The Arizona Auditor General created these reporting guidelines following the U.S. Government Accountability Office’s, U.S. Office of Management and Budget’s, and the American Institute of Certified Public Accountants’ authoritative literature. They include illustrative examples of schedules and disclosures as well as the auditors’ reports. The examples are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

When county management uses these guidelines, management agrees to take responsibility for ensuring that its schedules, disclosures, and responses follow applicable authoritative guidance.

This font signifies an instruction or explanation that should not appear in the final report.
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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

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1 When the Yellow Book report on internal control and on compliance is issued separately, move to the reports issued separately section at the bottom of the page.
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

Members of the Arizona State Legislature

The Board of Supervisors of __________ 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, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of __________ 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 __________. Modify as necessary to describe departures from the standard report. Use the following sentence to identify those component units, funds, organizations, functions, or activities audited by other auditors. (Our report includes a reference to other auditors who audited the financial statements of [identify name of component unit, fund, organization, function, or activity], as described in our report on the County’s financial statements.) Include the following sentence when the inclusion approach is used to include the results of the other auditors in the group auditors’ report on internal control over financial reporting and on compliance and other matters. 3, 4 (This report includes our consideration of the results of the other auditors’ testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the report(s) of the other auditors.)

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 on the effectiveness of the County’s internal control.

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1 Auditor’s contracted with the Arizona Auditor General should address to “The Arizona Auditor General.”
2 Modify as appropriate to conform with the auditors’ report issued for the financial statements.
3 The group auditor who refers to the work of other auditors in the report on an entity’s financial statements also should acknowledge the involvement of the other auditors in the Government Auditing Standards report on internal control over financial reporting and on compliance and other matters issued for that entity. The group auditor must use either the reference or inclusion options. The Office has chosen the inclusion option to include the results of the other auditors’ audit(s) in the group auditors’ Government Auditing Standards report on internal control over financial reporting and on compliance and other matters. However, contract auditors may use either the reference or inclusion options for reporting the results of other auditors. For additional guidance, see the AICPA Audit Guide, Government Auditing Standards and Single Audits, as of April 1, 2020, paragraphs 4.81 through 4.87 and the scope paragraph of example 4-6.
4 When a component auditor did not perform the audit under Government Auditing Standards, the component auditor will not issue the report Government Auditing Standards requires (that is, the report on internal control over financial reporting and on compliance and other matters). Instead, the component auditor will issue the communication AU-C §265 requires if there are significant deficiencies or material weaknesses that were identified. In this circumstance, the group auditor may be precluded from including the component auditor’s significant deficiencies and material weaknesses in the report on internal control over financial reporting and on compliance and other matters. See the AICPA Audit Guide, Government Auditing Standards and Single Audits, April 1, 2020, paragraphs 4.80 and 4.85, and footnote 49 to paragraph 4.85 for additional guidance.
Use the following paragraph when there are (1) no material weaknesses or significant deficiencies to report or (2) either material weaknesses or significant deficiencies are reported, but not both.

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.

Use the following paragraph when there are no material weaknesses or significant deficiencies to report.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we (and the other auditors) did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OR

Use the following paragraph when either material weaknesses or significant deficiencies are reported, but not both.

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 have not been identified. Use the following sentence when no material weaknesses are reported: Given these limitations, during our audit we (and the other auditors) did not identify any deficiencies in internal control that we consider to be material weaknesses. We (and the other auditors) did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs OR schedule of findings and recommendations as items list related finding reference numbers, that we consider to be material weaknesses OR significant deficiencies.

OR

Use the following 3 paragraphs when material weaknesses and significant deficiencies are reported.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs OR schedule of findings and recommendations, we (and the other auditors) did identify certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs OR schedule of findings and recommendations as items list related finding reference numbers to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs OR schedule of findings and recommendations as items list related finding reference numbers 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 (and those of the other auditors) disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. OR The results of our tests (and those of the other auditors) disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and that are described in the accompanying schedule of findings and questioned costs OR schedule of findings and recommendations as items list related finding reference numbers. See Government Auditing Standards, Chapter 6, for reporting criteria.

In the rare instance when a separate letter to management to communicate other matters is being issued, add the following: We also noted certain additional matters that we will report (reported) to the County’s management in a separate letter at a future date (dated __________).

