

**Greenlee County, Arizona**  
**Single Audit Reporting Package**  
**June 30, 2022**

**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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 8, 2024.

**Report on 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 basic 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 identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items **2022-001**, **2022-002** and **2022-003**, that we consider to be significant deficiencies.

## **Report on 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on Greenlee County's responses to the findings identified in our audit that 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 other 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  
January 8, 2024

**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**

**Opinion on each major federal program**

We have audited Greenlee County's compliance with the types of compliance requirements identified as subject to audit 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2022.

**Basis for opinion on each major federal program**

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the U.S. Comptroller General, 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 auditors' responsibilities for the audit of compliance section of our report.

We are required to be independent of the County 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 the County's compliance with the compliance requirements referred to above.

**Management's responsibilities 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 the County's federal programs.

### **Auditors' responsibilities for the audit of compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County'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 U.S. 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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. 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 the County'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 the County'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 the County's internal control over compliance. Accordingly, we express no such opinion.

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

### **Other matters**

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items **2022-101** and **2022-102**. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on internal control over compliance**

Our consideration of internal control over compliance was for the limited purpose described in the auditors' 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be 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 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 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2022-101** and **2022-102** to be significant deficiencies.

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.

### **County response to findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's responses to the noncompliance and internal control over compliance findings that 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 other 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 County's governmental activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 8, 2024, that contained unmodified opinions on those financial statements. Our audit was performed 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  
January 8, 2024

**Greenlee County, Arizona  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

**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? No

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>
10.665	Forest Service Schools and Roads Cluster	Unmodified
10.904	Watershed Protection and Flood Prevention	Unmodified
20.106	Airport Improvement Program	Unmodified
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds	Unmodified

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, 2022**

**Section II-Financial Statement Findings**

**2022-001- 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 2022, the following was noted with respect to cash monitoring and reconciliations:

- There was a total overall unreconciled and unresearched difference of \$23,525 between the calculated reconciled balance and the balance reported in the general ledger. Various cash balances by fund also differed between the Treasurer’s records and the County’s records at fiscal year-end. The cash reconciliations were also not performed monthly.
- The cash on deposit at the courts totaling \$71,333 and various other accounts totaling \$60,594, including the Sherriff’s Commissary fund 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. Because the cash is not recorded in the County’s general ledger and periodically reconciled, County management has indicated that the County does not have a full listing of the individuals for which the Sherriff’s Commissary funds are held.

*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 2021-001.

**Greenlee County, Arizona**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**2022-002- Credit Card Approval (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 2022 the County incurred approximately \$72,000 in credit card transactions. The County amended its credit card policy in December 2021 to indicate that prior approval of either the County Administrator, the Deputy County Administrator or the Chief Financial Officer (CFO) must be obtained before using the Visa credit card. Although the "Greenlee County Visa Charges" forms, which detailed the expenditure, were initialed by the CFO there was no support available to show that prior authorization had been obtained before making the credit card purchases.

*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 2021-002.

**Greenlee County, Arizona**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**2022-003- 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 for two programs on the originally provided Schedule of Expenditures of Federal Awards was necessary as the amounts were misstated by \$14,496 and \$24,323. In addition, audit adjustments to increase due from other governments totaling \$157,257 were proposed and recorded in the financial statements.

*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. It is also possible that allowable expenditures under the grants and contracts will not be 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.

This finding is similar to prior-year finding 2021-003.

**Greenlee County, Arizona  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

**Section III-Federal Award Findings and Questioned Costs**

**2022-101- Single Audit Reporting Package Not Filed Timely (Repeat Finding; Significant deficiency, Compliance Finding)**

*Federal program information:*

Funding agencies:	U.S. Department of Agriculture; U.S. Department of Transportation, U.S. Department of Treasury
Titles:	Forest Service Schools and Roads Cluster; Watershed Protection and Flood Prevention; Airport Improvement Program; Coronavirus State and Local Fiscal Recovery Funds.
Assistance Listing Number:	10.665; 10.904; 20.106; 21.027
Award numbers and years	None; NR209457XXXXC004; 3-04-0009-014-2020; None and GR-ARPA-GLCF-070121-01; July 1, 2021 through June 30, 2022; July 1, 2021 through June 30, 2022; July 1, 2021 through June 30, 2022; March 1, 2021 through December 31, 2024 and July 1, 2021 through June 30, 2022
Pass-through grantor	N/A; N/A; N/A; N/A and Arizona Office of the Governor
Compliance Requirements:	Reporting
Questioned Costs:	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.

