

COCONINO COUNTY, ARIZONA
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2012

**COCONINO COUNTY, ARIZONA
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YEAR ENDED JUNE 30, 2012**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Auditor General of the State of Arizona

The County Board of Supervisors
Coconino County, Arizona
Flagstaff, Arizona

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Coconino County, Arizona (County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 8, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Coconino County, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coconino County, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coconino County, Arizona's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2012-1 to be a material weakness.

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 accompany schedule of findings and questioned costs as items 2012-2 and 2012-4 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coconino County, Arizona's 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 item 2012-3.

We noted certain other matters that we reported to management of Coconino County, Arizona in a separate letter dated April 8, 2013.

Coconino County, Arizona's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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 County 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.



CliftonLarsonAllen LLP

Phoenix, Arizona
April 8, 2013



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**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 County Board of Supervisors
Coconino County, Arizona
Flagstaff, Arizona

Compliance

We have audited the compliance of the Coconino County, Arizona (County) with the types of compliance requirements described in the 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, 2012. The Coconino County, Arizona's major federal programs are identified in the summary of auditor's 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 Coconino County, Arizona's management. Our responsibility is to express an opinion on the Coconino County, Arizona's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Coconino County, Arizona'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 on the Coconino County, Arizona's compliance with those requirements.

In our opinion, the Coconino County, Arizona 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-7 through 2012-12.

Internal Control Over Compliance

Management of the Coconino County, Arizona is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Coconino County, Arizona'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 City'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 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2012-5 through 2012-12. *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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coconino County, Arizona as of and for the year ended June 30, 2012, and have issued our report thereon dated April 8, 2013, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Coconino County, Arizona's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

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 County 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.



CliftonLarsonAllen LLP

Phoenix, Arizona
April 8, 2013

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unqualified*
 Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes none reported
- Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

Type of auditor's 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 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.665	Secure Payments for State and Counties Containing Federal Lands
15.226	Payments in Lieu of Taxes
16.738	Edward Byrne Memorial Justice Assistance Grant
17.258, 17.259, and 17.278	Workforce Investment Act Cluster
81.041	ARRA Solar Energy Grant
84.366	Mathematics and Science Partnerships
93.217	Family Planning Services
94.006	Americorps

Dollar threshold used to distinguish between Type A and Type B programs: \$ 448,056

Auditee qualified as low-risk auditee? X yes no

COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

2012-1 Accounting Policies

Condition: Interfund indirect costs charged by the General Fund to other governmental funds were not eliminated for financial statement presentation, advances to other funds were not appropriately classified as nonspendable fund balance and an amount due from the State of Arizona for state equalization assistance was netted with cash rather than classified as due from other governments.

Criteria: Management is responsible for the accuracy and classification of all account balances in the financial statements in accordance with generally accepted accounting principles.

Effect: Audit reclassifications were recommended to prevent double recognition of the same expenditure in governmental funds and to properly state the nonspendable portion of fund balance, amounts due from other governments and cash at the end of the year. Reclassifications did not affect total fund balances, net changes in fund balances, total net assets or changes in net assets.

Cause: Indirect costs are tracked in each fund for budget purposes, but were not eliminated during the preparation of the financial statements and an accounting oversight in the classification of advances and amounts due from other governments.

Recommendation: In order to comply with generally accepted accounting principles, in general, charges among governmental funds should be eliminated during financial statement presentation and long-term loan receivables should be presented as nonspendable fund balance. Generally accepted accounting principles do provide exceptions; however, management should research the exceptions and document how exceptions would apply to the transactions.

Response: The County concurs with this recommendation and has made the recommended reclassifications. Financial statement preparation procedures will be amended to follow the guidance indicated above.

Anticipated Completion Date: April 1, 2013

Contact: Holly Lindfors, Accounting Manager.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2012-2 Procurement Cards

Condition: The Purchasing Manager performs a review of all procurement card purchases; however, no individual was assigned to the review the Purchasing Manager's procurement card purchases.

Criteria: Management is responsible for the accuracy and completeness of all financial records to support the financial statements. This includes the appropriate review and approval of employee purchases.

Effect: Internal control weakness.

Cause: Management felt alternative procedures that were in place were adequate.

