

Pima County

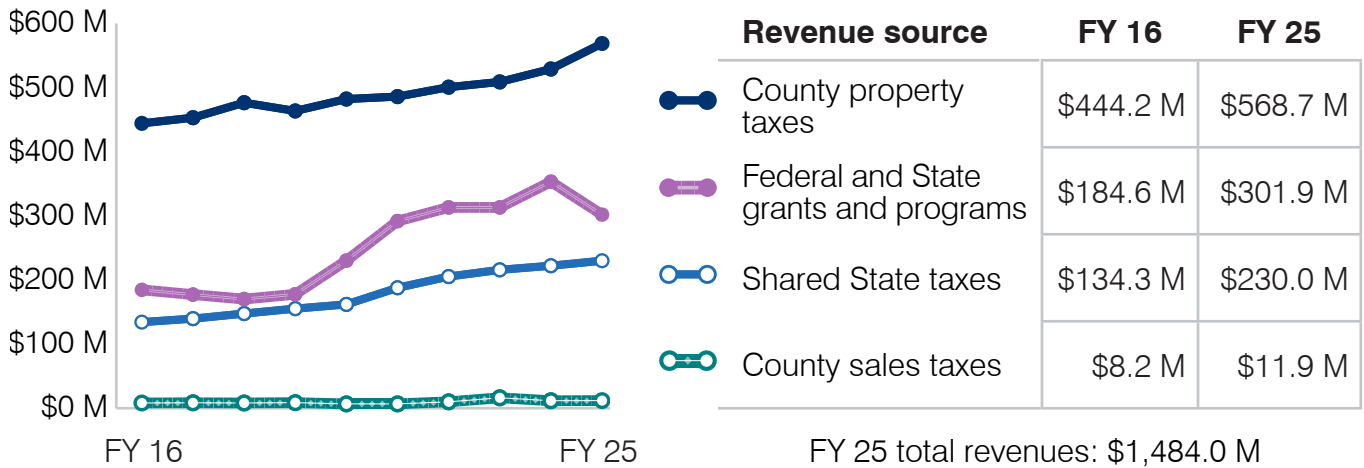
Annual financial statement and compliance audits

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.

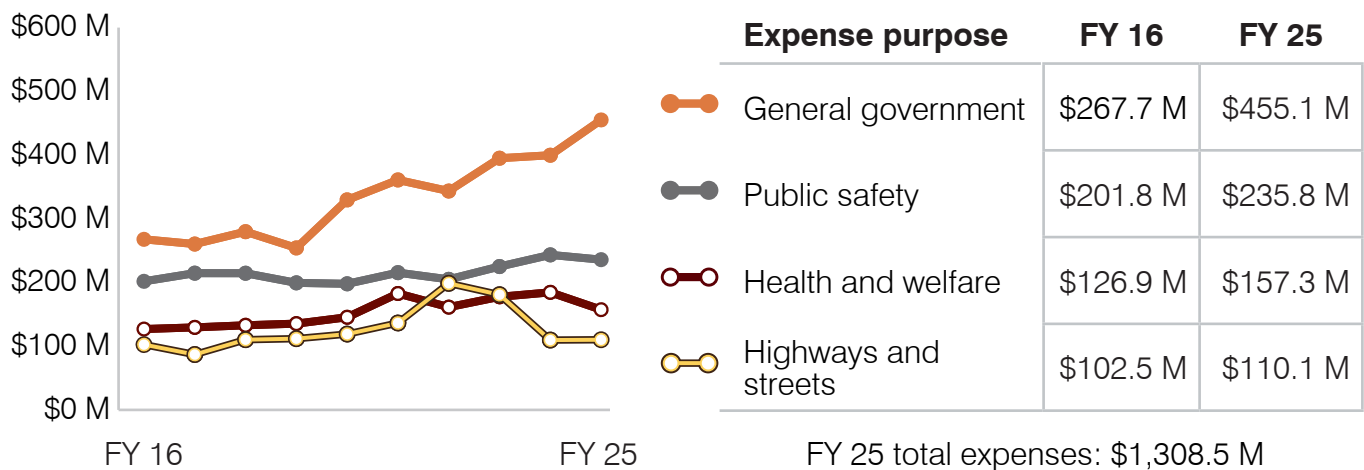
Audits’ purpose

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

▶ **County property taxes, 38.3%**

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

▶ **Federal and State grants and programs, 20.3%**

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.

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

▶ **General government, 34.8%**

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

▶ **Public safety, 18.0%**

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 \$175.5 million greater than its expenses, increasing total net position to \$2,905.0 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, 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 our 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:

- ▶ Make it a priority to develop and document comprehensive information technology (IT) policies and procedures to prevent, detect, and respond to unauthorized or inappropriate access, damage, or loss to its IT systems and data. We found that processes for restricting access to IT systems and data and enforcing security awareness training were not sufficient, which may put County operations and IT systems and data at unintended and unnecessary risk of potential harm. This finding was initially reported in fiscal year 2024.

- ▶ Ensure the County's School Superintendent's Office performs timely cash reconciliations between the Pima County School Reserve (School Reserve) Fund's cash balances and the County Treasurer's balances, promptly researches and resolves differences, and timely posts any necessary adjustments. School Reserve was audited by other auditors that found the cash reconciliations were not completed in a timely manner and reconciling items were not fully researched and resolved, which increased the risk of undetected errors in the financial statements.
- ▶ Accurately prepare its schedule of expenditures of federal awards (SEFA) by training staff on its existing policies and procedures and creating a comprehensive listing of federal funds recorded in its accounting system. We found that the County's initial SEFA contained errors, including a \$3.9 million understatement of total expenditures, \$694,446 overstatement of expenditures passed through to subrecipients, and exclusion of 2 pass-through entities, totaling \$310,236.
- ▶ Perform and document an independent review of all federal program reports before submitting the reports to the awarding agency, retain detailed documentation, and create a tracking mechanism to ensure reports are submitted by their due dates. The County should also follow its retention policies and procedures and retain all records relating to a federal award for a period of 3 years from the date of its submission of reports. We found that for 13 of 17 federal programs' reports we tested, the County's Grants Management and Innovation Department (Department) did not perform an independent review and approval prior to submitting them to the federal agency or pass-through grantor. Also, the Department did not retain documentation for 3 reports and submitted 3 reports past their due dates. This resulted in a qualified opinion for the Coronavirus State and Local Fiscal Recovery Funds and Immunization Cooperative Agreements federal programs.

Auditor General website report links

- ▶ **June 30, 2025, [Pima County Annual Comprehensive 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.](#)