*Condition:* The County did not submit its single audit reporting package or data collection form within the required deadline. This finding is similar to prior year finding 2021-103

*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 March 31, 2023.

*Auditors' Recommendations:* The County should monitor federal awards account reconciliations and the required documentation to ensure that all information is organized and available for subsequent review in a timely manner.

**Greenlee County, Arizona**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**2022-102- Allowable Costs/Cost Principles (Significant Deficiency, Compliance Finding)**

Federal program information:

Funding agencies:	U.S. Department of Agriculture
Titles:	Forest Service Schools and Roads Cluster
Assistance Listing Number:	10.665
Award numbers and years:	July 1, 2021 through June 30, 2022
Pass-through grantor	N/A
Compliance Requirements:	Allowable Costs/Cost Principles
Questioned Costs:	None

Criteria: The County received \$754,090 of Title I funding related to the Forest Service Schools and Roads Cluster. These funds are to be used for public roads and public schools of the County in which the national forest is situated. The Uniform Guidance requires nonfederal entities that receive federal funding to identify in its accounts the specific expenditures that are paid for by each federal assistance program.

Condition: During fiscal year 2022, \$454,089 of the grant funding was passed through to various schools located within the County and \$300,000 was transferred to the County's Road Fund. Sufficient expenditures appeared to have been incurred in the Road Fund during 2022 that were not funded by other sources to account for the allowable federal expenditures of this \$300,000. However, the County does not specifically identify the expenditures incurred that are being allocated to this federal funding.

Cause and Effect: The County has typically transferred these funds to the Road Fund and has assumed that all costs incurred within the Road Fund are allowable under the Schools and Roads-Grants to State program. Because these federal expenditures are not separately identified and budgeted each year, there is an increased possibility that federal expenditures could be used for unallowed purposes.

Auditors' Recommendations: The County should establish policies to ensure that all federal expenditures are budgeted and separately identifiable.

