

Maricopa 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 internal control weaknesses and instances of noncompliance over financial reporting that are 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 4.4 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, parks and recreation, and services to school districts. The County is located in the south-central portion of Arizona and encompasses 9,201 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 = \$5,876.5 million

Select asset balances:

\$3,963.3 M	Capital assets
1,371.2	Cash and investments
225.3	Due from others and receivables

Total liabilities/deferred inflows = \$2,383.5 million

Select liability balances:

\$1,643.5 M	Noncurrent employee benefits
262.1	Current payables
162.0	Long-term debt and lease obligations

County's net position = \$3,493.0 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$2,303.9 million

Select revenue sources:

\$761.9 M	Shared State sales taxes
688.3	County property taxes
335.3	Federal and State grants and programs
178.8	County sales taxes

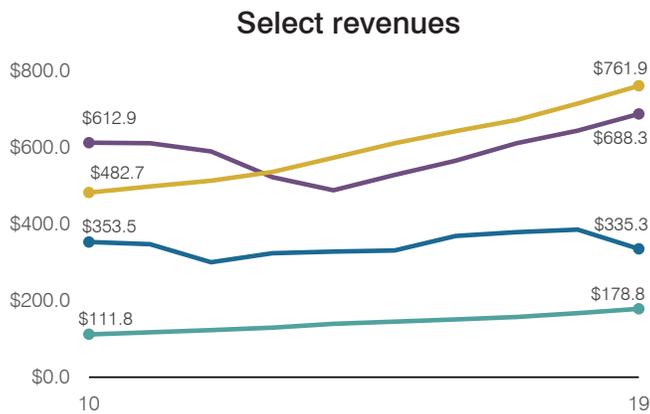
Total expenses = \$1,897.6 million

Select expenses by function:

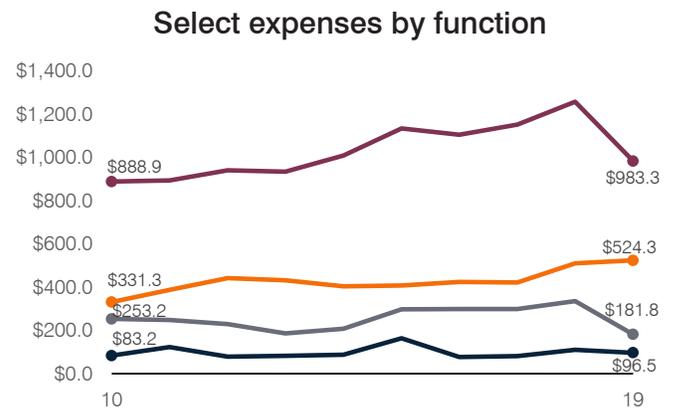
\$983.3 M	Public safety
524.3	Health and welfare
181.8	General government
96.5	Highways and streets

Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **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 property taxes**—Taxes the County levies 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.
- **County sales taxes**—Local sales taxes consist of restricted amounts for jail construction and operations and for the Stadium District operations. In fiscal year 2019, these amounts were \$172.8 million and \$6.0 million, respectively.



- **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. Expenses were \$22 million less in fiscal year 2019 than in fiscal year 2018 primarily because pension benefit expense decreased.
- **Health and welfare**—Public assistance and institutional care for individuals who are economically unable to provide for themselves, including required State shared sales taxes withheld for Arizona's long-term care system.
- **General government**—General operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **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, which are included in the County's [Single Audit Report](#) where there is detailed information about our findings and the County's responses. 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

The County's District 5 Board of Supervisors member and his assistant made \$34,349 in purchases that conflicted with County policies and lacked appropriate documentation, which put public monies at risk of misuse. Also, the County did not appropriately review and approve County Board of Supervisors members' purchasing card travel expenses. Further, the County needs to continue to update and implement policies and procedures to adequately protect its IT systems and data.

Financial findings and recommendations

Federal internal control and compliance

The County spent over \$149 million of federal program monies during the fiscal year. We tested 6 federal programs that totaled \$77.9 million in federal expenditures selected under the major program guidelines established by the Single Audit Act, including early childhood education, HIV care and support, highway planning and construction, workforce innovation, and housing assistance programs. We reported no findings for these programs.

No reported findings