

**CITY OF COTTONWOOD, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2012**

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

Honorable Mayor and Members of the City Council
City of Cottonwood, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cottonwood, Arizona as of and for the year ended June 30, 2012, which collectively comprise City of Cottonwood, Arizona's basic financial statements and have issued our report thereon dated December 18, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of City of Cottonwood, Arizona is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Cottonwood, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cottonwood, Arizona's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Cottonwood, Arizona's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Cottonwood, 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 Standards*.

We noted certain matters that we reported to management of City of Cottonwood, Arizona in a separate letter dated December 18, 2012.

City of Cottonwood, Arizona's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Cottonwood, Arizona's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Honorable Mayor and Members of the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 18, 2012



**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Cottonwood, Arizona

Compliance

We have audited City of Cottonwood, Arizona's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Cottonwood, Arizona's major federal programs for the year ended June 30, 2012. City of Cottonwood, Arizona's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Cottonwood, Arizona's management. Our responsibility is to express an opinion on City of Cottonwood, Arizona's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Cottonwood, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Cottonwood, Arizona's compliance with those requirements.

In our opinion, City of Cottonwood, Arizona complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-3 and 2012-4.

Internal Control Over Compliance

Management of City of Cottonwood, Arizona is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Cottonwood, Arizona's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Cottonwood, Arizona's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, and 2012-4 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of City of Cottonwood, Arizona as of and for the year ended June 30, 2012, and have issued our report thereon dated December 18, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

This report is intended solely for the information and use of management, the Honorable Mayor and Members of the City Council, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

December 18, 2012

CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Commerce</u>			
Passed through Northern Arizona Council of Governments:			
Economic Development Support for Planning Organizations	11.302	340YB	\$ <u>49,438</u>
<u>U.S. Department of Transportation</u>			
Passed through Arizona Governor's Office of Highway Safety:			
Highway Safety Cluster			
State and Community Highway Safety	20.600	2012-PT- 054	1,907
State and Community Highway Safety	20.600	2012-TR-003	4,581
State and Community Highway Safety	20.600	2012-AL-052	10,873
State and Community Highway Safety	20.600	2012-DOJ-006	905
State and Community Highway Safety	20.600	2012-EM-003	11,981
State and Community Highway Safety	20.600	2011-DOJ-015	2,473
State and Community Highway Safety	20.600	2011-PT-021	5,604
State and Community Highway Safety	20.600	2011-AL-027	<u>3,173</u>
Total U.S. Department of Transportation			<u>41,497</u>
<u>U.S. Department of Energy</u>			
Passed through Arizona Department of Commerce:			
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	RFI 016-10-11	86,937
Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128	G032-10-14	<u>32,000</u>
Total U.S. Department of Energy			<u>118,937</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through the Northern Arizona Council of Governments:			
Community Services Block Grant	93.569	115-12	<u>12,500</u>
<u>U. S. Department of Homeland Security</u>			
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	32,800
Staffing for Adequate Fire and Emergency Response	97.083	N/A	247,119
Passed through the State of Arizona, Department of Homeland Security:			
Homeland Security Grant Program	97.067	777516-01	<u>8,000</u>
Total U.S. Department of Homeland Security			<u>287,919</u>
Total Expenditures of Federal Awards			\$ <u><u>510,291</u></u>

CITY OF COTTONWOOD, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of City of Cottonwood, Arizona and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2012 *Catalog of Federal Domestic Assistance*.

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
97.044	Assistance to Firefighters Grant
97.083	Staffing for Adequate Fire and Emergency Response

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2012-1

Type of Finding: Material Weakness

Description: Internals Controls over Financial Reporting

CRITERIA

City management is responsible for establishing internal controls over financial reporting that are adequate to ensure that a material misstatement would be prevented and/or detected. The system of internal controls must extend beyond the modified accrual basis general ledger and the supporting schedules prepared by the City; rather it must also include controls over the GAAP basis financial statements. Recipients of grant awards are responsible for establishing internal controls sufficient to accurately account for the financial activity related to grants received. The City should have controls in place to ensure that purchase order amounts are not exceeded, documentation is maintained supporting all disbursements, and disbursements are properly approved according to City policy. City management is also responsible for establishing and maintaining internal controls that include the preparation of complete and accurate capital assets schedules for inclusion in the financial statements.

