

**Coconino County, Arizona**  
**Single Audit Reporting Package**

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*Year Ended June 30, 2011*

**Coconino County, Arizona**  
Single Audit Reports  
Year Ended June 30, 2011  
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**Annual Financial Report**

Issued separately

**Single Audit Section**

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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 Auditor General of the State of Arizona

The Board of Supervisors of  
Coconino County, Arizona

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County, Arizona as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22, 2011. We conducted our audit 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.

**Internal Control over Financial Reporting**

The County's management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of 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 determination of financial statement amounts. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as an item 11-01.

Coconino County's response to the finding identified in our audit is presented on page 13. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink that reads "Fester & Chapman P.C." The signature is written in a cursive, flowing style.

December 22, 2011

**Independent Auditors' Report on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on  
Internal Control over Compliance in Accordance with OMB Circular A-133**

The Auditor General of the State of Arizona

The Board of Supervisors of  
Coconino County, Arizona

**Compliance**

We have audited Coconino County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Coconino 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, 2011.

**Internal Control over Compliance**

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2011, and have issued our report thereon dated December 22, 2011. 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 OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, others within the County, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink that reads "Fester & Chapman P.C." The signature is written in a cursive, slightly slanted style.

February 23, 2012, except for the Schedule of Expenditures of Federal Awards, for which the date is December 22, 2011.

Coconino County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number (Note 2)	Pass-Through Grantor's Number	Expenditures
<b>U.S. Department of Agriculture</b>			
Food Donation, passed through the Arizona Department of Education	10.550	ED09-001	\$ 6,135
Child Nutrition Cluster, passed through the Arizona Department of Education			
School Breakfast Program	10.553	ED09-001	10,991
National School Lunch Program	10.555	ED09-001	16,999
Total Child Nutrition Cluster			<u>27,990</u>
Special Supplemental Nutrition Program for Women, Infants and Children, passed through the Arizona Department of Health Services	10.557	HG861083, HG050271, HG961187	791,233
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, passed through the Arizona Department of Health Services	10.561	HI050075	455,069
Commodity Supplemental Food Program, passed through the Arizona Department of Health Services	10.565	HG861147	10,685
WIC Farmers' Market Nutrition Program (FMNP), passed through the Arizona Department of Health Services	10.572	HG861330, HG050271	778
Cooperative Forestry Assistance, passed through the Arizona State Land Department	10.664	SFA 08-001, SFA 09-001, WFHF 09-023	219,454
Secure Payments for States and Counties Containing Federal Lands, passed through the Arizona State Treasurer	10.665	None	4,037,454
Emergency Watershed Protection Program	10.923		244,012
Total U.S. Department of Agriculture			<u>5,792,810</u>
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grants/Entitlement Grants, passed through the City of Flagstaff	14.218	B10-MC-05-0510, B09-MC-04-0150	143,804
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, passed through the Arizona Department of Housing	14.228	160-09, 142-10, 141-10	247,054
Emergency Shelter Grants Program, passed through the Arizona Department of Economic Security	14.231	E6306011	13,246
ARRA Homeless Prevention and Rapid Re-Housing Program Technical Assistance, passed through the Arizona Department of Housing	14.262	505-10	408,697
ARRA Homeless Prevention and Rapid Re-Housing Program Technical Assistance, passed through the City of Flagstaff	14.262	B-09-MY-04-0510	13,555
Total CFDA 14.262			<u>422,252</u>
Total U.S. Department of Housing and Urban Development			<u>826,356</u>
<b>U.S. Department of the Interior</b>			
Payments in Lieu of Taxes	15.226		<u>1,561,960</u>
<b>U.S. Department of Justice</b>			
DEA Marijuana Eradication in Northern Arizona	16.unknown		2,492
Juvenile Accountability Block Grants, passed through the Arizona Governor's Division for Children	16.523	JB-CSG-10-1273-0, JB-CSA-09-9273-01, JB-CSA-11-1273-02	26,753
Missing Children's Assistance, passed through the City of Phoenix Police Department	16.543	2009-MC-CX-K013	12,518
Title V-Delinquency Prevention Program, passed through the Governor's Office for Children, Youth and Families	16.548	11-CSG-11-1365-01	24,950
National Criminal History Improvement Program (NCHIP), passed through the Arizona Criminal Justice Commission	16.554	NCP09-10-115	3,054
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		50,729
Crime Victim Compensation, passed through the Arizona Criminal Justice Commission	16.576	VC10-051, VC11-051	47,480
Residential Substance Abuse Treatment for State Prisoners, passed through the Arizona Criminal Justice Commission	16.593	RSAT-11-002	34,344
State Criminal Alien Assistance Program	16.606		27,671
Bulletproof Vest Partnership Program	16.607		5,595
Public Safety Partnership and Community Policing Grants	16.710		24,958

See accompanying notes to schedule.

