

COCONINO COUNTY, ARIZONA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024



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**INDEPENDENT AUDITORS' 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 Arizona Auditor General and
The Board of Supervisors of
Coconino County, Arizona

We have audited, in accordance with the 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, 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. 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.

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

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

The Arizona Auditor General and
The Board of Supervisors of
Coconino County, Arizona

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Coconino County, Arizona's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coconino County, Arizona's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Coconino County, Arizona's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Phoenix, Arizona

March 31, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

The Arizona Auditor General and
The Board of Supervisors of
Coconino County, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coconino County, Arizona's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coconino County, Arizona's major federal programs for the year ended June 30, 2024. Coconino County, Arizona's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coconino County, Arizona's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coconino County, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coconino County, Arizona's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Coconino County, Arizona's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Coconino County, Arizona's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Arizona Auditor General and
The Board of Supervisors of
Coconino County, Arizona

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coconino County, Arizona as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Coconino County, Arizona's basic financial statements. We issued our report thereon dated March 31, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 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 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 basic financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
March 31, 2025

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

<u>Federal Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.691	Good Neighbor Authority
10.923	Emergency Watershed Program
17.258/17.259/17.278	Workforce Innovation and Opportunity Act Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$1,791,174

Auditee qualified as low-risk auditee? _____ yes X no

**COCONINO COUNTY, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001 IT Controls

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: It was observed that one of the selected network changes lacked a formally documented approval from the appropriate personnel.

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the County to effectively manage risk related to IT systems and data.

Cause: The cause of this condition appears to be an oversight in the approval process. The lack of a formally documented approval from the appropriate personnel suggests that the necessary review and authorization steps were inadvertently missed.

Effect: The absence of such documentation could indicate a lapse in the approval process, which might lead to unauthorized or unreviewed changes being implemented.

Recommendation: It is recommended that a process be established to ensure all network changes receive formally documented approvals from the appropriate personnel prior to implementation.

Management's Response: See corrective action plan within County's Response.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through Bureau of Indian Affairs				
Transportation Services	10.167	A19AC00022	\$ -	\$ 41,855
Passed through Arizona Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	ADE ED09-0001	-	1,840
National School Lunch Program	10.555	ADE ED09-0001	-	3,463
Total Child Nutrition Cluster			<u>-</u>	<u>5,303</u>
Passed through Arizona Department of Health Services				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	CTR043231, CTR067914	-	499,174
SNAP Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	RFGA2020-001-002	-	341,792
Passed through Wildfire AZ				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FY24-WDF-SNAP	-	4,515
Total SNAP Cluster			<u>-</u>	<u>346,307</u>
Forest Service Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	Direct	-	2,620,335
Total Forest Service Schools and Roads Cluster			<u>-</u>	<u>2,620,335</u>
Good Neighbor Authority	10.691	Direct	-	22,283,933
Law Enforcement Agreements	10.704	Direct	-	65,000
Emergency Watershed Protection Program	10.923	Direct	-	10,556,619
Urban Agriculture and Innovative Production	10.935	Direct	30,600	134,388
Total U.S. Department of Agriculture			<u>30,600</u>	<u>36,552,914</u>
U.S. Department of Defense				
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	12.610	Direct	-	38,994
Total U.S. Department of Defense			<u>-</u>	<u>38,994</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Missing and Unidentified Human Remains (MUHR) Program Passed through Arizona Department of Public Safety	16.050	Direct	-	23,612
Crime Victim Assistance Passed through Arizona Criminal Justice Commission	16.575	2020-142, 2020-143, 2020-144, 2023-224, 2023-223	-	136,927
National Criminal History Improvement Program (NCHIP)	16.554	NCHIP-21-23-003, NCHIP-22-24-005	-	52,531
Edward Byrne Memorial Justice Assistance Grant Program Passed through City of Flagstaff	16.738	DC-24-002, DC-24-022	-	99,517
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-JAG	-	8,939
Total 16.738			-	108,456
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	Direct	-	48,745
Total U.S. Department of Justice			-	370,271
U.S. Department of Labor				
Passed through Arizona Department of Economic Security Workforce Innovation and Opportunity Act Cluster				
WIOA Adult Program	17.258	DI21-002282, DI23-002385	29,710	521,034
WIOA Youth Activities	17.259	DI21-002282, DI23-002385	15,887	591,495
WIOA Dislocated Worker Formula Grants	17.278	DI21-002282, DI23-002385	9,718	979,509
Total Workforce Innovation and Opportunity Act Cluster			55,315	2,092,038
Total U.S. Department of Labor			55,315	2,092,038