## **County's Section**

**Greenlee County Arizona**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

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
<b><u>U.S. Department of Agriculture</u></b>									
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		Arizona Department of Health Services	ADHS19-206550	\$ -	\$ 120,033	\$ 120,033	N/A	
Schools and Roads - Grants to States	10.665				454,089	754,090	754,090	Forest Service Schools and Roads Cluster	\$ 754,090
Watershed Protection and Flood Prevention	10.904				\$ -	259,583	\$ 259,583	N/A	
<b>Total U.S. Department of Agriculture</b>					<u>454,089</u>	<u>1,133,706</u>			
<b><u>U.S. Department of Justice</u></b>									
Edward Byrne Memorial Justice Assistance Grant Program	16.738		Arizona Criminal Justice Commission	DC-22-006; DC-22-025	-	37,435	37,435	N/A	-
<b>Total U.S. Department of Justice</b>					<u>-</u>	<u>37,435</u>			-
<b><u>U.S. Department of Transportation</u></b>									
Airport Improvement Program	20.106					194,705	194,705	N/A	-
State and Community Highway Safety	20.600		Governor's Office of Highway Safety	2021-PT-029; 2022-PTS-032		8,689	8,689	Highway Safety Cluster	8,689
<b>Total U.S. Department of Transportation</b>					<u>-</u>	<u>203,394</u>			-
<b><u>U.S. Department of Treasury</u></b>									
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19				516,669	604,972	N/A	-
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	State of Arizona Office of the Governor	GR-ARPA-GLCF-070121-01		88,303	604,972	N/A	-
<b>Total U.S. Department of Treasury</b>					<u>-</u>	<u>604,972</u>			-
<b><u>The Institute of Museum and Library Services</u></b>									
COVID 19 Grants to States	45.310	COVID-19	Arizona Secretary of State			18,954	80,233	N/A	-
Grants to States	45.310		Arizona Secretary of State	2121-ARPA-27 2021-0010-InfoAcc-04; 2021-0260-IncEduc-06; 2020-0170-05	-	61,279	80,233	N/A	-
<b>Total Institute of Museum and Library Services</b>					<u>-</u>	<u>80,233</u>			-
<b><u>U.S. Department of Health and Human Services</u></b>									
COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	COVID-19	Southeastern Arizona Governments Organization	None	-	48,438	48,438	Aging Cluster	48,438
Public Health Emergency Preparedness	93.069		Arizona Department of Health Services	CTR055376	-	181,750	181,750	N/A	-
Immunization Cooperative Agreements	93.268		Arizona Department of Health Services	ADHS18-77681	-	34,000	34,000	N/A	-
COVID-19 Epidemiology and laboratory capacity for infectious diseases	93.323	COVID-19	Arizona Department of Health Services	CTR05556		168,620	168,620	N/A	-
COVID-19 Public health emergency response	93.354	COVID-19	Arizona Department of Health Services	CTR055212		110,275	110,275	N/A	-
COVID-19 Community Services Block Grant	93.569	COVID-19	Arizona Community Action Program	None	-	21,480	21,480	N/A	-
Foster Care Title IV-E	93.658		Arizona Department of Child Safety	None		2,320	4,728	N/A	-
Social Services Block Grant	93.667		Southeastern Arizona Governments Organization	None		24,219	24,219	N/A	-
Maternal and Child Health Services Block Grant to the States	93.994		Arizona Department of Health Services	2020-039	-	78,494	78,494	N/A	-
<b>Total U.S. Department of Health and Human Services</b>					<u>-</u>	<u>669,596</u>			-
<b><u>U.S. Department of Homeland Security</u></b>									
Emergency Management Performance Grants	97.042		Arizona Department of Emergency and Military Affairs	EMF-2020-EP-00009	-	78,435	78,435	N/A	-
<b>Total U.S. Department of Homeland Security</b>					<u>-</u>	<u>78,435</u>			-
<b>Total expenditures of federal awards</b>					<u>\$ 454,089</u>	<u>\$ 2,807,771</u>			

See Accompanying Notes to Schedule.

**Greenlee County Arizona**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes Greenlee County's federal grant activity for the year ended June 30, 2022. 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 2022 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 CASTANEDA  
Clerk of the Board

(928) 865-2072  
FACSIMILE (928) 865-9332



BOARD OF SUPERVISORS  
P.O. BOX 908  
253 5<sup>TH</sup> STREET  
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

#### 2022-001- 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. The County will continue working to improve all the listed above in order to ensure all cash accounts are appropriately accounted for with the detail maintained.

Anticipated Completion Date: March 31, 2024

## **2022-002- Credit Card Approval**

Contact Name: Rene Ontiveros

Corrective Action Planned: The County has the required approval steps for credit card purchase use that will meet all angles of the approval process. There will also be a new form created to confirm these steps for approval in 2024.

Anticipated Completion Date: March 31, 2024

## **2022-003- 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. The County will continue working to improve all the listed above in order to help ensure that grants receivable amounts are correctly stated and to ensure an accurately reported Schedule of Expenditures of Federal Awards.

