

La Paz County, Arizona
Single Audit Reporting Package
June 30, 2016

La Paz County, Arizona
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**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Basic Financial Statements Performed in Accordance
with Government Auditing Standards**

The Auditor General of the State of Arizona
The Board of Supervisors of
La Paz 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, each major fund, and aggregate remaining fund information of La Paz County, Arizona (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 11, 2018.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion of the effectiveness of the County's internal control.

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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 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 as items **2016-006**, **2016-007**, **2016-008** and **2016-011** 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 as items **2016-001**, **2016-004**, **2016-005**, **2016-009**, **2016-010**, **2016-012** and **2016-013** 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items **2016-002, 2016-003 and 2016-004**.

La Paz County Response to Findings

La Paz County's responses to the findings identified in our audit are included in pages 20 through 25. The County's responses 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 *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tempe, Arizona
January 11, 2018

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Auditor General of the State of Arizona
The Board of Supervisors of
La Paz County, Arizona

Report on Compliance for Each Major Federal Program

We have audited La Paz 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, 2016. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's 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 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Programs

In our opinion, La Paz County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items **2016-101** and **2016-102**. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management of La Paz County 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 La Paz 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 La Paz 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 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.

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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items **2016-101** and **2016-102**, which we consider to be significant deficiencies.

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.

La Paz County's response to findings

La Paz County's responses to the findings identified in our audit are included on pages 26 through 30. The County's responses 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 governmental activities, business-type activities, each major fund, and aggregate remaining fund information of La Paz County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 11, 2018, that contained unmodified opinions on those financial statements. 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Smsola + Butler, CPAs, PLLC

Tempe, Arizona
January 11, 2018

**La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Non-Compliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:
Material weaknesses identified? No

Significant deficiencies identified? Yes

Identification of major programs and type of auditor's report issued on compliance for major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> | |
|--------------------|---|------------|
| 15.226 | Payments in Lieu of Taxes | Unmodified |

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)A Yes

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Other Matters

Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR 200.511 (b)? Yes

**La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

Section II-Financial Statement Findings

2016-001- Lack of Adequate Segregation of Accounting Duties (Significant Deficiency)

Criteria or Specific Requirement: To help ensure the accuracy of financial records and to help reduce the risk of misappropriation of assets, duties should be segregated whereby the individual with custody of assets should not be the same individual responsible for the recordkeeping of those assets. The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets.

Condition: Adequate segregation of accounting duties was not in place in the Treasurer's office, Parks Department and Sheriff's office as the personnel responsible for collecting various fees are often also responsible for reconciling, depositing, and recordkeeping of these receipts. Independent third-party reconciliations of amounts collected to amounts deposited were not performed.

Cause and Effect: A detailed risk assessment was not performed for all County departments. As a result, policies have not been implemented to help ensure that duties are segregated, to the extent possible, that minimize control situations where individuals have the opportunity to misappropriate assets.

Auditor's Recommendation: The County should perform a formal risk assessment whereby all departments where cash handling occurs are evaluated to determine the level of risks and, based on these identified risks, implement additional policies and procedures to appropriately segregate accounting duties as necessary.

This finding is similar to prior-year finding 2015-001.

2016-002- Budget for Property Tax Levy Funds (Compliance with Laws and Regulations-Repeat Finding)

Criteria or Specific Requirement: Arizona Revised Statutes (A.R.S.) §42-17151(A)(1) requires the County to fix, levy, and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and restricted and unrestricted unencumbered balances from the preceding fiscal year, shall equal the total of the amounts proposed to be spent in the budget for the current fiscal year.

Condition: The General fund was not budgeted for a zero ending fund balance.

Cause and Effect: Lack of such policies and procedures could create a situation whereby the County could levy additional property taxes that could result in the County exceeding the primary property levy limit. If the primary property levy limit is exceeded the County would have to reduce the primary property tax levy in the subsequent year.

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Auditor's Recommendations: The County should implement and develop procedures to ensure that the County's budget is in compliance with Arizona Revised Statutes.

This finding is similar to prior-year finding 2015-006.

2016-003- Expenditure Limitation Report (Compliance with Laws and Regulations)

Criteria or Specific Requirement: Arizona Constitution, Article IX, §20, prescribed an expenditure limitation for each county. The expenditure limitation's purpose is to control expenditures of local revenues and limit future increases in spending to adjustments for inflation and population growth. Reports are due 9 months after fiscal year-end per A.R.S. §41-1279.07(C). A.R.S. §11-661 requires counties to post their audited financial statements on their official websites within 7 days of filing with the Office of the Auditor General.

Condition: The County has not submitted its fiscal year 2014, 2015, or 2016 expenditure limitation report.

