

Greenlee County

Annual financial statement and compliance audits

The County's fiscal year 2020 reported financial information is reliable. However, the County's auditors reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.¹

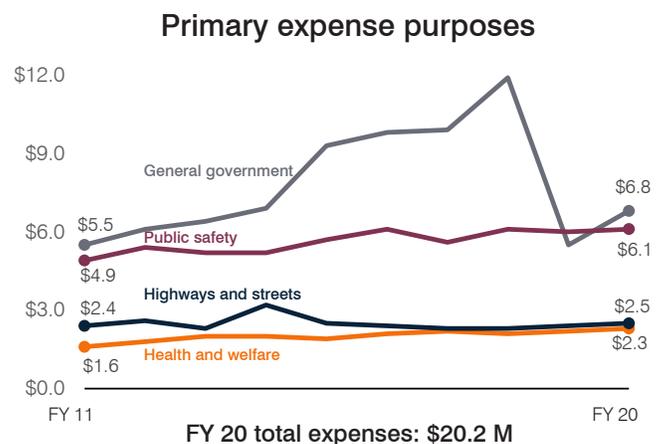
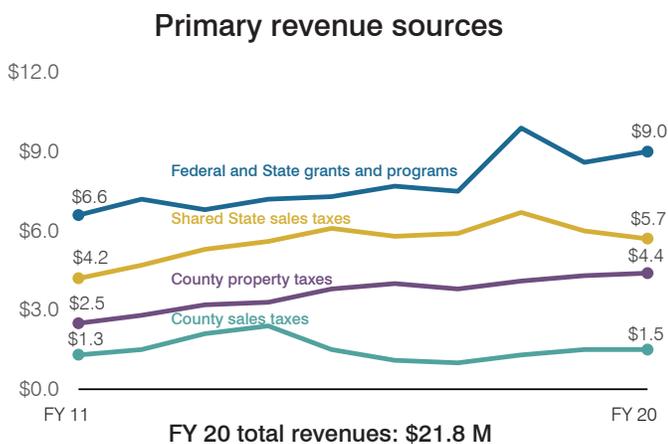
Audits' purpose

To express opinions on the County's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years (FY) 2011 through 2020

(In millions)



Source: Auditor General staff summary of information obtained from the County's financial statements.

Largest primary revenue sources

- **Federal and State grants and programs—41.2% FY 20:** Includes federal and State government grants and programs awarded as assistance to the County and its citizens, including highway user tax revenues for authorized transportation purposes.
- **Shared State sales taxes—26.1% FY 20:** Comes from State sales taxes the State of Arizona collects, and the Arizona State Treasurer distributes to the County based on the State's statutory distribution formulas.

Largest primary expense purposes

- **General government—33.9% FY 20:** Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections. Expenses were \$6.4 million less in FY 2019 than in FY 2018 primarily because pension benefit expense decreased.
- **Public safety—30.3% FY 20:** Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.

County's net position increased in FY 20

County revenues were \$1.6 million greater than its expenses, increasing total net position to \$5.9 million at June 30, 2020. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term lease obligations, and accounts payable. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

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

Auditor findings and recommendations

Summarized below are the findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses. The County needs to:

- Develop and implement written policies and procedures to perform monthly reconciliations of individual funds' cash balances to the County Treasurer's records, resolve all unreconciled differences, and monitor all cash accounts on an ongoing basis.
- Improve its credit card policies and procedures to ensure that these purchases are supported and are for authorized County purposes. The County has not communicated its credit card policies to all users and does not monitor compliance with County policies. As a result, County credit cards are at risk of being misused for purchases that do not benefit a public purpose.
- Develop and implement written policies and procedures to ensure that all federal program expenditures are budgeted, separately identifiable, and reviewed for allowability under federal program requirements.

Auditor General website report links

- The June 30, 2020, Greenlee County Annual Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the County's overall financial picture and the County auditors' reporting responsibilities.
- The County's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for State and Local Governments](#).
 - [Internal Control and Compliance Reports User Guide](#).