



*Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2011*

**Coconino County, Arizona
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011**

COCONINO COUNTY BOARD OF SUPERVISORS

Carl Taylor
District 1

Elizabeth C. Archuleta
District 2

Matthew G. Ryan
Vice-Chair
District 3

Mandy Metzger
District 4

Lena Fowler
Chair
District 5

Steve Peru
County Manager

Michael Townsend, CPA
Deputy County Manager, Chief Operations Officer

Sandra Schulz, CPA
Chief Financial Officer

Prepared By:
Holly Lindfors, CPA
Financial Reporting and Audit Manager

Coconino County
 Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

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The Honorable Board of Supervisors and Citizens of Coconino County, Arizona:

We are pleased to provide you the Comprehensive Annual Financial Report (CAFR) of Coconino County for the fiscal year ended June 30, 2011. The CAFR provides additional information to the Board and the citizens on the County's financial position and results of operations. Pursuant to Arizona Revised Statute (A.R.S.) 41-1279.21 the Coconino County CAFR was audited in accordance with generally accepted auditing standards for the year ended June 30, 2011 and has been issued an unqualified ("clean") opinion.

This report consists of management's representations concerning the finances of Coconino County. Consequently management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Fester & Chapman, P.C., a firm of licensed certified public accountants, have audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

The report is prepared in accordance with generally accepted accounting principles (GAAP), in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB), and using the guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). GAAP requires that management provide an analysis, narrative introduction, and overview to accompany the basic financial statements, called the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report in the financial section of this report.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of

the information contained in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Coconino County Profile

Coconino County was established on February 19, 1891 by the 16th Territorial Assembly with an initial population count of 4,000. The County encompasses approximately 18,617 square miles – is the largest county in Arizona and the second largest in the United States. Despite its size, Coconino County is one of the most sparsely populated counties in Arizona with a population of 6.2 per square mile. Only 13% of the County’s total square miles is private property. The remainder is a combination of state, federal and reservation land.

The census estimated the 2010 population of the County to be 134,421. Flagstaff is the County seat and the largest city in the County. The County is home to the Grand Canyon, four other federal recreation areas and three state parks. The County is also home to reservation land belonging to the Navajo, Hopi, Havasupai, Hualapai and Paiute tribes.

Coconino County’s government consists of an elected Board of Supervisors (Board). There are five districts, each represented by a Supervisor who resides in the district. The Board holds the policy-making and legislative authority for the County. It is responsible for the overall management and approval of all departmental budgets and tax rates. The Board appoints a County Manager who serves as the Chief Administrative Officer for the County. Departments are either headed by an appointed official, appointed by the Board, or an elected official. Elected offices are statutorily determined and include the Sheriff, County Attorney, Recorder, Treasurer, Assessor, Superintendent of Schools, Constable, Clerk of the Superior Court, and the Judiciary.

Coconino County provides a full range of services including law enforcement and public safety, health services, sanitation, welfare programs, highway construction and maintenance, parks and recreation, and education.

The financial reporting entity includes all the funds of the primary government. Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County’s operations. Additional information can be found in the notes to the financial statements (See Note 1.A.).

The Board and the County Manager use a ten-year financial plan, along with fiscal management policies, budget management policies, and strategic goals and priorities to guide the overall development and management of the budget. Annually departments are required to provide revenue and expenditure estimates for the current fiscal year and planned revenues for the following year. These estimates are used to update the ten-year financial plan. Departments submit their budgets in the form of a “Program Funding Request” which are evaluated using criteria and strategies adopted by the Board of Supervisors and budget recommendations are based on these evaluations. Final budget decisions are also subject to the availability of funds; conformance with fiscal and budget management policies; and meeting the County’s strategic goals and priorities.

The final budget must be adopted by the Board on or before the third Monday in July. The tax rate and levy must be set on or before the third Monday in August each year. The level of budgetary control is at the department level within a fund. Transfers between these levels must be approved by the Board. Additionally, actual expenditures may legally not exceed the final budget.

Assessing Coconino County's Economic Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy. The economy of Coconino County is based primarily on public administration, the service industry, wholesale and retail trade, and tourism. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. Major employers include Northern Arizona University, City of Flagstaff, Coconino Community College, the unified school districts, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, Flagstaff Medical Center, W.L. Gore and Associates, ARA Leisure Services, Nestle-Purina, Walgreens and SCA Tissues.

Tourism significantly impacts the local economy. Old Route 66 runs across most of the County as well as US Route 40. Attractions include the Grand Canyon, Sedona/Oak Creek Canyon, Glen Canyon National Recreation Area, Wupatki National Monument, Sunset Crater National Monument, Walnut Canyon Monument, and Slide Rock State Park. Over 6.9 million people visited these attractions in 2010.

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year 2007. In FY11 the County expanded on the Strategic Budget Process begun in FY10. The goal of the process is to provide consistent delivery of essential services to its residents in times of economic growth or recession and to identify opportunities for cost containment through prevention efforts. Keys to this process are a ten-year financial plan, aligning revenue types with expenditures, growing recurring expenditures only at recessionary revenue levels, building prudent reserves, planning for compensation, facilities and IT, continued development of the Strategic Budgeting Process and development of new revenue sources.

Impact of State Economic Condition. Although the County's sound long-term financial planning considered and included a recessionary growth model based on prior recessions, the depth and breadth of economic downturn to both the State and local economies continues to impact County revenues. Additionally, while State revenues appear to have stabilized in recent months, there remains a structural deficit at the state level and, as a result, the County expects reduced and reallocated State/County shared revenues, shifts in mandated costs to counties, and further cuts to County funding for Probation, Court and Health programs. In future years, the County will have additional impacts from further State revenue allocation reductions and cost shifts. This causes continued uncertainty for Counties across the state and into the foreseeable future. The County will continue to work with the Governor, State Legislators, and County Supervisors Association to find solutions to the state budget shortfall that have the least impact to counties. In addition to these efforts, the County is actively pursuing solutions to decrease reliance on state controlled revenues and to increase locally

controlled sources. Additional details are included in Management's Discussion and Analysis (MD&A) under "Economic Factors and Next Year's Budget" which can be found in the Financial section of the CAFR.

Economic Outlook. The County's local revenues as well as those allocated by and received from the State continue to be impacted by the economic downturn. However, these revenues showed small signs of improvement in FY11. Although revenues are improving the County anticipates a slower growth rate than what we have experienced in the past. Total revenues are not expected to return to FY07 and FY08 levels for many years. Arizona continues to be among the states hardest hit by the recession. Economists continue to predict that the economic recovery in Arizona will span several years and include years of no growth or slow growth levels. Further, Arizona is likely to fare worse than the national economy in upcoming years due to continued weakness in the housing market, dependence on growth industries and uncertainty regarding the budget outcome within the state. The County will continue to address this outlook through the Strategic Budget Process, adjustments to its recessionary growth model, potential new revenue sources and the ongoing long-term financial planning process. Over the next 3-5 years the County plans to review and evaluate all programs and services currently provided in an effort to create capacity to address future structural deficits in several major funds and unmet compensation, facilities and information technology needs. Additional details are included in the MD&A under "Economic Factors and Next Year's Budget".

Significant Financial Policies.

Coconino County's financial policies include:

Operating Budget Policies. The operating budget is a plan for allocating resources.

Capital Budget Policies. The capital budget provides resources for capital maintenance and future capital needs, without adversely affecting the operating budget.

Revenue Policies. Funding for public programs should be derived from a fair, equitable and adequate resource base, while minimizing tax differential burdens.

Reserve Policies. Responsible reserve policies will provide adequate resources for cash flow and contingency purposes, while maintaining reasonable tax rates. The County maintains a contingency for cash liquidity purposes in the County General Fund equal to at least 10% of its annual operating budget.

Debt Policies. Responsible debt management policy maintains the County's ability to incur present and future debt at minimal interest rates in amounts needed for infrastructure and economic development without endangering its ability to finance essential County services.

Budget Management Policies. The Board uses the approved County fiscal policies and priorities to guide the budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.

Major Initiatives/Impacts

Schultz Fire and Flood

In late June 2010, the Schultz Fire burned approximately 15,000 acres on steep mountain slopes in the County. The annual monsoon season started one week later and the County began to experience catastrophic flooding in an unincorporated residential area east of Flagstaff. Significant risk to public safety and health existed with over 1,500 properties affected and by the end of FY11 over \$6 million was spent on response and mitigation efforts. Full-time staff identified and applied for funding and managed the mitigation efforts. These efforts have secured over \$3 million in Federal and State funding to date. We are estimating at least \$11 million of additional funding will be needed for mitigation projects in FY12 alone. Several grant applications have been prepared and submitted to offset the cost to the County where possible. In order to provide for matching funds the Board of Supervisors adopted a property tax rate increase of \$0.2000 per \$100 of assessed valuation for the Flood Control District for FY12.

Performance Measures

Performance measures are a main component of the Strategic Budget Process. These measures are now tied specifically to programs, and in the future will be used to evaluate the strength of funding requests.

Repair and Replacement (R&R) and Strategic Capital Planning

The County maintains a Facilities Repair and Replacement Fund for the routine maintenance of County facilities. This fund is used for carpet replacement, HVAC repairs and replacements, painting, window replacements, and many other projects. The current economic situation caused an evaluation of all projects based on both current and future costs. The decision was made to delay R & R projects in FY11 to partially offset the cost of additional State mandates. We have completed a Facilities Master Plan and a strategic plan for our Information Technology department that we hope to begin implementing in FY12.

Legislative Solutions

Legislation was introduced and passed at the State level that allows County Public Defenders to handle services in-house that previously required County funding for contract attorneys. We worked with the State to establish an AHCCCS suspension program that allows prisoners released from our local jail to return to AHCCCS without completing a lengthy reapplication process.

Assessor/Treasurer Systems

In January 2009, the Arizona Department of Revenue notified the County that it would no longer maintain the property tax valuation system utilized by several Counties in the state at the end of the 2011 assessment cycle. This action forced the County to locate and implement an Assessor system in a relatively short time frame. A Tyler Technologies Assessor/Treasurer solution was selected at a cost of \$1.9 million dollars and implementation of both systems was completed in August 2011.

Criminal Justice Coordinating Council (CJCC)

The purpose of the CJCC is to study the criminal justice systems in Coconino County, identify areas for improvement and formulate policy, plans and programs for change. In addition, its mission is to communicate and present planning, financial, operational, managerial, and programmatic recommendations to the agencies represented on the Council. The Council is committed to providing the coordinated leadership necessary to establish cohesive public policies which are based on research, evaluation and monitoring of policy decisions and program implementations. There are currently nineteen members of the council from multiple jurisdictions within the region. The consensus of these members is required for decisions and recommendations.

Other Initiatives

The County implemented the Alternative Dispute Resolution program in which mediation services are provided for cases that may otherwise end up in the Court system. The Recorder's Office implemented e-recording and employee pay stubs were made available on-line by the Finance department. These web-based solutions result not only in decreased staff and operating costs for the County, but decreased costs to our citizens that may otherwise expend time and money for travel.

Other

Single Audit

The independent audit of the financial statements of the County included the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the audited government's internal controls and compliance with legal requirements in addition to the fair presentation of the financial statements. This "Single Audit" puts special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit report.

Expenditure Limitation

Arizona voters approved a proposition amending the state constitution in 1980 that established expenditure limitations for local governments, including Coconino County. The County has not exceeded the limitation. The County has accumulated expenditure limit carryforwards from prior years when actual expenditures were less than the limit and used some of these this year when expenditures would otherwise exceed the limit for this year. The County is required by state statute to prepare an Annual Expenditure Limitation Report (AELR), in conjunction with the required annual financial statements. The AELR must be audited and an opinion rendered on whether the AELR presents fairly, in all material respects, the information required by the Uniform Expenditure Reporting System. This report is available in the County's separately issued Annual Expenditure Limitation Report.

Awards

Coconino County has received The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for fiscal years 2009 and 2010. In order to be

awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Coconino County has received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2011. The annual budget for fiscal year 2012 has been submitted and we look forward to receiving this award for the twelfth consecutive year. In order to qualify for the award the County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

Acknowledgments

Preparation of this report could not be accomplished without the dedicated service of the staff of the County's Finance Department, the assistance of personnel in the various departments, and the assistance of our auditors Fester & Chapman, P.C., Certified Public Accountants. We also wish to recognize that preparation of this report could not be accomplished without the interest and support of the Board of Supervisors and their continued commitment to professional and fiscally responsible financial management and planning.

Respectfully submitted,

Michael Townsend
Interim County Manager

Sandra A. Schulz
Chief Fiscal Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coconino County
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

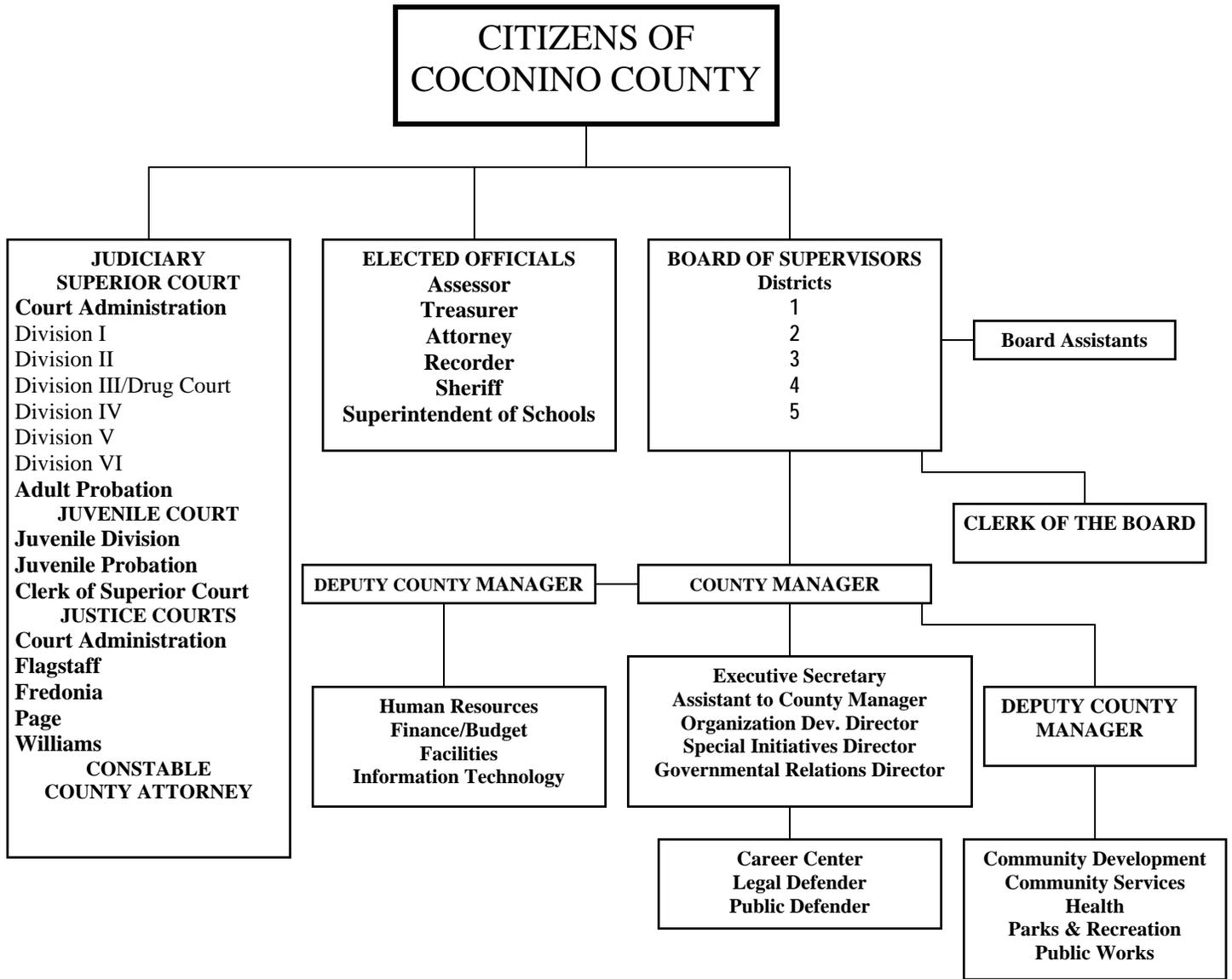
President

Jeffrey R. Egan

Executive Director

COCONINO COUNTY

Organization Chart



COCONINO COUNTY

Officials

BOARD OF SUPERVISORS

District 1	Carl Taylor
District 2	Elizabeth C. Archuleta, Vice Chairman
District 3	Matthew G. Ryan
District 4	Mandy Metzger
District 5	Lena Fowler, Chair
County Manager	Steve Peru
Deputy County Manager.....	Michael Townsend
Deputy County Manager.....	Larry Dannenfeldt
Clerk of the Board	Wendy Escoffier

ELECTED OFFICIALS

Clerk of the Superior Court	Debbie Young
Constable	Linda Kuczynski
County Assessor	Chris Mazon
County Attorney	David Rozema
County Recorder.....	Candace Owens
County Sheriff	William Pribil
County Superintendent of Schools.....	Cecilia Owen
County Treasurer	Bonny Lynn
Justice of the Peace	
Flagstaff.....	Howard Grodman
Fredonia.....	Mark R. Baron
Page.....	Donald G. Roberts
Williams.....	Robert Krombeen
Superior Court	
Division I	Jacqueline Hatch
Division II	Dan Slayton
Division III.....	Mark Moran
Division IV.....	Elaine Fridlund-Horne
Division V	Joseph Lodge
Division VI.....	Ted Reed
Juvenile Court Judge/Commissioner.....	Margaret Mc Cullough

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer)	Cindy Winn
Career Center.....	Carol Curtis
Community Development	Sue Pratt, Interim
Community Services	Verna Fischer
Court Administrator.....	Gary Krcmarik
Facilities Management.....	Susan Brown
Health	Barbara Worgess
Human Resources	Allison Eckert
Finance.....	Sandra Schulz
Information Technology	Kris Estes
Juvenile Court Services	Bryon Matsuda
Legal Defender	Gary Pearlmutter
Parks and Recreation	Judy Weiss
Public Defender	H. Allen Gerhardt
Public Works	Andrew Bertelsen

FINANCIAL SECTION

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Independent Auditors' Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Coconino County, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the County implemented the provisions of the Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

The Management's Discussion and Analysis on pages 13 through 23, the Schedule of Agent Retirement Plan and Coconino County Retiree Insurance Program's Funding Progress on page 71, and the Budgetary Comparison Schedules on pages 72 through 79 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the

methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to use highway user revenue fund monies received by the County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the County solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters at a future date. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Fester & Chapman P.C.

December 22, 2011

MANAGEMENTS'S DISCUSSION AND ANALYSIS (MD&A)

(Required Supplementary Information)

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Coconino County
Management's Discussion and Analysis
June 30, 2011

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2011. Please read it in conjunction with the transmittal letter on page 1 and the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2011

- The assets of the County exceeded its liabilities at the close of fiscal year 2011 by \$230.84 million (net assets). Of these \$55.50 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The increase in the County's net assets was \$20.45 million in fiscal year 2011. \$17.3 million of the net assets increase was in capital assets from land and buildings donated to the County by the Frontier trust with a value of over \$5 million, and the purchase of 2,249 acres of parks and open space land for \$12.3 million dollars with a combination of Parks and Open Space Sales Tax and a State Parks Department grant. The net increase due to normal operations was \$3.01 million with a decrease of \$.87 million from the increase in the implicit subsidy for retiree health insurance.
- At the close of fiscal year 2011, the County's governmental funds reported combined ending fund balances of \$85.14 million, an increase of \$3.40 million.
- The General Fund reported an unassigned fund balance of \$26.37 million at the close of fiscal year 2011, an increase of \$4.16 million. The primary reason for this increase was the excess of revenues over expenditures.
- The County expended over \$6 million, primarily in the Flood Control District Fund, on response and mitigation efforts as a result of unanticipated catastrophic flooding disasters in fiscal year 2011. We have received \$3 million in Federal and State assistance related to this disaster to date and have recorded an additional \$1.65 million of receivables and deferred revenue in the fund statements and \$1.65 million of receivables and operating grants in the government-wide statements.
- The County implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosures requirements, for fund balance classifications of the governmental funds and clarifies existing governmental fund type definitions.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements.