Recommendation: In order to strengthen internal controls, the Purchasing Manager's purchases should be reviewed on a regular basis.

Response: The County concurs with this recommendation and has already implemented procedures for the Chief Financial Officer to perform a review of the Purchasing Manager's procurement card purchases.

Anticipated Completion Date: August 1, 2012

Contact: Sandra Schulz, Chief Financial Officer.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)

2012-3 Budget for Property Tax Levy Funds

Condition: The Flood Control District Fund and Public Health Services District Fund were not budgeted for a zero ending fund balance.

Criteria: A.R.S. 42-17115(A)(1) requires that the County shall fix, levy and assess the amount to be raised from property taxation 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.)

Effect: The County is not in compliance with A.R.S. 42-17115(A)(1).

Cause: The County did not have policies and procedures in place to ensure that the County's budget was in statutory compliance in fiscal year 2012.

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

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

Anticipated Completion Date: June 30, 2012

Contact: Sandra Schulz, Chief Financial Officer

2012-4

Condition: Timesheets were not always approved by a Department Supervisor.

Context: One of forty payroll transactions tested as part of test of controls over financial report and test of controls over compliance.

See 2012-6 for Criteria, Effect, Cause, Recommendation, Response, Anticipated Completion Date, and Contact.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

SECURE PAYMENTS FOR STATE AND COUNTIES CONTAINING FEDERAL LANDS

CFDA No.'s: 10.665

PASSED THROUGH ARIZONA STATE TREASURER AND UNITED STATES FOREST SERVICE

PASS THROUGH NUMBERS: 12-DG-11030700-0006, 12-DG-11040420-017, AND 12-CA-11030420-015

FUNDING YEAR: 2012

U.S. DEPARTMENT OF LABOR

WORKFORCE INVESTMENT ACT CLUSTER

CFDA No.'s: 17.258, 17.259, AND 17.278

PASSED THROUGH ARIZONA DEPARTMENT OF ECONOMIC SECURITY

PASS THROUGH NUMBERS: DE111005001, DE101044001, AND DE111005001

FUNDING YEAR: 2012

U.S. DEPARTMENT OF EDUCATION

MATHEMATICS AND SCIENCE PARTNERSHIPS

CFDA No.'s: 84.366

PASSED THROUGH ARIZONA DEPARTMENT OF EDUCATION

PASS THROUGH NUMBERS: 11FSAPC2-170669-04A, 12FMSMSS-270669-03A, 13FMSMSP-370669-01A, 11FSDPRC-170669-03A, 12FSDMSP-270669-02A

FUNDING YEAR: 2012

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMERICORPS

CFDA No.'s: 94.006

PASSED THROUGH ARIZONA GOVERNOR'S OFFICE FOR CHILD, YOUTH AND FAMILIES

PASS THROUGH NUMBERS: AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08, AND AC-VSG-10-0273-08Y3

FUNDING YEAR; 2012

2012-5

Condition: For the following reports, a formal review and approval of the report prior to its submission has not been implemented.

Context:

Schools and Roads

Certification of Title III funds expended report to Department of Interior.

Workforce Investment Cluster

Monthly cash management reports and annual cost summary report.

Mathematics and Science Partnerships

Monthly cash management reports and quarterly performance reports.

Americorps

Monthly cash management reports.

Criteria: OMB Circular A-133, Cash Management and Reporting and internal controls over compliance.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2012-5 (Continued)

Effect: Internal control weakness and an error could occur and not be detected.

Cause: Management had an alternative review process in place that they felt was adequate.

Recommendation: In order to strengthen internal controls over compliance, federal program reports should be review and approved by an individual independent of its preparation. The individual should have the knowledge and skills necessary to perform and effective review to determine the report is complete and accurate.

Response: The County concurs with this recommendation and will evaluate its federal programs reporting responsibilities and current personnel resources to develop efficient review and approval procedures.

