner to submit its single audit report within 9 months of fiscal year-end, or by March 31. The County's auditors found that the County experienced employee turnover in various departments and was unable to submit its single audit report for fiscal year 2022 by the federal deadline of March 31, 2023. The County's auditors reported a similar finding in the prior year.

Auditor General website report links

- The June 30, 2022, Greenlee County Annual 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 the County auditors' 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](#).