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Transportation				
Passed through Arizona Governor's Office of Highway Safety Highway Safety Cluster				
State and Community Highway Safety	20.600	2024-PTS-016, 2023-OP-004, 2024-OP-004, 2023-PS-001, 2024-PS-002	-	22,654
National Priority Safety Programs	20.616	2024-405d-009	-	7,429
Total Highway Safety Cluster			-	30,083
Total U.S. Department of Transportation			-	30,083
U. S. Department of the Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Direct	1,871,119	7,248,260
Passed through Arizona Criminal Justice Commission				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	VC-24-003	165,957	165,957
Passed through Arizona Department of Public Safety				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-314	-	60,705
Passed through Arizona Office of Tourism				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	GR-ARPA-09162022-03-023	-	29,154
Passed through Arizona State Parks				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	672201	-	59,628
Passed through Arizona State of Secretary Office				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24-SOS-CBY	-	20,204
Passed through Arizona Supreme Court's Administrative Office of the Courts				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	220300BC02, 220300BC01	-	36,000

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U. S. Department of the Treasury (Continued)				
Passed through Local First Arizona Foundation				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	GR-ARPA-102022-28	-	2,778
Total 21.027			<u>2,037,076</u>	<u>7,622,686</u>
COVID-19 - Local Assistance and Tribal Consistency Fund	21.032	Direct	-	6,000,000
Total U.S. Department of the Treasury			<u>2,037,076</u>	<u>13,622,686</u>
U.S. Federal Communications Commission				
Affordable Connectivity Outreach Grant Program	32.011	Direct	-	82,675
Total U.S. Federal Communications Commission			<u>-</u>	<u>82,675</u>
U.S. National Science Foundation				
Passed through Navajo Technical University				
Computer and Information Science and Engineering	47.070	42711-21	-	130,978
STEM Education (formerly Education and Human Resources)	47.076	Direct	-	46,224
Total U.S. National Science Foundation			<u>-</u>	<u>177,202</u>
U.S. Environmental Protection Agency				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Direct	-	3,250
Total U.S. Environmental Protection Agency			<u>-</u>	<u>3,250</u>
U.S. Department of Education				
Passed through Arizona Department of Education				
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	H027A230007	-	15,301
Total Special Education Cluster (IDEA)			<u>-</u>	<u>15,301</u>
Impact Aid	84.041	Direct	-	361,108
Passed through Arizona Department of Education				
Rural Education	84.358A	S358A230045	-	31,907
English Language Acquisition State Grants	84.365A	S365A230003	23,538	23,538

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education (Continued)				
Passed through Arizona Department of Education Education Stabilization Fund - Elementary and Secondary School Emergency Relief	84.425D	S425D210038	-	61,803
Total U.S. Department of Education			<u>23,538</u>	<u>493,657</u>
U.S. National Archives and Records Administration				
Passed through National Historical Publications & Records Commission				
National Historical Publications and Records Grants	89.003	ED-104702-23	-	635,624
Total U.S. National Archives and Records Administration			<u>-</u>	<u>635,624</u>
U.S. Election Assistance Commission				
Help America Vote College Program	90.400	Direct	-	9,536
Passed through Arizona Secretary of State HAVA Election Security Grants	90.404	HAVA 2020	-	91,008
Total U.S. Election Assistance Commission			<u>-</u>	<u>100,544</u>
U.S. Department of Health and Human Services				
Passed through Northern Arizona Council of Governments Area Agency on Aging				
Aging Cluster				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	202212347NTR, 202431235TSP	-	4,264
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	202212347NTR, 202431235TSP	-	126,929
Nutrition Services Incentive Program	93.053	202212347NTR, 202431235TSP	-	9,875
Total Aging Cluster			<u>-</u>	<u>141,068</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through Arizona Department of Health Services				
Public Health Emergency Preparedness	93.069	CTR055208	-	310,131
COVID-19 - Public Health Emergency Preparedness	93.069	CTR055208-01	-	219,382
Total 93.069			-	529,513
Passed through National Environmental Health Association				
Food and Drug Administrative Research	93.103	G-BDEVI-202209-02674	-	1,712
Passed through Prevent Child Abuse Arizona				
Maternal and Child Health Federal Consolidated Programs	93.110	Coconino10012023-1	-	48,009
Passed through Arizona Department of Health Services				
Injury Prevention and Control Research and State and Community Based Programs	93.136	CTR063849, CTR070186	-	137,689
Passed through Arizona Department of Education				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	FY24-ADE-AWARE	-	3,477
Passed through Arizona Department of Health Services				
Immunization Cooperative Agreements	93.268	CTR060580	-	33,991
COVID-19 - Immunization Cooperative Agreements	93.268	CTR060268	-	387,656
Total 93.268			-	421,647
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	CTR058659, CTR057313, CTR056163, CTR059132	-	647,903
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CTR055991	775,245	1,363,714
Passed through National Network of Public Health Institutes				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	G2452_AG-1083	-	17,495