Cause and Effect: Due to County personnel misallocating certain line items on the annual budget as excludable versus nonexcludable, the County exceeded the expenditure limitation in 2014. As a result, County personnel have spent considerable time researching additional possible exclusions and recalculating prior year carryforwards for which adequate documentation was not maintained in the prior years. As a result, the County is not in compliance with the Arizona Revised Statutes.

Auditor's Recommendation: The County should develop policies for its budgeting process to ensure that expenditures do not exceed the statutory limit and detailed documentation should be maintained of otherwise excludable amounts that are carried forward to future years.

2016-004- Budgetary Control (Compliance with Laws and Regulations/ Significant Deficiency: Repeat Finding)

Criteria or Specific Requirement: Arizona Revised Statutes (A.R.S.) §42-17101 and §42-17107 require the County to prepare and adopt a balanced budget for each governmental fund on an annual basis. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. §42-17106(A) prohibits the expenditure of funds or the creation of liabilities in excess of the adopted budget for the fiscal year. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

Condition: There were several instances where budgetary line items were over-expended in fiscal year 2016.

**La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

Cause and Effect: Although budgets are monitored on an ongoing basis, procedures have not been implemented to ensure that all departments comply with budget requirements. As such, the County over-expended funds contrary to Arizona Revised Statutes.

Auditor's Recommendations: Implement policies and procedures to ensure that budget requirements are enforced at all levels of the County's departments.

This finding is similar to prior-year finding 2015-004.

2016-005- Capital Asset Inventory (Significant Deficiency: Repeat Finding)

Criteria: To help safeguard the County's assets and to help ensure accurate accounting records, physical inventories of capital assets should be periodically performed and reconciled to the accounting records. According to the Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-E, and the standards required for recipients of federal monies, a physical inventory of furniture, equipment, and vehicles purchased with federal monies costing \$5,000 or more, and having useful lives over 1 year should be conducted and reconciled to the capital asset list at least once every two years.

Condition: The County did not reconcile the results of the inventory observation performed in fiscal year 2016 to the capital asset schedules and make the appropriate adjustments as a result of the observation.

Cause and Effect: Due to turnover in the department, the County did not reconcile the results of the inventory observation to the capital asset records thereby not fully complying with the UAMAC or federal regulations

Auditors' Recommendations: The County should reconcile the inventory observation to the capital asset records and investigate and adjust records, as necessary.

This finding is similar to prior-year finding 2015-005.

2016-006- Anti-Racketeering Revolving Fund (Material Weakness)

Criteria: Arizona Revised Statutes (A.R.S.) §13-2314.03 requires that the County establish an anti-racketeering revolving fund that is to be administered by the County Attorney. The County Attorney is required to approve all purchases from the fund to ensure that they are spent for allowable purposes as established by the statute.

Condition: In fiscal year 2016 funds were transferred from the anti-racketeering revolving fund to other County funds and expended without the knowledge or approval of the County Attorney in violation of the County's policy.

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Cause and Effect: The County does not have adequate policies and procedures in place to ensure that all anti-racketeering revolving funds are maintained in the correct fund and only transferred and expended after proper approval and for proper purposes. The prior Finance Director made transfers without first obtaining approval from the County Attorney. As a result, there is an increased possibility of inappropriate use of anti-racketeering funds.

Auditors' Recommendations: The County should develop and implement policies and procedures to ensure that all anti-racketeering funds are placed in the proper fund and ensure that all expenditures are approved by the County Attorney prior to use.

2016-007- Golf Course Tournament Account (Material Weakness)

Criteria: To properly safeguard assets and to comply with Arizona Revised Statutes, all receipts generated by County sponsored activities should be deposited in appropriate bank accounts in the County's name and this activity should be recorded in the County's accounting system.

Condition: The Golf Course sponsors golf tournaments. Receipts for these tournaments of approximately \$77,800 were deposited in and payments of approximately \$75,800 in disbursements were from an account established in a Golf Course employee's name and accounting records were not maintained. Based on review of the cancelled checks, four disbursements totaling approximately \$6,575, were made from this account to Golf Course employees without any supporting documentation indicating that the disbursements were for legitimate purposes. In addition, withdrawals were made from the account totaling \$1,500 without supporting documentation.

Cause and Effect: The County did not have adequate monitoring policies and procedures in place to ensure that decentralized cash collection and disbursement procedures conform to County policy. As a result, there is an increased risk of misappropriation or accounting errors.

Auditors' Recommendations: The County should develop and implement policies and procedures to ensure that all County generated funds are maintained in an appropriately authorized bank account and that all activity is recorded in the accounting records. Further, monitoring procedures should be developed to help ensure that decentralized cash handling procedures conform with County policies.

2016-008- Golf Course Volunteers (Material Weakness)

Criteria or Specific Requirement: The County should ensure that individuals providing services to the County without direct pay are not considered employees under the Internal Revenue Code due to other forms of remuneration. The County should also ensure that adequate records are maintained for any benefits received and used for these individuals.