Anticipated Completion Date: August 1, 2012

Contact: Megan Zickerman, Budget Manager.
Robert Kelty, Chief Deputy, Superintendent of Schools
Carol Curtis, Director, Career Center
Janet Regner, Director, Community Services

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

U.S. DEPARTMENT OF AGRICULTURE

SECURE PAYMENTS FOR STATE AND COUNTIES CONTAINING FEDERAL LANDS

CFDA No.'s: 10.665

PASSED THROUGH ARIZONA STATE TREASURER AND UNITED STATES FOREST SERVICE

PASS THROUGH NUMBERS: 12-DG-11030700-0006, 12-DG-11040420-017, AND 12-CA-11030420-015

FUNDING YEAR: 2012

U.S. DEPARTMENT OF AGRICULTURE

SPECIAL SUPPLEMENTAL PROGRAM FOR WOMEN, INFANTS AND CHILDREN

CFDA No.'s 10.557

PASSED THROUGH THE ARIZONA DEPARTMENT OF HEALTH SERVICES

PASS THROUGH NUMBERS: HG050271 AND ADHS11-004572

FUNDING YEAR 2012

U.S. DEPARTMENT OF LABOR

WORKFORCE INVESTMENT ACT CLUSTER

CFDA No.'s: 17.258, 17.259, AND 17.278

PASSED THROUGH ARIZONA DEPARTMENT OF ECONOMIC SECURITY

PASS THROUGH NUMBERS: DE111005001, DE101044001, AND DE111005001

FUNDING YEAR: 2012

U.S. DEPARTMENT OF EDUCATION

MATHEMATICS AND SCIENCE PARTNERSHIPS

CFDA No.'s: 84.366

PASSED THROUGH ARIZONA DEPARTMENT OF EDUCATION

PASS THROUGH NUMBERS: 11FSAPC2-170669-04A, 12FMSMSS-270669-03A, 13FMSMSP-370669-01A, 11FSDPRC-170669-03A, 12FSDMSP-270669-02A

FUNDING YEAR: 2012

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMERICORPS

CFDA No.'s: 94.006

PASSED THROUGH ARIZONA GOVERNOR'S OFFICE FOR CHILD, YOUTH AND FAMILIES

PASS THROUGH NUMBERS: AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08, AND AC-VSG-10-0273-08Y3

FUNDING YEAR; 2012

2012-6

Condition: Timesheets were not always approved by a Department Supervisor.

Context: One of forty payroll transactions tested as part of test of controls over financial report and test of controls over compliance.

Criteria: Management is responsible for the accuracy and completeness of all financial records to support the financial statements. This includes the appropriate review and approval of employee time worked.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

2012-6 (Continued)

Effect: Internal control weakness.

Cause: Supervisor was out of town at Parks and Recreation Department.

Recommendation: In order to strengthen internal controls, all employee timesheets should be reviewed and approved prior to the process of payroll.

Response: The County concurs with this recommendation and has procedures in place for review and approval of timesheets. This recommendation will be communicated to all Department Supervisors to reinforce the importance of following the procedures established over the payroll process.

Anticipated Completion Date: March 25, 2013

Contact: Judy Weiss, Parks and Recreation Director.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**U.S. DEPARTMENT OF EDUCATION
MATHEMATICS AND SCIENCE PARTNERSHIPS
CFDA No.'s: 84.366**

**PASSED THROUGH ARIZONA DEPARTMENT OF EDUCATION
PASS THROUGH NUMBERS: 11FSAPC2-170669-04A, 12FMSMSS-270669-03A, 13FMSMSP-370669-01A, 11FSDPRC-170669-03A, 12FSDMSP-270669-02A
FUNDING YEAR: 2012**

2012-7

Condition: Time and effort was documented by employees; however, documentation of review and approval of time and effort was not maintained.

Context: Seven of nine payroll transactions tested.

Criteria: OMB Circular A-133, Allowable Costs/Cost Principles.

Effect: Internal control weakness and an error could occur and not be detected.

Cause: Employee turnover. A supervisor in the department left during the year and approval documentation could not be located.

Recommendation: In order to strengthen internal controls over compliance, time and effort documentation should be maintained in a central location within the department to ensure all appropriate personnel have access to the reports either due to employee turnover or absence.

Response: The County concurs with this recommendation and will evaluate its procedures over time and effort documentation in this department.