Coconino County
Management's Discussion and Analysis
June 30, 2011

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets are one indicator of whether the County's financial condition is improving or deteriorating. In addition to this change, other non-financial factors will need to be considered.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

All of the County's basic services are considered to be governmental activities, including general government, health and welfare, public safety, highways and streets, culture and recreation, education and sanitation. Sales taxes, property taxes, intergovernmental revenues and user fees finance most of these activities. *The government-wide financial statements can be found on pages 25-27 of this report.*

Fund Financial Statements

The fund financial statements provide detailed information about the most significant County funds—not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the Board of Supervisors establishes other funds to help control and manage money for particular purposes or to show that legal responsibilities are being achieved for using certain taxes, grants and other money. All of the County's funds can be divided into three categories: *governmental, proprietary and fiduciary.*

Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental

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fund statements provide a detailed, short-term view of the County's operations and the basic services it provides. Governmental fund information helps determine financial resources that can be spent in the near future to finance the County's programs.

Because the focus of the governmental funds is more narrow than that of the government-wide statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. Reconciliations between governmental activities, as reported in the Statement of Net Assets and the Statement of Activities, and the governmental funds, as reported in the fund financial statements, is provided to facilitate this comparison.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Public Works/HURF Fund, Jail District Fund, Parks and Open Spaces Tax Projects Fund, Public Health Services District Fund and the Flood Control District Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregate presentation. *The basic governmental fund financial statements can be found on pages 28-34 of this report.*

Proprietary funds—The County has one proprietary fund, an internal service fund, to report fleet service activities provided to the County's other programs and activities. The County's internal service fund only provides services to County departments, as such it is reported as a governmental activity in the Statement of Net Assets and the Statement of Activities. *The basic proprietary fund financial statements can be found on pages 35-37 of this report.*

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the County's programs. *The basic fiduciary funds financial statements can be found on pages 38-39 of this report.*

Notes to the Financial Statements and Required Supplementary Information

Notes to the financial statements—The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 40-70 of this report.*

Required supplementary information—In addition to the basic statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's progress in funding its obligation to provide pension benefits to its employees. *Required supplementary information can be found on pages 71-79 of this report.*

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Assets of the County for June 30, 2011 compared to the prior year.

	Governmental Activities (in millions)	
	2011	2010
Current and other assets	\$ 100.82	\$ 98.86
Capital assets	151.31	136.53
Total assets	252.13	235.39
Other current liabilities	7.98	9.93
Long-term liabilities outstanding	13.31	15.07
Total liabilities	21.29	25.00
Net assets:		
Invested in capital assets, net of related debt	145.81	128.37
Restricted	29.53	28.39
Unrestricted	55.50	53.63
Total net assets	\$ 230.84	\$ 210.39

The County's net assets from governmental activities at the end of the fiscal year were \$230.84 million. \$17.3 of the net assets increase was in capital assets from land and buildings donated to the County by the Frontier trust with a value of over \$5 million, and the purchase of 2,249 acres of parks and open space land for \$12.3 million dollars with a combination of Parks and Open Space Sales Tax and a State Parks Department grant. The net increase due to normal operations was \$3.01 million with a decrease of \$.87 million from the increase in the implicit subsidy for retiree health insurance.

Invested in capital assets, net of related debt

63.16% of the County net assets (\$145.81 million) are invested in capital assets (e.g. land, buildings, equipment, and infrastructure), net of related debt. These assets are used to provide services to citizens, but are not available for future spending. The County's invested in capital assets, net of related debt, increased by 13.59% (\$17.44 million) in the current fiscal year.

Restricted Net Assets

12.79% of the County's net assets (\$29.53 million) are subject to external restrictions on how they may be used. The County's restricted net assets increased by 4.02% (\$1.14 million) in the current fiscal year.

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Unrestricted Net Assets

The remaining balance of the County's net assets, 24.04% (\$55.50 million), is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements. Unrestricted net assets increased by 3.49% (\$1.87 million) in the current fiscal year.

Statement of Activities

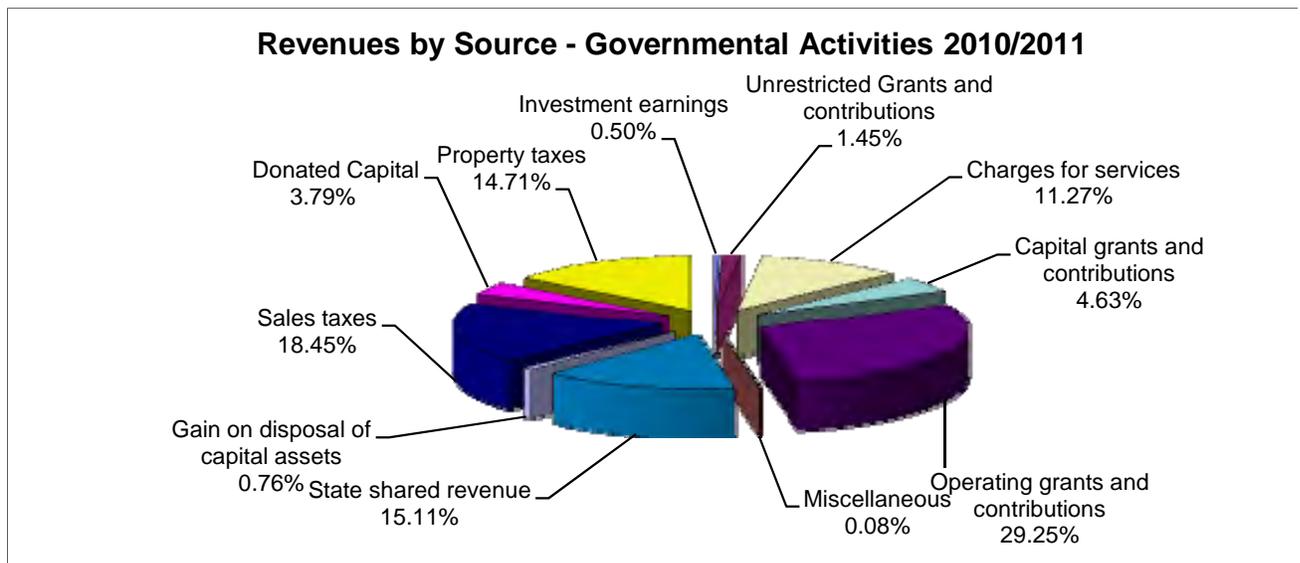
The Statement of Activities presents information on how the County's net assets changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2011 compared to the prior year.

	Governmental Activities (in millions)	
	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 15.38	\$ 16.50
Operating grants and contributions	39.90	34.92
Capital grants and contributions	6.32	0.08
Total program revenue	61.60	51.50
General revenues:		-
State shared revenue	20.60	19.32
Sales taxes	25.16	24.37
Property taxes	20.06	15.26
Grants and contributions not restricted to specific programs	1.97	2.09
Investment earnings	0.68	2.14
Gain on disposal of capital assets	1.04	0.13
Miscellaneous	0.11	0.07
Total general revenue (excluding extraordinary item)	69.62	63.38
Extraordinary item		
Donated Capital	5.17	
Total extraordinary item	5.17	
Total revenues	136.39	114.88
Program Expenses		
General government	30.77	31.50
Public safety	36.54	31.59
Highways and streets	13.81	15.64
Sanitation	3.15	3.14
Health	11.04	11.22
Welfare	8.28	8.27
Culture and recreation	7.29	7.72
Education	4.77	5.29
Interest on long-term debt	0.29	0.41
Total program expenses	115.94	114.78
Change in net assets	20.45	0.10
Net assets, beginning	210.39	210.29
Net assets, ending	\$ 230.84	\$ 210.39

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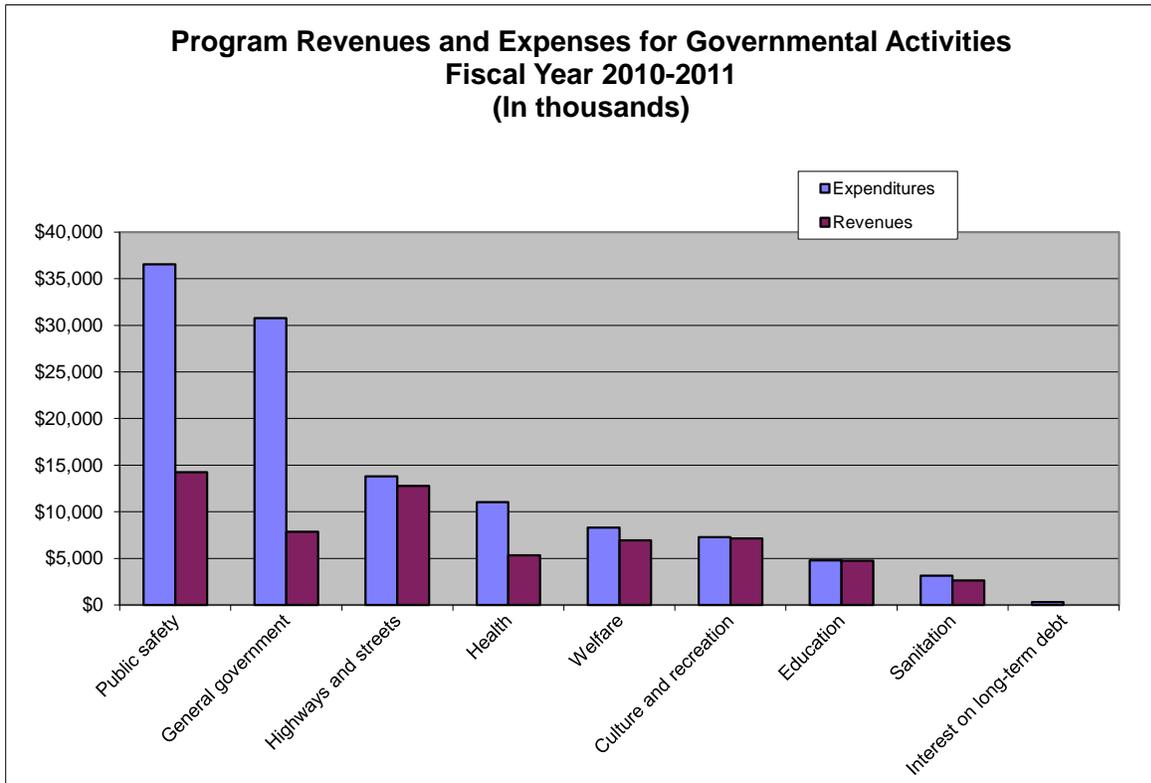
Overall program revenues increased by 19.61% in the current fiscal year. This increase was a combination of reimbursements and grants received in response to the catastrophic flooding events and a \$6 million State Parks Department grant. Program expenses increased 1.01% (\$1.16 million) in the current fiscal year.

Property taxes increased by 31.45% (\$4.8 million) as a result of the new Coconino County Health Services District property tax that went into affect in fiscal 2011. State shared revenue increased 6.63% (\$1.28 million) as all sales tax revenues began to rebound moderately. The 14.26% (\$4.98 million) increase in operating grants was funding received to cover the expenditures in response to catastrophic flooding disasters that occurred in the current fiscal year. The \$6.24 million increase in capital grants and contributions is the State Parks Department grant used to purchase 2,249 acres of parks and open space land. The current fiscal year investment earnings decrease of 68.22% was from the significant decrease in unrecognized capital gains in the current fiscal year. The \$.91 million increase in the gain on disposal of capital assets was from the sale of land and buildings that were previously used for the Juvenile Probation Department. During the current fiscal year, land and buildings were donated to the County by the Frontier Trust with a value of over \$5 million.



Public Safety expenses increased 15.67% in the current fiscal year due to expenditures related to the flooding events. Highways and streets expenses decreased 11.70% primarily due to the decrease in major road improvement projects. Education expenses decreased 9.83% as a result of decreased grant funding.

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As shown in the “Revenues by Source for Governmental Activities” chart and “Program Revenues and Expenses for Governmental Activities” chart, for governmental activities overall, without regard to program, operating grants and contributions are the largest single source of funds (29.25%), followed by sales tax (18.45%), and state shared revenue (15.11%). Public safety is the largest function in expense (\$36.54 million), followed by general government (\$30.77 million), and highways and streets (\$13.81 million).

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

The County reported six major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, Parks and Open Spaces Tax Projects and Flood Control District. At year-end the County’s governmental funds reported combined fund balances of \$85.14 million, which is an increase of \$3.4 million from last year, or an increase 4.15%. Of the total, \$84.98 million (99.80%) constitutes spendable fund balance.

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Revenues and expenditures for governmental functions overall increased by 11.80% and 12.54%, respectively. These increases were the result of the additional Health District property tax revenue (\$4.9 million) and revenues and expenditures related to open space purchased with a State Parks Department grant and revenues and expenditures related to the catastrophic flooding events in the current fiscal year. Governmental Fund revenues exceeded governmental fund expenditures by \$2.05 million in the current fiscal year and the fund balance increased by \$3.40 million.

The General Fund is the County's primary operating fund. At the end of the current fiscal year the spendable fund balance of the General Fund was \$26.37 million. Spendable fund balance represents 99.68% of the General Fund's total fund balance. The General Fund's fund balance increased by \$4.21 million. The primary reason for this increase was expenditures, not including fiscal reserves, coming in \$3.9 million under budget. This budget variance was due to various projects, such as the Treasurer's new tax system, not being completed in FY11, and salary savings through attrition.

The Public Works/HURF Fund's fund balance increased by \$2.43 million in the current fiscal year. The increase was due to an increase in revenues combined with a decrease in major road improvement project expenditures, such as the Lake Mary pavement preservation project budgeted for \$2.6 million. Projects had to be put on hold because of the resources required to respond to the flooding events.

The Jail District Fund's fund balance increased by \$1.49 million in the current fiscal year as a result of vacancy savings from unfilled positions (\$1 million) and expenditures for the sally port door and central control door projects coming in under budget (\$213 thousand).

The Parks and Open Spaces Tax Projects fund balance decreased by \$5.22 million in the current fiscal year. This decrease was due to the use of funds to purchase parks and open space land for \$12.3 million dollars with a combination of Parks and Open Space Sales Tax and a State Parks Department grant.

The Public Health Services District Fund's fund balance increased by \$1.21 million in the current fiscal year. This was the first full year of operations for the district. The change in fund balance was primarily expenditures for ALTCS being under budget by \$189 thousand, salary savings from attrition and a \$283,138 ALTCS refund.

The Flood Control District Fund's fund balance decreased by \$.74 million due to increased expenditures for the flooding events.

General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund at year-end were \$5.05 million less than the original adopted budget. This change was a reduction in the contingency budget. For the General Fund, actual expenditures were \$17.49 million less than the final budget.

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- The expenditures variance was primarily due to unexpended contingency funds and fiscal reserves.
- The final budgeted revenues for the General Fund, at year-end were \$490 thousand less than the original adopted budget. This reduction was primarily a correction in the amount of indirect cost revenues originally budgeted. For the General Fund, actual revenues exceeded the final budget by only \$135 thousand.

Capital Assets and Debt Administration

Capital Assets

During the current fiscal year, the County added \$15.42 million to the County's land inventory, \$2.42 million to the County's buildings inventory, \$1.23 million to the County's machinery and equipment inventory, and \$4.05 million to the County's infrastructure inventory. The significant increases in land and buildings was due to the land and buildings donated to the County by the Frontier Trust with a value of over \$5 million, and the purchase of 2,249 acres of parks and open space land for \$12.3 million dollars with a combination of Parks and Open Space Sales Tax and a State Parks Department grant. The County's overall estimated value of capital asset inventory increased \$14.78 million net of increases in depreciation. See *Note 4 to the financial statements found on page 54 of this report.*

The following table reflects the changes in capital assets for the County for the fiscal year 2011 compared to fiscal year 2010.

	Governmental Activities (net of depreciation) (in millions)	
	2011	2010
Land	\$ 39.22	\$ 23.80
Buildings	57.93	57.57
Machinery and Equipment	7.44	8.61
Infrastructure	45.09	44.07
Construction in Progress	1.63	2.48
Total	\$ 151.31	\$ 136.53

Long-term Debt

At the end of the current fiscal year the County has \$3.85 million in revenue bonds and \$1.65 million in special assessment debt outstanding. The County made the final principal and interest payments on \$3,630,000 in revenues bonds issued in 2000 to finance jail related facilities. There were no new bond issues in the current year. The long-term liability for future postemployment health benefit liability has increased by \$.87 million to \$2.91 million in the current year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The County utilizes a Ten-Year Financial Plan, which is updated quarterly, to forecast the County's financial future. The largest single revenue source is State shared sales taxes. Local and State shared sales taxes constitute around 36% of the County's government-wide general revenues and approximately 55% of General Fund revenues. This makes the County's revenues sensitive to slumps in the economy. County staff incorporated historical trends, local economic trends and national and global economic trends into the County's fiscal 2012 budget. State shared sales tax and county sales tax revenues stabilized in FY 2011 but are still more than 10% lower than their high in the fiscal year ended in 2007.

The key elements of the FY12 budget are based on the assumption that economic recovery began in FY11, but total revenues will not return to our FY07 and FY08 levels for many years to come. Many major revenues are down by double digit percentages from where they had been. This new level of revenue is referred to as our new normal.

We established the following Financial Planning Milestones in the fiscal year 2012 budget:

- Aligned Revenue Types with Expenditures
- Spent Only to Recessionary Revenue Levels
- Build Prudent Reserves: Revenue Smoothing, Emergency Reserves, R&R
- Compensation Plan: Addressed Turnover Cost of over \$8 million
- Plans for our Future: Facilities Master Plan & IT Strategic Plan
- Continuing Development of Strategic Budgeting

The major areas of concern considered in developing the fiscal 2012 budget are:

- Impacts from the State shifting costs to the County while reducing County revenues to plug the State budget deficit
- Reductions in State Grant funding
- Potential reductions in Federal funding, particularly the loss of what is known as Forest Fee revenue that is a major source of funding for schools and roads
- Commitment to our employees by keeping employee pay whole to the greatest extent possible and avoiding layoffs and work furloughs

The County's financial planning is based on conservative revenue estimates and the use of a strategic planning process to focus the expenditure of limited resources on meeting the current and future needs of its citizens.

Coconino County
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REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Finance Department, Coconino County, 219 East Cherry Avenue, Flagstaff, Arizona 86001.

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BASIC FINANCIAL STATEMENTS

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Coconino County
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 75,479,917
Investments	546,895
Cash and investments held by trustee	1,993,941
Receivables (net of allowances for uncollectibles):	
Property taxes	746,125
Accounts	1,102,423
Special assessments	1,431,614
Jail district sales tax	2,053,054
Accrued interest	311,038
Due from other governments	16,693,973
Inventories	292,266
Prepaid items	164,405
Capital assets, not being depreciated	40,850,398
Capital assets, being depreciated, net	110,465,159
Total assets	252,131,208
Liabilities	
Accounts payable	5,525,697
Accrued payroll and employee benefits	1,122,653
Due to other governments	1,095,311
Deposits held for others	149,208
Deferred revenues	2,847
Bond interest payable	86,738
Noncurrent liabilities:	
Due within 1 year	5,595,704
Due in more than 1 year	7,710,850
Total liabilities	21,289,008
Net Assets	
Invested in capital assets, net of related debt	145,814,515
Restricted for:	
Highways and streets	22,625,801
Education	792,070
Debt service	5,809,160
Capital projects	296,138
Unrestricted	55,504,516
Total net assets	\$ 230,842,200

See accompanying notes to financial statements.