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Condition: The County Golf Course relies heavily on what the County considers “volunteer” services. These individuals receive green fee vouchers that systematically accumulate based on each hour worked. As such, these green fees may be considered wages under the Internal Revenue Code. The County has not formally determined or recorded the potential payroll liability for the costs associated with these services provided. In addition, controls were not sufficient to ensure that all vouchers redeemed were subsequently reduced from the voucher tracking system. Finally, the County’s policies do not clearly state if the individuals that received green fee vouchers and have vouchers outstanding at year end (totaling 17,334 in vouchers) have any recourse to the County if these are not redeemed through the normal process.

Cause and Effect: The Golf Course utilizes the services of these individual and provides them free green fees as a benefit for their services in an attempt to reduce overall costs. However, adequate written policies regarding recourse to the County were not provided to these individuals and the County was not aware of the potential classification of employee issues outlined in the Internal Revenue Code. As result, there may be unrecorded liabilities at the Golf Course.

Auditor’s Recommendations: The County should strengthen its procedures for tracking volunteer service hours and green fee vouchers provided and used. In addition, the County should consult legal Counsel to determine its position regarding whether these individuals are considered employees under the Internal Revenue Code and whether there is any potential recourse that the employees could demand if the vouchers are not redeemed.

2016-009- Golf Course Deposits/Personal Check Cashing (Significant Deficiency)

Criteria or Specific Requirement: All funds collected by the golf course should be reconciled and deposited daily and employees should follow policies that do not allow for the cashing of personal checks through golf course daily sales. The deposit totals should agree to the point of sale system generated reports.

Condition: For 5 of 25 days selected for testing the cash collected per the point of sale system generated report did not agree with the cash deposited. Differences were due to a golf course employee that had taken cash from the deposit and replaced it with a personal check prior to being deposited.

Cause and Effect: The Golf Course does not have adequate policies and procedures to ensure that the cash is properly reconciled and deposited and that violations from County policy are noted and investigated. As a result, the County is more susceptible the fraud or theft of cash balances.

Auditor’s Recommendations: The County should implement policies and procedures to ensure cash collected is reconciled to the deposit and any differences are investigated.

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

2016-10- Golf Course Pro Shop Inventory (Significant Deficiency)

Criteria or Specific Requirement: Inventory held for sale should be identified and recorded in the accounting records for the golf course enterprise fund. Additionally, physical inventory counts should be performed periodically and reconciled to the accounting records.

Condition: The golf course pro shop had goods held for sale at the end of the fiscal year, but no inventory was recorded. Further, a physical inventory was not completed during fiscal year 2016.

Cause and Effect: The Golf Course does not have adequate policies and procedures to ensure that all pro shop inventory is recorded and safeguarded. The inventory and expenses could therefore be misstated in the accounting records. The lack of controls over the inventory also leaves the County more susceptible to theft or fraud.

Auditor's Recommendations: The County should implement policies and procedures to ensure that inventories are identified and recorded. Physical inventories should be performed periodically and reconciled to the accounting records.

2016-011- Cash Controls Parks Department (Material Weakness)

Criteria: To help reduce the risk of misappropriation County funds, controls should be established over cash collections to help ensure that all cash collected by the various park locations are ultimately deposited into the County funds.

Condition: The Parks department did not have adequate cash controls relating to certain park revenue from the golf course and other events and from various locations totaling approximately \$212,000 during fiscal year 2016. Controls had not been established such as providing pre-numbered customer receipts when appropriate and maintaining receipt logs. For those locations that are not staffed, procedures have not been implemented to periodically account for park customers with subsequent reconciliations to the actual cash collected and deposited. During part of fiscal year 2016 some of these procedures may have been performed but these records could not be located.

Cause and Effect: Procedures that were performed prior to turnover in staff were not formally documented resulting in new staff not being aware of these procedures. In addition, the County has not performed a risk assessment relating to the Parks Enterprise fund to determine those areas susceptible to misappropriation.

Auditors' Recommendations: The County should determine the risks associated with unstaffed locations and event revenue and determine the cost and benefit of implementing appropriate cash controls. This assessment should be formally documented by the County. These controls could include staffing all locations and providing pre-numbered receipts. These receipts would then be listed in a receipt log which would accompany the deposit to an individual not

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

responsible for cash handling. Another individual independent of cash handling should periodically visit the locations and log daily use, which would then be reconciled to the receipt log and deposit.

2016-012- Nepotism Policies and Procedures (Significant Deficiency)

Criteria or Specific Requirement: To help ensure that all employee related transactions are in the best interest of the County, the County should establish detailed nepotism guidelines.

