

## Maricopa County

### Annual financial statement and compliance audits

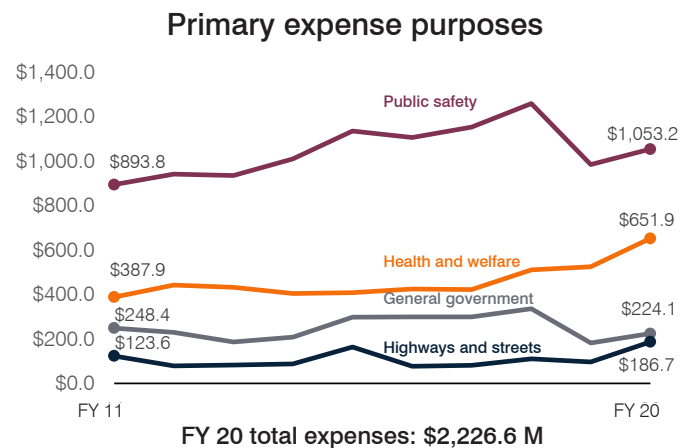
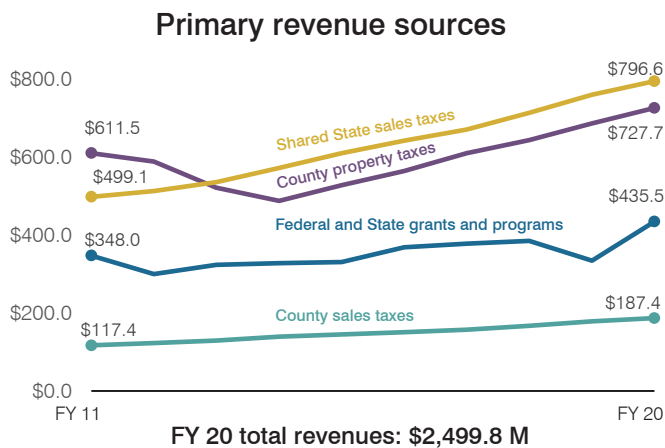
The County's fiscal year 2020 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting, summarized on the next page.

#### Audits' purpose

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

#### Primary revenue sources and how they were spent

Fiscal years (FY) 2011 through 2020  
(In millions)



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

#### Largest primary revenue sources

- **Shared State sales taxes—31.9% FY 20:** Comes from State sales taxes the State of Arizona collects and the Arizona State Treasurer distributes to the County based on the State's statutory distribution formulas.
- **County property taxes—29.1% FY 20:** Levied and collected from property owners based on the assessed value of real and personal property within the County.

#### Largest primary expense purposes

- **Public safety—47.3% FY 20:** Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations. After FY 18, these expenses fluctuated primarily because of changes in pension benefit expenses.
- **Health and welfare—29.3% FY 20:** Costs for public assistance and institutional care for individuals who are economically unable to provide for themselves. The FY 20 increase from FY 19 was primarily due to the spending of \$98.9 million of federal Coronavirus Relief Fund monies.

#### County's net position increased in FY 20

County revenues were \$273.2 million greater than its expenses, increasing total net position to \$3,763.3 million at June 30, 2020. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. None of this net position is unrestricted, meaning some is not in spendable form, and the rest is restricted by external parties.

## Auditor findings and recommendations

Summarized below are the findings and recommendations from our reports on the County's internal control and compliance over financial reporting and over federal programs. These are included in the County's [Single Audit Report](#) where there is further information and the County's responses.

- The County's District 5 Board of Supervisors member and his assistant used their County purchasing cards to make \$11,544 of purchases that contradicted County policies, resulting in potential misuse of public monies and possibly violating the Arizona Constitution, which bans gifts or loans of public monies to individuals by counties. We reported a similar finding in the prior year.
- The County needs to continue to update and implement policies and procedures to effectively protect its information technology (IT) systems and data, including sensitive data. Also, the County needs to prioritize developing and implementing a process for periodically reviewing account access to its IT systems and data to ensure access is appropriate and necessary. We reported similar IT findings in prior years.

## Auditor General website report links

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