

Cochise County

Annual financial statement and compliance audits

The County's fiscal year 2023 reported financial information is reliable. However, we reported a deficiency and noncompliance over financial reporting, summarized on the next page.

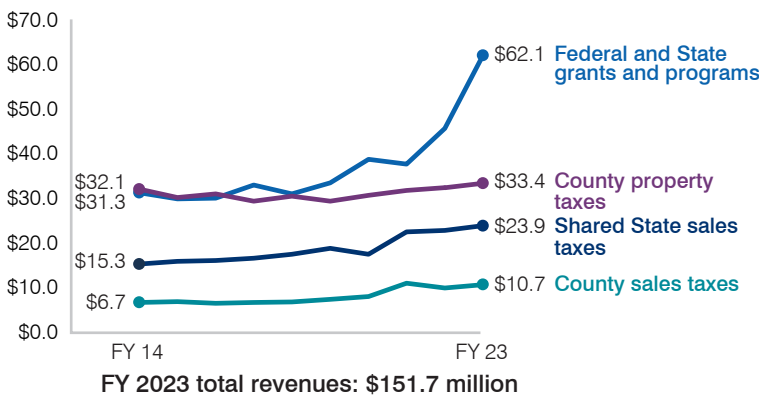
Audits' purpose

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.

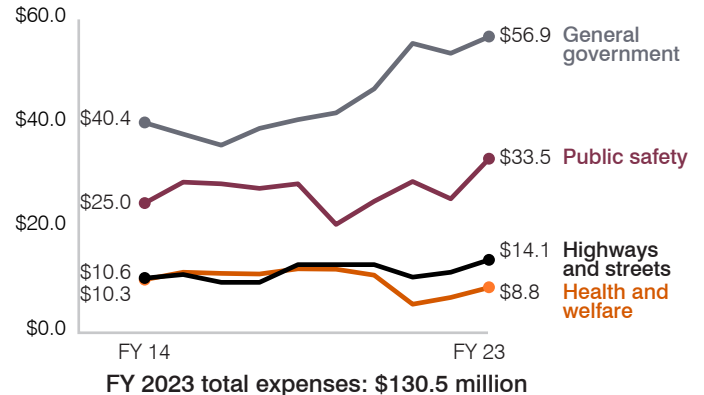
Primary revenue sources and how they were spent

Fiscal years (FY) 2014 through 2023
(In millions)

Primary revenue sources



Primary expense purposes



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

Largest primary revenue sources FY 2023

- **Federal and State grants and programs 40.9%**—Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.
- **County property taxes 22.0%**—Levied and collected from property owners based on the assessed value of real and personal property within the County.

Largest primary expense purposes FY 2023

- **General government 43.6%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety 25.6%**—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.

County's net position increased in FY 2023

County revenues were \$21.2 million greater than its expenses, increasing total net position to \$156.6 million at June 30, 2023. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations 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 our finding and recommendations included in the County's combined [Annual Financial and Single Audit Reports](#) where there is further information and the County's responses. The County needs to improve its purchasing card policies and procedures to:

- Specify the circumstances, if any, for which purchases of food, beverages, entertainment, and gift cards are authorized; require the preparation, review, and approval of documentation to support purchases of food, beverage, and entertainment, if allowed, are for authorized County business that provide a public purpose and benefit to the County and its constituents; monitor County departments' compliance with County policies; and train employees on its policies and procedures for using purchasing cards, including detailed instructions for what documentation to provide and purchases requiring another procurement process. We found the County's noncompliant purchasing card expenditures put public monies at risk of being misspent or being misused, and those lacking public purpose documentation possibly violated the Arizona Constitution's ban on gifts or loans of public monies.

Auditor General website report links

- The June 30, 2023, Cochise County combined Annual Financial and Single Audit Reports that are 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](#).