Condition: An individual employed by the County in the Attorney's office was the spouse of the former County Administrator and another individual in the Sherriff's office was the spouse of a Board member. Payroll documentation relating to hiring and pay increases for the attorney's office employee was approved by the Board Member and the employee within the sheriff's office was approved by the former County administrator. Although the hiring for these employees was approved by an unrelated individual, there was no formal process for documenting the hiring of these related employees and presenting to the Governing Board for approval.

Cause and Effect: The County has not adopted formal policies with regards to related employees. As a result, employees may be hired or provided salary increases that are not in the best interest of the County. Additionally, without proper documentation of the rationale and approval for these related employees, questions may arise later as to the validity of these transactions which cannot be readily answered.

Auditor's Recommendations: The County should implement policies and procedures that identify and define key employees. For any key employees that are related to other employees of the County, there should be required documentation that is presented to the Governing Board detailing rationale for hiring and possible ways to mitigate any associated risks.

2016-013- Timely Account Reconciliation and Financial Statement Preparation (Significant deficiency)

Criteria: To help ensure that financial reports, including audited financial statements, are accurate and prepared timely enough to meet filing requirements and provide useful information for decision making, general ledger accounts should be reconciled monthly and annual financial statements should be prepared within a reasonable period after year-end.

Condition: Certain general ledger accounts were not reconciled by the County or the County's consultant until several months after fiscal year end causing significant delays in the completion of the annual required audit.

Cause and Effect: Due to employee turnover within the finance department the County did not have the necessary resources to properly reconcile and adjust account balances. As a result, the County may have not had accurate and timely financial information for decision making and its annual financial statement audit was significantly delayed.

**La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

Auditors' Recommendations: The County should evaluate its resources necessary to complete monthly reconciliations and the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process. Also, see finding **2016-102**.

**La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

Section III-Federal Award Findings and Questioned Costs

2016-101- Capital Asset Inventory (Significant deficiency: Repeat Finding)

Federal program information:

| | |
|---------------------------------|--|
| Funding agency: | Department of Interior |
| Title: | Payments in Lieu of Taxes |
| CFDA number: | 15.226 |
| <i>Compliance Requirements:</i> | Equipment and Real Property Management |
| <i>Questioned Costs:</i> | N/A |

Criteria: To satisfy the standards required for recipients of federal funds, a physical inventory should be conducted and reconciled to the capital asset list at least once every two years for furniture, equipment, and vehicles purchased with federal monies costing \$5,000 or more, and having useful lives over 1 year.

Condition: The County did reconcile the results of the inventory observation performed in fiscal year 2015 to the capital asset records and make the appropriate adjustments as a result of the observation.

Cause and Effect: Due to turnover in the department, the County did not reconcile the results of the inventory observation to the capital asset records. As a result, the County did not fully comply with the UAMAC or federal regulations.

Auditors' Recommendations: The County should reconcile the inventory observation to the capital asset records and investigate and adjust records, as necessary.

This finding is similar to prior year finding 2015-101.

2016-102- Single Audit Submission (Significant deficiency, Compliance finding)

Federal program information:

| | |
|---------------------------------|---------------------------|
| Funding agency: | Department of Interior |
| Title: | Payments in Lieu of Taxes |
| CFDA number: | 15.226 |
| <i>Compliance Requirements:</i> | Reporting |
| <i>Questioned Costs:</i> | N/A |

Criteria: Section 200.512 of the Uniform Guidance requires that the County submit an annual single audit reporting package and submit the data collection form prior to nine months after the end of the audit period.

Condition: The County did not submit its single audit reporting package or data collection form within the required deadline.

La Paz County Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Cause and Effect: Due to employee turnover within the finance department the County did not have the necessary resources to properly reconcile and adjust account balances. As a result, the County is not in compliance with the requirements of the Uniform Guidance.

Auditors' Recommendations: The County should evaluate its resources necessary to complete the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process.