Use the following heading and paragraph if any internal control or compliance findings are reported.

County response to findings

The 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
*Yellow Book report*

*Government Auditing Standards* in considering the County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey A. Perry, CPA, CFE
Auditor General

*Auditors’ report date; must be the same as the basic financial statements opinion date.*
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

Members of the Arizona State Legislature

The Board of Supervisors of __________ County, Arizona

Report on compliance for each major federal program

We have audited __________ 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. (, except for the list major federal program names and related Assistance Listings numbers of those programs audited by the other auditors major federal programs administered by the County’s list department, function, or activity of the County that administered those federal programs. Those major federal programs were audited by other auditors whose report(s) has (have) been furnished to us, and our opinion, insofar as it relates to those major federal programs’ compliance with the types of compliance requirements described in the OMB Compliance Supplement, is based solely on the report(s) of the other auditors.) The County’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Add a separate paragraph if the audit of federal awards does not encompass the entirety of the auditee’s operations expending federal awards to identify the operations not included in the auditee’s SEFA and data collection form (form SF-SAC) in accordance with 2 CFR §200.514(a). This may occur when a part of the auditee’s operations are not included on the SEFA and data collection form because those departments, agencies, or organizations have separate single audits that are submitted to the federal audit clearinghouse. In such situations, the auditor should follow the guidance in the AICPA Audit Guide, Government Auditing Standards and Single Audits, April 1, 2020, paragraphs 6.15 and 13.33.

Management’s responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ 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 U.S. generally accepted auditing standards; 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

Auditors contracted with the Arizona Auditor General should address to “The Arizona Auditor General.”
Uniform Guidance report

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 (and the report(s) of the other auditors) provide(s) a reasonable basis for our opinion on compliance for each major federal program OR 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.

Use the following heading and paragraph when issuing an unmodified opinion on compliance.

Opinion on each major federal program

In our opinion, (based on our audit and the report(s) of the other auditors,) 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 each of its major federal programs for the year ended June 30, 2021.

OR

Use the following 3 paragraphs and their headings when issuing a qualified opinion on compliance.

Basis for qualified opinion on (identify major federal program) 6

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding identify the major federal program and associated finding number(s) matched to the type(s) of compliance requirements. Compliance with such requirements is necessary, in our opinion, (based on our audit and the report(s) of the other auditors,) for the County to comply with the requirements applicable to that program.

Qualified opinion on (identify major federal program)

In our opinion, (based on our audit and the report(s) of the other auditors,) 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 identify the major federal program for the year ended June 30, 2021.

Unmodified opinion on each of the other major federal programs7

In our opinion, (based on our audit and the report(s) of the other auditors,) 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 each of its other major federal programs identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

6 The auditor may consider adding a table to more clearly communicate the basis for the qualified opinion(s) such as follows:

| Program (or cluster) name | Assistance Listings number(s) | Compliance requirement | Finding number |

7 There is nothing to preclude the auditor from including the names of the federal programs for which the auditor is providing an unmodified opinion in the heading or in the opinion paragraph itself.
Use the following heading and paragraph when compliance findings are reported that did not result in a qualified opinion on the program.

Other matters

The results of our auditing procedures disclosed (other) 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 list related finding reference numbers. Our opinion on each major federal program is not modified with respect to these matters.

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.

Use the following paragraph when there are (1) no material weaknesses or significant deficiencies to report or (2) either material weaknesses or significant deficiencies are reported, but not both.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Use the following paragraph when there are no material weaknesses or significant deficiencies to report.

Our consideration of internal control over compliance was for the limited purpose described in the first 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. We (and the report(s) of the other auditors) did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OR
Uniform Guidance report

Use the following paragraph when either material weaknesses or significant deficiencies are reported, but not both.

Our consideration of internal control over compliance was for the limited purpose described in the first 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. Use the following sentence when no material weaknesses are reported: We (and the report(s) of the other auditors) did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We (However, we) (and the report(s) of the other auditors) did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items list related finding reference numbers, that we consider to be material weaknesses OR significant deficiencies.

OR

Use the following 3 paragraphs when material weaknesses and significant deficiencies are reported.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items list related finding reference numbers 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items list finding reference numbers to be significant deficiencies.