Anticipated Completion Date: March 31, 2024

## Federal Award Findings and Questioned Costs

### **2022-101- Single Audit Reporting Package Not Filed Timely (Repeat Finding; Significant deficiency, Compliance Finding)**

*Federal program information:*

Funding agencies:	U.S. Department of Agriculture; U.S. Department of Transportation, U.S. Department of Treasury
Titles:	Forest Service Schools and Roads Cluster; Watershed Protection and Flood Prevention; Airport Improvement Program; Coronavirus State and Local Fiscal Recovery Funds.
Assistance Listing Number:	10.665; 10.904; 20.106; 21.027
Award numbers and years	None; NR209457XXXXC004; 3-04-0009-014-2020; None and GR-ARPA-GLCF-070121-01; July 1, 2021 through June 30, 2022; July 1, 2021 through June 30, 2022; July 1, 2021 through June 30, 2022; March 1, 2021 through December 31, 2024 and July 1, 2021 through June 30, 2022
Pass-through grantor	N/A; N/A; N/A; N/A and Arizona Office of the Governor
Compliance Requirements:	Reporting
Questioned Costs:	Not applicable

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will continue to improve in providing financial statements and single audit report in a timely matter for submittal by required deadline.

Anticipated Completion Date: March 31, 2024

**2022-102- Allowable Costs/Cost Principles (Significant Deficiency, Repeat Finding; Compliance Finding)**

Federal program information:

Funding agencies:	U.S. Department of Agriculture
Titles:	Forest Service Schools and Roads Cluster
Assistance Listing Number:	10.665
Award numbers and years:	July 1, 2021 through June 30, 2022
Pass-through grantor	N/A
Compliance Requirements:	Allowable Costs/Cost Principles
Questioned Costs:	None

Contact Name: Rene Ontiveros

Corrective Action Planned: The County distributes a portion of the SRS funds to the Road department. These SRS budgeted funds are now tracked by a function code when utilized for upcoming road projects.

Anticipated Completion Date: March 31, 2024

DEREK D. RAPIER  
County Administrator

BIANCA CASTANEDA  
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. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

The findings below are numbered with the finding numbers assigned in the 2021 schedule of findings and questioned costs.

### Financial Statement Findings

#### **Finding 2021-001 (This finding initially occurred in fiscal year 2019) – Cash Monitoring and Reconciliations**

Status – not 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. 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. The County will continue working to improve all the listed above in order to ensure all cash accounts are appropriately accounted for with the detail maintained.

Anticipated Completion Date: March 31, 2024

**Finding 2021-002 (This finding initially occurred in fiscal year 2020) – Credit Card Approval and Purpose**

Status – not corrected

Contact Name: Rene Ontiveros

Corrective Action Planned: The County has an accurate system for approval process for use of the County credit card with supporting documentation. There will be a new form created that will satisfy the Auditors request/review for all areas.

Anticipated Completion Date: March 31, 2024

**Finding 2021-003 (This finding initially occurred in fiscal year 2021) - Federal and State Grants and Contracts Reconciliations**

Status – not corrected

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. The Health department has updated forms to show time worked for different programs. The County will continue working to improve all the listed above in order to meet auditor checkpoints required to agree with the reconciliation process..

Anticipated Completion Date: March 31, 2024

### **Federal Award Findings**

**Finding 2021-101 (This finding initially occurred in fiscal year 2021) – 93.069, Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness, U.S. Department of Health and Human Services**

Status – not corrected

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. The Health department will now create a form showing employees and assigned hours for each grant program assigned to position.

Anticipated Completion Date: March 31, 2024

**Finding 2021-102 (This finding initially occurred in fiscal year 2021) – 93.069, Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness, U.S. Department of Health and Human Services**

Status – not corrected

Contact Name: Rene Ontiveros

Corrective Action Planned: The County is keeping records of all reports submitted manually or electronically.

Anticipated Completion Date: March 31, 2024

**Finding 2021-103 (This finding initially occurred in fiscal year 2021) – 21.019, 93.069, COVID-19 Coronavirus Relief Fund, Public Health Emergency Preparedness and COVID-19 Public Health Emergency Preparedness, U.S. Department of Health and Human Services**

Status – not corrected

Contact Name: Rene Ontiveros

Corrective Action Planned: The County will continue to improve in providing financial statements and single audit report in a timely matter for submittal by required deadline.

Anticipated Completion Date: March 31, 2024



**Finding 2020-101 (This finding initially occurred in fiscal year 2020) – 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: March 31, 2024