Coconino County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number (Note 2)	Pass-Through Grantor's Number	Expenditures
<b>JAG Program Cluster</b>			
Edward Byrne Memorial Justice Assistance Grant Program, passed through the City of Flagstaff	16.738	2009-G8721-AZ-DJ, 2010-DJ-BX-0931	\$ 25,015
ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, passed through the Arizona Criminal Justice Commission	16.803	CRI09-10-116	78,221
ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units Of Local Government, passed through the City of Flagstaff	16.804	2009-F3272-AZ-SU	1,060
ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units Of Local Government, passed through the Arizona Criminal Justice Commission	16.804	DC-10-045	146,080
Total CFDA 16.804			<u>147,140</u>
Total JAG Program Cluster			<u>250,376</u>
Total U.S. Department of Justice			<u>510,920</u>
<b>U.S. Department of Labor</b>			
WIA Cluster:			
WIA Adult Program, passed through the Arizona Department of Economic Security	17.258	DE101044001, DE111005001	230,373
ARRA-WIA Adult Program, passed through the Arizona Department of Economic Security	17.258	DE091199001	792
Total CFDA 17.258			<u>231,165</u>
WIA Youth Activities, passed through the Arizona Department of Economic Security	17.259	DE081291001, DE101044001	318,822
ARRA-WIA Youth Activities, passed through the Arizona Department of Economic Security	17.259	DE111005001, DE091199001	401,332
Total CFDA 17.259			<u>720,154</u>
WIA Dislocated Workers, passed through the Arizona Department of Economic Security	17.260	DE101044001	208,761
ARRA - WIA Dislocated Workers, passed through the Arizona Department of Economic Security	17.260	DE111005001, DE091199001	20,043
Total CFDA 17.260			<u>228,804</u>
Total WIA Cluster			<u>1,180,123</u>
Youthbuild, passed through the Arizona Department of Economic Security	17.274	YB-16889-08-60-A-4	10,701
Total U.S. Department of Labor			<u>1,190,824</u>
<b>U.S. Department of Transportation</b>			
Highway Planning and Construction, passed through Arizona Department of Transportation	20.205	JPA 10-002T, JPA 10-1841, ER-CCN-0(210)A	1,319,836
State and Community Highway Safety, passed through Governor's Office of Highway Safety	20.600	2010-OP-004, 2011-PT-007, 2011-OP-004	31,738
Total U.S. Department of Transportation			<u>1,351,574</u>
<b>U.S. Department of Energy</b>			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128		<u>163,489</u>
<b>U.S. Department of Education</b>			
Title I State Agency Program for Neglected and Delinquent Children, passed through the Arizona Supreme Court	84.013	29896	27,511
Special Education Cluster (IDEA)			
Special Education - Grants to States, passed through the Arizona Department of Education	84.027	10FESSCG-060594-04A, 10FESCBG-060594-03A, 11FESSCG-160594-03A	31,525
ARRA Special Education Grants to States, Recovery Act, passed through the Arizona Department of Education	84.391	11FESAIG-160594-04A	4,278
Total Special Education Cluster (IDEA)			<u>35,803</u>

See accompanying notes to schedule.