Anticipated Completion Date: April 8, 2013

Contact: Robert Kelty, Superintendent of Schools.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**U.S. DEPARTMENT OF EDUCATION
MATHEMATICS AND SCIENCE PARTNERSHIPS
CFDA No.'s: 84.366**

**PASSED THROUGH ARIZONA DEPARTMENT OF EDUCATION
PASS THROUGH NUMBERS: 11FSAPC2-170669-04A, 12FMSMSS-270669-03A, 13FMSMSP-370669-01A, 11FSDPRC-170669-03A, 12FSDMSP-270669-02A
FUNDING YEAR: 2012**

2012-8

Condition: Procurement requirements on purchases exceeding \$25,000 were not followed.

Context: For two of two vendors over \$25,000, a review of the Excluded Parties List System was not performed. One of the two vendors was in excess of \$100,000 and sole source procurement which had not obtained award agency approval.

Criteria: OMB Circular A-133, Procurement and Suspension and Debarment.

Effect: Internal control weakness and an unallowable transaction could have occurred.

Questioned Costs: \$182,551.

Cause: Department grant management was unaware of the requirements and proper EPLS review and agency review of sole source procurement procedures were not established.

Recommendation: In order to strengthen internal controls over compliance, a review of the EPLS for vendors used for federally funded projects should be performed. Documentation of the review should be maintained with the vendor records. For procurements awarded through noncompetitive negotiation (such as sole source) and in excess of \$100,000, approval from the Federal awarding agency should be obtained and maintained with the vendor records.

Response: The County concurs with this recommendation and will evaluate and update its procedures over procurement in this department.

Anticipated Completion Date: April 8, 2013

Contact: Robert Kelty, Superintendent of Schools.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMERICORPS

CFDA No.'s: 94.006

PASSED THROUGH ARIZONA GOVERNOR'S OFFICE FOR CHILD, YOUTH AND FAMILIES

**PASS THROUGH NUMBERS: AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08, AND
AC-VSG-10-0273-08Y3**

FUNDING YEAR; 2012

2012-9

Condition: Hours for the program indicated on employee timesheets did not always agree with the actual amount of hours charged to the program. The amount charged to the program appears correct based on the employee's budget; however, an audit trail of the amendment of hours charged was not maintained.

Context: Two of forty payroll transactions tested.

Criteria: OMB Circular A-133, Allowable Costs/Costs Principles.

Effect: Internal control weakness.

Cause: Clerical oversight. Payroll allocations are reviewed regularly; however, there was not process to document amendments to allocations based on that review.

Recommendation: In order to strengthen internal controls over compliance, an audit trail documenting the amount and purpose for changes in employee time allocations should be prepared and maintained.

Response: The County concurs with this recommendation and will evaluate and update its procedures over labor charge review.

Anticipated Completion Date: March 1, 2013

Contact: Janet Regner, Director, Community Services.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMERICORPS

CFDA No.'s: 94.006

PASSED THROUGH ARIZONA GOVERNOR'S OFFICE FOR CHILD, YOUTH AND FAMILIES

**PASS THROUGH NUMBERS: AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08, AND
AC-VSG-10-0273-08Y3**

FUNDING YEAR; 2012

2012-10

Condition: There were no formal controls over the monitoring of the grant matching requirement.

Criteria: OMB Circular A-133, Matching, Level of Effort, Earmarking.

Effect: Internal control weakness.

Cause: Local funds and federal funds are recorded in the same fund and are tracked through department numbers. Expenditures coded to the federal grant portion of the fund far exceeded the amount of federal grant funds available. Administrative expenditures on some of these grants were limited to 5% or less. The amount of administrative expenditures coded to the federal grants appeared to exceed the 5% limit; however there were sufficient local funds to cover the excess administrative expenditures.

Recommendation: In order to strengthen internal controls over compliance, formal monitoring of matching requirements should be developed and performed on a regular basis (monthly or quarterly). Coding should be used that separates and identifies federal grant expenditures from expenditures funded by local monies. Administrative expenditures coded to the federal grant portion should be limited to the grant requirements.

Response: The County concurs with this recommendation and will evaluate and update its procedures over expenditure allocation in the fund.