Use the following paragraph in all reports

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

The 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 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, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information 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 ____________, that contained unmodified opinions on those financial statements. Modify as necessary. (Our report also included a reference to our reliance on other auditors.) Modify as necessary and describe any additional departures from the standard report. 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 (by us and the other auditors). In our opinion, (based on our audit, the procedures performed as described previously, and the report(s) of the other auditors,) the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey A. Perry, CPA, CFE
Auditor General

Auditors’ report date. The auditors’ Uniform Guidance report should be dated when the procedures to satisfy the federal compliance audit requirements are completed. See the AICPA Audit Guide, Government Auditing Standards and Single Audits for additional guidance.

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8 Modify as appropriate to conform with the auditors’ report issued for the financial statements.
9 Only make reference to the other auditors in the auditors’ report on the schedule of expenditures of federal awards (SEFA) when the other auditors specifically audited amounts or disclosures reported in the SEFA. Omit parenthetical phrase if not referring to other auditors.
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, Qualified, Adverse, Disclaimer

Internal control over financial reporting

Material weaknesses identified? Yes/No

Significant deficiencies identified? Yes/None reported

Noncompliance material to the financial statements noted? Yes/No

Federal awards

Internal control over major programs

Material weaknesses identified? Yes/No

Significant deficiencies identified? Yes/None reported

Type of auditors’ report issued on compliance for major programs

Unmodified, Qualified, Adverse, Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes/No

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10As explained in the AICPA Audit and Accounting Guide, State and Local Governments, the auditor generally expresses or disclaims an opinion on a government’s basic financial statements by providing an opinion or disclaimer of opinion on each opinion unit required to be presented in those financial statements. Therefore, there could be multiple responses to this question for audits of a government’s basic financial statements. For example, if the auditors’ report was unmodified for the District’s business-type activities and adverse for the discretely presented component unit, the response to this question could be as follows: “Unmodified opinion for the business-type activities and adverse opinion for the discretely presented component unit.”

11If the audit report for 1 or more major programs is other than unmodified, indicate the type of report issued for each program. For example, if the audit report on major program compliance for an auditee having 5 major programs includes an unmodified opinion for 3 of the programs, a qualified opinion for 1 program, and a disclaimer of opinion for 1 program, the response to this question could be as follows: “Unmodified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer.”
County
Schedule of findings and questioned costs
Year ended June 30, 2021

Identification of major programs  Major programs should generally be identified in the same order as reported on the schedule of expenditures of federal awards (SEFA). In the case of a program cluster, only the cluster name as shown on the SEFA is required.

<table>
<thead>
<tr>
<th>Assistance Listings number</th>
<th>Name of federal program or cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs  $_______

Auditee qualified as low-risk auditee?  Yes/No
Financial statement findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, instances of noncompliance, abuse, and other matters related to the basic financial statements that are required to be reported in accordance with Government Auditing Standards.

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

When there are no financial statement findings to report, add “None reported.” However, when the Government Auditing Standards report on internal control over financial reporting and on compliance and other matters has been issued separately, include the following:

Financial statement findings were reported in the separately issued 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.

OR

Use the following paragraph when the Government Auditing Standards report on internal control over financial reporting and on compliance was issued separately and no findings over financial reporting were included in that separately issued report. The 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 was separately issued.

2021-01
Subject heading

Condition— Condition is a situation that exists. The condition is determined and documented during the audit. GAS 6.26

Effect— The effect or potential effect is the outcome or consequence resulting from the difference between the condition and the criteria. GAS 6.28

Cause— The cause is the factor or factors responsible for the difference between the condition and the criteria, and may also serve as a basis for recommendations for corrective actions. GAS 6.27

Criteria— Criteria identify the required or desired state or expectation with respect to the program or operation. GAS 6.25

Recommendations— Describe the suggested corrective action.
The County’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

Add the following as applicable. The Uniform Guidance requires identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, any applicable prior year audit finding numbers. [2 CFR §200.516(b)(8)]
This finding is similar to prior-year finding 20XX-XX.

Other auditors’ financial statement findings

When including other auditors’ findings in the principal auditors’ GAGAS report on internal control over financial reporting and on compliance and other matters, add the following sentence and the related other auditors’ findings.12

The other auditors who audited the (identify component unit, fund, organization, function, or activity) of the County reported the following findings.