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through Arizona Department of Economic Security				
477 Plan Cluster				
Temporary Assistance for Needy Families	93.558	DI20-002262	-	150,000
Community Services Block Grant	93.569	DI20-002262	-	270,357
Passed through Early Childhood Development and Health Board (First Things First)				
Child Care and Development Block Grant	93.575	GRA-STATE-24-1243-01	-	35,799
Total 477 Plan Cluster			-	<u>456,156</u>
Passed through Arizona Department of Economic Security				
Child Support Enforcement	93.563	DI18-002172	-	4,933
Low-Income Home Energy Assistance	93.568	DI20-002262	-	86,002
Grants to States for Access and Visitation Programs	93.597	DI16-002155	-	1,922
Passed through Arizona Community Action Association				
Social Services Research and Demonstration	93.647	23-0	-	60
Passed through Arizona Department of Child Safety				
Foster Care Title IV-E	93.658	2101AZFOST	-	117,175
Passed through Northern Arizona Council of Governments Area Agency on Aging				
Social Services Block Grant	93.667	202212347NTR, 202431235TSP	-	16,828
Passed through Arizona Department of Economic Security				
Social Services Block Grant	93.667	DI20-002262	-	19,455
Total 93.667			-	<u>36,283</u>
Passed through Arizona Department of Health Services				
Opioid STR	93.788	CTR063849, CTR068793	-	289,735
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	CTR050595	-	52,629
HIV Care Formula Grants	93.917	CTR067639	-	297,661
HIV Prevention Activities Health Department Based	93.940	CTR066156	-	20,943

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Awarding Agency/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number(s)	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through Arizona Governor's Office of Youth, Faith and Family				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SABG-DSG-20-100120-04, GR-SABG-GOYFF-100123-06	-	135,573
Passed through Arizona Department of Health Services				
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	CTR040474, CTR067652	-	93,845
Preventive Health and Health Services Block Grant	93.991	CTR055271	-	54,467
Maternal and Child Health Services Block Grant to the States	93.994	CTR055271	-	90,867
Total U.S. Department of Health and Human Services			775,245	5,050,478
U.S. Department of Homeland Security				
Passed through Arizona Department of Emergency and Military Affairs (DEMA)				
Hazard Mitigation Grant	97.039	FM-5284-03-03R	-	10,521
Emergency Management Performance Grants	97.042	EMF-2023-APP-00008-S01	-	343,088
Emergency Operations Center	97.052	EMF-2023-EO-00002	-	586,307
Passed through Arizona Department of Homeland Security				
Homeland Security Grant Program	97.067	22-AZDOHS-HSGP-220100-01, 23-AZDOHS-HSGP-230100-01, 23-AZDOHS-HSGP-230100-02	-	49,921
Total U.S. Department of Homeland Security			-	989,837
Total Expenditures of Federal Awards			\$ 2,921,774	\$ 60,240,253

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COCONINO COUNTY, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Coconino County (County) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 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, which is described in Note 1 to the County's basic financial statements for the year ended June 30, 2024. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 FEDERAL ASSISTANCE LISTINGS NUMBER

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2024 *Federal Assistance Listings*.