County's Section

**La Paz County Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016**

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal CFDA Number | Pass-Through Entity or Other Identifying Number | Expenditures |
|---|---------------------------|--|------------------|
| U.S. Department of Housing and Urban Development | | | |
| Passed through the Arizona Department of Housing | | | |
| Community Development Block Grants | 14.228 | 149-10 | \$ 6,526 |
| Total U.S. Department of the Interior | | | <u>6,526</u> |
| U.S. Department of the Interior | | | |
| Payments in Lieu of Taxes | 15.226 | | 2,090,571 |
| Total U.S. Department of the Interior | | | <u>2,090,571</u> |
| U.S. Department of Justice | | | |
| Passed through Arizona Criminal Justice Commission | | | |
| Crime Victim Assistance | 16.575 | VA 16-023 | 25,371 |
| Crime Victim Compensation | 16.576 | VA 16-055 | 22,807 |
| ARRA - Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government | 16.804 | DC 16-008 | 153,986 |
| Total U.S. Department of Justice | | | <u>202,164</u> |
| U.S. Department of Labor | | | |
| Passed through Mohave County Board of Supervision | | | |
| | | 88789442, 88289441, 88289442, | |
| WIA/WIOA - Adult Program (WIA/WIOA Cluster) | 17.258 | 88289445, 88289446 | 85,362 |
| | | 88789451, 88789455, 88289451, | |
| WIA/WIOA - Youth Activities (WIA/WIOA Cluster) | 17.259 | 88289455 | 66,385 |
| WIA/WIOA - Dislocated Workers (WIA/WIOA Cluster) | 17.278 | 88789470, 88289470 | 11,527 |
| Total WIA/WIOA Cluster | | | <u>163,274</u> |
| Total U.S. Department of Labor | | | <u>163,274</u> |
| U.S. Department of Transportation | | | |
| Passed through Arizona Governor's Office of Highway Safety | | | |
| State and Community Highway Safety | 20.600 | 2017-405d-016 | 12,867 |
| Total U.S. Department of Transportation | | | <u>12,867</u> |
| U.S. Department of Education | | | |
| Passed through the Arizona Department of Education | | | |
| | | 16FAEABE-614889-16B | |
| | | 16FAEAEF-614889-16B | |
| Adult Education-Basic Grants to States | 84.002 | 16FAEAPL-614889-16B | 51,088 |
| Special Education-Grants to States | 84.027 | 16FESCBG-613205-09A | 159,855 |
| Total U.S. Department of Education | | | <u>210,943</u> |

(continued)

See accompanying notes to schedule.

La Paz County Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

| Federal Grantor / Pass-Through Grantor / Program or Cluster Title | Federal CFDA Number | Pass-Through Entity or Other Identifying Number | Expenditures |
|---|---------------------------|---|---------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through Arizona Department of Health Services | | | |
| Public Health Emergency Preparedness | 93.069 | 17-133193 | \$ 45,971 |
| Hospital Preparedness Program (HPP) and Public Health Emergency | | | |
| Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | 12-007890 | 214,406 |
| Immunization Cooperative Agreements | 93.268 | 13-041542 | 47,710 |
| PPHF Capacity Building Assistance to Strengthen Public Health Immunization | | | |
| Infrastructure and Performance financed in part by Prevention and Public Health Funds | 93.539 | 13-041542 | 57,478 |
| Preventive Health and Health Services Block Grant funded solely | | | |
| with Prevention and Public Health Funds (PPHF) | 93.758 | 14-063027, 16-098348 | 82,785 |
| HIV Care Formula Grants | | | |
| | 93.917 | 13-040482 | 55,784 |
| | 93.994 | 13-034540, 12-021251, 13-034540, 16-098348 | 45,729 |
| Maternal and Child Health Services Block Grant to the States | | | 45,729 |
| Total U.S. Department of Health and Human Services | | | <u>549,863</u> |
| Executive Office of the President | | | |
| Passed through the City of Tucson | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | G15SA0007A, G15SA0007A | 15,278 |
| Total Executive Office of the President | | | <u>15,278</u> |
| U.S. Department of Homeland Security | | | |
| Passed through River City United Way | | | |
| Emergency Food and Shelter National Board Program | 97.024 | 32-00254-00-012 | 39,311 |
| Passed through Arizona Department of Emergency and Military Affairs | | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | 13-AZDOHS-HSPG-130505-03 | 581,252 |
| Passed through Arizona Department of Homeland Security | | | |
| | 97.067 | 15-AZDOHS-HSGP-150505-02, 15-AZDOHS-HSGP-150506-01 | 45,013 |
| Homeland Security Grant Program | | | 45,013 |
| Passed through Arizona Department of Emergency and Military Affairs | | | |
| FEMA Hazard Mitigations Grant | 97.039 | DR 4203 | 45,450 |
| Emergency Management Performance Grants | 97.042 | None | 184,656 |
| Total U.S. Department of Homeland Security | | | <u>895,682</u> |
| Total expenditures of federal awards | | | <u>\$ 4,147,168</u> |

See accompanying notes to schedule.

La Paz County Arizona
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Note 1 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes La Paz County's federal grant activity for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Summary of significant accounting policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

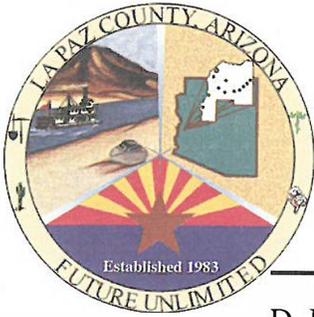
Note 3 - Catalog of Federal Domestic Assistance (CFDA) number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2016 Catalog of Federal Domestic Assistance.