Anticipated Completion Date: June 1, 2013

Contact: Janet Regner, Director, Community Services.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMERICORPS

CFDA No.'s: 94.006

PASSED THROUGH ARIZONA GOVERNOR'S OFFICE FOR CHILD, YOUTH AND FAMILIES

**PASS THROUGH NUMBERS: AC-VSG-10-0273-03, AC-VSG-10-0273-03Y2, AC-VSG-10-0273-08, AND
AC-VSG-10-0273-08Y3**

FUNDING YEAR; 2012

2012-11

Condition: Internal controls over the monitoring of subrecipients do not appear to be adequately designed. Site visits are not regularly performed for all subrecipients, desk reviews of information submitted from subrecipients and inquiries of program activities are not performed or documented, records supporting reimbursement requests are not reviewed for all subrecipients, and the CFDA is not included in awards to subrecipients.

Criteria: OMB Circular A-133, Subrecipient Monitoring.

Effect: Internal control weakness and errors could occur and not be detected.

Cause: Procedures have not been established.

Recommendation: In order to strengthen internal controls over compliance, a review of the procedures over subrecipient monitoring should be conducted. Procedures should be evaluated for effectiveness based on the pass-through entity responsibilities describe in OMB Circular A-133.

Response: The County concurs with this recommendation and will evaluate its procedures over subrecipient monitoring.

Anticipated Completion Date: March 1, 2013

Contact: Janet Regner, Director, Community Services.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
FAMILY PLANNING SERVICES
CFDA No.'s: 93.217
PASSED THROUGH ARIZONA FAMILY PLANNING COUNCIL
PASS THROUGH NUMBERS: NONE
FUNDING YEAR: 2012**

2012-12

Condition: Three of the quarterly reimbursement reports were submitted for the incorrect amount.

Criteria: OMB Circular A-133, Cash Management and Reporting and internal controls over compliance.

Effect: Program was over-reimbursed which will need to be reimbursed to the funding agency.

Questioned Costs: \$24,195

Cause: Managerial oversight. Procedures for an independent review and approval of reports did not discover the error.

Recommendation: In order to strengthen internal controls over compliance, procedures for preparation and review of federal program reports should be improved. The individual reviewing the reports should have the knowledge and skills necessary to perform an effective review to determine the report is complete and accurate.

Response: The County concurs with this recommendation and will evaluate its federal programs reporting responsibilities and current personnel resources to develop efficient review and approval procedures.

Anticipated Completion Date: April 1, 2013

Contact: Diana Abele, Senior Manger Finance and Operations, County Health Services District

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None noted.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster, passed through the Food Donation, passed through the Arizona Department of Education	10.555	ED09-001	\$88
Arizona Department of Education			
School Breakfast Program	10.553	ED09-001	11,745
National School Lunch Program	10.555	ED09-001	<u>20,162</u>
Total Child Nutrition Cluster			\$31,995
Special Supplemental Nutrition Program for Women, Infants and Children, passed through the Arizona Department of Health Services	10.557	HG050271; ADHS11-004572	764,091
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, passed through the Arizona Department of Health Services	10.561	HI050075	392,935
Commodity Supplemental Food Program, passed through the Arizona Department of Health Services	10.565	HG861147; ADHS12-010891	11,178
WIC Farmers' Market Nutrition Program (FMNP), passed through the Arizona Department of Health Services	10.572	HG050271; ADHS11-004572	762
Cooperative Forestry Assistance passed through the Arizona State Forestry Division	10.664	SFA 08-001	44,472
Cooperative Forestry Assistance passed through the Arizona State Forestry Division	10.664	SFA 7002	11,385
Cooperative Forestry Assistance passed through the Arizona State Forestry Division	10.664	WBBI-08-002	157,029
Cooperative Forestry Assistance passed through the Arizona State Forestry Division	10.664	WFHF 09-023	<u>3,094</u>
Total Cooperative Forestry Assistance			215,980
Secure Payments for State and Counties Containing Federal Lands, passed through the Arizona State Treasurer	10.665	None	3,933,177
Secure Payments for State and Counties Containing Federal Lands, passed through the United State Forest Service	10.665	12-DG-11030700-006;12-DG-11040420-017	43,937
Total Secure Payments for State and Counties Containing Federal Lands	10.665	12-CA-11030420-015	<u>133,265</u>
			4,110,379
Emergency Watershed Protection Program	10.923	N/A	<u>175,780</u>
Total U.S. Department of Agriculture			5,703,100
U.S. Department of Housing and Urban Development			
Community Development Block Grants/Entitlement Grants, passed through the City of Flagstaff	14.218	B10-MC-05-0510;B11-MC-04-510	36,968
Emergency Shelter Grants Program, passed through the Arizona Department of Economic Security	14.231	DE1-11076-001	11,175

