

Cochise County

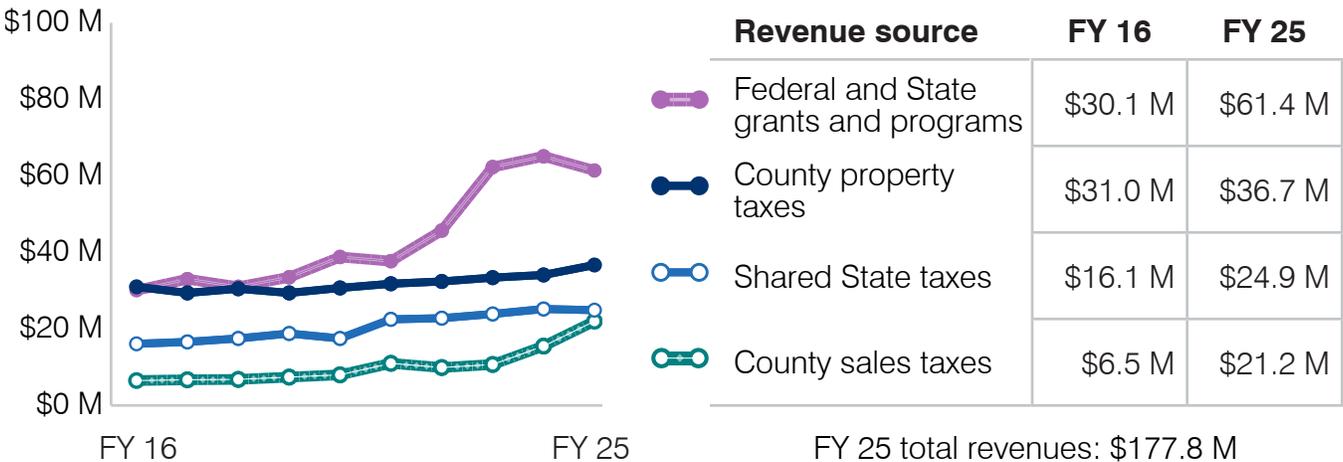
Annual financial statement and compliance audits

The County’s fiscal year 2025 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the following pages.

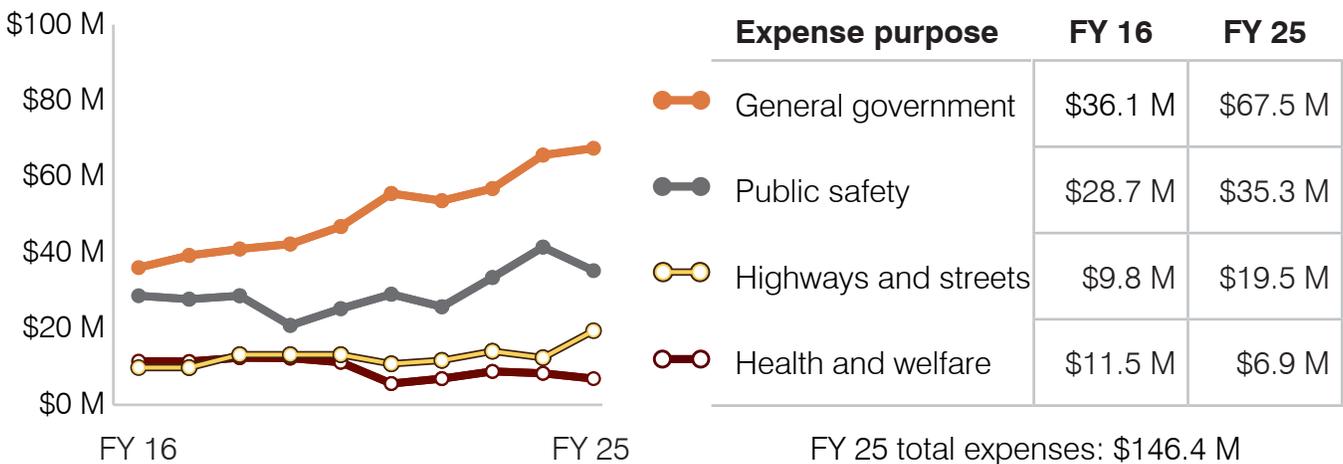
Audits’ purpose

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, in millions (FY 2016 through FY 2025)



Primary expense purposes, in millions (FY 2016 through FY 2025)



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

FY 2025 largest primary revenue sources as a percentage of total revenues

▶ Federal and State grants and programs, 34.5%

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, 20.6%

Levied and collected from property owners based on the assessed value of real and personal property within the County.

FY 2025 largest primary expense purposes as a percentage of total expenses

▶ General government, 46.1%

Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.

▶ Public safety, 24.1%

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 2025

County revenues were \$31.4 million greater than its expenses, increasing total net position to \$217.9 million at June 30, 2025. 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. Of the total net position, \$216.1 million is restricted by external parties or is not in spendable form, and the remaining \$1.8 million is unrestricted.

Auditor findings and recommendations

Summarized below are the findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses.

The County needs to:

- ▶ Follow its existing policies and procedures to review its purchasing card purchases to ensure the expenditures are for authorized purposes. In addition, the County needs to improve its food and beverage policy to address the allowability of business luncheons and the amount per person or maximum amount that may be spent. Finally, the County needs to ensure all purchasing card payments are paid on time to avoid penalties and interest. We found that the County did not ensure \$1,552 of public monies its employees

spent on food and beverages and other purchasing card expenditures were for authorized County business, resulting in possible violation of the Arizona Constitution and \$1,162 in penalties and interest.

- ▶ Develop, document, and implement written policies and procedures over information technology (IT). We found that the County did not have policies and procedures to identify, classify, and inventory all of the County's sensitive information. In addition, the County did not implement processes to enhance authentication for IT systems and require all employees to complete training on IT security risk.
- ▶ Follow the State's eligibility-certification policies that require program participants to complete and sign a rights and obligations form prior to the Department issuing benefits during initial certifications and recertifications for ongoing benefits; train Department staff who are responsible for the eligibility-certification process, as required by the State pass-through; and perform periodic monitoring at its clinic sites. We found that the County did not require program participants to complete and sign a rights and obligations form for either the initial certification or the recertification for ongoing benefits. Also, the County did not properly separate duties during certifications. This resulted in a qualified opinion for the federal program.

Auditor General website report links

- ▶ **June 30, 2025, [Cochise County Annual Financial Report and Single Audit Report.](#)**

These highlights summarize the reports above. The full reports explain the County's overall financial picture and our reporting responsibilities.

- ▶ The [County's reports from prior years.](#)
- ▶ **User guides that help explain the important information presented in these reports:**
 - [Financial Report User Guide for State and Local Governments.](#)
 - [Internal Control and Compliance Reports User Guide.](#)