2021-01 (Number other auditors’ findings in sequence with the principal auditors’ findings.)
Subject heading

(Add other auditors’ finding text)

Federal award findings and questioned costs

This section identifies material weaknesses, significant deficiencies, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by 2 CFR §200.516(a).

Audit findings that relate to both the financial statements and federal awards should be reported in both sections. However, the reporting in one section may be in summary form with a reference to a detailed reporting in the other section of the schedule.

When there are no material weaknesses, significant deficiencies, or instances of noncompliance related to federal programs, add “None reported.”

12 The other auditors’ findings that meet the reporting criteria for inclusion in the GAGAS report on internal control over financial reporting and on compliance and other matters should be included as reported in their audit reports without modification, except to clearly identify the County’s functions or activities that those findings pertain to. However, when we review the other auditors’ findings prior to their issuance and note required elements are missing, the other auditors should be notified and their findings should be modified accordingly before inclusion.
Schedule of findings and questioned costs
Year ended June 30, 2021

2021-101

Cluster name *(Delete row if not applicable)*
Assistance Listings number(s) and name
Award numbers and years
Federal agency
Pass-through grantor *(Delete row if not applicable)*
Compliance requirements
Questioned costs *(Known questioned costs must be identified by applicable Assistance Listings numbers and applicable federal award identification numbers.)*

Condition— The condition found, including facts that support the deficiency identified in the audit finding. 2 CFR §200.516(b)(3)

Effect— The possible asserted effect to provide sufficient information to the auditee and federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action. A statement of the effect or potential effect should provide a clear, logical link to establish the impact or potential impact of the difference between the condition and the criteria. 2 CFR §200.516(b)(5)

Cause— A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action. 2 CFR §200.516(b)(4)

Criteria— The criteria or specific requirement upon which the audit finding is based, including the federal statutes, regulations, or the terms and conditions of the federal awards. Criteria generally identify the required or desired state or expectation with respect to the program or operation. Criteria provide a context for evaluating evidence and understanding findings. 2 CFR §200.516(b)(2)

Recommendations— Recommendations to prevent future occurrences of the deficiency identified in the audit finding. 2 CFR §200.516(b)(9)

The County’s corrective action plan at the end of this report includes the views and planned corrective action of its responsible officials. We are not required to and have not audited these responses and planned corrective actions and therefore provide no assurances as to their accuracy.

Add the following as applicable. The Uniform Guidance requires identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, any applicable prior year audit finding numbers. [2 CFR §200.516(b)(8)]
This finding is similar to prior-year finding 20XX-1XX.
### Schedule of expenditures of federal awards

**Year ended June 30, 2021**

<table>
<thead>
<tr>
<th>Federal agency/Assistance Listings number</th>
<th>Federal program name</th>
<th>Cluster title</th>
<th>Pass-through grantor</th>
<th>Pass-through grantor’s number(s)</th>
<th>Program expenditures</th>
<th>Amount provided to subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 553</td>
<td>School Breakfast Program</td>
<td>Child Nutrition Cluster</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 555</td>
<td>National School Lunch Program</td>
<td>Child Nutrition Cluster</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Child Nutrition Cluster</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 557</td>
<td>WIC Special Supplemental Nutrition Program for Women, Infants, and Children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Department of Agriculture</td>
<td></td>
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<td><strong>Department of Housing and Urban Development</strong></td>
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<tr>
<td>14 218</td>
<td>Community Development Block Grants/Entitlement Grants Cluster</td>
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<td>14 871</td>
<td>Section 8 Housing Choice Vouchers Housing Voucher Cluster</td>
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<td>Total Department of Housing and Urban Development</td>
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<td><strong>Department of Justice</strong></td>
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<tr>
<td>16 575</td>
<td>Crime Victim Assistance</td>
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<td>16 576</td>
<td>Crime Victim Compensation</td>
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<td>16 738</td>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td></td>
<td></td>
<td>Arizona Criminal Justice Commission</td>
<td>XXXX</td>
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<tr>
<td>16 738</td>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
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<td>Arizona Criminal Justice Commission</td>
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<td>Total 16.738</td>
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<td>16 unknown</td>
<td>DEA Task Force</td>
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<td>Total Department of Justice</td>
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<td><strong>Department of Labor</strong></td>
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<tr>
<td>17 258</td>
<td>WIOA Adult Program</td>
<td>WIOA Cluster</td>
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<td>17 259</td>
<td>WIOA Youth Activities</td>
<td>WIOA Cluster</td>
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<td>17 278</td>
<td>WIOA Dislocated Worker Formula Grants</td>
<td>WIOA Cluster</td>
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<td>Total WIOA Cluster</td>
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<td>Total Department of Labor</td>
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<td><strong>Department of Transportation</strong></td>
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<td>20 205</td>
<td>Highway Planning and Construction</td>
<td>Highway Planning and Construction Cluster</td>
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<td>20 600</td>
<td>State and Community Highway Safety</td>
<td>Highway Safety Cluster</td>
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<td>Total Department of Transportation</td>
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<td><strong>Department of Homeland Security</strong></td>
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<tr>
<td>97 067</td>
<td>Homeland Security Grant Program</td>
<td></td>
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<tr>
<td></td>
<td>Total expenditures of federal awards</td>
<td></td>
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</tr>
</tbody>
</table>