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Housing and Urban Development			
Home Investment Partnerships Program, passed through the Arizona Department of Housing	14.239	312-11	\$36,091
Home Investment Partnerships Program, passed through the Arizona Department of Housing	14.239	141-10	<u>25,036</u>
Total Home Investment Partnerships Program			\$61,127
ARRA Homeless Prevention and Rapid Re-Housing Program, passed through the Arizona Department of Housing	14.257	505-10	<u>55,195</u>
Total U.S. Department of Housing and Urban Development			<u>164,465</u>
U.S. Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	1,609,371
U.S. Department of Justice			
DEA Marijuana Eradication in Northern Arizona	16.unknown	N/A	2,057
Juvenile Accountability Incentive Block Grants, passed through the Arizona Governor's Division for Children	16.523	JB-CSG-11-1273-02; JB-CSG-12-2366-02	37,214
Juvenile Justice and Delinquency Prevention Allocation to States, passed through Governor's Office for Children, Youth and Families	16.540	J2-CSG-12-2366-02	19,708
Missing Children's Assistance, passed through the City of Phoenix Police Department	16.543	2009-MC-CX-K013	4,094
Title V_Delinquency Prevention Program, passed through Governor's Office for Children, Youth and Families	16.548	11-CSG-11-1365-01	30,886
National Criminal History Improvement Program (NCHIP), passed through the Arizona Criminal Justice Commission	16.554	NCP11-12-002	309
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	N/A	64,347
Crime Victim Compensation, passed through the Arizona Criminal Justice Commission	16.576	VC-12-051	3,199
ARRA Violence Against Women Formula Grants, passed through Governor's Office for Children, Youth and Families	16.588	11-IGA-11-1365-01	21,658
Residential Substance Abuse Treatment for State Prisoners, passed through the Arizona Criminal Justice Commission	16.593	RSAT-11-002; RSAT-12-002	137,454
State Criminal Alien Assistance Program	16.606	N/A	17,185
Bulletproof Vest Partnership Program	16.607	N/A	7,149
Public Safety Partnership and Community Policing Grants	16.710	N/A	28,280
Edward Byrne Memorial Justice Assistance Grant, passed through the City of Flagstaff	16.738	2011-DJ-BX 3022	<u>158,105</u>
Total U.S. Department of Justice			<u>531,645</u>

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Labor			
WIA Cluster			
WIA Adult Program, passed through the Arizona Department of Economic Security	17.258	DE111005001	\$140,865
WIA Youth Activities, passed through the Arizona Department of Economic Security	17.259	DE101044001; DE111005001	214,411
WIA Dislocated Workers, passed through the Arizona Department of Economic Security	17.278	DE111005001	<u>379,075</u>
Total WIA Cluster			\$734,351
Incentive Grants - WIA Section 503, passes through the Arizona Department of Economic Security	17.267	ADES12-022933	<u>64,902</u>
Total U.S. Department of Labor			799,253
U.S. Department of Transportation			
Highway Planning and Construction, passed through Arizona Department of Transportation	20.205	JPA 10-184I	48,723
Highway Planning and Construction, passed through Arizona Department of Transportation	20.205	JPA 08-092-1	391,527
Highway Planning and Construction, passed through Arizona Department of Transportation	20.205	ER CCN-0(215)	14,031
Highway Planning and Construction, passed through Arizona Department of Transportation	20.205	JPA 06-015T	<u>269,345</u>
Total Highway Planning and Construction			723,626
Transportation for Elderly Person and Persons with Disabilities (5310) passed through the Arizona Department of Transportation	20.513	JPA 11-034	48,438
Highway Safety Cluster			
State and Community Highway Safety, passed through Governor's Office of Highway Safety	20.600	2011-OP-004; 2012-OP-003	8,159
Interagency Hazardous Materials Public Sector Training and Planning Grants, passed through the Arizona Emergency Response Commission	20.703	None	322
Total Highway Safety Cluster			<u>8,481</u>
Total U.S. Department of Transportation			780,545
U.S. Department of Energy			
ARRA-Solar Energy Grant, passed through the Arizona School Facilities Board	81.041	ISA I057-09	154,109
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	None	<u>40,787</u>
Total U.S. Department of Energy			194,896
U.S. Department of Education			
Title I Program for Neglected and Delinquent Children, passed through the Arizona Supreme Court	84.013	KR11-0110	22,442
Title I Program for Neglected and Delinquent Children, passed through the Arizona Supreme Court	84.013	KR10-0017/Amendment #2	<u>25,781</u>
Total Title I Program for Neglected and Delinquent Children			48,223