Note 4 - Indirect cost rate

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

Corrective Action Plan



La Paz County Board of Supervisors

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| | | | |
|--------------|--------------|-------------|----------------------|
| D. L. Wilson | - District 1 | Holly Irwin | - District #3 |
| Duce Minor | - District 2 | Ron Drake | County Administrator |

January 11, 2018

Ms. Debbie Davenport, Auditor General
State of Arizona, Office of the Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in Government Auditing Standards and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Specifically, for each finding we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Terry Krukemyer, Finance Director

Financial Statement Findings

2016-001 - Lack of Adequate Segregation of Accounting Duties

Contact person: Ron Drake, County Administrator

Anticipated completion date: June 30, 2018

Finding: Adequate segregation of accounting duties was not in place in the Treasurer's office, Parks Department and Sheriff's office as the personnel responsible for collecting various fees are often also responsible for reconciling, depositing, and recordkeeping of these receipts. Independent third-party reconciliations of amounts collected and deposited to the expected receipts is not performed. The auditor recommended that the County perform a formal risk assessment whereby all departments where cash handling occurs are evaluated to determine the level of risks and, based on these identified risks, implement additional policies and procedures to appropriately segregate accounting duties as necessary.

Corrective Action: The County will perform an internal risk assessment whereby all departments handling cash are assessed. Where appropriate segregation of duties is lacking, suggestions will be made by Finance and Administration and implemented within the Department. These procedures will further be monitored consistently during the first year of implementation and randomly thereafter.

2016-002 - Budget for Property Tax Levy Funds

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

Finding: The General fund was not budgeted for a zero ending fund balance. The auditor recommended that the County should implement and develop procedures to ensure that the County's budget is in compliance with Arizona Revised Statutes.

Corrective Action: The County implemented a new budgeting process effective for the budget adopted during the fiscal year ended June 30, 2018. The budget complies with Arizona Revised Statutes.

2016-003 - Expenditure Limitation Report

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

Finding: The County has not submitted its fiscal year 2014, 2015, or 2016 expenditure limitation reports. The auditor recommended that the County develop policies for its budgeting process to ensure that expenditures do not exceed the statutory limit and detailed documentation should be maintained of otherwise excludible amounts that are carried forward to future years.

Corrective Action: The delay resulted from inadequate budgeting which did not identify the effect of certain transactions on the expenditure limitation and inadequate records of carryforwards. The County has corrected its budgeting process and is working to increase its expenditure limitation so new revenue sources will not cause the County to exceed its expenditure limitation.

2016-004 - Budgetary Control

Contact person: Terry Krukemyer, Finance Director
Anticipated completion date: June 30, 2018

Finding: There were several instances where budgetary line items were over-expended in fiscal year 2016. The auditor recommended that the County implement policies and procedures to ensure that budget requirements are enforced at all levels of the County's departments.

Corrective Action: The County has improved its budgeting process and has a new method for monitoring year-to-date expenditures in comparison with the budget and reporting overages to the elected officials.

2016-005 - Capital Asset Inventory

Contact person: Terry Krukemyer, Finance Director
Anticipated completion date: June 30, 2018

Finding: The County did not reconcile the results of the inventory observation performed in fiscal year 2016 to the capital asset schedules and make the appropriate adjustments as a result of the observation. The auditor recommended that the County reconcile the inventory observation to the capital asset records and investigate and adjust records, as necessary.

Corrective Action: During FY 2018, the County intends to complete the reconciliation of the results of the inventory observation to the accounting records and make the appropriate adjustments.

2016-006 - Anti-Racketeering Revolving Fund

Contact person: Sheriff William Risen
Anticipated completion date: December 31, 2017

Finding: In fiscal year 2016 funds were transferred from the anti-racketeering revolving fund to other County funds and expended without the knowledge or approval of the County Attorney in violation of the County's policy. The auditor recommended that the County develop and implement policies and procedures to ensure that all anti-racketeering funds are placed in the proper fund and ensure that all expenditures are approved by the County Attorney prior to being expended.

Corrective Action: The County has implemented policies and procedures to segregate anti-racketeering monies and only expend such monies based on the approval of the County Attorney.

2016-007 - Golf Course Tournament Account

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: December 31, 2017

Finding: The Golf Course sponsors an annual tournament. Receipts of approximately \$77,800 were deposited in and payments of approximately \$75,800 in disbursements were from an account established in a Golf Course employee's name and accounting records were not maintained. Based on review of the cancelled checks four disbursements totaling approximately \$6,575 were made from this account to Golf Course employees without any supporting documentation indicating that the disbursements were for legitimate purposes. In addition, withdrawals were made from the account totaling \$1,500 without supporting documentation. The auditor recommended that the County develop and implement policies and procedures to ensure that all County generated funds are maintained in an appropriately authorized bank account and that all activity is recorded in the accounting records. Further, monitoring procedures should be developed to help ensure that decentralized cash handling procedures conform to County policies.