Coconino County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number (Note 2)	Pass-Through Grantor's Number	Expenditures
English Language Acquisition Grants, passed through the Arizona Department of Education	84.365	11FACENG-170669-02A	\$ 16,299
Mathematics and Science Partnerships, passed through the Arizona Department of Education	84.366	11FSAPC2-170669-04A, 10FSDPPR-070669-02A, 10FSDPPR-070669-03A, 11FSDPRC-170669-03A, 11FAAAZE-170669-01A	611,056
Improving Teacher Quality State Grants, passed through the Arizona Department of Education	84.367	10FAAAZE-070669-01A	16,222
Improving Teacher Quality State Grants, passed through the Arizona Supreme Court	84.367	29896	5,259
Total CFDA 84.367			<u>21,481</u>
ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services, Recovery Act, passed through the Governor's Office of Economic Recovery	84.397	OER- 11-IGA-GS-137, OER-11-IGA-GS-29, OER-11-IGA-GS-237	471,039
Total U.S. Department of Education			<u>1,183,189</u>
<b>Elections Assistance Commission</b>			
Help America Vote Act Requirements Payments, passed through the Arizona Secretary of State	90.401	None	9,501
<b>U.S. Department of Health and Human Services</b>			
Nutrition Services Incentive Program, passed through the Northern Arizona Council of Governments	93.053	866000441BA	168,906
Public Health Emergency Preparedness, passed through the Arizona Department of Health Services	93.069	HG754194	542,615
Family Planning Services, passed through the Arizona Family Planning Council	93.217	None	188,448
Immunization Cluster			
Immunization Grants, passed through the Arizona Department of Health Services	93.268	HG854283	35,325
ARRA - Immunization, passed through the Arizona Department of Health Services	93.712	HG854283	22,632
Total Immunization Cluster			<u>57,957</u>
Substance Abuse and Mental Health Services-Access to Recovery, passed through the Governor's Office for Children, Youth and Families	93.275	AR-GSA-09-9273-04	65,502
Temporary Assistance for Needy Families, passed through the Arizona Department of Economic Security	93.558	E6306011	143,845
Child Support Enforcement, passed through the Arizona Department of Economic Security	93.563	DE111169001	25,680
Low-Income Home Energy Assistance, passed through the Arizona Department of Economic Security	93.568	E6306011	577,747
CSBG Cluster			
Community Services Block Grant, passed through the Arizona Department of Economic Security	93.569	E6306011	157,649
ARRA - Community Services Block Grant, passed through the Department of Economic Security	93.710	E6306011	10,565
Total CSBG Cluster			<u>168,214</u>
Grants to States for Access and Visitation Programs, passed through the Arizona Department of Economic Security	93.597	DE111144001	20,801
Social Services Block Grant, passed through the Northern Arizona Council of Governments	93.667	866000441ba	54,753
Social Services Block Grant, passed through the Arizona Department of Economic Security	93.667	E6306011	40,356
Total CFDA 93.667			<u>95,109</u>
HIV Care Formula Grants, passed through the Arizona Department of Health Services	93.917	HP652141-003, ADHS11-004698	40,663
HIV Prevention Activities - Health Department Based, passed through the Arizona Department of Health Services	93.940	HG852279	17,070
Preventive Health and Health Services Block Grant, passed through the Arizona Department of Health Services	93.991	HG854370	83,623

See accompanying notes to schedule.

Coconino County  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

<u>Federal Grantor/Program Title/Pass-Through Grantor</u>	<u>CFDA Number (Note 2)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	H959209, HG854242, HP961245-002, HG754060-006	\$ 264,590
Total U.S. Department of Health and Human Services			<u>2,460,770</u>
<b>Corporation for National and Community Service</b>			
AmeriCorps	94.006		527,343
ARRA - AmeriCorps	94.006		10,611
AmeriCorps, passed through the Arizona Governor's Office for Children, Youth and Families	94.006	AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08	531,700
AmeriCorps, passed through The Corps Network	94.006	07NDHDC0020005	52,502
ARRA - AmeriCorps, passed through The Corps Network	94.006	09RNHDC011	4,877
Total CFDA 94.006			<u>1,127,033</u>
Total Corporation for National and Community Service			<u>1,127,033</u>
<b>U.S. Department of Homeland Security</b>			
Emergency Food and Shelter National Board Program, passed through the Emergency Food and Shelter Program	97.024	None	12,930
Disaster Grants - Public Assistance (Presidentially Declared Disasters), passed through the Arizona Department of Emergency and Military	97.036	None	3,603,258
Emergency Management Performance Grants, passed through the Arizona Department of Emergency and Military	97.042	None	63,099
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	08-AZDOHS-HSGP-444101-02, 08-AZDOHS-HSGP-444101-03, 08-AZDOHS-HSGP-444101-05, 09-AZDOHS-HSGP-555101-01, 09-AZDOHS-HSGP-555101-02, 08-AZDOHS-HSGP-444104-05, 08-AZDOHS-HSGP-444104-06, 09-AZDOHS-HSGP-555104-01, 09-AZDOHS-HSGP-555104-02, 10-AZDOHS-HSGP-777105-01, 10-AZDOHS-HSGP-777105-02, 10-AZDOHS-HSGP-777105-03, 10-AZDOHS-HSGP-777105-04	174,700
Total U.S. Department of Homeland Security			<u>3,853,987</u>
Total Expenditures of Federal Awards			<u>\$ 20,032,413</u>

See accompanying notes to schedule.