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education			
Special Education - Grants to States, passed through the Arizona Department of Education	84.027	12FESCBG-260594-04A	\$26,594
Special Education - Grants to States, passed through the Arizona Department of Education	84.027	11FESSCG-160594-03A	1,150
Special Education - Grants to States, passed through the Arizona Department of Education	84.027	12FESSCG-260594-03A	<u>4,183</u>
Total Special Education - Grants to States			\$31,927
Title II Part D:Enhancing Education Through Technology, passed through Pima County Superintendent of Schools	84.318	MOA 2011-19	51,125
English Language Acquisition Grants, passed through the Arizona Department of Education	84.365	12FELENG-270669-04A	7,921
Mathematics and Science Partnerships, passed through the Arizona Department of Education	84.366	11FSAPC2-170669-04A,	271,633
Mathematics and Science Partnerships, passed through the Arizona Department of Education	84.366	13FMSMSP-370669-01A	4,897
Mathematics and Science Partnerships, passed through the Arizona Department of Education	84.366	11FSDPRC-170669-03A	57,366
Mathematics and Science Partnerships, passed through the Arizona Department of Education	84.366	12FSDMSP-270669-02A	<u>253,698</u>
Total Mathematics and Science Partnerships			587,594
Improving Teacher Quality State Grants, passed through the Arizona Department of Education	84.367	12FAAPD3-270669-01A	69,302
Improving Teacher Quality State Grants, passed through the Arizona Department of Education	84.367	S367A00049	9,644
Improving Teacher Quality State Grants, passed through the Northern Arizona University	84.367	IMPNAZ IGA NAU/CCESA MAY 2012	36,155
Improving Teacher Quality State Grants, passed through the Arizona Supreme Court	84.367	KR11-0110	<u>4,043</u>
Total Improving Teacher Quality State Grants			119,144
ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services, passed through the Governor's Office of Economic Recovery	84.397	OER- 11-IGA-GS-29	19,175
ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services, passed through the Governor's Office of Economic Recovery	84.397	12FT1EJB-260594-02A(Education Jobs Fund)	62,820
ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services, passed through the Governor's Office of Economic Recovery	84.397	OER-11-IGA-GS-237	137,532
ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services, passed through the Navajo County Education Service Agency	84.397	None	<u>6,111</u>
Total ARRA-State Fiscal Stabilization Fund (SFSF)-Government Services			<u>225,638</u>
Total U.S. Department of Education			<u>1,071,572</u>

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Nutrition Services Incentive Program, passed through the Northern Arizona Council of Governments	93.053	866000441BA	\$168,836
Public Health Emergency Preparedness, passed through the Arizona Department of Health Services	93.069	HG754194	\$208,999
Public Health Emergency Preparedness, passed through the Arizona Department of Health Services	93.069	ADHS12-007885	<u>252,802</u>
Total Public Health Emergency Preparedness			461,801
Family Planning Services, passed through the Arizona Family Planning Council	93.217	None	231,849
Immunization Grants, passed through the Arizona Department of Health Services	93.268	HG854283	53,925
Temporary Assistance for Needy Families, passed through the Arizona Department of Economic Security	93.558	DE1-11076-001	149,532
U.S. Department of Health and Human Services			
Child Support Enforcement, passed through the Arizona Department of Economic Security	93.563	DE111169001	26,697
Low-Income Home Energy Assistance, passed through the Arizona Department of Economic Security	93.568	DE1-11076-001	549,225
Community Services Block Grant, passed through the Arizona Department of Economic Security	93.569	DE1-11076-001	154,494
Grants to States for Access and Visitation Programs, passed through the Arizona Department of Economic Security.	93.597	DE111144001	21,379
Social Services Block Grant, passed through the Northern Arizona Council of Governments	93.667	866000441ba	99,998
Social Services Block Grant, passed through the Arizona Department of Economic Security	93.667	DE1-11076-001	<u>18,780</u>
Total Social Services Block Grant			118,778
HIV Care Formula Grants, passed through the Arizona Department of Health Services	93.917	ADHS11-004698	89,811
HIV Prevention Activities - Health Department Based, passed through the Arizona Department of Health Services	93.940	HG852279	19,356
Preventative Health and Health Services Block Grant, passed through the Arizona Department of Health Services	93.991	HG854370	68,376
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	H959209	6,680
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	HG854242-1	115,133
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	HP961245-002	9,762
Maternal and Child Health Services Block Grant to the States, passed through the Arizona Department of Health Services	93.994	HG754060-006; HG161081	<u>147,380</u>
Total Maternal and Child Health Services Block Grant to the States			<u>278,955</u>
Total U.S. Department of Health and Human Services			<u>2,393,014</u>

COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
Corporation for National and Community Service			
AmeriCorps	94.006	N/A	\$565,841
Americorps, passed through the Arizona Governor's Office for Children, Youth and Families	94.006	AC-VSG-10-0273-03,	289,309
Americorps, passed through the Arizona Governor's Office for Children, Youth and Families	94.006	AC-VSG-10-0273-03Y2,	86,440
Americorps, passed through the Arizona Governor's Office for Children, Youth and Families	94.006	AC-VSG-10-0273-08,	25,531
Americorps, passed through the Arizona Governor's Office for Children, Youth and Families	94.006	AC-VSG-10-0273-08Y3,	16,026
Total Americorps			<u>16,026</u>
Total Corporation for National and Community Service			<u>\$983,147</u> 983,147
U.S. Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters), passed through the Arizona Department of Emergency Management	97.036	None	130,589
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HGMP-1888.003,	3,686
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HMGP-#1888-002R,	61,775
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HMGP-#1888-9-F,	4,891
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HMGP-#1888-10-F,	3,260
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HMGP-#1940-6-6F,	53,200
Hazard Mitigation Grant, passed through the Arizona Department of Emergency and Military Affairs	97.039	FEMA-DR-AZ-HMGP-#1940-3-3R,	38,813
Total Hazard Mitigation Grant			<u>38,813</u>
			165,625
Emergency Management Performance Grants, passed through the Arizona Department of Emergency and Military Affairs	97.042	EMW-2011-EP-APP-00006	64,823
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777101-01,	8,609
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777101-03,	1,206
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	11-AZDOHS-HSGP-888101-01,	4,313
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	08-AZDOHS-HSGP-444104-05,	17,781
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	08-AZDOHS-HSGP-444104-06,	44,611
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	11-AZDOHS-HSGP-888104-03,	13,636
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	11-AZDOHS-HSGP-888104-01,	32,012
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777105-01,	91,249
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	11-AZDOHS-HSGP-888104-02,	9,681
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777105-03,	63,925

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Program Title/Pass-Through Grantor	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Homeland Security			
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777105-04,	\$12,465
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	10-AZDOHS-HSGP-777105-05,	25,517
Homeland Security Grant Program, passed through the Arizona Department of Homeland Security	97.067	09-AZDOHS-HSGP-555104-03	<u>18,150</u>
Total Homeland Security Grant Program			<u>\$343,155</u>
Total U.S. Department of Homeland Security			<u>704,192</u>
Total Expenditures of Federal Awards			<u><u>\$14,935,200</u></u>

**COCONINO COUNTY, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Coconino County, Arizona 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 States, 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.

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 2012 *Catalog of Federal Domestic Assistance*. When no CFDA number has 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 No.	Amount
Cooperative Forestry Assistance	10.664	\$107,215
Secure Payments for State and Counties Containing Federal Lands	10.665	1,311,478
DEA Marijuana Eradication in Northern Arizona	16.unknown	1,447
Crime Victim Compensation	16.576	3,199
National Institute of Justice Research, Evaluation, and Development		
Project Grants	16.560	21,888
ARRA Violence Against Women Formula Grants	16.588	21,658
Public Health Emergency Preparedness	93.069	120,000
AmeriCorps	94.006	347,597
Totals		<u>\$1,934,482</u>