Corrective Action: The current County Administrator immediately demanded the closure of this bank account and cash activity for all departments will be processed through a bank account held in the County's name and reconciled by the County's Finance Department. The County is working on adopting new monitoring policies and procedures for all departments with decentralized cash receipts.

2016-008 - Golf Course Volunteers

Contact person: Ken McFarland, Finance Department

Anticipated completion date: June 30, 2018

Finding: The County Golf Course relies heavily on what the County considers "volunteer" services. These individuals receive green fee vouchers that systematically accumulate based on each hour worked. As such, these green fees may be considered wages under the Internal Revenue Code. The County has not formally determined or recorded the potential payroll liability for the costs associated with these services provided. In addition, controls were not sufficient to ensure that all vouchers redeemed were subsequently reduced from the voucher tracking system. Finally, the County's policies do not clearly state if the individuals that received green fee vouchers and have vouchers outstanding at year end (totaling 17,334 in vouchers) have any recourse to the County if these are not redeemed through the normal process. The auditor recommended that the County strengthen its procedures for tracking volunteer service hours and green fee vouchers provided and used. In addition, the County should consult legal Counsel to determine its position regarding whether or not these individuals are considered employees under the Internal Revenue Code and whether or not there is any potential recourse that the employees could demand if the vouchers are not redeemed.

Corrective Action: The County is implementing a new system to improve the tracking of hours, green fee vouchers provided and used and is working with its outside accountants and legal counsel to determine whether the volunteers are considered employees.

2016-009 - Golf Course Deposits/Personal Check Cashing

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: December 31, 2017

Finding: For 5 of 25 days selected for testing, the cash collected per the point of sale system generated report did not agree with the cash deposited. Differences were due to a golf course employee that had taken cash from the deposit and replaced it with a personal check prior to being deposited. The auditor recommended that the County implement policies and procedures to ensure that cash collected is reconciled to the deposit and any differences are investigated.

Corrective Action: The County has implemented policies and procedures to improve internal controls over cash receipts at the golf course. Such policies and procedures include daily reconciliations of golf course receipts to the point of sale system and policies prohibiting the disbursement of cash from the daily receipts.

2016-010 - Golf Course Proshop Inventory

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

Finding: The golf course proshop had goods held for sale at the end of the fiscal year, but no inventory was recorded. Further, a physical inventory was not completed during fiscal year 2016. The auditor recommended that the County implement policies and procedures to ensure that inventories are identified and recorded. Physical inventories should be performed periodically and reconciled to the accounting records.

Corrective Action: The County has implemented policies and procedures for the golf course that requires an annual physical inventory of the Proshop effective for the year ended June 30, 2018. The general ledger will be reconciled annually to the year-end physical inventory.

2016-011 - Cash Controls Parks Department

Contact person: Ron Drake, County Administrator

Anticipated completion date: June 30, 2018

Finding: The Parks department did not have adequate cash controls relating to certain park revenue from the Golf Course and other events and from various locations totaling approximately \$212,000 during fiscal year 2016. Controls had not been established such as providing pre-numbered customer receipts when appropriate and maintaining receipt logs. For those locations that are not staffed, procedures have not been implemented to periodically account for park customers with subsequent reconciliations to the actual cash collected and deposited. During part of fiscal year 2016 some of these procedures may have been performed but these records could not be located. The auditor recommended that the County determine the risks associated with unstaffed locations and event revenue and determine the cost and benefit of implementing appropriate cash controls. This assessment should be formally documented by the County. These controls could include staffing all locations and providing pre-numbered receipts. These receipts would then be listed in a receipt log which would accompany the deposit to an individual not responsible for cash handling.

Another individual independent of cash handling should periodically visit the locations and log daily use, which would then be reconciled to the receipt log and deposit.

Corrective Action: The County is developing policies and procedures to improve segregation of duties for all departments with decentralized cash receipts.

2016-012 - Nepotism Policies and Procedures

Contact person: Ron Drake, County Administrator

Anticipated completion date: April 1, 2018

Finding: An individual employed by the County in the Attorney's office was the spouse of the former County Administrator and another individual in the Sheriff's office was the spouse of a Board member. Payroll documentation relating to hiring and pay increases for the attorney's office employee was approved by the Board Member and the employee within the sheriff's office was approved by the former County administrator. Although these employees hiring was approved by an unrelated individual, there was not a formal process for documenting the hiring of these related employees and presenting to the Governing Board for approval.

The auditor recommended that the County implement policies and procedures that identify and define key employees. For any key employees that are related to other employees of the County, there should be required documentation that is presented to the Governing Board detailing rationale for hiring and possible ways to mitigate any associated risks.

Corrective Action: The County has implemented policies and procedures to obtain approval by Board members with no familial association with the employee being considered for employment including initial and subsequent pay.