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Coconino County
Statement of Activities
Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Primary government:					
Governmental activities:					
General government	\$ 30,768,963	\$ 6,022,842	\$ 1,835,036		\$ (22,911,085)
Public safety	36,544,608	3,821,300	10,340,265	\$ 62,770	(22,320,273)
Highways and streets	13,811,657	93,370	12,675,728	8,957	(1,033,602)
Sanitation	3,151,415	1,386,848	1,237,197	193	(527,177)
Health	11,045,264	1,151,680	4,162,438		(5,731,146)
Welfare	8,284,852	1,905,924	4,927,033	88,175	(1,363,720)
Culture and recreation	7,286,373	865,254	115,020	6,159,921	(146,178)
Education	4,767,625	130,681	4,607,430		(29,514)
Interest on long-term debt	287,272				(287,272)
Total governmental activities	<u>\$ 115,948,029</u>	<u>\$ 15,377,899</u>	<u>\$ 39,900,147</u>	<u>\$ 6,320,016</u>	<u>(54,349,967.0)</u>
General revenues					
Taxes:					
Property taxes, levied for general purposes					8,405,307
Property taxes, levied for library					4,879,638
Property taxes, levied for flood control					1,849,054
Property taxes, levied for accommodation school					275
Property taxes, levied for health services					4,923,145
General county sales tax					11,118,458
Jail district sales tax					11,109,910
Parks and open spaces sales tax					2,775,886
Excise tax					118,795
Franchise tax					36,969
Shared revenue - state sales tax					15,670,801
Shared revenue - state vehicle license tax					4,932,200
Grants and contributions not restricted to specific programs					1,974,042
Investment earnings					684,904
Gain on disposal of capital assets					1,037,009
Miscellaneous					111,114
Extraordinary item:					
Donated capital					5,169,268
Total general revenues					<u>74,796,775</u>
Change in net assets					20,446,808
Net assets, July 1, 2010					210,395,392
Net assets, June 30, 2011					<u>\$ 230,842,200</u>

See accompanying notes to financial statements.

Coconino County
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Public Works/HURF Fund</u>	<u>Jail District Fund</u>
Assets			
Cash and cash equivalents	\$ 17,409,931	\$ 19,277,130	\$ 8,295,581
Investments			
Cash and investments held by trustee			1,973,406
Receivables (net of allowances for uncollectibles):			
Property taxes	394,933		
Accounts	54,170	1,377	123,709
Special assessments			
Jail district sales tax			2,053,054
Accrued interest	79,151	74,388	33,625
Advances to other funds	1,437,179		
Due from:			
Other funds	5,987,115	109,482	79,686
Other governments	5,413,322	2,466,620	405,611
Inventories	5,335		
Prepaid items	79,694	200	2,074
Total assets	<u>\$ 30,860,830</u>	<u>\$ 21,929,197</u>	<u>\$ 12,966,746</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,376,153	\$ 471,634	\$ 242,955
Accrued payroll and employee benefits	504,375	94,320	135,453
Advances from other funds			
Due to:			
Other funds	1,513,032	572,886	308,772
Other governments	616,009		271,216
Deposits held for others	70,142	33,302	
Bond interest payable			86,738
Revenue bonds payable			1,885,000
Deferred revenue	327,367	614,454	
Total liabilities	<u>4,407,078</u>	<u>1,786,596</u>	<u>2,930,134</u>
Fund balances:			
Nonspendable	85,029	200	2,074
Restricted		20,142,401	10,034,538
Unassigned	26,368,723		
Total fund balances	<u>26,453,752</u>	<u>20,142,601</u>	<u>10,036,612</u>
Total liabilities and fund balances	<u>\$ 30,860,830</u>	<u>\$ 21,929,197</u>	<u>\$ 12,966,746</u>

See accompanying notes to financial statements.

<u>Parks and Open Spaces Tax Projects</u>	<u>Public Health Services District Fund</u>	<u>Flood Control District Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,396,123	\$ 1,506,732	\$ 1,972,387	\$ 15,927,660	\$ 73,785,544
			546,895	546,895
			20,535	1,993,941
		97,669	253,523	746,125
	17,064		860,031	1,056,351
			1,431,614	1,431,614
				2,053,054
34,803	8,643	7,957	65,709	304,276
			261,874	1,699,053
	93		3,075,060	9,251,436
512,682	851,208	3,999,306	3,045,224	16,693,973
				5,335
	63,500		18,937	164,405
<u>\$ 9,943,608</u>	<u>\$ 2,447,240</u>	<u>\$ 6,077,319</u>	<u>\$ 25,507,062</u>	<u>\$ 109,732,002</u>
\$ 7,886	\$ 260,133	\$ 2,096,918	\$ 909,723	\$ 5,365,402
2,777	103,796	3,617	176,002	1,020,340
		1,000,000	699,053	1,699,053
1,334,230	169,926	11,963	5,710,007	9,620,816
	7,828	24,994	175,264	1,095,311
			45,764	149,208
				86,738
				1,885,000
	3,120	1,094,572	1,625,775	3,665,288
<u>1,344,893</u>	<u>544,803</u>	<u>4,232,064</u>	<u>9,341,588</u>	<u>24,587,156</u>
	63,500		18,937	169,740
8,598,715	1,838,937	1,845,255	16,146,537	58,606,383
				26,368,723
<u>8,598,715</u>	<u>1,902,437</u>	<u>1,845,255</u>	<u>16,165,474</u>	<u>85,144,846</u>
<u>\$ 9,943,608</u>	<u>\$ 2,447,240</u>	<u>\$ 6,077,319</u>	<u>\$ 25,507,062</u>	<u>\$ 109,732,002</u>

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Coconino County
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2011

Fund balances – total governmental funds	\$ 85,144,846
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	150,665,180
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,662,441
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	2,791,287
Some liabilities, including bonds payable, compensated absences payable, and claims and judgments payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(11,421,554)</u>
Net assets of governmental activities	<u><u>\$ 230,842,200</u></u>

See accompanying notes to financial statements.

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	<u>General Fund</u>	<u>Public Works/HURF Fund</u>	<u>Jail District Fund</u>
Revenues:			
Property taxes	\$ 8,306,477		
Other taxes	14,368,315	\$ 1,838,525	\$ 11,109,910
Special assessments			
Licenses and permits	812,728	37,220	
Fees, fines, and forfeits	1,183,097		
Intergovernmental	18,854,047	10,040,387	27,671
Charges for services	2,579,356		2,294,192
Investment earnings	234,372	218,786	109,468
Contributions	143,087		
Miscellaneous	293,982	32,928	1,860
Total revenues	<u>46,775,461</u>	<u>12,167,846</u>	<u>13,543,101</u>
Expenditures:			
Current:			
General government	26,974,436		
Public safety	10,863,809		12,338,913
Highways and streets	604,016	10,197,291	
Sanitation			
Health			
Welfare	881,105		
Culture and recreation	1,298,514		
Education	374,650		
Capital outlay			
Debt service:			
Principal			1,885,000
Interest and other charges			177,311
Total expenditures	<u>40,996,530</u>	<u>10,197,291</u>	<u>14,401,224</u>
Excess (deficiency) of revenues over expenditures	<u>5,778,931</u>	<u>1,970,555</u>	<u>(858,123)</u>
Other financing sources (uses):			
Sale of capital assets	1,325,000		
Transfers in	4,497,517	1,618,239	2,380,284
Transfers out	(7,394,988)	(1,155,905)	(27,507)
Total other financing sources (uses)	<u>(1,572,471)</u>	<u>462,334</u>	<u>2,352,777</u>
Net change in fund balances	4,206,460	2,432,889	1,494,654
Fund balances, July 1, 2010	22,247,292	17,709,712	8,541,958
Fund balances, June 30, 2011	<u>\$ 26,453,752</u>	<u>\$ 20,142,601</u>	<u>\$ 10,036,612</u>

See accompanying notes to financial statements.

Parks and Open Spaces Tax Projects	Public Health Services District Fund	Flood Control District Fund	Other Governmental Funds	Total Governmental Funds
	\$ 4,923,145	\$ 1,826,851	\$ 4,820,701	\$ 19,877,174
2,775,886		95	210	30,092,941
	691,373	2,750	528,262	528,262
			729,605	1,544,071
\$ 6,159,921	4,237,667	4,493,764	17,892,904	1,912,702
	474,788		5,828,493	61,706,361
67,285	27,754	39,642	197,424	11,176,829
1,075	138,649	5,627	294,363	894,731
1,217	609		216,659	582,801
<u>9,005,384</u>	<u>10,493,985</u>	<u>6,368,729</u>	<u>30,508,621</u>	<u>128,863,127</u>
			3,045,248	30,019,684
	613,172	7,031,853	5,755,255	36,603,002
			110,866	10,912,173
			2,919,328	2,919,328
	10,795,196			10,795,196
12,843,626	140,471		7,087,464	8,109,040
			4,993,963	19,136,103
			4,352,937	4,727,587
			1,049,137	1,049,137
			370,923	2,255,923
			109,961	287,272
<u>12,843,626</u>	<u>11,548,839</u>	<u>7,031,853</u>	<u>29,795,082</u>	<u>126,814,445</u>
<u>(3,838,242)</u>	<u>(1,054,854)</u>	<u>(663,124)</u>	<u>713,539</u>	<u>2,048,682</u>
			4,950	1,329,950
	3,739,233		2,996,143	15,231,416
<u>(1,386,119)</u>	<u>(1,470,849)</u>	<u>(79,634)</u>	<u>(3,698,594)</u>	<u>(15,213,596)</u>
<u>(1,386,119)</u>	<u>2,268,384</u>	<u>(79,634)</u>	<u>(697,501)</u>	<u>1,347,770</u>
(5,224,361)	1,213,530	(742,758)	16,038	3,396,452
13,823,076	688,907	2,588,013	16,149,436	81,748,394
<u>\$ 8,598,715</u>	<u>\$ 1,902,437</u>	<u>\$ 1,845,255</u>	<u>\$ 16,165,474</u>	<u>\$ 85,144,846</u>

Coconino County
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances to the Statement of Activities
 Governmental Funds
 Year Ended June 30, 2011

Net change in fund balances – total governmental funds \$ 3,396,452

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	17,369,000	
Depreciation expense	<u>(7,342,711)</u>	10,026,289

Governmental funds do not report income from the donation of capital assets. However, in the Statement of Activities income from the donation of capital assets is reported.

Donated capital		5,169,268
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Increase in compensated absences	(61,913)	
Decrease in claims and judgments	32,515	
Increase in future postemployment health benefits	<u>(870,696)</u>	(900,094)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repaid		2,255,923
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The sale of capital assets in the governmental funds reflects proceeds. However, in the Statement of Activities the sale of capital assets reflect the net gain (loss).

		(292,941)
--	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

		1,304,473
--	--	-----------

Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds.

The activities of the internal service fund is reported with oog+A1
 governmental activities.

		<u>(512,562)</u>
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Change in net assets of governmental activities		<u><u>\$ 20,446,808</u></u>
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See accompanying notes to financial statements.

Coconino County
Statement of Net Assets
Proprietary Fund
June 30, 2011

	Governmental Activities - Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,694,373
Receivables (net of allowances for uncollectibles):	
Accounts	46,072
Accrued interest	6,762
Due from other funds	388,581
Inventories	286,931
Total current assets	2,422,719
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	62,810
Equipment, net	587,567
Total capital assets, net	650,377
to A1	650,377
Total assets	3,073,096
Liabilities	
Current liabilities:	
Accounts payable	160,295
Accrued payroll and employee benefits	102,313
Due to other funds	19,201
Total current liabilities	281,809
Total liabilities	281,809
Net Assets	
Invested in capital assets, net of related debt	650,377
Unrestricted	2,140,910
Total net assets	\$ 2,791,287

See accompanying notes to financial statements.

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 3,066,276
Total operating revenues	3,066,276
Operating expenses:	
Personal services	684,914
Professional services	67,435
Supplies	2,288,239
Utilities	20,619
Repairs and maintenance	137,169
Travel	1,789
Depreciation	381,813
Total operating expenses	3,581,978
Operating loss	(515,702)
Nonoperating revenues:	
Investment earnings	20,960
Total nonoperating revenues	20,960
Transfers to other funds	(17,820)
Decrease in net assets	(512,562)
Total net assets, July 1, 2010	3,303,849
Total net assets, June 30, 2011	\$ 2,791,287

See accompanying notes to financial statements.

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2011

Governmental
Activities-
Internal Service
Fund

Cash flows from operating activities:	
Receipts from other funds for services provided	\$ 2,951,938
Payments to suppliers and providers of goods and services	(2,497,095)
Payments to employees	(700,259)
Net cash used for operating activities	<u>(245,416)</u>
 Cash flows from noncapital financing activities:	
Cash transfers to other funds	(17,820)
Net cash used for noncapital financing activities	<u>(17,820)</u>
 Cash flows from capital and related financing activities:	
Purchases of capital assets	(260,759)
Net cash used for capital and related financing activities	<u>(260,759)</u>
 Cash flows from investing activities:	
Interest received on investments	24,350
Net cash provided by investing activities	<u>24,350</u>
 Net decrease in cash and cash equivalents	(499,645)
 Cash and cash equivalents, July 1, 2010	<u>2,194,018</u>
 Cash and cash equivalents, June 30, 2011	<u>\$ 1,694,373</u>
 Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (515,702)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	381,813
Changes in assets and liabilities:	
Increase in:	
Accounts payable	34,337
Due to other funds	17,691
Inventories	(17,970)
Due from other funds	(138,810)
Decrease in:	
Accounts receivable	6,781
Accrued payroll and employee benefits	(13,556)
Net cash used for operating activities	<u>\$ (245,416)</u>

See accompanying notes to financial statements.

Coconino County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Investment Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 99,275,357	\$ 1,247,243
Cash and investments held by trustee		964,737
Interest and dividends receivable	385,702	
Total assets	99,661,059	\$ 2,211,980
Liabilities		
Deposits held for others		\$ 2,013,497
Due to other governments		298,483
Total liabilities		\$ 2,211,980
Net Assets		
Held in trust for investment trust participants	\$ 99,661,059	

See accompanying notes to financial statements.

Coconino County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2011

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 343,178,549
Investment income	2,570,888
Total additions	345,749,437
Deductions:	
Distributions to participants	347,303,781
Total deductions	347,303,781
Change in net assets	(1,554,344)
Net assets, July 1, 2010	101,215,403
Net assets, June 30, 2011	\$ 99,661,059

See accompanying notes to financial statements.

Coconino County
Notes to Financial Statements
June 30, 2011

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Coconino County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2011, Coconino County implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for financial reporting, including note disclosures requirements, for fund balance classifications of the governmental funds and clarifies existing governmental fund type definitions.

A. Reporting Entity

The County is a general purpose local government that is governed by a separately elected board of five county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units. During the year ended June 30, 2011, the County advanced the Coconino County Flood Control District \$1 million to provide cash necessary to respond to unanticipated catastrophic flooding.

Coconino County
Notes to Financial Statements
June 30, 2011

The following table describes the County's component units:

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Coconino County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Library District	Provides and maintains library services for County's residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Special Assessment Districts	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Public Health Services District	A tax-levying district that provides and maintains health services for County residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available

Coconino County
Notes to Financial Statements
June 30, 2011

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided,
- operating grants and contributions, and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—Provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the

Coconino County
Notes to Financial Statements
June 30, 2011

governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenditures are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as user charges, in which each party receives and gives up essentially equal values, are operating revenues. Other revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Public Works/HURF Fund is used to account for highway user fees restricted to the construction, repair and maintenance of county roads that are funded primarily by a fuel tax.

The Jail District Fund is used to account for jail operations and jail capital improvements that are funded by a one-half cent sales tax.

The Parks and Open Spaces Tax Projects is used to account for parks and open space acquisitions and improvements that are funded by collections from a one-eighth cent sales tax and grants.

The Public Health Services District Fund is used to account for health services for County residents that are funded by a one-quarter cent property tax.

The Flood Control District Fund is used to account for flood control service that are funded by a \$.0.2000 per \$100 of assessed valuation property tax.

Coconino County
Notes to Financial Statements
June 30, 2011

The County reports the following fund types:

The internal service fund accounts for automotive maintenance and operation provided to the County's departments or to other governments on a cost-reimbursement basis.

The investment trust funds account for pooled and nonpooled assets held and invested by the County Treasurer on behalf of other governmental entities.

The agency fund accounts for assets held by the County as an agent for the State and various local governments, and for property taxes collected and distributed to the State, local school districts, community college districts, and special districts.

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, with the exception of agency funds, and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. The County applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources

Coconino County
Notes to Financial Statements
June 30, 2011

that are subject to accrual are state-shared sales taxes and fuel taxes, county sales tax, property taxes, and grants from the federal and state governments. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Investments

For purposes of its statement of cash flows, the County considers cash on hand, demand deposits, cash on deposit with the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories

Inventories in the government-wide and the proprietary fund's financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out, and moving weighted average methods of valuation, for the government-wide financial statements and the weighted average method of valuation for the proprietary fund's financial statement.

The County accounts for its inventories in the governmental funds using the consumption method. Inventories of the governmental funds are recorded as assets when purchased and expensed when consumed. Amounts on hand at year-end are shown on the balance sheet as assets for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method of valuation.

Coconino County
Notes to Financial Statements
June 30, 2011

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental-wide and fund financial statements. Amounts on hand at year-end are shown on the balance sheet as assets for informational purposes only and as nonspendable fund balance to indicate that they do not constitute “available spendable resources.”

G. Property Tax Calendar

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

H. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary fund are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Construction in progress	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-Line	25-40 Years
Machinery and equipment	5,000	Straight-Line	3-25 Years
Infrastructure	5,000	Straight-Line	15-50 Years

Coconino County
Notes to Financial Statements
June 30, 2011

I. Fund Balance Classifications

Fund balances of the governmental funds are reported within classifications based on the hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usages by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is comprised of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved by the County's Board of Supervisors, which is the highest level of decision-making authority within the County. The constraints placed on committed fund balances can only be established, removed or changed by the Board of Supervisors.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors has authorized the county manager to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the County uses restricted fund balances first. For the disbursement of unrestricted fund balances, the County will use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Coconino County
Notes to Financial Statements
June 30, 2011

J. Investment Earnings

Investment earnings are composed of interest, dividends, and net changes in the fair value of applicable investments.

K. Compensated Absences

Compensated absences consist of vacation leave, compensatory time, and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 240 hours of vacation. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary fund's financial statements.

Non-exempt, eligible employees may accumulate up to 80 hours of compensatory time. Accruals beyond 80 hours require approval of the human resources director. The Fair Labor Standards Act requires the pay off of any compensatory time balance above 240 hours for most non-exempt positions and 480 hours for public safety positions. This is done periodically throughout the year. Upon termination all unused compensatory time is paid to the employee. Accordingly, compensatory time is accrued as a liability in the government-wide and proprietary fund's financial statements.

Employees may accumulate up to 1,040 of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, for employees who terminate with a minimum of 20 years of continuous service, sick leave benefits do vest. Such eligible terminating employees are compensated at the rate of one day for each four sick days accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary fund's financial statements.

Coconino County
Notes to Financial Statements
June 30, 2011

Note 2 – Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

Credit Risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Corporate bonds, debentures, and notes must be rated within the top three ratings by a nationally recognized rating agency.
3. Fixed income securities must carry one of the two highest ratings by Moody's investor's service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for demand deposits and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk

Statutes do not include any requirements for concentration of credit risk.

