

Pima County

CONCLUSION: Based on our audits, we issued opinions on the County's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the County's internal control and compliance over financial reporting and select federal programs, which identified an internal control weakness that is explained on the next page.

County overview

County provided wide range of services for its citizens—In fiscal year 2019, the County provided a wide range of government services for its over 1 million citizens. In addition to managing general operations, such as property assessments and taxes, budgeting and finance, and elections, the County provided for public safety, such as law enforcement, court services, and flood control infrastructure; public health and welfare by providing medical assistance and contributions to Arizona's long-term care system; highway and street maintenance and construction; and community resources, such as libraries and parks and recreation. The County is located in the southern part of Arizona bordering Mexico and encompasses 9,188 square miles.

County responsible for accurate financial report—The County is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the County's CAFR is presented below. However, the County's CAFR should be read to fully understand its overall financial picture. Our [Financial Report User Guide for State and Local Governments](#) will help readers identify and understand important and useful information in the County's CAFR.

County financial information

Asset, liability, and net position balances on June 30, 2019

Total assets/deferred outflows = \$4,074.4 million

Select asset balances:

\$3,154.4 M	Capital assets
664.4	Cash and investments
81.8	Due from others and receivables

Total liabilities/deferred inflows = \$2,001.5 million

Select liability balances:

\$988.7 M	Long-term debt
756.4	Noncurrent employee benefits
109.6	Current payables

County's net position = \$2,072.9 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$1,109.2 million

Select revenue sources:

\$463.5 M	County property taxes
177.7	Federal and State grants and programs
155.3	Shared State sales taxes
8.7	County sales taxes

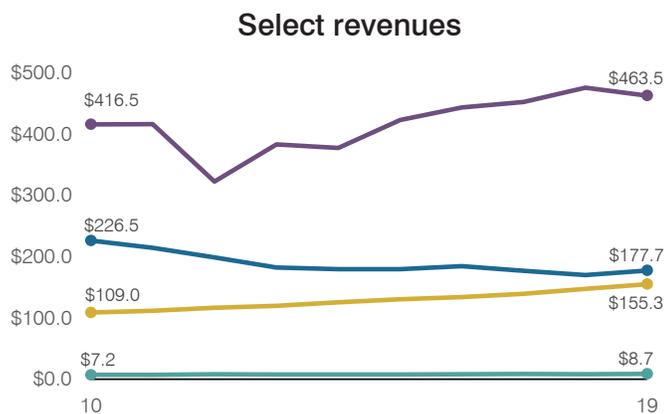
Total expenses = \$982.8 million

Select expenses by function:

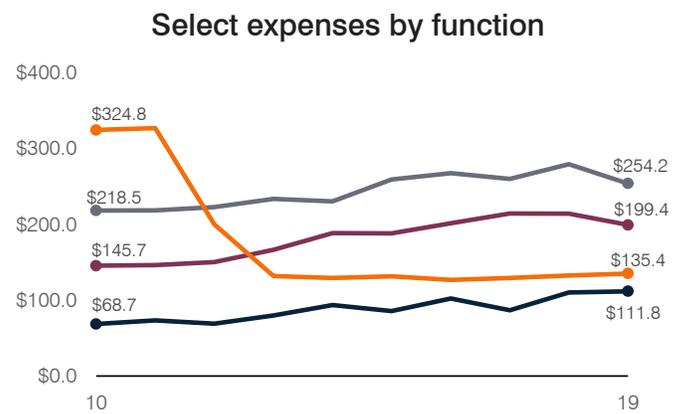
\$254.2 M	General government
199.4	Public safety
135.4	Health and welfare
111.8	Highways and streets

Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **County property taxes**—Taxes the County levied on the assessed value of real and personal property within the County. The County Treasurer collects the tax revenues.
- **Federal and State grants and programs**—Federal and State government grants and programs awarded as assistance to the County and its citizens, including highway user tax revenues for authorized transportation purposes.
- **Shared State sales taxes**—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 sales taxes**—Local lodging and car rental taxes restricted for sports facilities and tourism and the Stadium District operations. In fiscal year 2019, these amounts were \$7.2 million and \$1.5 million, respectively.



- **General government**—General operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety**—Protection of persons and property of the County. The largest portion of these expenses are for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.
- **Health and welfare**—Public assistance and institutional care for individuals who are economically unable to provide for themselves. The significant decrease beginning in fiscal year 2012 resulted from privatization of the County's health system.
- **Highways and streets**—Construction and maintenance of highways, streets, and bridges within the County.

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

Audit findings and recommendations

Below is a summary of our reports over the County's internal control and compliance over financial reporting and over federal programs. Detailed information about our findings and the County's responses are included in the County's [Report on Internal Control and on Compliance](#) and the County's [Single Audit Report](#). For help in understanding important information presented in these reports, please refer to our [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

We found that the County lacked adequate policies and procedures over IT systems and data to prevent or detect unauthorized or inappropriate access. To ensure that access to IT systems and data is authorized and appropriate, the County needs to strengthen its policies and procedures for assigning and granting access and ensure all changes follow a documented process. We reported a similar finding in the prior year.

Financial finding and recommendation

Federal internal control and compliance

The County spent over \$39 million of federal program monies during the fiscal year. We tested 5 federal programs selected under the major program guidelines established by the Single Audit Act, including programs for housing assistance, job training, highway construction, crime victim assistance, and low-income community services, which totaled over \$8 million in federal expenditures. We reported no findings over those federal programs.

No reported findings