

CITY OF COOLIDGE, ARIZONA

**REPORTS AND SCHEDULES
REQUIRED BY THE SINGLE AUDIT ACT
AND UNIFORM GUIDANCE**

June 30, 2022

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**INDEPENDENT AUDITORS'S 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***

To the City Council
City of Coolidge, 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, the business-type activities, each major fund, and the aggregate remaining fund information of City of Coolidge, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Coolidge, Arizona's, basic financial statements, and have issued our report thereon dated January 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Coolidge, Arizona'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Coolidge, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Coolidge, Arizona'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 entity'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. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Colby + Powell

January 28, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the City Council
City of Coolidge, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Coolidge, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The City of Coolidge, Arizona's major federal programs for the year ended June 30, 2022. The City of Coolidge, Arizona's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Coolidge, Arizona complied, in all material respects, with the types of 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, 2022.

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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Coolidge, Arizona 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 City of Coolidge, Arizona'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 City of Coolidge, Arizona's federal programs

Auditor's 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 the City of Coolidge, 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 generally accepted auditing standards, 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 the City of Coolidge, Arizona's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the City of Coolidge, 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 the City of Coolidge, 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 the City of Coolidge, 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

Colby + Powell

January 28, 2023

CITY OF COOLIDGE, ARIZONA
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Arizona Department of Housing:			
Community Development Block Grant	14.228	125-22	85
Community Development Block Grant	14.228	138-22	6,610
Community Development Block Grant	14.228	132-21	44,580
Community Development Block Grant	14.228	108-21	143,284
			<u>194,559</u>
Home Investment Partnerships Program	14.239	301-20	183,918
Total U.S. Department of Housing and Urban Development			<u>378,477</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership Program	16.607	2005BUBX05026190	4,151
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	-	334,270
Passed through Arizona Department of Transportation:			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	2122COORTAP	1,694
Formula Grants for Rural Areas and Tribal Transit Program	20.509	GRT-20-0007905-T	734,998
			<u>736,692</u>
Total U.S. Department of Transportation			<u>1,070,962</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Arizona Department of Homeland Security:			
Homeland Security Grant Program	97.067	210301-01	65,114
Homeland Security Grant Program	97.067	200425-01	213,929
Total U.S. Department of Homeland Security			<u>279,043</u>
Total Federal Assistance			<u>\$ 1,732,633</u>

CITY OF COOLIDGE, ARIZONA
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Coolidge, Arizona under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City of Coolidge, Arizona, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Coolidge, Arizona.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the 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. The City of Coolidge, Arizona did not elect to use the 10-percent de minimis indirect cost rate as covered in 2 CFR §200.414.

CITY OF COOLIDGE, ARIZONA
Schedule of Findings and Questioned Costs
June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unmodified	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> No	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No	

Federal Awards

Internal control over major federal programs:			
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ <u>X</u> No	
Type of auditor's report issued on compliance for major federal programs:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	_____ Yes	_____ <u>X</u> No	
Identification of major federal programs:			
CFDA	Name of Federal Program		
Number	_____		
20.509	Formula Grants for Rural Areas and Tribal Transit Program		
Dollar threshold used to distinguish between type A and type B programs:		\$750,000	
Auditee qualified as low-risk auditee?	_____ <u>X</u> Yes	_____ No	

Financial Statement Findings

None noted.

Federal Award Findings and Questioned Costs

None noted.

CITY OF COOLIDGE, ARIZONA
Summary Schedule of Prior Audit Findings
June 30, 2022

The status of audit findings from the prior year is as follows:

City of Coolidge had no audit findings for the year ended June 30, 2021.