Coconino County
Notes to Financial Statements
June 30, 2011

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. Investment in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk

Statutes do not allow for foreign investments.

Deposits—At June 30, 2011, the carrying amount of the County’s deposits was \$26,043,041 and the bank balance was \$26,081,508. The County does not have a formal policy with respect to custodial credit risk.

Investments— The County’s investments at June 30, 2011, were as follows:

Investment Type	Amount
U.S. agency securities	\$ 119,303,217
State Treasurer's investment pools	10,048,881
Corporate bonds	17,192,788
Municipal bonds	5,533,262
Mutual funds-debt	424,594
Mutual funds-equity	18,718
	<u>\$ 152,521,460</u>

The State Board of Investment provides oversight for the State Treasurer’s pools. The fair value of a participant’s position in the pool approximates the value of the participant’s pool shares, and the participant’s shares are not identified with specific investments.

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2011, credit risk for the County’s investments was as follows:

Coconino County
Notes to Financial Statements
June 30, 2011

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 106,159,998
U.S. agency securities	AAA	Standard and Poor's	13,143,219
State Treasurer's investment pool #7	Unrated	Not applicable	10,048,881
Corporate bonds	Aa2	Moody's	5,772,985
Corporate bonds	Aaa	Moody's	3,227,927
Corporate bonds	A1	Moody's	2,738,016
Municipal bonds	Aa2	Moody's	2,132,994
Corporate bonds	A2	Moody's	2,095,340
Corporate bonds	A3	Moody's	2,036,722
Municipal bonds	Unrated	Not Applicable	906,762
Corporate bonds	Aa3	Moody's	800,692
Municipal bonds	Aa3	Moody's	671,697
Municipal bonds	Aaa	Moody's	463,766
Municipal bonds	A1	Moody's	458,632
Mutual funds-debt	Unrated	Not Applicable	424,594
Corporate bonds	Unrated	Not Applicable	342,218
Municipal bonds	A2	Moody's	237,236
Municipal bonds	AA	Standard and Poor's	200,488
Municipal bonds	AA-	Standard and Poor's	198,242
Municipal bonds	AA+	Standard and Poor's	193,264
Corporate bonds	Aa1	Moody's	178,888
Municipal bonds	Aa1	Moody's	49,914
Municipal bonds	A	Standard and Poor's	20,267
			\$ 152,502,742

Custodial credit risk— For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy with respect to custodial credit risk. At June 30, 2011, the County had \$119,303,217 of U.S. agency securities, \$5,533,262 of municipal bonds, and \$17,192,788 of corporate bonds uninsured and held by the counterparty.

Concentration of credit risk— The County does not have a formal policy with respect to concentration of credit risk. The County had investments at June 30, 2011, of five percent or more in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments were 24.9 percent, 21.7 percent, 18.5 percent, and 12.1 percent, respectively, of the County's total investments.

Coconino County
Notes to Financial Statements
June 30, 2011

Interest rate risk— The County does not have a formal policy with respect to interest rate risk. At June 30, 2011, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	\$ 106,159,998	3.533
U.S. agency securities	13,143,219	0.526
State Treasurer's investment pool #7	10,048,881	0.130
Corporate bonds	5,772,985	1.250
Corporate bonds	3,227,927	0.139
Corporate bonds	2,738,016	0.241
Municipal bonds	2,132,994	0.614
Corporate bonds	2,095,340	0.244
Corporate bonds	2,036,722	0.492
Municipal bonds	906,762	0.358
Corporate bonds	800,692	0.127
Municipal bonds	671,697	0.143
Municipal bonds	463,766	0.324
Municipal bonds	458,632	0.237
Corporate bonds	342,218	0.021
Municipal bonds	237,236	0.172
Mutual funds-debt	233,038	5.820
Municipal bonds	200,488	0.103
Municipal bonds	198,242	0.097
Municipal bonds	193,264	0.091
Corporate bonds	178,888	0.028
Mutual funds-debt	169,206	4.700
Municipal bonds	49,914	0.030
Mutual funds-debt	22,350	4.700
Municipal bonds	20,267	0.004
	<u>\$ 152,502,742</u>	

Coconino County
Notes to Financial Statements
June 30, 2011

A reconciliation of cash and investments to amounts shown on the Statement of Net Assets follows:

Cash, deposits, and investments:

Cash on hand	\$ 943,589
Amount of deposits	26,043,041
Amount of investments	<u>152,521,460</u>
Total	<u><u>\$ 179,508,090</u></u>

Statement of Net Assets:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 75,479,917	\$ 99,275,357	\$ 1,247,243	\$ 176,002,517
Investments	546,895			546,895
Cash and investments held by trustee(s)	1,993,941		964,737	2,958,678
Total	<u><u>\$ 78,020,753</u></u>	<u><u>\$ 99,275,357</u></u>	<u><u>\$ 2,211,980</u></u>	<u><u>\$ 179,508,090</u></u>

Note 3– Receivables

Due from other governments—Amounts due from other governments at June 30, 2011, include \$2,548,541 and \$1,419,263 in state-shared revenue from sales taxes and fuel taxes, respectively; \$429,019 from the State of Arizona for state vehicle license tax; \$2,053,536 in county sales tax; \$512,682 in parks and open space sales tax; \$2,324,043 in grants from the federal government; \$485,938 in grants from various state agencies; \$3,480,856 in reimbursements from the Federal Emergency Management Agency, and \$395,228 in reimbursements from the Arizona Department of Emergency Management. The balance of \$3,044,867 is composed of miscellaneous receivables from federal, state, and local governments.

Coconino County
Notes to Financial Statements
June 30, 2011

Note 4– Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

Governmental activities:	Balance 7/1/2010	Increases	Decreases	Balance 6/30/2011
Capital assets not being depreciated:				
Land	\$ 23,800,455	\$ 15,704,116	\$ 283,287	\$ 39,221,284
Construction in progress	2,482,981	15,893,826	16,747,693	1,629,114
Total capital assets not being depreciated	26,283,436	31,597,942	17,030,980	40,850,398
Capital assets being depreciated:				
Buildings	84,625,704	2,630,596	209,243	87,047,057
Machinery and equipment	34,604,785	1,269,120	40,957	35,832,948
Infrastructure	87,568,338	4,049,062		91,617,400
Total capital assets being depreciated	206,798,827	7,948,778	250,200	214,497,405
Less accumulated depreciation for:				
Buildings	27,055,075	2,261,722	204,539	29,112,258
Machinery and equipment	25,994,671	2,435,057	36,007	28,393,721
Infrastructure	43,498,522	3,027,745		46,526,267
Total accumulated depreciation	96,548,268	7,724,524	240,546	104,032,246
Total capital assets being depreciated, net	110,250,559	224,254	9,654	110,465,159
Total	<u>\$ 136,533,995</u>	<u>\$ 31,822,196</u>	<u>\$ 17,040,634</u>	<u>\$ 151,315,557</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 903,747
Public safety	973,762
Highways and streets	4,315,883
Sanitation	250,427
Health	127,695
Welfare	99,653
Culture and recreation	569,754
Education	101,790
Internal service fund	381,813
Total governmental activities depreciation expense	<u>\$ 7,724,524</u>

Construction and Other Significant Commitments—The County had major contractual commitments related to a capital project at June 30, 2011, for the repair and construction of a major flood control project. At June 30, 2011, the County had spent \$517,757 on this project and had remaining contractual commitments with contractors totaling \$309,064. Flood Control property tax and federal and state emergency management reimbursements will fund this project. The County also had a major contractual commitment related to a new County

Coconino County
Notes to Financial Statements
June 30, 2011

Treasurer software system at June 30, 2011. At June 30, 2011, the County had spent \$147,750 on this project and had a remaining contractual commitment of \$147,750. General fund revenue is funding this project.

Note 5 – Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2011:

<u>Governmental Activities</u>	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2011</u>	<u>Due within 1 year</u>
Bonds payable:					
Revenue bonds	\$ 6,145,000		\$ 2,290,000	\$ 3,855,000	\$1,885,000
Special assessment bonds with governmental commitment	<u>2,016,965</u>		<u>370,923</u>	<u>1,646,042</u>	<u>383,369</u>
Total bonds payable	<u>8,161,965</u>		<u>2,660,923</u>	<u>5,501,042</u>	<u>2,268,369</u>
Compensated absences payable	4,423,893	\$ 3,094,847	3,032,934	4,485,806	3,211,816
Claims and judgments payable	437,796	148,000	180,515	405,281	115,519
Future postemployment health benefit liability (Note 8)	<u>2,043,729</u>	<u>1,047,505</u>	<u>176,809</u>	<u>2,914,425</u>	
Governmental activities long-term liabilities	<u>\$ 15,067,383</u>	<u>\$ 4,290,352</u>	<u>\$ 6,051,181</u>	<u>\$ 13,306,554</u>	<u>\$5,595,704</u>

Revenue Bonds—The County’s revenue bonds were issued specifically to finance a jail and related facilities. Future revenues from a voter-approved sales tax are pledged to repay \$21,130,000 revenue bonds issued in 1998. The revenue bonds are payable from Jail District sales tax revenues through 2013. At June 30, 2011, \$3,855,000 in principal remains outstanding, along with future interest payments totaling \$175,388, to be repaid by future Jail District sales tax revenues. For the fiscal year ended June 30, 2011, net revenues available for service of this debt was \$11,109,910. The principal and interest paid in fiscal year 2011 was \$2,062,311 (17.04% of available net revenues). The annual principal and interest payments on the revenue bonds are expected to require approximately 18% of net revenues. They are generally noncallable with interest payable semiannually.

Coconino County
Notes to Financial Statements
June 30, 2011

Revenue bonds outstanding at June 30, 2011, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Revenue bonds	\$ 21,130,000	7/1/2006-12	4.25-5.0%	\$ 3,855,000

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2011:

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,885,000	\$ 131,063
2013	1,970,000	44,325
Total	<u>\$ 3,855,000</u>	<u>\$ 175,388</u>

Certificates of participation—In prior years the County defeased certain certificates of participation debt by depositing funds in an irrevocable trust to provide for all future debt service on the certificates of participation. Accordingly, the trust account and the liability for these defeased certificates of participation are not included in the County's financial statements. At June 30, 2011, the following certificates of participation were considered defeased:

Series 2001 \$ 4,645,000

Special Assessment Bonds—Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. Payment made by the assessed property owners are pledged as collateral. In the event of default by the property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the default assessment. At June 30, 2011, \$1,646,042 in principal remains outstanding, along with future interest payments totaling \$254,452 to be paid by special assessment revenues. For the fiscal year ended June 30, 2011, net revenues available for debt service of this debt was \$528,262. The principal and interest paid in fiscal year 2011 was \$484,884 (91.03% of available net revenues). Annual principal and interest on the bonds are expected to require 100% of net revenues. The original amounts of special assessment bonds issued in prior years were \$5,186,217. The total principal and interest to be paid is generally noncallable with interest payable semiannually.

Coconino County
Notes to Financial Statements
June 30, 2011

Special Assessment bonds outstanding at June 30, 2011, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Special assessment bonds with governmental commitment	\$ 5,186,217	7/1/2006-19	2.47-7.50%	\$ 1,646,042

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2011:

Year Ending June 30	Governmental Activities	
	Special Assessment Bonds	
	Principal	Interest
2012	\$ 383,369	\$ 81,040
2013	396,953	62,419
2014	415,552	43,132
2015	105,168	22,948
2016	85,000	18,128
2017 - 2020	260,000	26,785
Total	\$ 1,646,042	\$ 254,452

Insurance Claims—The County provides life, health and disability benefits to its employees and their dependents through the Northern Arizona Public Employee Benefit Trust (Trust), currently composed of seven members. The Trust provides benefits through a self-funding agreement with its participants and administers the program. The County is responsible for paying the premium and requires its employees to contribute a portion of that premium. If it withdraws from the Trust, the County is responsible for any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

Compensated Absences and Claims and Judgments—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2011, the County paid for compensated absences as follows: 48.84 percent from the General Fund, 33.04 percent from major funds, and 18.12 percent from other funds. The County paid for claims and judgments from the General Fund.

Coconino County
Notes to Financial Statements
June 30, 2011

Note 6 – Fund Balance Classifications of Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2011, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Parks and Open Spaces Tax Projects	Public Health Services District Fund	Flood Control District Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Nonspendable:								
Inventories	\$ 5,335							\$ 5,335
Prepaid items	79,694	\$ 200	\$ 2,074		\$ 63,500		\$ 18,937	164,405
Total nonspendable	85,029	200	2,074		63,500		18,937	169,740
Restricted for:								
Debt service							524,791	524,791
Highways and streets		20,142,401					4,817,218	24,959,619
Jail and Sheriff			10,034,538				961,308	10,995,846
Flood control						\$1,845,255		1,845,255
Culture and recreation				\$8,598,715			619,301	9,218,016
Health					1,838,937			1,838,937
Capital projects							429,785	429,785
Education							746,053	746,053
Sanitation							1,080,961	1,080,961
Emergency services							52,839	52,839
Welfare							670,512	670,512
Probation							1,532,735	1,532,735
Superior court							1,280,375	1,280,375
Justice Courts							471,941	471,941
Public and legal defenders							104,475	104,475
County attorney							2,402,170	2,402,170
General government services							452,073	452,073
Total restricted		20,142,401	10,034,538	8,598,715	1,838,937	1,845,255	16,146,537	58,606,383
Unassigned	26,368,723							26,368,723
Total fund balances	\$26,453,752	\$20,142,601	\$ 10,036,612	\$8,598,715	\$ 1,902,437	\$1,845,255	\$16,165,474	\$85,144,846

Note 7 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are accounted for and financed by the following described insurance coverage and internal risk management program.

The County contracts with the State Compensation Fund of Arizona to provide workers compensation coverage for employees. There is no deductible associated with this coverage and no loss limit per claim. In 2011, one claim resulting from a car accident was reserved for \$1.8 million. Employer liability coverage has been endorsed onto the County's commercial general liability coverage up to \$1,000,000 in coverage.

Coconino County
Notes to Financial Statements
June 30, 2011

The County self-insures on commercial general liability for the first \$125,000 per occurrence. A self-insurance retention fund has been established for these losses. The County purchases coverage from insurers for commercial general liability up to \$30 million. For real property and business personal property damage coverage the County has a \$25,000 deductible with blanket coverage up to the property values. Crime coverage is also a \$25,000 deductible with limits of \$1,000,000. Settled claims for commercial general liability and crime coverage have not exceeded either the self-insurance retention or the \$25,000 deductible in the past three fiscal years. Four claims for property losses have exceeded the \$25,000 deductible in the past three fiscal years. No settled claims for general liability, crime coverage or property damage exceeded commercial insurance coverage in the past three years.

Note 8 – Pensions and Other Postemployment Benefits

Pension Plan Descriptions—The County contributes to four plans, two of which are described below. The other two, the Elected Officials Retirement Plan and the Corrections Officer Retirement Plan, are not described due to their relative insignificance to the County’s financial statements. Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees’ average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee’s monthly compensation. Health insurance premium benefits are generally paid as a fixed dollar amount per month towards the retiree’s healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, that covers employees of the State of Arizona and participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

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Notes to Financial Statements
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The *Public Safety Personnel Retirement System* (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona and participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a seven-member board, known as the Board of Trustees, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS

3300 North Central Avenue
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or (800) 621-3778

PSPRS

3010 E. Camelback Road, Suite 200
Phoenix, AZ 85016-4416
(602) 255-5575

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates for the ASRS and PSPRS.

Cost-sharing plan—For the year ended June 30, 2011, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.60 percent for retirement and 0.25 percent for long-term disability) of the members' annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.01 percent retirement, .59 percent for health insurance premium, and 0.25 percent long-term disability) of the members' annual covered payroll.

The County's contributions to ASRS for the current and two preceding years, all of which equal the required contributions, were as follows:

Coconino County
Notes to Financial Statements
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Years ended June 30,	Retirement Fund	Health Benefit Supplemental Fund	Long-Term Disability Fund
2011	\$3,124,217	\$ 204,582	\$ 86,687
2010	2,991,032	236,700	143,455
2009	2,974,352	357,369	186,131

Agent plan—For the year ended June 30, 2011, active PSPRS members were required by statute to contribute 7.65 percent of the members’ annual covered payroll and the County was required to contribute at the actuarially determined rate of 32.61 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 1.94 percent of covered payroll.

Actuarial Methods and Assumptions—The contribution requirements for the year ended June 30, 2011 were established by the June 30, 2009 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans’ assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on 1) the plans as understood by the County and plans’ members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans’ members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2011 contribution requirements, are as follows:

Coconino County
Notes to Financial Statements
June 30, 2011

Actuarial valuation date	June 30, 2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	27 years for unfunded actuarial liability, 20 years for excess
Asset valuation	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5% - 8.5%
includes inflation at	5.5%

Annual Pension Cost—The County’s pension cost for the agent plan for the year ended June 30, 2011, and related information follows. This is an estimate based on what was actually paid.

	PSPRS Pension	PSPRS Health Insurance
Contribution rates	30.67%	1.94%
Annual pension cost	\$ 857,576	\$ 35,060
Contributions made	\$ 857,576	\$ 35,060

Trend Information—Annual pension cost information for the current and two preceding years follows for the PSPRS. Annual cost information for the current year and two preceding years is as follows.

Coconino County
Notes to Financial Statements
June 30, 2011

Year Ended June 30,	Annual Pension OPEB Cost	Percentage of Annual Cost Contributed	Net Pension/OPEB Obligation
Pension			
2011	\$ 857,576	100%	\$0
2010	815,845	100%	0
2009	907,249	100%	0
Health Insurance			
2011	35,060	100%	0
2010	28,101	100%	0
2009	36,329	100%	0
Pension and Health Insurance			
2011	892,636	100%	0
2010	843,946	100%	0
2009	943,578	100%	0

Funded Status— The funded status of the plan as of the most recent valuation date, June 30, 2010, along with the actuarial assumptions and methods used in that valuation follows.

	<u>Pension</u>	<u>Health Insurance</u>
Actuarial accrued liability (a)	\$ 27,056,998	\$ 793,837
Actuarial value of assets (b)	12,697,494	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	14,359,504	793,837
Funded ratio (b)/(a)	46.90%	0.0%
Cover payroll (c)	2,854,136	2,854,136
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll [(a) - (b)]/(c)	503.10%	27.8%

Coconino County
Notes to Financial Statements
June 30, 2011

The actuarial methods and assumptions used for the most recent valuation date are as follows:

Actuarial valuation date	June 30, 2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	26 years for unfunded actuarial accrued liability 20 years for excess
Asset valuation	7- year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5% - 8.5%
includes inflation at	5.5%

Postemployment Healthcare Plan

Plan Description—Employees retiring from Coconino County service, who receive monthly income from any of the Arizona State individual retirement plans, are eligible to continue insurance coverage through the same plan as active employees and their beneficiaries up to the age of 65 through the Northern Arizona Public Employees Benefit Trust (NAPEBT). Coconino County is a member of NAPEBT and the benefits and premium rates are approved by the Trust and the Board of Supervisors on an annual basis for active and retired members. NAPEBT issues a publicly available financial report that may be obtained on their website. Although Coconino County does not explicitly pay a portion of the retiree’s premiums, because of the inclusion of this class in the insured pool, there is an implicit subsidy or “premium rate differential” that is incurred by the County.