Coconino County  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2011

Note 1 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Coconino County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The amount reported on the schedule for Food Donation (CFDA Number 10.550) represents the value of non-cash assistance expended from this federal program.

Note 2 – Catalog of Federal Domestic Assistance (CFDA) Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2011 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

Note 3 – Subrecipients

From the federal expenditures presented in the schedule, the County awarded the following to subrecipients:

Program Title	CFDA Number	Amount
Cooperative Forestry Assistance	10.664	\$ 154,216
Secure Payments for States and Counties Containing Federal Lands	10.665	1,529,157
DEA Marijuana Eradication in Northern Arizona	16.unknown	1,223
Crime Victim Compensation	16.576	47,480
Public Health Emergency Preparedness	93.069	220,000
AmeriCorps	94.006	356,269
ARRA-AmeriCorps	94.006	10,611

Coconino County  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2011

**Summary of Auditors' Results**

***Financial Statements***

	Unqualified	
	Yes	No
Type of auditors' report issued:		
Internal control over financial reporting:		
Material weaknesses identified?		X
Significant deficiencies identified?		X (None Reported)
Noncompliance material to the financial statements noted?	X	

***Federal Awards***

Internal control over major programs:		
Material weaknesses identified?		X
Significant deficiencies identified?		X (None Reported)
Type of auditors' report issued on compliance for major programs:		Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510[a])?		X

Coconino County  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2011  
 (continued)

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
10.665	Secure Payments for States and Counties Containing Federal Lands
14.262	ARRA Homeless Prevention and Rapid Re-Housing Program, Technical Assistance WIA Cluster
17.258	WIA Adult Program
17.258	ARRA - WIA Adult Program
17.259	WIA Youth Activities
17.259	ARRA - WIA Youth Activities
17.260	WIA Dislocated Workers
17.260	ARRA - WIA Dislocated Workers
20.205	Highway Planning and Construction
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act
93.568	Low-Income Home Energy Assistance
94.006	AmeriCorps
94.006	ARRA - AmeriCorps
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

	Yes	No
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 600,972

Auditee qualified as low-risk auditee?	X
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***Other Matters***

Auditee's Summary Schedule of Prior Findings required to be reported in accordance with Circular A-133 (section .315[b])?	X
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Coconino County  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011  
(continued)

**Financial Statement Findings**

11-01 COMPLIANCE -BUDGET FOR PROPERTY TAX LEVY FUND

- Criteria: A.R.S. §42-17151(A)(1) requires that the County shall fix, levy and assess the amount to be raised from property taxation in equal to the total amounts proposed to be spent in the budget for the current fiscal year (considering all other estimated sources of revenues and unencumbered balances from the preceding fiscal year).
- Condition: The Flood Control District Fund and Public Health Services District Fund were not budgeted for a zero ending fund balance.
- Cause: The County does not have policies and procedures in place to ensure that the County's budget is in statutory compliance.
- Effect: The County is not in compliance with A.R.S. §42-17151(A)(1).
- Recommendation: The County should establish policies and procedures to ensure that the County's budget is in compliance with the Arizona Revised Statutes.

**Federal Award Findings and Questioned Costs**

None reported



**COCONINO COUNTY** ARIZONA  
FINANCE DEPARTMENT

Sandra A. Schulz  
Director - CFO

**CORRECTIVE ACTION PLAN**  
February 23, 2012

Coconino County respectfully submits the following corrective action plan for the year ended June 30, 2011.

Name and address of the independent public accounting firm:  
Fester & Chapman P.C.  
4001 N. 3<sup>rd</sup> Street, Suite 275  
Phoenix, AZ 85012

Audit Period: July 1, 2010 – June 30, 2011

The finding from the June 30, 2011 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

**Financial Statement Findings**

**11-01 Compliance –Budget for property Tax Levy Fund**

**Recommendation:** The County should establish policies and procedures to ensure the County's budget is in compliance with Arizona Revised Statutes.

**Action Taken:** The County has established policies and procedures to ensure the County's budget is in compliance with Arizona Revised Statutes.

**Completion Date:** April 1, 2012  
**Contact:** Megan Zickerman

Sincerely,

Sandra Schulz  
Chief Fiscal Officer