NOTE 4 INDIRECT COST

The County elected to use the 10 percent de minimus indirect cost rate as covered in 2 CFR 200.414.



March 31, 2025

Jean Marie Dietrich
CliftonLarsonAllen, PLLC
20 E Thomas Rd #2300
Phoenix, AZ 85012

Dear Ms. Dietrich:

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

Sincerely,

A handwritten signature in black ink that reads "Siri Mullaney".

Siri Mullaney
Chief Financial Officer

**CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024**

FINDINGS—FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

2024-001 **IT Controls**

Recommendation: It is recommended that a process be established to ensure all network changes receive formally documented approvals from the appropriate personnel prior to implementation.

Response to audit finding: Concur.

Action planned/taken in response to finding:

Coconino County has successfully implemented NIST 800-53 rev5 best practices to identify risks and safeguard County assets. Comprehensive IT policies and procedures are implemented with a high emphasis on access control, least privilege, disaster recovery, internal audits, change management, and incident response; further promoting governance, risk, and compliance. To address this finding, additional change management training will be provided to key County stakeholders during fiscal year 2025.

Name of the contact person responsible for corrective action: Matt Fowler, Chief Information Officer

Planned completion date for corrective action plan: June 30, 2025

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

None noted.



March 31, 2025

Jean Marie Dietrich
CliftonLarsonAllen, PLLC
20 E Thomas Rd #2300
Phoenix, AZ 85012

Dear Ms. Dietrich:

We have prepared the accompanying summary schedule of prior audit findings as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings.

Sincerely,

A handwritten signature in black ink that reads "Siri Mullaney".

Siri Mullaney
Chief Financial Officer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2024

FINDINGS—FINANCIAL STATEMENT AUDIT

2023 – 001

The County's control procedures over IT systems and data were not sufficient, which increases the risk that the County may not adequately protect those systems and data

Year finding initially occurred: Fiscal Year 2016

Condition: The County's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with its IT systems and data. The County lacked sufficient procedures over the following:

- Restricting access—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.
- Managing system changes—Procedures did not ensure all IT system changes were adequately managed

Status: Fully corrected.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2023 – 001

10.691 Good Neighbor Authority – Reporting

Condition: Contrary to federal regulations and the County's federal award terms, the Flood Control Department failed to submit the required annual financial and performance reports for calendar year 2022 that were due on January 30, 2023.

Status: Fully corrected.

2023 – 002

10.691 Good Neighbor Authority – Procurement

Condition: Contrary to federal regulations and the County's policies and procedures, the Flood Control Department failed to consider price as a selection factor when awarding a single vendor a construction services contract for which the County paid \$5,896,715 during the period July 1, 2022 through June 30, 2023, which was 79.8 percent of the federal program's expenditures. The Department evaluated the 2 bids it received but awarded the contract to the successful vendor based on its professional qualifications without considering price. Instead, the County negotiated the price of the services after the contract was awarded.

Status: Fully corrected.

2023 – 003

WIOA Cluster: 17.258 WIOA Adult Program, 17.259 WIOA Youth Program, 17.278 WIOA Dislocated Worker Formula Grants – Earmarking

Condition: Contrary to federal regulation, the County Administration Department (Department) failed to ensure that it spent no less than the required 20 percent, or \$93,701, of WIOA Youth Activities monies earmarked to provide in-school and out-of-school youth with paid and unpaid work experiences for the grants award year, April 2021 through June 2023. Instead, the County spent only 15 percent, or \$72,045, of the required 20 percent, and the remaining 5 percent, or \$21,656, of its allocation remained unspent.

Status: Fully corrected.

2023 – 004

WIOA Cluster: 17.258 WIOA Adult Program, 17.259 WIOA Youth Program, 17.278 WIOA Dislocated Worker Formula Grants – Reporting

Condition: Contrary to the County's federal award terms, the County Administrative Department failed to submit 10 of 12 monthly financial reports during the year for each of the County's WIOA awards, for which the County reported federal award expenditures totaling \$1,303,600 during the period July 1, 2022, through June 30, 2023.

Status: Fully corrected.



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