Funding Policy—The contribution requirements of plan members and the County are established and may be amended by the NAPEBT board. Eligible retirees up to the age of 65 have the option to participate in the healthcare plan that is currently being offered to active employees and must pay 100% of the premium less any reimbursement from the Arizona State individual retirement plans. The program is currently funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation—The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2011, and the two preceding years were as follows:

Coconino County
Notes to Financial Statements
June 30, 2011

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 1,047,505	\$ 176,809	16.88%	\$ 870,696
6/30/2010	1,062,833	319,826	30.09%	743,007
6/30/2009	1,386,909	86,187	6.21%	1,300,722

Components of annual OPEB Costs and net OPEB obligation—The annual Components of OPEB Costs and net OPEB obligation as of June 30, 2011 follows:

Annual required contribution (ARC)	Interest on existing net OPEB obligation	ARC adjustment	Increase in OPEB	Net OPEB
\$ 1,080,894	\$ 91,662	\$ (125,051)	\$ 870,696	\$ 2,914,425

Funding Status and Funding Progress—The latest actuarial valuation done was as of June 30, 2011. The funded status of the plan as of June 30, 2011, was as follows:

Actuarial Valuation Date	(1) Actuarial value of plan assets	(2) Actuarial accrued liability (AAL)	(3) Funded ratio (1) / (2)	(4) Unfunded AAL (2) - (1)	(5) Cover payroll	(6) Unfunded AAL as a percentage of covered payroll (4) / (5)
6/30/2011	-	\$ 9,911,098	0.00%	\$ 9,911,098	\$ 48,579,979	20.40%

Actuarial Methods and Assumptions -- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of the funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on 1) the plan as understood by the County and plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are

Coconino County
Notes to Financial Statements
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designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used for most recent valuation date are as follows:

Valuation Date	June 30, 2011
Acturial cost method	Entry Age Normal, Level Dollar
Amortization method	30-Year Amortization Open
Remaining amortization period	30
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	Based on the assumptions for the ASRS actuarial valuation as of June 30, 2010
Active members	946
Retirees, beneficiaries, and dependents	86
Asset Valuation method	NA, No assets in an OPEB trust
Inflation rate	NA
Projected salary increase	NA
Post-retirement benefits increase	NA
Medical cost trend rate	9.00% graded down to ultimate rate of 5.0% over 8 years

Note 9 – Interfund Balances and Activity

Interfund Receivables and Payables—Interfund balances at June 30, 2011, were as follows:

Payable from	Payable to						Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	
General Fund	\$	3,708	\$ 79,686		\$ 1,324,042	\$ 105,596	\$ 1,513,032
Public Works/HURF Fund	\$ 222,802			\$ 93	126,615	223,376	572,886
Jail District Fund	274,634				27,507	6,631	308,772
Parks and Open Spaces Tax Projects	1,334,230						1,334,230
Public Health Services District Fund	147,959				954	21,013	169,926
Flood Control District Fund	374				11,133	456	11,963
Nonmajor Governmental Funds	3,989,296	104,393			1,584,809	31,509	5,710,007
Internal Service Fund	17,820	1,381					19,201
Total	\$ 5,987,115	\$ 109,482	\$ 79,686	\$ 93	\$ 3,075,060	\$ 388,581	\$ 9,640,017

The interfund balances resulted from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Coconino County
Notes to Financial Statements
June 30, 2011

Interfund Transfers—Interfund transfers for the year ended June 30, 2011, were as follows:

	Transfer to					Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	
Transfer from						
General Fund		\$ 25,000	\$ 2,380,284	\$ 3,739,233	\$ 1,250,471	\$ 7,394,988
Public Works/HURF Fund	\$ 1,049,548				106,357	1,155,905
Jail District Fund					27,507	27,507
Parks and Open Spaces Tax Projects	1,386,119					1,386,119
Public Health Services District Fund	1,470,849					1,470,849
Flood Control District Fund	68,895	10,739				79,634
Nonmajor Governmental Funds	504,286	1,582,500			1,611,808	3,698,594
Internal Service Fund	17,820					17,820
Total	\$ 4,497,517	\$ 1,618,239	\$ 2,380,284	\$ 3,739,233	\$ 2,996,143	\$ 15,231,416

Interfund transfers are used to move revenues from the fund that collects them to the fund that expends them.

Advances From/To Other Funds

Advances from/to other funds represent monies owed from various County Road Improvement Districts (nonmmajor governmental funds) to the Forest Fee Revolving Fund (nonmajor governmental fund) to assist citizens with road improvements. The amount of advances as of June 30, 2011 was \$211,874. The County Road Improvement Districts are paying interest on the advances. The interest rates range from 2.510% to 4.0299%. The General Fund has advanced \$437,179 to Improvement Districts to assist with road improvements and \$1 million to the Flood Control District to provide cash to cover expenditures made for the catastrophic flooding. The Forest Fees Fund has advanced funds to the Toho Tolani Improvement District to assist with road improvements. The \$1 million advance to the Flood Control District is expected to be paid back in fiscal 2014. The advances to Toho Tolani are expected to be paid back in fiscal 2012.

Coconino County
Notes to Financial Statements
June 30, 2011

Advances To	Advances From			Total
	Forest Fees Revolving Fund	General Fund	Forest Fees Fund	
Buckboard Trail	\$ 4,798			\$ 4,798
Kiowa Commanche	55,583			55,583
Lupine	46,292			46,292
Oakwood Pines	15,000			15,000
Pawnee	37,813			37,813
Pinon Improvement	26,118	\$ 1,859		27,977
Shoshone	9,778			9,778
Tonowanda	16,492			16,492
Flood Control District Fund		1,000,000		1,000,000
Toho Tolani		435,320	\$ 50,000	485,320
Total advances	\$ 211,874	\$ 1,437,179	\$ 50,000	\$ 1,699,053

Note 10– County Treasurer’s Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer’s investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The pool’s structure does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants’ investments.

The Treasurer allocates interest earnings to each of the pool’s participants.

Substantially all deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$3,970,582 of deposits, \$424,593 of investments in Mutual Funds-debt, \$10,048,881 in the State Treasurer’s Investment Pool, and \$18,718 of investments in equities; therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 3 for the disclosure of the County’s deposit and investment risks.

Coconino County
Notes to Financial Statements
June 30, 2011

Details of each major investment classification follow.

Investment Type	Principal	Rates	Maturities	Amount
U.S. agency securities	\$ 119,529,269	0.500-5.200%	10/01/2011-6/30/2016	\$ 119,303,217
Municipal bonds	5,573,056	1.250-6.000%	7/01/2011-6/1/2016	5,533,262
Corporate bonds	17,006,998	0.403-6.500%	8/15/2011-4/15/2016	17,192,788

A condensed statement of the investment pool's net assets and changes in net assets follows.

Statement Of Net assets

Assets	\$ 164,798,389
Net Assets	<u>\$ 164,798,389</u>

Net Assets Held in trust for:

Internal participants	\$ 75,065,057
External participants	89,733,332
Total Net Assets Held in Trust	<u>\$ 164,798,389</u>

Statement of Changes in Net Assets

Total additions	\$ 511,510,384
Total deletions	500,819,630
Net increase	<u>10,690,754</u>
Net assets held in trust	
July 1, 2010	<u>154,107,635</u>
June 30, 2011	<u>\$ 164,798,389</u>

Note 11 – Maintenance of Efforts

Coconino County is required to maintain statutory levels of support for the Coconino County Jail District and the Coconino County Public Health Services District. In accordance with A.R.S. Section 48-4024, Coconino County is required to make annual maintenance of effort payments (MOE) to the Coconino County Jail District, a special revenue fund type. The payments will be made through fiscal year 2027, and are determined by first establishing a base expenditure which was used as the initial fiscal year 1998 MOE payment. Subsequent payments are determined by adjusting the base expenditure by the annual change in the gross domestic product price deflator, obtained from the State of Arizona Economic Estimates Commission. These payments are recorded by the jail district as transfers. The MOE

Coconino County
Notes to Financial Statements
June 30, 2011

payment for fiscal year 2011 was \$2,380,284. In accordance with A.R.S. Section 48-5802 Coconino County is required to maintain a specific level of expenditures for public health services. This is accomplished by transferring funds to the Public Health Services District, a special revenue fund type. The payment for fiscal year 2011 was \$2,216,392.

REQUIRED SUPPLEMENTARY INFORMATION

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Coconino County
 Required Supplementary Information
 Schedule of Agent Retirement Plan and Coconino County Retiree Insurance
 Program's Funding Progress
 June 30, 2011

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
Public Safety Retirement System							
Pension	6/30/2010	\$ 12,697,494	\$ 27,056,998	\$ (14,359,504)	46.9%	\$ 2,854,136	503.1%
	6/30/2009	13,206,756	26,050,300	(12,843,544)	50.7%	3,216,304	399.3%
	6/30/2008	12,743,038	24,374,917	(11,631,879)	52.3%	3,557,390	327.0%
Health Insurance	6/30/2010		793,837	(793,837)	0.0%	2,854,136	27.81%
	6/30/2009		769,572	(769,572)	0.0%	3,216,304	23.93%
	6/30/2008		768,655	(768,655)	0.0%	3,557,390	21.61%
Pension and Health Insurance	6/30/2010	12,697,494	27,850,835	(15,153,341)	45.6%	5,708,272	265.5%
	6/30/2009	13,206,756	26,819,872	(13,613,116)	49.2%	3,216,304	423.3%
	6/30/2008	12,743,038	25,143,572	(12,400,534)	50.7%	3,557,390	327.0%
Coconino County Retiree Insurance Program							
Health Insurance	6/30/2011		9,911,098	(9,911,098)	0.0%	48,579,979	20.40%
	6/30/2010	(1)	(1)	(1)	(1)	(1)	(1)
	6/30/2009		7,887,569	(7,887,569)	0.0%	51,641,941	15.27%

(1) Information not available

Note 1: Actuarial Information Available

Actuarial measurements were not made for Coconino County's Postemployment Healthcare Plan prior to the implementation of GASB Statement 45 in fiscal year 2009. New actuarial measurements are required by GASB 45 to be made biannually, so in fiscal year 2011 and future years when additional actuarial measurements are made, trend information for the County's Postemployment Healthcare Plan will be presented.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 8,189,961	\$ 8,189,961	\$ 8,306,477	\$ 116,516
Other taxes	14,590,000	14,590,000	14,368,315	(221,685)
Licenses and permits	889,300	889,300	812,728	(76,572)
Fees, fines, and forfeits	1,154,400	1,154,400	1,183,097	28,697
Intergovernmental	18,289,738	18,369,939	18,854,047	484,108
Charges for services	3,298,145	2,776,310	2,579,356	(196,954)
Investment earnings	451,099	451,099	234,372	(216,727)
Contributions	125,000	131,000	143,087	12,087
Miscellaneous	143,375	88,290	293,982	205,692
Total revenues	47,131,018	46,640,299	46,775,461	135,162
Expenditures:				
General government				
Assessor	1,649,479	1,636,359	1,429,138	207,221
Board of Supervisors	1,025,871	1,025,871	1,022,813	3,058
Clerk of the Superior Court	1,089,835	1,089,835	1,077,065	12,770
Community development	1,474,290	1,439,514	1,389,269	50,245
Community initiatives	277,631	308,257	162,776	145,481
County Attorney	2,774,622	2,780,883	2,669,364	111,519
County Manager	1,474,718	1,456,196	1,222,580	233,616
Facilities	3,229,626	3,262,350	2,810,161	452,189
Finance/budget	1,449,199	1,449,199	1,389,997	59,202
Flagstaff Justice Court	1,217,243	1,217,243	1,128,546	88,697
Fredonia Justice Court	151,044	151,044	150,828	216
Human resources	1,305,110	1,307,776	1,169,964	137,812
Information technology	2,252,000	2,252,000	2,074,794	177,206
Legal Defender	785,250	785,250	786,179	(929)
Non-departmental	20,103,154	14,650,471	989,298	13,661,173
Page Justice Court	330,573	330,573	316,414	14,159
Public Defender	2,205,436	2,192,083	2,118,093	73,990
Recorder	1,811,500	1,762,921	1,508,042	254,879
Superior Courts	2,618,203	2,986,237	2,702,632	283,605
Treasurer	604,139	604,139	545,231	58,908
Williams Justice Court	336,510	336,510	311,252	25,258
Total general government	48,165,433	43,024,711	26,974,436	16,050,275

See accompanying notes to Budgetary Comparison Schedule.

(Continued)

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2011
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult probation	1,435,251	1,442,761	1,359,470	83,291
Constable	89,191	89,191	79,489	9,702
Emergency services			13,338	(13,338)
Juvenile probation	2,549,384	2,549,384	2,251,860	297,524
Sheriff	7,706,768	7,872,370	7,159,652	712,718
Total public safety	<u>11,780,594</u>	<u>11,953,706</u>	<u>10,863,809</u>	<u>1,089,897</u>
Highways and streets				
Information technology	786,724	786,724	604,016	182,708
Welfare				
Community services	927,150	923,962	881,105	42,857
Culture and recreation				
Parks and recreation	1,401,416	1,322,777	1,298,514	24,263
Education				
School Superintendent	475,488	475,488	374,650	100,838
Total expenditures	<u>63,536,805</u>	<u>58,487,368</u>	<u>40,996,530</u>	<u>17,490,838</u>
Excess (deficiency) of revenues over expenditures	(16,405,787)	(11,847,069)	5,778,931	17,626,000
Other financing sources (uses):				
Bond proceeds				
Sale of capital assets	2,000	2,000	1,325,000	1,323,000
Transfers in	4,820,316	4,553,752	4,497,517	(56,235)
Transfers out	(8,046,708)	(7,671,613)	(7,394,988)	276,625
Total other financing sources and (uses)	<u>(3,224,392)</u>	<u>(3,115,861)</u>	<u>(1,572,471)</u>	<u>1,543,390</u>
Net change in fund balances	(19,630,179)	(14,962,930)	4,206,460	19,169,390
Fund balance, July 1, 2010	<u>19,630,179</u>	<u>19,630,179</u>	<u>22,247,292</u>	<u>2,617,113</u>
Fund balance, June 30, 2011	<u><u>\$ 4,667,249</u></u>	<u><u>\$ 26,453,752</u></u>	<u><u>\$ 21,786,503</u></u>	

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other taxes	\$ 1,892,347	\$ 1,892,347	\$ 1,838,525	\$ (53,822)
Licenses and permits	16,525	16,525	37,220	20,695
Intergovernmental	11,093,920	11,093,920	10,040,387	(1,053,533)
Investment earnings	250,000	250,000	218,786	(31,214)
Miscellaneous	250,000	250,000	32,928	32,928
Total revenues	<u>13,502,792</u>	<u>13,252,792</u>	<u>12,167,846</u>	<u>(1,084,946)</u>
Expenditures:				
Highways and streets				
Public Works	<u>25,690,883</u>	<u>25,517,734</u>	<u>10,197,291</u>	<u>15,320,443</u>
Total expenditures	<u>25,690,883</u>	<u>25,517,734</u>	<u>10,197,291</u>	<u>15,320,443</u>
Excess (deficiency) of revenues over expenditures	(12,188,091)	(12,264,942)	1,970,555	14,235,497
Other financing sources (uses):				
Sale of capital assets	250,000	250,000		(250,000)
Transfers in	3,604,500	1,655,739	1,618,239	(37,500)
Transfers out	<u>(1,183,182)</u>	<u>(1,183,182)</u>	<u>(1,155,905)</u>	<u>27,277</u>
Total other financing sources (uses)	2,671,318	722,557	462,334	(260,223)
Net change in fund balances	(9,516,773)	(11,542,385)	2,432,889	13,975,274
Fund balance, July 1, 2010	<u>18,977,668</u>	<u>18,977,668</u>	<u>17,709,712</u>	<u>(1,267,956)</u>
Fund balance, June 30, 2011	<u>\$ 9,460,895</u>	<u>\$ 7,435,283</u>	<u>\$20,142,601</u>	<u>\$ 12,707,318</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other taxes	\$11,287,500	\$11,287,500	\$11,109,910	\$ (177,590)
Intergovernmental	70,000	70,000	27,671	(42,329)
Charges for services	2,305,449	2,305,449	2,294,192	(11,257)
Investment earnings	163,868	163,868	109,468	(54,400)
Miscellaneous			1,860	1,860
Total revenues	<u>13,826,817</u>	<u>13,826,817</u>	<u>13,543,101</u>	<u>(283,716)</u>
Expenditures:				
Current:				
Public safety				
Sheriff	13,619,351	13,747,237	12,338,913	1,408,324
Debt service:				
Principal	1,885,000	1,885,000	1,885,000	
Interest and other charges	176,475	176,475	177,311	(836)
Total expenditures	<u>15,680,826</u>	<u>15,808,712</u>	<u>14,401,224</u>	<u>1,407,488</u>
Excess (deficiency) of revenues over expenditures	(1,854,009)	(1,981,895)	(858,123)	1,123,772
Other financing sources and (uses):				
Transfers in	2,413,595	2,413,595	2,380,284	(33,311)
Transfers out	(11,354)	(60,389)	(27,507)	32,882
Total other financing sources (uses)	<u>2,402,241</u>	<u>2,353,206</u>	<u>2,352,777</u>	<u>(429)</u>
Net change in fund balances	548,232	371,311	1,494,654	1,123,343
Fund balance, July 1, 2010	<u>7,972,937</u>	<u>7,972,937</u>	<u>8,541,958</u>	<u>569,021</u>
Fund balance, June 30, 2011	<u>\$ 8,521,169</u>	<u>\$ 8,344,248</u>	<u>\$10,036,612</u>	<u>\$ 1,692,364</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Parks and Open Spaces Tax Projects
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other taxes	\$ 2,821,875	\$ 2,821,875	\$ 2,775,886	\$ (45,989)
Intergovernmental		6,159,921	6,159,921	
Investment earnings	190,000	190,000	67,285	(122,715)
Contributions			1,075	1,075
Miscellaneous			1,217	1,217
Total revenues	<u>3,011,875</u>	<u>9,171,796</u>	<u>9,005,384</u>	<u>(166,412)</u>
Expenditures:				
Culture and recreation	<u>13,557,871</u>	<u>18,731,026</u>	<u>12,843,626</u>	<u>5,887,400</u>
Total expenditures	<u>13,557,871</u>	<u>18,731,026</u>	<u>12,843,626</u>	<u>5,887,400</u>
Excess (deficiency) of revenues over expenditures	(10,545,996)	(9,559,230)	(3,838,242)	5,720,988
Other financing sources (uses):				
Transfers out	<u>(1,442,198)</u>	<u>(1,372,484)</u>	<u>(1,386,119)</u>	<u>(13,635)</u>
Total other financing sources and (uses)	<u>(1,442,198)</u>	<u>(1,372,484)</u>	<u>(1,386,119)</u>	<u>(13,635)</u>
Net change in fund balances	(11,988,194)	(10,931,714)	(5,224,361)	5,707,353
Fund balance, July 1, 2010	<u>13,515,288</u>	<u>13,515,288</u>	<u>13,823,076</u>	<u>227,378</u>
Fund balance, June 30, 2011	<u>\$ 1,527,094</u>	<u>\$ 2,583,574</u>	<u>\$ 8,598,715</u>	<u>\$ 6,015,141</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Services District Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 5,209,790	\$ 5,028,462	\$ 4,923,145	\$ (105,317)
Licenses and permits	667,830	667,830	691,373	23,543
Intergovernmental	4,398,028	5,020,152	4,237,667	(782,485)
Charges for services	519,569	519,569	474,788	(44,781)
Investment earnings	2,200	2,200	27,754	25,554
Contributions	52,724	52,724	138,649	85,925
Miscellaneous	4,436	4,436	609	(3,827)
Total revenues	<u>10,854,577</u>	<u>11,295,373</u>	<u>10,493,985</u>	<u>(801,388)</u>
Expenditures:				
Public safety				
Medical Examiner	504,094	504,094	613,172	(109,078)
Health				
Health Department	12,686,211	12,160,478	10,795,196	1,365,282
Welfare				
Community Services	178,893	178,893	140,471	38,422
Total expenditures	<u>13,369,198</u>	<u>12,843,465</u>	<u>11,548,839</u>	<u>1,294,626</u>
Excess (deficiency) of revenues over expenditures	(2,514,621)	(1,548,092)	(1,054,854)	493,238
Other financing sources (uses):				
Transfers in	3,979,960	3,739,233	3,739,233	
Transfers out	(1,470,849)	(1,470,849)	(1,470,849)	
Total other financing sources and (uses)	<u>2,509,111</u>	<u>2,268,384</u>	<u>2,268,384</u>	
Net change in fund balances	(5,510)	720,292	1,213,530	493,238
Fund balance, July 1, 2010	804,321	804,321	688,907	(115,414)
Fund balance, June 30, 2011	<u>\$ 798,811</u>	<u>\$ 1,524,613</u>	<u>\$ 1,902,437</u>	<u>\$ 377,824</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Flood Control District Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 1,858,550	\$ 1,849,864	\$ 1,826,851	\$ (23,013)
Other taxes			95	95
Licenses and permits	1,500	1,500	2,750	1,250
Intergovernmental		3,528,454	4,493,764	965,310
Charges for services	1,950	1,950		(1,950)
Investment earnings	40,000	40,000	39,642	(358)
Contributions	5,867	5,786	5,627	(159)
Total revenues	<u>1,907,867</u>	<u>5,427,554</u>	<u>6,368,729</u>	<u>941,175</u>
Expenditures:				
Public safety				
Flood Control	747,032	5,765,390	7,031,853	(1,266,463)
Total expenditures	<u>747,032</u>	<u>5,765,390</u>	<u>7,031,853</u>	<u>(1,266,463)</u>
Excess (deficiency) of revenues over expenditures	1,160,835	(337,836)	(663,124)	(325,288)
Other financing sources and (uses):				
Transfers out	<u>(2,171,826)</u>	<u>(79,634)</u>	<u>(79,634)</u>	
Total other financing sources (uses)	<u>(2,171,826)</u>	<u>(79,634)</u>	<u>(79,634)</u>	
Net change in fund balances	(1,010,991)	(417,470)	(742,758)	(325,288)
Fund balance, July 1, 2010	<u>2,925,996</u>	<u>2,925,996</u>	<u>2,588,013</u>	<u>(337,983)</u>
Fund balance, June 30, 2011	<u><u>\$ 1,915,005</u></u>	<u><u>\$ 2,508,526</u></u>	<u><u>\$ 1,845,255</u></u>	<u><u>\$ (663,271)</u></u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2011

Note 1 – Budgeting and Budgetary Control

A.R.S. require the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund and the Public Health Services District Fund, each fund includes only one department.