2016-013 - Timely Account Reconciliation and Financial Statement Preparation

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

Finding: Certain general ledger accounts were not reconciled by the County or the County's consultant until several months after fiscal year end causing significant delays in the completion of the annual required audit.

The auditor recommended that the County evaluate its resources necessary to complete monthly reconciliations and the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process.

Corrective Action: The County has restructured its Finance Department to improve the timeliness of the account reconciliations and the year-end closing process.

Federal Award Findings and Questioned Costs

2016-101 - Capital Asset Inventory

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

CFDA number: 15.226

Program name: Department of Interior, Payments in Lieu of Taxes

Finding: The County did reconcile the results of the inventory observation performed in fiscal year 2015 to the capital asset listing and make the appropriate adjustments as a result of the observation. The auditor recommended that the County reconcile the inventory observation to the capital asset records and investigate and adjust the accounting records, as necessary.

Corrective Action: During FY 2017, the County intends to complete the reconciliation of the results of the inventory observation to the accounting records and make the appropriate adjustments.

2016-102 - Single Audit Submission

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

CFDA number: 15.226

Program name: Department of Interior, Payments in Lieu of Taxes

Finding: The County did not submit its single audit reporting package or data collection form within the required deadline. The auditor recommended that the County evaluate its resources necessary to complete the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process.

Corrective Action: The County has restructured its Finance Department to improve the timeliness of the year-end closing process.

2015 -102 - Payroll Distribution

Contact person: Terry Krukemyer, Finance Director

Anticipated completion date: June 30, 2018

CFDA number: 97.036

Program name: Disaster Grants-Public Assistance-Presidentially Declared Disasters

Finding: During fiscal year 2015, the County recorded \$306,188 of expenditures in a separate fund relating to various projects funded through this award. During the year, the County billed and collected a total of \$77,275, of which \$12,008 related to force account labor recorded in other County funds which is not supported by personnel activity reports or equivalent documentation. Although \$12,008 of Force Account labor was billed to the grantor and received during fiscal year 2015, the various projects that are ongoing under this award allow for an additional \$130,113 in Force Account Labor to be reimbursed by the grantor upon completion of each project. Much of this labor cost was incurred during fiscal year 2015 but has not been identified and included within the Schedule of Expenditures of Federal Awards. As a result, we were unable to determine if these additional federal expenditures were adequately supported nor were we able to verify that the Schedule of Expenditures of Federal Awards was correctly stated for this program.

The auditor recommended that the County establish and implement County-wide policies and procedures that provide reasonable assurance that the charges for salaries and wages for each federal program is identified during the year of expenditure and reflected in the Schedule of Expenditures of Federal Awards. Additionally, these policies should ensure that personnel activity reports or equivalent documentation are completed and maintained.

Corrective Action: The County is implementing a new timekeeping system to better track time for its federal programs.



La Paz County Board of Supervisors

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D. L. Wilson

- District 1

Holly Irwin

- District #3

Duce Minor

- District 2

Ron Drake

County Administrator

January 11, 2018

Ms. Debbie Davenport, Auditor General
State of Arizona, Office of the Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

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* (Uniform Guidance). Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Terry Krukemyer, Finance Director

**La Paz County
Summary Schedule of Prior Audit Findings
Year ended June 30, 2016**

Status of Financial Statement Findings

Finding no.: 2015-001, Lack of Adequate Segregation of Accounting Duties

Status: Not corrected. The County had significant changes in administration and this finding was not yet corrected. See the corrective action plan.

Finding no.: 2015-002, Deficit Fund balances and Grants Receivable Analysis

Status: Fully corrected.

Finding no.: 2015-003, County Treasurer's Reconciliation (Significant Deficiency)

Status: Fully corrected.

Finding 2015-004-Budgetary Control (Significant Deficiency: Repeat Finding)

Status: Not corrected. The County had significant changes in administration and this finding was not yet corrected. See the corrective action plan.

Finding 2015-005- Capital Asset Inventory (Significant Deficiency: Repeat Finding)

Status: Not corrected. The County's Finance Department had a change in administration and this finding was not yet corrected. See the corrective action plan.

Finding 2015-006-Compliance-Budget for Property Tax Levy Funds (Repeat Finding)

Status: Not corrected. The County had significant changes in administration and this finding was not yet corrected. See the corrective action plan.

Status of Federal Award Findings and Questioned Costs

Finding 2015-101- Capital Asset Inventory (Significant deficiency: Partial Repeat Finding)

CFDA number and program name: 15.226, Department of Interior, Payments in Lieu of Taxes

Status: Not corrected. The County had significant changes in administration and this finding was not yet corrected. See the corrective action plan.

Finding 2015-102- Payroll Distribution

CFDA number: 97.036

Program name: Disaster Grants-Public Assistance-Presidentially Declared Disasters

Status: Not corrected. The County did not have the funding available to implement a new timekeeping system in FY 2016. See the corrective action plan.