**With the exception of program clusters, programs should be listed in Assistance Listings number order. In addition, when there are multiple listings for the same Assistance Listings number, a total for the Assistance Listings number needs to be presented. Also, for a program cluster provide the total for the cluster.**
Identification of COVID-19 Related Awards on the SEFA and SF-SAC

As described in 2 CFR section 200.510(b), auditees must complete the SEFA and include Assistance Listing numbers when reporting their federal awards and subawards. To maximize the transparency and accountability of COVID-19 related award expenditures, OMB M-20-26 (June 18, 2020) instructed recipients and subrecipients to separately identify the COVID-19 Emergency Acts expenditures on the Schedules of Expenditures of Federal Awards. Therefore, non-federal entities should separately identify COVID-19 expenditures on the SEFA and SF-SAC. For existing programs that have both COVID-19 expenditures and non-COVID-19 expenditures, this may be accomplished by identifying COVID-19 expenditures on the:

- **SEFA** – On a separate line by Assistance Listing number with “COVID-19” as a prefix to the program name. For example:
  - COVID-19 – Temporary Assistance for Needy Families – 93.558 – $1,000,000
  - Temporary Assistance for Needy Families – 93.558 – $3,000,000
  - Total – Temporary Assistance for Needy Families – 93.558 – $4,000,000

- **SF-SAC** – On a separate row by Assistance Listing number with “COVID-19” as the first characters in Part II, Item 1c, Additional Award Information. Example:

<table>
<thead>
<tr>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
<th>e</th>
<th>f</th>
<th>g</th>
<th>h</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row Number (auto-generated)</td>
<td>Assistance Listing #</td>
<td>Assistance Listing Name</td>
<td>Additional Award Identification</td>
<td>Federal Program Name</td>
<td>Amount Exchanged</td>
<td>Cluster Name</td>
<td>Cluster Total (auto-generated)</td>
</tr>
<tr>
<td>1</td>
<td>93</td>
<td>558</td>
<td>COVID-19</td>
<td>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES</td>
<td>$3,000,000.00</td>
<td>$4,000,000.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>93</td>
<td>558</td>
<td>COVID-19</td>
<td>TEMPORARY ASSISTANCE FOR NEEDY FAMILIES</td>
<td>$1,000,000.00</td>
<td>$4,000,000.00</td>
<td></td>
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<tr>
<td>Total Federal Awards Expended</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,000,000.00</td>
</tr>
</tbody>
</table>
The schedule of expenditures of federal awards at a minimum must include the following:

1. **Individual federal programs by federal agency.** For clusters of federal programs, provide the cluster name, list the individual federal programs within the cluster, and provide the applicable federal agency name.

2. **For federal awards received as a subrecipient, the name of the pass-through grantor entity and identifying number the pass-through entity assigned.**

3. **Total federal awards expended for each individual federal program and the associated Assistance Listings number or other identifying number when the Assistance Listings number is not available.** Also, for a federal program cluster, provide the total for the cluster. Note that under the Uniform Guidance, all noncash awards must be presented on the schedule’s face.

4. **Amount of federal awards expended for loan or loan guarantee programs.** For the basis for determining federal awards expended for these programs, see Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.502.

5. **Total amount provided to subrecipients from each federal program.** Note that under the Uniform Guidance, amounts provided to subrecipients must go on the face of the schedule.