Note 2 – Budgetary Basis of Accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles.

Note 3 – Expenditures in Excess of Appropriations

For the year ended June 30, 2011, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Legal Defender	\$ 929
Emergency services	13,338
Public Health Services District Fund	
Medical Examiner	109,078
Flood Control Fund	1,197,568

Departments may exceed their department's budget for various reasons, including unexpected events. When departments exceed their budget, this is addressed with the departments in their subsequent budget meetings with the County Manager and the Board of Supervisors.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2011

Special Revenue Funds

Adult Probation Grants and Fees – accounts for various Adult Probation programs provided by a combination of grants and fees.

Assessor Storage and Retrieval – accounts for the collection and use of a special recording surcharge, not to exceed four dollars, to be used to convert the assessor's property information and storage retrieval system to micrographics or computer automation, as established by A.R.S. 11-269.06.

Career Center Grants – accounts for various federal and state employment grants, such as the Workforce Investment Act and the Youthbuild Program.

Clerk of the Superior Court Grants and Fees – accounts for various Clerk of the Court programs provided by a combination of grants and fees.

Community Services Grants and Fees – accounts for various public assistance programs provided by a combination of grants and fees.

Conciliation Court – this program provides a means for the reconciliation of spouses and the amicable settlement of domestic and family controversies. This program is funded by fees collected under A.R.S. 25-311.

County Attorney Grants and Fees – accounts for various County Attorney programs funded by a combination of fees, grants and forfeiture. Programs included Anti-Racketeering, Attorney Enhancement and Victim Rights.

County Improvement Districts – Special Revenue – accounts for the operation of various Road Maintenance Districts and the Kachina Village Water and Wastewater operations.

County Library District – accounts for the provision and maintenance of libraries and library services through the County. Funded by a secondary property tax levy.

Emergency Services Grants – accounts for various federal and state grants that fund purchases of equipment and disaster planning and training.

Health Programs – accounts for numerous health services programs funded by federal, state and private grants, fees and transfers from the County General Fund.

Inmate Welfare – accounts for funds held in trust for the benefit and welfare of inmates, established under A.R.S. 31-121. Revenues are derived from sales of commissary items to inmates and pay phone usage.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

Jail Enhancement – accounts for state funds established under A.R.S. 41-2401.D.9. to be used to enhance county jail facilities and operations.

Justice Courts Grants and Fees – accounts for various Justice Court programs provided by a combination of grants and fees

Juvenile Court Grants and Fees – accounts for various Juvenile Probation programs, including Juvenile Court, provided by a combination of grants and fees

Legal Defender Grants and Fees – accounts for various Legal Defender programs provided by a combination of grants and fees

National Forest Fees – accounts for funds received under the federal Secure Rural Schools and Community Self-Determination Act of 2000. These funds may be used to fund schools, roads, search and rescue, wildfire protection, and wildlife protection.

Parks and Recreation Grants and Fees – accounts for various parks programs funded by federal and state grants, fees and General Fund transfers. These programs include the County Fair and the County Horse Races.

Public Defender Grants and Fees – accounts for various Public Defender programs provided by a combination of grants and fees

Recorder Storage and Retrieval – accounts for a recording surcharge, established by A.R.S. 11-475.01, to be used to defray the cost of converting the Recorder's document and storage retrieval system to micrographics or computer automation.

School Superintendent Grants and Fees – accounts for various Schools programs, including the Accommodation School, provided by a combination of grants and fees

Sheriff Grants and Fees – accounts for various Sheriff programs provided by a combination of grants and fees

Solid Waste – accounts for the costs of providing solid waste services, including the operation of transfer stations and payments for the use of the City of Flagstaff landfill. Funded by a combination of grants, fees and General Fund transfers.

Superior Court Grants and Fees – accounts for various Superior Court programs provided by a combination of grants and fees

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

Taxpayer Information Fund – accounts for fees collected by the County Treasurer, established by A.R.S. 11-495, to be used to upgrade an automated taxpayer information system.

Other Special Revenue Funds – accounts for other small grants and fees.

Debt Service Fund

County Improvement Districts – Debt Service – accounts for special assessment collected for the payment of principal and interest on the revenue bonds issued for special assessment bonds issued by various county improvement districts, or National Forest Fees loans, for road improvements.

Capital Projects Funds

Accommodation School – accounts for various grants used to fund capital improvements for the Accommodation School.

County Improvement Districts – Capital Projects – accounts for the construction of road improvements in various county improvement districts, funded by special assessment bonds, assessment payments by benefiting property owners and National Forest Fees contributions or loans.

Parks Capital Projects – accounts for federal and state grants for the acquisition and construction of County parks.

Other Capital Projects Funds – accounts for other small capital projects funded by fees, grants and transfers from the General Fund.

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Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 849,584	\$ 219,077	\$ 3	\$ 338,071
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	2,345		1,025	
Special assessments				
Accrued interest	3,639		100	1,326
Advances to other funds				
Due from:				
Other funds	34,865			
Other governments			311,799	
Prepaid items			170	
Total assets	\$ 890,433	\$ 219,077	\$ 313,097	\$ 339,397
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 45,937	\$ 30	\$ 76,986	\$ 3,358
Accrued payroll and employee benefits	34,678		8,373	1,561
Advances from other funds				
Due to:				
Other funds	7,423	98,820	194,646	
Other governments	31,298			
Deposits held for others				
Deferred revenue				
Total liabilities	119,336	98,850	280,005	4,919
Fund balances:				
Nonspendable			170	
Restricted	771,097	120,227	32,922	334,478
Total fund balances	771,097	120,227	33,092	334,478
Total liabilities and fund balances	\$ 890,433	\$ 219,077	\$ 313,097	\$ 339,397

Special Revenue

Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts- Special Revenue	County Library District
\$ 2,705	\$ 104,997	\$ 1,911,617 402,244 20,535	\$ 1,162,892	\$ 510,413
702,107			304 118,338	253,219
746	395	8,386	3,997	1,892
573,311	18,603	225,496	21,644	
706,476	8,820	50,817		61,007
6,605		550	4,340	
<u>\$ 1,991,950</u>	<u>\$ 132,815</u>	<u>\$ 2,619,645</u>	<u>\$ 1,311,515</u>	<u>\$ 826,531</u>
\$ 206,376 49,441	\$ 2,366 502	\$ 24,249 10,398	\$ 110,178 8,213	
1,069,445		171,899	5,597	\$ 409,265
3,293		1,790		
18,345			27,419	
			304	198,842
<u>1,346,900</u>	<u>2,868</u>	<u>208,336</u>	<u>151,711</u>	<u>608,107</u>
6,605		550	4,340	
638,445	129,947	2,410,759	1,155,464	218,424
645,050	129,947	2,411,309	1,159,804	218,424
<u>\$ 1,991,950</u>	<u>\$ 132,815</u>	<u>\$ 2,619,645</u>	<u>\$ 1,311,515</u>	<u>\$ 826,531</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(Continued)

	Special Revenue			
	Emergency Services Grants	Inmate Welfare	Jail Enhancement	Justice Courts Grants and Fees
Assets				
Cash and cash equivalents		\$ 167,037	\$ 520,227	\$ 766,714
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts		20,459		5
Special assessments				
Accrued interest		616	1,925	2,711
Advances to other funds				
Due from:				
Other funds	\$ 123,125			2,435
Other governments	80,350		20,215	
Prepaid items			945	
Total assets	\$ 203,475	\$ 188,112	\$ 543,312	\$ 771,865
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,201	\$ 2,191	\$ 4,906	\$ 17,806
Accrued payroll and employee benefits	1,800	1,761		807
Advances from other funds				
Due to:				
Other funds	147,638			278,533
Other governments				
Deposits held for others				
Deferred revenue				
Total liabilities	150,639	3,952	4,906	297,146
Fund balances:				
Nonspendable			945	
Restricted	52,836	184,160	537,461	474,719
Total fund balances	52,836	184,160	538,406	474,719
Total liabilities and fund balances	\$ 203,475	\$ 188,112	\$ 543,312	\$ 771,865

Special Revenue

Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees	Parks and Recreation Grants and Fees
\$ 890,661	\$ 12,548	\$ 4,987,919	\$ 358,647
1,822			
4,050	45	18,399 261,874	1,515
22,337 63,032	5,459 514	77	55,163
<u>981,902</u>	<u>18,566</u>	<u>5,268,269</u>	<u>415,715</u>
\$ 35,265 27,665	\$ 2,456		\$ 4,189 2,798
21,379 128,083	6,834	\$ 502,591	71,291
<u>212,392</u>	<u>9,290</u>	<u>502,591</u>	<u>78,278</u>
769,510	9,276	4,765,678	390 337,047
<u>769,510</u>	<u>9,276</u>	<u>4,765,678</u>	<u>337,437</u>
<u>\$ 981,902</u>	<u>\$ 18,566</u>	<u>\$ 5,268,269</u>	<u>\$ 415,715</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(Continued)

	Special Revenue			
	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees	Sheriff Grants and Fees
Assets				
Cash and cash equivalents	\$ 98,722	\$ 218,895	\$ 606,544	\$ 22
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	170		11,842	168
Special assessments				
Accrued interest	369	831	3,383	862
Advances to other funds				
Due from:				
Other funds	49,801	9,501		60,936
Other governments	3,759		224,688	313,234
Prepaid items				200
Total assets	\$ 152,821	\$ 229,227	\$ 846,457	\$ 375,422
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,057		\$ 82,362	\$ 54,966
Accrued payroll and employee benefits		\$ 1,669	3,716	10,610
Advances from other funds				
Due to:				
Other funds	52,140			66,483
Other governments			10,800	
Deposits held for others				
Deferred revenue			69	
Total liabilities	57,197	1,669	96,947	132,059
Fund balances:				
Nonspendable				200
Restricted	95,624	227,558	749,510	243,163
Total fund balances	95,624	227,558	749,510	243,363
Total liabilities and fund balances	\$ 152,821	\$ 229,227	\$ 846,457	\$ 375,422

Special Revenue				Debt Service
Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Distiricts-Debt Service
	\$ 560,363	\$ 138,484		\$ 733,584
	1,548		\$ 202	1,431,614
	2,331	521		4,625
\$ 617,830	381,366		126,232	
1,198,069	2,444			
	5,737			
<u>\$ 1,815,899</u>	<u>\$ 953,789</u>	<u>\$ 139,005</u>	<u>\$ 126,434</u>	<u>\$ 2,169,823</u>
\$ 171,443	\$ 43,096		\$ 369	
5,288	4,695		2,027	\$ 213,733
1,639,153	80,162	\$ 33,333	124,030	
<u>1,815,884</u>	<u>127,953</u>	<u>33,333</u>	<u>126,426</u>	<u>1,426,560</u>
				<u>1,640,293</u>
	5,737			
15	820,099	105,672	8	529,530
15	825,836	105,672	8	529,530
<u>\$ 1,815,899</u>	<u>\$ 953,789</u>	<u>\$ 139,005</u>	<u>\$ 126,434</u>	<u>\$ 2,169,823</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(Continued)

	Capital Projects			
	Accommodation School	County Improvement Districts- Capital Projects	Parks Capital Projects	Other Capital Projects Funds
Assets				
Cash and cash equivalents	\$ 46,021	\$ 705,448		\$ 16,465
Investments		72,889		71,762
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Special assessments				
Accrued interest	177	2,806		62
Advances to other funds				
Due from:				
Other funds		2,674	\$ 744,205	
Other governments				
Prepaid items				
Total assets	\$ 46,198	\$ 783,817	\$ 744,205	\$ 88,289
Liabilities and Fund Balances				
Liabilities:				
Accounts payable			\$ 14,936	
Accrued payroll and employee benefits				
Advances from other funds		\$ 485,320		
Due to:				
Other funds		77	729,268	
Other governments				
Deposits held for others				
Deferred revenue				
Total liabilities		485,397	744,204	
Fund balances:				
Nonspendable				
Restricted	46,198	298,420	1	\$ 88,289
Total fund balances	46,198	298,420	1	88,289
Total liabilities and fund balances	\$ 46,198	\$ 783,817	\$ 744,205	\$ 88,289

Total
Nonmajor
Governmental
Funds

\$ 15,927,660
546,895
20,535

253,523
860,031
1,431,614
65,709
261,874

3,075,060
3,045,224
18,937

\$ 25,507,062

\$ 909,723
176,002
699,053

5,710,007
175,264
45,764
1,625,775

9,341,588

18,937
16,146,537
16,165,474
\$ 25,507,062

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011

	Special Revenue		
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants
Revenues:			
Property taxes			
Other taxes			
Special assessments			
Fees, fines, and forfeits			
Intergovernmental	\$ 1,767,474		\$ 1,225,805
Charges for services	623,875	\$ 125,900	
Investment earnings	9,209		296
Contributions			
Miscellaneous			
Total revenues	2,400,558	125,900	1,226,101
Expenditures:			
Current:			
General government		44,617	
Public safety	2,345,347		
Highways and streets			
Sanitation			
Welfare			1,190,820
Culture and recreation			
Education			
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	2,345,347	44,617	1,190,820
Excess (deficiency) of revenues over (under) expenditures	55,211	81,283	35,281
Other financing sources (uses):			
Sale of capital assets			
Transfers in	34,866		
Transfers out	(1,039)	(98,820)	
Total other financing sources (uses)	33,827	(98,820)	
Net change in fund balances	89,038	(17,537)	35,281
Fund balances, July 1, 2010	682,059	137,764	(2,189)
Fund balances, June 30, 2011	\$ 771,097	\$ 120,227	\$ 33,092

Clerk of the Superior Court Grants and Fees	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue	County Library District
					\$ 4,820,426 210
\$ 54,416	\$ 3,631,469	\$ 20,801	\$ 675,189	\$ 13,796	
56,612	1,841,020	51,457	593,417	17,112	
4,015	2,105	1,242	26,990	1,211,628	7,800
	155,533		31,286	11,363	79,480
	8,281			69,525	
<u>115,043</u>	<u>5,638,408</u>	<u>73,500</u>	<u>1,326,882</u>	<u>1,323,424</u>	<u>4,907,916</u>
164,149	53,112	60,098	1,449,261		
				14,447	
				1,070,090	
	5,896,644				4,444,875
<u>164,149</u>	<u>5,949,756</u>	<u>60,098</u>	<u>1,449,261</u>	<u>1,084,537</u>	<u>4,444,875</u>
<u>(49,106)</u>	<u>(311,348)</u>	<u>13,402</u>	<u>(122,379)</u>	<u>238,887</u>	<u>463,041</u>
	415,599		58,206		
	(75,118)		(116,348)	(71,048)	(498,418)
	340,481		(58,142)	(71,048)	(498,418)
(49,106)	29,133	13,402	(180,521)	167,839	(35,377)
383,584	615,917	116,545	2,591,830	991,965	253,801
<u>\$ 334,478</u>	<u>\$ 645,050</u>	<u>\$ 129,947</u>	<u>\$ 2,411,309</u>	<u>\$ 1,159,804</u>	<u>\$ 218,424</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011
(Continued)

	Special Revenue		
	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Revenues:			
Property taxes			
Other taxes			
Special assessments			
Fees, fines, and forfeits			
Intergovernmental	\$ 112,873		\$ 255,832
Charges for services		\$ 74,330	
Investment earnings		1,907	5,130
Contributions			
Miscellaneous	1,907	107,708	
Total revenues	114,780	183,945	260,962
Expenditures:			
Current:			
General government			
Public safety	212,904	210,106	123,247
Highways and streets			
Sanitation			
Welfare			
Culture and recreation			
Education			
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	212,904	210,106	123,247
Excess (deficiency) of revenues over (under) expenditures	(98,124)	(26,161)	137,715
Other financing sources (uses):			
Sale of capital assets			
Transfers in	123,375		
Transfers out	(253)		
Total other financing sources (uses)	123,122		
Net change in fund balances	24,998	(26,161)	137,715
Fund balances, July 1, 2010	27,838	210,321	400,691
Fund balances, June 30, 2011	\$ 52,836	\$ 184,160	\$ 538,406

Special Revenue

Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees	Parks and Recreation Grants and Fees
	\$ 1,785,048	\$ 3,825	\$ 3,495,125	\$ 85,000
\$ 451,427	111,513			589,310
7,408	10,441	127	54,919	4,317
	1,108			22,525
<u>458,835</u>	<u>1,908,110</u>	<u>3,952</u>	<u>3,550,044</u>	<u>701,152</u>
109,936	1,875,787	3,842		
			1,529,157	549,088
<u>109,936</u>	<u>1,875,787</u>	<u>3,842</u>	<u>1,529,157</u>	<u>549,088</u>
348,899	32,323	110	2,020,887	152,064
(271,784)	5,686	5,459	170,547	56,316
(271,784)	5,686	(6,834)	(2,037,729)	(149,815)
<u>(271,784)</u>	<u>5,686</u>	<u>(1,375)</u>	<u>(1,867,182)</u>	<u>(93,499)</u>
77,115	38,009	(1,265)	153,705	58,565
397,604	731,501	10,541	4,611,973	278,872
<u>\$ 474,719</u>	<u>\$ 769,510</u>	<u>\$ 9,276</u>	<u>\$ 4,765,678</u>	<u>\$ 337,437</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011
(Continued)