CONDITION/CONTEXT

The City's system of internal controls over financial reporting is not adequate to ensure that a material misstatement would be prevented and/or detected. We noted the following deficiencies:

- Multiple audit adjustments were necessary to correct errors and to correctly compile the financial statements.
- The general ledger included many asset and liability balances that could not be supported, did not agree to supporting documentation or subsidiary ledgers, were not reconciled, and/or had negative balances at year end. These balances were not material.
- The financial activity of grant awards was not always recorded separately in the accounting information system. Additionally, financial reports related to grant awards were not typically reviewed by an individual other than the preparer. As a result, expenditure amounts and other information did not always agree to supporting documentation during our review of the Schedule of Expenditures of Federal Awards.
- The City received a note payment related to fiscal year 2012-13 and recorded the principal portion of the payment as a reduction to the note receivable balance rather than as deferred revenue.
- Policies and procedures were not established to analyze and record uncollectible accounts.

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Cont'd)**

Reference Number: 2012-1

- The City did not have adequate segregation of duties over the accounts payable cycle. The same individual was responsible for vendor master file maintenance, payment preparation, recording payments, accounts payable data entry, the use of digital signatures, the bank reconciliation, and maintenance of the check sequence log. In addition, the check sequence log was not typically reviewed by another individual.
- For one of 25 disbursements reviewed, the supporting documentation did not agree to the amount disbursed. However, the City received a credit on the following month's bill.
- For one of 25 disbursements reviewed, the bid amount approved by the City Council did not agree to the purchase order issued. The total cost of the purchase exceeded both amounts by more than 5 percent. The excess costs were not approved by the City Council as required by City policy.
- For one of 25 disbursements reviewed, there was no documentation of approval for payment.
- The City has not taken a physical inventory of capital assets and reconciled the results to the capital asset records.
- The City did not have adequate segregation of duties over preparation of the capital assets listings. The addition of assets to the listings, the reconciliation of the listings, and the computation of depreciation is performed by the same individual. The listings and reconciliations are not reviewed by another individual.
- The capital assets listings contained multiple material errors related to the calculation of depreciation. The City subsequently made corrections in order to properly record depreciation in the audited financial statements.

EFFECT

Material misstatements were not always prevented and/or detected. The City was not always in compliance with GAAP and City policies.

CAUSE

The City has not dedicated sufficient resources to the development of an adequate system of internal controls over financial reporting. City policies were not always followed or were not in place. In addition, the City has not implemented best practices due to budgetary constraints.

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Concl'd)**

Reference Number: 2012-1

RECOMMENDATION

The City should design and implement effective internal control procedures to ensure the financial statements and related notes are free from material misstatements. Specifically, the City should implement the following recommendations:

- The City should complete reconciliations of balance sheet accounts at least annually. The reconciliations should be reviewed by another individual.
- The City should separately account for the financial activity of grant awards in the accounting information system. The City should ensure that an individual other than the preparer reviews financial reports related to grant awards.
- The City should analyze and record uncollectible accounts at least annually.
- The City should segregate duties in the accounts payable and capital asset cycles. Accordingly, the City should incorporate adequate review and supervision procedures.
- The City should perform a physical inventory of capital assets.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City of Cottonwood is serious about correcting these issues. The Accounting/Budget Manager will work towards removing the unsupported asset and liability balances. This is something that was already in the works as part of cleaning up the accounting system for the upcoming conversion to Springbrook software. The Springbrook software will include a grant tracking module which should improve grant tracking and reporting. The note payment issue was an oversight which is currently being reviewed and added to the listing of end of year items that need to be checked off. The City has been working on policies and procedures for analyzing and recording uncollectible accounts, primarily for our utilities. However, the policy building has been delayed until the utilities department consolidates their water and wastewater accounts, which has been a very tedious project. Springbrook software has agreed to assist in the merging of the 4,000+ accounts during conversion. The City anticipates continuing the work on the policies and procedures once the conversion is completed. The segregation of duties has always been an issue in such a small department. The finance department is looking into how best to handle this and will have some dialogue with the auditors on a possible review of our overall internal controls in the various cash handling departments. The City of Cottonwood tries to adhere to all of its rules as closely as possible and infrequently overlooks its policies. The Purchasing Agent and Accounts Payable will be asked to take a closer look at the purchase orders and matching invoices so as to avoid any discrepancies in the future. Inclusive, they will be asked to check closely on any change orders. Lastly, the City will be requesting consulting services to do a full inventory of our capital assets and update our listings prior to bringing on the fixed asset module. This also is part of the clean-up prior to the completion of the overall software conversion.

CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-2

Program:	CFDA Number:	Grantor Number:	Questioned Costs:
Assistance to Firefighters Grant	97.044	N/A	N/A
Staffing for Adequate Fire and Emergency Response	97.083	N/A	N/A

Federal Agency: U.S. Department of Homeland Security

Pass-Through Agency: N/A

Applicable ARRA Programs: N/A

Type of Finding: Material Weakness

Compliance Requirement: Allowable Costs/Cost Principles, Procurement and Suspension and Debarment

CRITERIA

According to 34 CFR 85 and 43 CFR 42, entities are prohibited from contacting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction that are expected to equal or exceed \$25,000.

CONDITION/CONTEXT

The City did not have procedures in place to determine if vendors were suspended or debarred for purchases that exceeded \$25,000. Additionally, bullet 6 of finding 2012-1 relates to federal awards and is reported in the Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards* section of the Schedule of Findings and Questioned Costs.

EFFECT

The City had deficiencies in the internal controls that made it reasonably possible that material noncompliance with compliance requirements of the federal programs would not be prevented, or detected and corrected on a timely basis. However, no specific instances of noncompliance were noted.

CAUSE

The City was not aware of the requirement. As a result, the City did not have policies and procedures in place to ensure vendors were not suspended or debarred.

RECOMMENDATION

The City should adopt policies and procedures to determine if vendors were suspended or debarred for purchases that exceeded \$25,000 from federal funds.

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-2

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Purchasing will be asked to update its policies to include one on dealing with vendors that have been debarred or suspended. This is something that the City was not informed of as necessary. We will take care of this in the near future.

Contact Person:	Lisa Elliot, Purchasing Agent
Anticipated Completion Date:	6/1/2013

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-3

Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Agency: U.S. Department of Homeland Security

Pass-Through Agency: N/A

Applicable ARRA Programs: N/A

Grantor Number: N/A

Questioned Costs: N/A

Type of Finding: Material Weakness, Noncompliance

Compliance Requirement: Equipment and Real Property Management

CRITERIA

Local governments are required to follow the A-102 Common Rule for equipment acquired under Federal awards received directly from a Federal awarding agency. A physical inventory of equipment is required to be taken at least once every two years and reconciled to the equipment records.

CONDITION/CONTEXT

The City has not taken a physical inventory in the past two years for equipment acquired under Federal awards.

EFFECT

Although no specific instances of misappropriation of assets were noted, the City's lack of internal controls over this compliance requirement has left the City susceptible to the risk of noncompliance in the future.

CAUSE

The City has not taken an inventory of capital assets due to budgetary constraints.

RECOMMENDATION

The City should take an inventory of equipment acquired under Federal awards at least once every two years.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The City will begin pulling asset information funded by Federal grants and will do an inventory on the equipment. Departmental staff will be informed of the requirement and finance will ensure that the necessary inventories are conducted and assets maintained.

Contact Person:

Kirsten Lennon, Accounting /Budget Manager

Anticipated Completion Date:

Ongoing

**CITY OF COTTONWOOD, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-4

Program:	CFDA Number:	Grantor Number:	Questioned Costs:
Assistance to Firefighters Grant	97.044	N/A	N/A
Staffing for Adequate Fire and Emergency Response	97.083	N/A	N/A

Federal Agency: U.S. Department of Homeland Security

Pass-Through Agency: N/A

Applicable ARRA Programs: N/A

Type of Finding: Material Weakness, Noncompliance

Compliance Requirement: Other

Bullet 3 of Finding 2012-1 relates to federal awards and is reported in the Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards* section of the Schedule of Findings and Questioned Costs.

**CITY OF COTTONWOOD, ARIZONA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

Status of Federal Award Findings and Questioned Costs

The City had no findings or questioned costs related to federal awards noted in prior audits that require a status.