See paragraph 7.08 in the AICPA Audit Guide, Government Auditing Standards and Single Audits, dated April 1, 2020, for more information.

*Note that the SEFA schedule and related notes can be automatically generated after completing the Federal Audit Clearing House’s Internet Data Entry System (IDES) SF-SAC (i.e., the data collection form).*
Notes to schedule of expenditures of federal awards
Year ended June 30, 2021

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (schedule) includes 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.

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Modify if presenting all or certain expenditures on another 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 - Federal Assistance Listings number

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2021 Federal Assistance Listings. When no Federal Assistance Listings number had been assigned to a program, the 2-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the 2-digit federal agency identifier and the word “unknown” were used. Modify accordingly.

Note 4 - Indirect cost rate

The County elected (did not elect) to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

Note 5 - Donated personal protective equipment (PPE)

Nonfederal entities that received donated PPE without any compliance or reporting requirements or Assistance Listing number should disclose the fair market value of the PPE at the time of receipt as a stand-alone footnote accompanying their SEFA. The amount of donated PPE should not be counted for purposes of determining the threshold for a single audit or determining the type A/B threshold for major programs and is not required to be audited as a major program (Office of Management and Budget [OMB] Memorandum M-20-20 and 2021 OMB Compliance Supplement, 8-VII-2).
Sample transmittal letter for the auditee’s corrective action plan.

(Letterhead)

Date

Lindsey A. Perry
Arizona Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Perry:

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. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

County representative’s name
Title
Financial statement findings

2021-01

Subject heading
Name(s) of contact person(s)
Anticipated completion date:

Describe the corrective action planned.

Omit the above section when there were no financial statement findings reported. However, when the Government Auditing Standards report on internal control over financial reporting and on compliance and other matters has been issued separately and included financial statement findings, include the following:

The corrective action plan for financial statement findings was included in the separately issued 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.

Federal award findings and questioned costs

2021-101

Assistance Listings number and program name:
Name(s) of contact person(s)
Anticipated completion date:

Describe the corrective action planned.

If the County does not agree with an audit finding or believes corrective action is not required, then its corrective action plan must include an explanation and specific reasons why it does not agree with the finding or believes corrective action is not required. Uniform Guidance §200.511(c)

When the audited entity’s comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, the auditors should evaluate the validity of the audited entity’s comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement. Conversely, the auditors should modify their report as necessary if they find the comments valid and supported by sufficient, appropriate evidence. Government Auditing Standards, paragraph 6.59
Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings as required 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. 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.

Sincerely,

County representative’s name
Title
County
Summary schedule of prior audit findings
Year ended June 30, 2021

For each finding in this Schedule:
- If the status is fully corrected, no further explanation is necessary.
- If the status is partially corrected, the County should describe the reasons for the finding’s recurrence, the partial action taken, and the remaining planned action.
- If the status is not corrected, the County should describe the reasons for the finding’s recurrence and the planned action.
- If the County took corrective action that was significantly different from the corrective action it previously reported in a corrective action plan or in a federal agency’s or pass-through entity’s management decision, the County should explain the action taken and why it was different.
- If the County believes the finding is no longer valid or does not warrant further action, it should describe the reasons for this position. A valid reason for considering an audit finding as not warranting further action is that all of the following have occurred:
  - Two years have passed since the County submitted the audit report in which the finding occurred to the Federal Audit Clearinghouse.
  - A federal agency or pass-through entity is not currently following up with the auditee on the audit finding.
  - A federal agency or pass-through entity did not issue a management decision.

Status of financial statement findings

Subject heading
Finding number: Use itemized number from most recent prior year report – list only the most recent prior year’s finding number. Further, the County should also disclose the initial year this finding occurred in accordance with 2 CFR 200.511(a). This finding initially occurred in fiscal year 20XX.

Status: Choose one of the following: Fully corrected, partially corrected, not corrected, significantly different corrective action, or no longer valid.

Explanation, if required.

Status of federal award findings and questioned costs

Assistance Listings number and program name:
Finding number: Use itemized number from most recent prior year report – list only the most recent prior year’s finding number. Further, the County should also disclose the initial year this finding occurred in accordance with 2 CFR 200.511(a). This finding initially occurred in fiscal year 20XX.

Status: Choose one of the following: Fully corrected, partially corrected, not corrected, significantly different corrective action, or no longer valid.

Explanation, if required.