	Special Revenue		
	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Revenues:			
Property taxes			\$ 275
Other taxes			
Special assessments			
Fees, fines, and forfeits			
Intergovernmental	\$ 30,228	\$ 9,501	2,564,036
Charges for services		131,959	127,924
Investment earnings	1,080	3,003	9,312
Contributions			17,825
Miscellaneous			2,757
Total revenues	31,308	144,463	2,722,129
Expenditures:			
Current:			
General government	24,027	241,707	
Public safety			
Highways and streets			
Sanitation			
Welfare			
Culture and recreation			
Education			2,823,780
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	24,027	241,707	2,823,780
Excess (deficiency) of revenues over (under) expenditures	7,281	(97,244)	(101,651)
Other financing sources (uses):			
Sale of capital assets			
Transfers in	49,135		
Transfers out	(61,161)		
Total other financing sources (uses)	(12,026)		
Net change in fund balances	(4,745)	(97,244)	(101,651)
Fund balances, July 1, 2010	100,369	324,802	851,161
Fund balances, June 30, 2011	\$ 95,624	\$ 227,558	\$ 749,510

Sheriff Grants and Fees	Special Revenue				Debt Service
	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Distiricts-Debt Service
					\$ 514,466
\$ 814,474	\$ 1,220,085	\$ 219,689			
76,702	94,284	192,903	\$ 19,243	\$ 21,416	
1,871		6,641	1,587		11,031
2,600		38,925			
	1,518	1,330			
<u>895,647</u>	<u>1,315,887</u>	<u>459,488</u>	<u>20,830</u>	<u>21,416</u>	<u>525,497</u>
987,864		827,745	15,527	51,227	
				96,419	
	1,849,238				
					370,923
					109,961
<u>987,864</u>	<u>1,849,238</u>	<u>827,745</u>	<u>15,527</u>	<u>147,646</u>	<u>480,884</u>
(92,217)	(533,351)	(368,257)	5,303	(126,230)	44,613
4,950					
164,291	617,830	421,722		126,232	
	(84,477)	(4,738)	(50,000)		
<u>169,241</u>	<u>533,353</u>	<u>416,984</u>	<u>(50,000)</u>	<u>126,232</u>	
77,024	2	48,727	(44,697)	2	44,613
166,339	13	777,109	150,369	6	484,917
<u>\$ 243,363</u>	<u>\$ 15</u>	<u>\$ 825,836</u>	<u>\$ 105,672</u>	<u>\$ 8</u>	<u>\$ 529,530</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011
(Continued)

	Capital Projects			
	Accommodation School	County Improvement Districts- Capital Projects	Parks Capital Projects	Other Capital Projects Funds
Revenues:				
Property taxes				
Other taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	\$ 41,110			
Charges for services				
Investment earnings	558	\$ 9,930	\$ 629	\$ 217
Contributions				
Miscellaneous				
Total revenues	<u>41,668</u>	<u>9,930</u>	<u>629</u>	<u>217</u>
Expenditures:				
Current:				
General government				
Public safety				
Highways and streets				
Sanitation				
Welfare				
Culture and recreation				
Education				
Capital outlay	44,940	2,674	1,001,523	
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>44,940</u>	<u>2,674</u>	<u>1,001,523</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(3,272)</u>	<u>7,256</u>	<u>(1,000,894)</u>	<u>217</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		2,674	744,205	
Transfers out		(170,547)	(417)	(48)
Total other financing sources (uses)		<u>(167,873)</u>	<u>743,788</u>	<u>(48)</u>
Net change in fund balances	(3,272)	(160,617)	(257,106)	169
Fund balances, July 1, 2010	49,470	459,037	257,107	88,120
Fund balances, June 30, 2011	<u>\$ 46,198</u>	<u>\$ 298,420</u>	<u>\$ 1</u>	<u>\$ 88,289</u>

Total
Nonmajor
Governmental
Funds

\$ 4,820,701
210
528,262
729,605
17,892,904
5,828,493
197,424
294,363
216,659

30,508,621

3,045,248
5,755,255
110,866
2,919,328
7,087,464
4,993,963
4,352,937
1,049,137

370,923
109,961

29,795,082

713,539

4,950
2,996,143
(3,698,594)

(697,501)

16,038

16,149,436

\$ 16,165,474

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,762,422	\$ 1,858,994	\$ 1,767,474	\$ (91,520)
Charges for services	529,000	529,000	623,875	94,875
Investment earnings	19,050	19,050	9,209	(9,841)
Total revenues	<u>2,310,472</u>	<u>2,407,044</u>	<u>2,400,558</u>	<u>(6,486)</u>
Expenditures:				
Current				
Public safety				
Adult Probation	3,021,547	3,040,947	2,345,347	695,600
Total expenditures	<u>3,021,547</u>	<u>3,040,947</u>	<u>2,345,347</u>	<u>695,600</u>
Excess (deficiency) of revenues over expenditures	<u>(711,075)</u>	<u>(633,903)</u>	<u>55,211</u>	<u>689,114</u>
Other financing sources (uses):				
Transfers in	245,051	142,483	34,866	(107,617)
Transfers out	(8,900)	(8,900)	(1,039)	7,861
Total other financing sources (uses)	<u>236,151</u>	<u>133,583</u>	<u>33,827</u>	<u>(99,756)</u>
Net change in fund balances	(474,924)	(500,320)	89,038	589,358
Fund balance, July 1, 2010	<u>607,058</u>	<u>607,058</u>	<u>682,059</u>	<u>75,001</u>
Fund balance, June 30, 2011	<u>\$ 132,134</u>	<u>\$ 106,738</u>	<u>\$ 771,097</u>	<u>\$ 664,359</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 130,000	\$ 130,000	\$ 125,900	\$ (4,100)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>125,900</u>	<u>(4,100)</u>
Expenditures:				
Current				
General government				
Assessor	87,000	87,000	44,617	42,383
Total expenditures	<u>87,000</u>	<u>87,000</u>	<u>44,617</u>	<u>42,383</u>
Excess (deficiency) of revenues over expenditures	<u>43,000</u>	<u>43,000</u>	<u>81,283</u>	<u>38,283</u>
Other financing sources (uses):				
Transfers out	(130,714)	(130,714)	(98,820)	31,894
Total other financing sources (uses)	<u>(130,714)</u>	<u>(130,714)</u>	<u>(98,820)</u>	<u>31,894</u>
Net change in fund balances	(87,714)	(87,714)	(17,537)	70,177
Fund balance, July 1, 2010	<u>125,638</u>	<u>125,638</u>	<u>137,764</u>	<u>12,126</u>
Fund balance, June 30, 2011	<u>\$ 37,924</u>	<u>\$ 37,924</u>	<u>\$ 120,227</u>	<u>\$ 82,303</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,123,095	\$ 1,221,082	\$ 1,225,805	\$ 4,723
Investment earnings			296	296
Miscellaneous	<u>1,163,000</u>			
Total revenues	<u>2,286,095</u>	<u>1,221,082</u>	<u>1,226,101</u>	<u>5,019</u>
Expenditures:				
Current				
Welfare				
Career Center	<u>2,283,393</u>	<u>1,192,393</u>	<u>1,190,820</u>	<u>1,573</u>
Total expenditures	<u>2,283,393</u>	<u>1,192,393</u>	<u>1,190,820</u>	<u>1,573</u>
Net change in fund balances	2,702	28,689	35,281	6,592
Fund balance, July 1, 2010	<u>358,707</u>	<u>358,707</u>	<u>(2,189)</u>	<u>(360,896)</u>
Fund balance, June 30, 2011	<u>\$ 361,409</u>	<u>\$ 387,396</u>	<u>\$ 33,092</u>	<u>\$ (354,304)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of the Superior Court Grants and Fees
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 75,000	\$ 75,000	\$ 54,416	\$ (20,584)
Charges for services	50,800	50,800	56,612	5,812
Investment earnings	7,500	7,500	4,015	(3,485)
Total revenues	133,300	133,300	115,043	(18,257)
Expenditures:				
Current				
General government				
Clerk of the Superior Court	206,648	206,648	164,149	42,499
Total expenditures	206,648	206,648	164,149	42,499
Net change in fund balances	(73,348)	(73,348)	(49,106)	24,242
Fund balance, July 1, 2010	396,462	396,462	383,584	(12,878)
Fund balance, June 30, 2011	\$ 323,114	\$ 323,114	\$ 334,478	\$ 11,364

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 5,482,033	\$ 4,716,874	\$ 3,631,469	\$ (1,085,405)
Charges for services	1,313,828	1,394,500	1,841,020	446,520
Investment earnings	2,500	2,500	2,105	(395)
Contributions	138,986	250,100	155,533	(94,567)
Miscellaneous	504,304	507,064	8,281	(498,783)
Total revenues	<u>7,441,651</u>	<u>6,871,038</u>	<u>5,638,408</u>	<u>(1,232,630)</u>
Expenditures:				
Current:				
General government				
Facilities	109,793	109,793	53,112	56,681
Welfare				
Community Services	7,956,648	7,302,770	5,896,644	1,406,126
Total expenditures	<u>8,066,441</u>	<u>7,412,563</u>	<u>5,949,756</u>	<u>1,462,807</u>
Excess (deficiency) of revenues over expenditures	<u>(624,790)</u>	<u>(541,525)</u>	<u>(311,348)</u>	<u>230,177</u>
Other financing sources (uses):				
Transfers in	521,375	522,406	415,599	(106,807)
Transfers out		(42,367)	(75,118)	(32,751)
Total other financing sources (uses)	<u>521,375</u>	<u>480,039</u>	<u>340,481</u>	<u>(139,558)</u>
Net changes in fund balances	(103,415)	(61,486)	29,133	90,619
Fund balance, July 1, 2010	<u>848,351</u>	<u>848,351</u>	<u>615,917</u>	<u>(232,434)</u>
Fund balance, June 30, 2011	<u>\$ 744,936</u>	<u>\$ 786,865</u>	<u>\$ 645,050</u>	<u>\$ (141,815)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 20,801	\$ 11,801
Charges for services	51,200	51,200	51,457	257
Investment earnings	<u>3,000</u>	<u>3,000</u>	<u>1,242</u>	<u>(1,758)</u>
Total revenues	<u>63,200</u>	<u>63,200</u>	<u>73,500</u>	<u>10,300</u>
Expenditures:				
Current				
General government				
Superior Courts	<u>62,028</u>	<u>62,028</u>	<u>60,098</u>	<u>1,930</u>
Total expenditures	<u>62,028</u>	<u>62,028</u>	<u>60,098</u>	<u>1,930</u>
Net change in fund balances	1,172	1,172	13,402	12,230
Fund balance, July 1, 2010	<u>152,416</u>	<u>152,416</u>	<u>116,545</u>	<u>(35,871)</u>
Fund balance, June 30, 2011	<u>\$ 153,588</u>	<u>\$ 153,588</u>	<u>\$ 129,947</u>	<u>\$ (23,641)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Fees, fines, and forfeits	\$ 750,000	\$ 750,000	\$ 675,189	\$ (74,811)
Intergovernmental	494,463	594,079	593,417	(662)
Charges for services	49,100	49,100	26,990	(22,110)
Investment earnings	37,550	37,550	31,286	(6,264)
Total revenues	<u>1,331,113</u>	<u>1,430,729</u>	<u>1,326,882</u>	<u>(103,847)</u>
Expenditures:				
Current				
General government				
County Attorney	<u>1,554,829</u>	<u>1,643,354</u>	<u>1,449,261</u>	<u>194,093</u>
Total expenditures	<u>1,554,829</u>	<u>1,643,354</u>	<u>1,449,261</u>	<u>194,093</u>
Excess (deficiency) of revenues over expenditures	<u>(223,716)</u>	<u>(212,625)</u>	<u>(122,379)</u>	<u>90,246</u>
Other financing sources (uses):				
Transfers in	205,134	205,134	58,206	(146,928)
Transfers out	<u>(164,868)</u>	<u>(276,591)</u>	<u>(116,348)</u>	<u>160,243</u>
Total other financing sources (uses)	<u>40,266</u>	<u>(71,457)</u>	<u>(58,142)</u>	<u>13,315</u>
Net change in fund balances	(183,450)	(284,082)	(180,521)	103,561
Fund balance, July 1, 2010	<u>2,518,829</u>	<u>2,518,829</u>	<u>2,591,830</u>	<u>73,001</u>
Fund balance, June 30, 2011	<u>\$ 2,335,379</u>	<u>\$ 2,234,747</u>	<u>\$ 2,411,309</u>	<u>\$ 176,562</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Special assessments	\$ 14,100	\$ 14,100	\$ 13,796	\$ (304)
Intergovernmental			17,112	17,112
Charges for services	1,195,000	1,195,000	1,211,628	16,628
Investment earnings	21,900	21,900	11,363	(10,537)
Miscellaneous	1,000	1,000	69,525	68,525
Total revenues	<u>1,232,000</u>	<u>1,232,000</u>	<u>1,323,424</u>	<u>91,424</u>
Expenditures:				
Current				
Highways and streets				
Improvement Districts	58,996	58,996	14,447	44,549
Sanitation				
KVID	1,330,069	1,330,069	1,070,090	259,979
Total expenditures	<u>1,389,065</u>	<u>1,389,065</u>	<u>1,084,537</u>	<u>304,528</u>
Excess (deficiency) of revenues over expenditures	<u>(157,065)</u>	<u>(157,065)</u>	<u>238,887</u>	<u>395,952</u>
Other financing sources (uses):				
Transfers out			(71,048)	(71,048)
Total other financing sources (uses)			<u>(71,048)</u>	<u>(71,048)</u>
Net change in fund balances	(157,065)	(157,065)	167,839	324,904
Fund balance, July 1, 2010	<u>699,066</u>	<u>699,066</u>	<u>991,965</u>	<u>292,899</u>
Fund balance, June 30, 2011	<u>\$ 542,001</u>	<u>\$ 542,001</u>	<u>\$ 1,159,804</u>	<u>\$ 617,803</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,932,629	\$ 4,760,948	\$ 4,820,426	\$ 59,478
Other taxes	150	150	210	60
Investment earnings	19,000	19,000	7,800	(11,200)
Contributions	70,000	70,000	79,480	9,480
Total revenues	<u>5,021,779</u>	<u>4,850,098</u>	<u>4,907,916</u>	<u>57,818</u>
Expenditures:				
Current				
Culture and recreation				
Library District	<u>5,291,629</u>	<u>4,505,882</u>	<u>4,444,875</u>	<u>61,007</u>
Total expenditures	<u>5,291,629</u>	<u>4,505,882</u>	<u>4,444,875</u>	<u>61,007</u>
Excess (deficiency) of revenues over expenditures	<u>(269,850)</u>	<u>344,216</u>	<u>463,041</u>	<u>118,825</u>
Other financing sources (uses):				
Transfers out	<u>(569,889)</u>	<u>(498,418)</u>	<u>(498,418)</u>	
Total other financing sources (uses)	<u>(569,889)</u>	<u>(498,418)</u>	<u>(498,418)</u>	
Net change in fund balances	(839,739)	(154,202)	(35,377)	118,825
Fund balance, July 1, 2010	<u>839,739</u>	<u>839,739</u>	<u>253,801</u>	<u>(585,938)</u>
Fund balance, June 30, 2011	<u><u> </u></u>	<u><u>\$ 685,537</u></u>	<u><u>\$ 218,424</u></u>	<u><u>\$ (467,113)</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 255,771	\$ 274,928	\$ 112,873	\$ (162,055)
Miscellaneous			1,907	1,907
Total revenues	<u>255,771</u>	<u>274,928</u>	<u>114,780</u>	<u>(160,148)</u>
Expenditures:				
Current				
Public safety				
Public Works	<u>378,530</u>	<u>412,911</u>	<u>212,904</u>	<u>200,007</u>
Total expenditures	<u>378,530</u>	<u>412,911</u>	<u>212,904</u>	<u>200,007</u>
Excess (deficiency) of revenues over expenditures	<u>(122,759)</u>	<u>(137,983)</u>	<u>(98,124)</u>	<u>39,859</u>
Other financing sources (uses):				
Transfers in	110,249	110,259	123,375	13,116
Transfers out		<u>(10)</u>	<u>(253)</u>	<u>(243)</u>
Total other financing sources (uses)	<u>110,249</u>	<u>110,249</u>	<u>123,122</u>	<u>12,873</u>
Net change in fund balances	(12,510)	(27,734)	24,998	52,732
Fund balance, July 1, 2010	<u>18,038</u>	<u>18,038</u>	<u>27,838</u>	<u>9,800</u>
Fund balance, June 30, 2011	<u>\$ 5,528</u>	<u>\$ (9,696)</u>	<u>\$ 52,836</u>	<u>\$ 62,532</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 60,000	\$ 60,000	\$ 74,330	\$ 14,330
Investment earnings	9,500	9,500	1,907	(7,593)
Miscellaneous	<u>160,000</u>	<u>160,000</u>	<u>107,708</u>	<u>(52,292)</u>
Total revenues	<u>229,500</u>	<u>229,500</u>	<u>183,945</u>	<u>(45,555)</u>
Expenditures:				
Current				
Public safety				
Sheriff	<u>279,837</u>	<u>279,837</u>	<u>210,106</u>	<u>69,731</u>
Total expenditures	<u>279,837</u>	<u>279,837</u>	<u>210,106</u>	<u>69,731</u>
Net change in fund balances	(50,337)	(50,337)	(26,161)	24,176
Fund balance, July 1, 2010	<u>121,961</u>	<u>121,961</u>	<u>210,321</u>	<u>88,360</u>
Fund balance, June 30, 2011	<u><u>\$ 71,624</u></u>	<u><u>\$ 71,624</u></u>	<u><u>\$ 184,160</u></u>	<u><u>\$ 112,536</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 255,832	\$ 42,314
Investment earnings	5,374	5,374	5,130	(244)
Total revenues	<u>218,892</u>	<u>218,892</u>	<u>260,962</u>	<u>42,070</u>
Expenditures:				
Current				
Public safety				
Sheriff	<u>363,900</u>	<u>363,900</u>	<u>123,247</u>	<u>240,653</u>
Total expenditures	<u>363,900</u>	<u>363,900</u>	<u>123,247</u>	<u>240,653</u>
Net change in fund balances	(145,008)	(145,008)	137,715	282,723
Fund balance, July 1, 2010	<u>286,952</u>	<u>286,952</u>	<u>400,691</u>	<u>113,739</u>
Fund balance, June 30, 2011	<u>\$ 141,944</u>	<u>\$ 141,944</u>	<u>\$ 538,406</u>	<u>\$ 396,462</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 392,300	\$ 392,300	\$ 451,427	\$ 59,127
Investment earnings	16,900	16,900	7,408	(9,492)
Total revenues	<u>409,200</u>	<u>409,200</u>	<u>458,835</u>	<u>49,635</u>
Expenditures:				
Current				
General government				
Flagstaff Justice Court	244,197	244,197	72,641	171,556
Fredonia Justice Court	35,943	34,503	9,995	24,508
Page Justice Court	27,281	24,369	10,187	14,182
Williams Justice Court	56,467	56,467	17,113	39,354
Total expenditures	<u>363,888</u>	<u>359,536</u>	<u>109,936</u>	<u>249,600</u>
Excess (deficiency) of revenues over expenditures	<u>45,312</u>	<u>49,664</u>	<u>348,899</u>	<u>299,235</u>
Other financing sources (uses):				
Transfers out	<u>(244,073)</u>	<u>(244,073)</u>	<u>(271,784)</u>	<u>(27,711)</u>
Total other financing sources (uses)	<u>(244,073)</u>	<u>(244,073)</u>	<u>(271,784)</u>	<u>(27,711)</u>
Net change in fund balances	(198,761)	(194,409)	77,115	271,524
Fund balance, July 1, 2010	<u>355,701</u>	<u>355,701</u>	<u>397,604</u>	<u>41,903</u>
Fund balance, June 30, 2011	<u>\$ 156,940</u>	<u>\$ 161,292</u>	<u>\$ 474,719</u>	<u>\$ 313,427</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,912,083	\$ 2,220,775	\$ 1,785,048	\$ (435,727)
Charges for services	58,950	58,950	111,513	52,563
Investment earnings	4,000	4,000	10,441	6,441
Miscellaneous	158,480		1,108	1,108
Total revenues	<u>2,133,513</u>	<u>2,283,725</u>	<u>1,908,110</u>	<u>(375,615)</u>
Expenditures:				
Current				
Public safety				
Juvenile Probation	<u>2,592,579</u>	<u>2,856,092</u>	<u>1,875,787</u>	<u>980,305</u>
Total expenditures	<u>2,592,579</u>	<u>2,856,092</u>	<u>1,875,787</u>	<u>980,305</u>
Excess (deficiency) of revenues over expenditures	<u>(459,066)</u>	<u>(572,367)</u>	<u>32,323</u>	<u>604,690</u>
Other financing sources (uses):				
Transfers in	214,899	127,793	5,686	(122,107)
Transfers out	<u>(105,041)</u>	<u>(50,746)</u>	<u></u>	<u>50,746</u>
Total other financing sources (uses)	<u>109,858</u>	<u>77,047</u>	<u>5,686</u>	<u>(71,361)</u>
Net change in fund balances	(349,208)	(495,320)	38,009	533,329
Fund balance, July 1, 2010	<u>531,437</u>	<u>531,437</u>	<u>731,501</u>	<u>200,064</u>
Fund balance, June 30, 2011	<u>\$ 182,229</u>	<u>\$ 36,117</u>	<u>\$ 769,510</u>	<u>\$ 733,393</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 3,825	\$ 1,825
Investment earnings	230	230	127	(103)
Total revenues	<u>2,230</u>	<u>2,230</u>	<u>3,952</u>	<u>1,722</u>
Expenditures:				
Current				
General government				
Legal Defender	<u>2,455</u>	<u>2,455</u>	<u>3,842</u>	<u>(1,387)</u>
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>3,842</u>	<u>(1,387)</u>
Excess (deficiency) of revenues over expenditures	<u>(225)</u>	<u>(225)</u>	<u>110</u>	<u>335</u>
Other financing sources (uses):				
Transfers in	5,000	5,000	5,459	459
Transfers out	<u>(5,105)</u>	<u>(5,105)</u>	<u>(6,834)</u>	<u>(1,729)</u>
Total other financing sources (uses)	<u>(105)</u>	<u>(105)</u>	<u>(1,375)</u>	<u>(1,270)</u>
Net change in fund balances	(330)	(330)	(1,265)	(935)
Fund balance, July 1, 2010	<u>9,652</u>	<u>9,652</u>	<u>10,541</u>	<u>889</u>
Fund balance, June 30, 2011	<u>\$ 9,322</u>	<u>\$ 9,322</u>	<u>\$ 9,276</u>	<u>\$ (46)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,316,704	\$ 3,316,704	\$ 3,495,125	\$ 178,421
Investment earnings	45,000	45,000	54,919	9,919
Total revenues	<u>3,361,704</u>	<u>3,361,704</u>	<u>3,550,044</u>	<u>188,340</u>
Expenditures:				
Current				
Education				
School Superintendent	1,457,117	1,457,117	1,529,157	(72,040)
Total expenditures	<u>1,457,117</u>	<u>1,457,117</u>	<u>1,529,157</u>	<u>(72,040)</u>
Excess (deficiency) of revenues over expenditures	<u>1,904,587</u>	<u>1,904,587</u>	<u>2,020,887</u>	<u>116,300</u>
Other financing sources (uses):				
Transfers in			170,547	170,547
Transfers out	(2,100,792)	(2,100,792)	(2,037,729)	63,063
Total other financing sources (uses)	<u>(2,100,792)</u>	<u>(2,100,792)</u>	<u>(1,867,182)</u>	<u>233,610</u>
Net change in fund balances	(196,205)	(196,205)	153,705	349,910
Fund balance, July 1, 2010	<u>4,494,747</u>	<u>4,494,747</u>	<u>4,611,973</u>	<u>117,226</u>
Fund balance, June 30, 2011	<u>\$ 4,298,542</u>	<u>\$ 4,298,542</u>	<u>\$ 4,765,678</u>	<u>\$ 467,136</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Recreation Grants and Fees
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 139,000	\$ 139,000	\$ 85,000	\$ (54,000)
Charges for services	562,345	562,345	589,310	26,965
Investment earnings		1,153	4,317	3,164
Miscellaneous	3,297,500	12,500	22,525	10,025
Total revenues	3,998,845	714,998	701,152	(13,846)
Expenditures:				
Current				
Culture and recreation				
Parks and Recreation	641,203	639,451	549,088	90,363
Total expenditures	641,203	639,451	549,088	90,363
Excess (deficiency) of revenues over expenditures	3,357,642	75,547	152,064	76,517
Other financing sources (uses):				
Transfers in	46,780	5,789	56,316	50,527
Transfers out	(106,150)	(107,303)	(149,815)	(42,512)
Total other financing sources (uses)	(59,370)	(101,514)	(93,499)	8,015
Net change in fund balances	3,298,272	(25,967)	58,565	84,532
Fund balance, July 1, 2010	235,627	235,627	278,872	43,245
Fund balance, June 30, 2011	\$ 3,533,899	\$ 209,660	\$ 337,437	\$ 127,777

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 37,900	\$ 37,900	\$ 30,228	\$ (7,672)
Investment earnings	1,700	1,700	1,080	(620)
Total revenues	<u>39,600</u>	<u>39,600</u>	<u>31,308</u>	<u>(8,292)</u>
Expenditures:				
Current				
General government				
Public Defender	30,000	30,000	24,027	5,973
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>24,027</u>	<u>5,973</u>
Excess (deficiency) of revenues over expenditures	<u>9,600</u>	<u>9,600</u>	<u>7,281</u>	<u>(2,319)</u>
Other financing sources (uses):				
Transfers in	34,000	34,000	49,135	15,135
Transfers out	<u>(34,000)</u>	<u>(34,000)</u>	<u>(61,161)</u>	<u>(27,161)</u>
Total other financing sources (uses)	<u></u>	<u></u>	<u>(12,026)</u>	<u>(12,026)</u>
Net change in fund balances	9,600	9,600	(4,745)	(14,345)
Fund balance, July 1, 2010	<u>93,126</u>	<u>93,126</u>	<u>100,369</u>	<u>7,243</u>
Fund balance, June 30, 2011	<u>\$ 102,726</u>	<u>\$ 102,726</u>	<u>\$ 95,624</u>	<u>\$ (7,102)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental			\$ 9,501	\$ 9,501
Charges for services	\$ 160,000	\$ 160,000	131,959	(28,041)
Investment earnings	<u>9,000</u>	<u>9,000</u>	<u>3,003</u>	<u>(5,997)</u>
Total revenues	<u>169,000</u>	<u>169,000</u>	<u>144,463</u>	<u>(24,537)</u>
Expenditures:				
Current				
General government				
Recorder	<u>362,126</u>	<u>363,735</u>	<u>241,707</u>	<u>122,028</u>
Total expenditures	<u>362,126</u>	<u>363,735</u>	<u>241,707</u>	<u>122,028</u>
Net change in fund balances	(193,126)	(194,735)	(97,244)	97,491
Fund balance, July 1, 2010	<u>333,206</u>	<u>333,206</u>	<u>324,802</u>	<u>(8,404)</u>
Fund balance, June 30, 2011	<u>\$ 140,080</u>	<u>\$ 138,471</u>	<u>\$ 227,558</u>	<u>\$ 89,087</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes			\$ 275	\$ 275
Intergovernmental	\$ 2,898,832	\$ 2,771,697	2,564,036	(207,661)
Charges for services	101,187	101,187	127,924	26,737
Investment earnings	2,500	2,500	9,312	6,812
Contributions	7,500	7,500	17,825	10,325
Miscellaneous			2,757	2,757
Total revenues	<u>3,010,019</u>	<u>2,882,884</u>	<u>2,722,129</u>	<u>(160,755)</u>
Expenditures:				
Current				
Education				
School Superintendent	2,739,736	3,112,603	2,823,780	288,823
Total expenditures	<u>2,739,736</u>	<u>3,112,603</u>	<u>2,823,780</u>	<u>288,823</u>
Net change in fund balances	270,283	(229,719)	(101,651)	128,068
Fund balance, July 1, 2010	<u>487,630</u>	<u>487,630</u>	<u>851,161</u>	<u>363,531</u>
Fund balance, June 30, 2011	<u>\$ 757,913</u>	<u>\$ 257,911</u>	<u>\$ 749,510</u>	<u>\$ 491,599</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 799,139	\$ 1,688,974	\$ 814,474	\$ (874,500)
Charges for services	41,439	41,439	76,702	35,263
Investment earnings	1,704	1,704	1,871	167
Contributions	5,000	5,000	2,600	(2,400)
Miscellaneous	486,428			
Total revenues	<u>1,333,710</u>	<u>1,737,117</u>	<u>895,647</u>	<u>(841,470)</u>
Expenditures:				
Current				
Public safety				
Sheriff	1,486,732	2,006,556	987,864	1,018,692
Total expenditures	<u>1,486,732</u>	<u>2,006,556</u>	<u>987,864</u>	<u>1,018,692</u>
Excess (deficiency) of revenues over expenditures	<u>(153,022)</u>	<u>(269,439)</u>	<u>(92,217)</u>	<u>177,222</u>
Other financing sources (uses):				
Sale of capital assets			4,950	4,950
Transfers in	72,404	235,810	164,291	(71,519)
Total other financing sources (uses)	<u>72,404</u>	<u>235,810</u>	<u>169,241</u>	<u>(66,569)</u>
Net change in fund balances	(80,618)	(33,629)	77,024	110,653
Fund balance, July 1, 2010	<u>193,097</u>	<u>193,097</u>	<u>166,339</u>	<u>(26,758)</u>
Fund balance, June 30, 2011	<u>\$ 112,479</u>	<u>\$ 159,468</u>	<u>\$ 243,363</u>	<u>\$ 83,895</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,094,546	\$ 1,243,980	\$ 1,220,085	\$ (23,895)
Charges for services	131,577	131,577	94,284	(37,293)
Miscellaneous			1,518	1,518
Total revenues	<u>1,226,123</u>	<u>1,375,557</u>	<u>1,315,887</u>	<u>(59,670)</u>
Expenditures:				
Current				
Sanitation				
Public Works	1,818,809	2,032,286	1,849,238	183,048
Total expenditures	<u>1,818,809</u>	<u>2,032,286</u>	<u>1,849,238</u>	<u>183,048</u>
Excess (deficiency) of revenues over expenditures	<u>(592,686)</u>	<u>(656,729)</u>	<u>(533,351)</u>	<u>123,378</u>
Other financing sources (uses):				
Transfers in	592,686	656,729	617,830	(38,899)
Transfers out			(84,477)	(84,477)
Total other financing sources (uses)	<u>592,686</u>	<u>656,729</u>	<u>533,353</u>	<u>(123,376)</u>
Net change in fund balances			2	2
Fund balance, July 1, 2010			<u>13</u>	<u>13</u>
Fund balance, June 30, 2011			<u>\$ 15</u>	<u>\$ 15</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 429,234	\$ 452,750	\$ 219,689	\$ (233,061)
Charges for services	178,000	178,000	192,903	14,903
Investment earnings	12,000	12,000	6,641	(5,359)
Contributions	52,500	68,925	38,925	(30,000)
Miscellaneous	54,000	1,000	1,330	330
Total revenues	<u>725,734</u>	<u>712,675</u>	<u>459,488</u>	<u>(253,187)</u>
Expenditures:				
Current				
General government				
Superior Courts	1,264,094	1,322,277	827,745	494,532
Total expenditures	<u>1,264,094</u>	<u>1,322,277</u>	<u>827,745</u>	<u>494,532</u>
Excess (deficiency) of revenues over expenditures	<u>(538,360)</u>	<u>(609,602)</u>	<u>(368,257)</u>	<u>241,345</u>
Other financing sources (uses):				
Transfers in	331,505	331,505	421,722	90,217
Transfers out	<u> </u>	<u> </u>	(4,738)	(4,738)
Total other financing sources (uses)	<u>331,505</u>	<u>331,505</u>	<u>416,984</u>	<u>85,479</u>
Net change in fund balances	(206,855)	(278,097)	48,727	326,824
Fund balance, July 1, 2010	<u>603,611</u>	<u>603,611</u>	<u>777,109</u>	<u>173,498</u>
Fund balance, June 30, 2011	<u><u>\$ 396,756</u></u>	<u><u>\$ 325,514</u></u>	<u><u>\$ 825,836</u></u>	<u><u>\$ 500,322</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 18,500	\$ 18,500	\$ 19,243	\$ 743
Investment earnings	5,000	5,000	1,587	(3,413)
Total revenues	<u>23,500</u>	<u>23,500</u>	<u>20,830</u>	<u>(2,670)</u>
Expenditures:				
Current				
General government				
Treasurer	<u>20,000</u>	<u>20,000</u>	<u>15,527</u>	<u>4,473</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>15,527</u>	<u>4,473</u>
Excess (deficiency) of revenues over expenditures	<u>3,500</u>	<u>3,500</u>	<u>5,303</u>	<u>1,803</u>
Other financing sources (uses):				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	
Net change in fund balances	(46,500)	(46,500)	(44,697)	1,803
Fund balance, July 1, 2010	<u>137,852</u>	<u>137,852</u>	<u>150,369</u>	<u>12,517</u>
Fund balance, June 30, 2011	<u><u>\$ 91,352</u></u>	<u><u>\$ 91,352</u></u>	<u><u>\$ 105,672</u></u>	<u><u>\$ 14,320</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 26,680	\$ 26,680	\$ 21,416	\$ (5,264)
Total revenues	<u>26,680</u>	<u>26,680</u>	<u>21,416</u>	<u>(5,264)</u>
Expenditures:				
Current				
General government				
Finance/Budget	51,944	51,944	51,227	717
Highways and streets				
County Manager	<u>89,097</u>	<u>89,097</u>	<u>96,419</u>	<u>(7,322)</u>
Total expenditures	<u>141,041</u>	<u>141,041</u>	<u>147,646</u>	<u>(6,605)</u>
Excess (deficiency) of revenues over expenditures	<u>(114,361)</u>	<u>(114,361)</u>	<u>(126,230)</u>	<u>(11,869)</u>
Other financing sources (uses):				
Transfers in	<u>114,361</u>	<u>114,361</u>	<u>126,232</u>	<u>11,871</u>
Total other financing sources (uses)	<u>114,361</u>	<u>114,361</u>	<u>126,232</u>	<u>11,871</u>
Net change in fund balances			2	2
Fund balance, July 1, 2010	<u>80,810</u>	<u>80,810</u>	<u>6</u>	<u>(80,804)</u>
Fund balance, June 30, 2011	<u>\$ 80,810</u>	<u>\$ 80,810</u>	<u>\$ 8</u>	<u>\$ (80,802)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 565,773	\$ 565,773	\$ 514,466	\$ (51,307)
Investment earnings	17,445	17,445	11,031	(6,414)
Total revenues	<u>583,218</u>	<u>583,218</u>	<u>525,497</u>	<u>(57,721)</u>
Expenditures:				
Debt service:				
Principal	440,794	440,794	370,923	69,871
Interest and other charges	<u>110,383</u>	<u>110,383</u>	<u>109,961</u>	<u>422</u>
Total expenditures	<u>551,177</u>	<u>551,177</u>	<u>480,884</u>	<u>70,293</u>
Net change in fund balances	32,041	32,041	44,613	12,572
Fund balance, July 1, 2010	<u>346,275</u>	<u>346,275</u>	<u>484,917</u>	<u>138,642</u>
Fund balance, June 30, 2011	<u>\$ 378,316</u>	<u>\$ 378,316</u>	<u>\$ 529,530</u>	<u>\$ 151,214</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 46,200	\$ 46,200	\$ 41,110	\$ (5,090)
Investment earnings	500	500	558	58
Total revenues	<u>46,700</u>	<u>46,700</u>	<u>41,668</u>	<u>(5,032)</u>
Expenditures:				
Capital outlay	<u>75,600</u>	<u>75,600</u>	<u>44,940</u>	<u>30,660</u>
Total expenditures	<u>75,600</u>	<u>75,600</u>	<u>44,940</u>	<u>30,660</u>
Net change in fund balances	(28,900)	(28,900)	(3,272)	25,628
Fund balance, July 1, 2010	<u>40,622</u>	<u>40,622</u>	<u>49,470</u>	<u>8,848</u>
Fund balance, June 30, 2011	<u>\$ 11,722</u>	<u>\$ 11,722</u>	<u>\$ 46,198</u>	<u>\$ 34,476</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 22,670	\$ 22,670	\$ 9,930	\$ (12,740)
Total revenues	<u>22,670</u>	<u>22,670</u>	<u>9,930</u>	<u>(12,740)</u>
Expenditures:				
Capital outlay			2,674	(2,674)
Total expenditures			<u>2,674</u>	<u>(2,674)</u>
Excess (deficiency) of revenues over expenditures	<u>22,670</u>	<u>22,670</u>	<u>7,256</u>	<u>(15,414)</u>
Other financing sources (uses):				
Transfers in	4,800	4,800	2,674	(2,126)
Transfers out			(170,547)	(170,547)
Total other financing sources (uses)	<u>4,800</u>	<u>4,800</u>	<u>(167,873)</u>	<u>(172,673)</u>
Net change in fund balances	27,470	27,470	(160,617)	(188,087)
Fund balance, July 1, 2010	<u>930,511</u>	<u>930,511</u>	<u>459,037</u>	<u>(471,474)</u>
Fund balance, June 30, 2011	<u>\$ 957,981</u>	<u>\$ 957,981</u>	<u>\$ 298,420</u>	<u>\$ (659,561)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks Capital Projects
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings			\$ 629	\$ 629
Total revenues			<u>629</u>	<u>629</u>
Expenditures:				
Capital outlay	\$ 882,109	\$ 1,068,267	1,001,523	66,744
Total expenditures	<u>882,109</u>	<u>1,068,267</u>	<u>1,001,523</u>	<u>66,744</u>
Excess (deficiency) of revenues over expenditures	<u>(882,109)</u>	<u>(1,068,267)</u>	<u>(1,000,894)</u>	<u>67,373</u>
Other financing sources (uses):				
Transfers in	831,803	811,571	744,205	(67,366)
Transfers out			(417)	(417)
Total other financing sources (uses)	<u>831,803</u>	<u>811,571</u>	<u>743,788</u>	<u>(67,783)</u>
Net change in fund balances	(50,306)	(256,696)	(257,106)	(410)
Fund balance, July 1, 2010	<u>50,716</u>	<u>50,716</u>	<u>257,107</u>	<u>206,391</u>
Fund balance, June 30, 2011	<u>\$ 410</u>	<u>\$ (205,980)</u>	<u>\$ 1</u>	<u>\$ 205,981</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 217	\$ (1,283)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>217</u>	<u>(1,283)</u>
Other financing sources (uses):				
Transfers out			(48)	(48)
Total other financing sources (uses)			<u>(48)</u>	<u>(48)</u>
Net change in fund balances	1,500	1,500	169	(1,331)
Fund balance, July 1, 2010	<u>87,864</u>	<u>87,864</u>	<u>88,120</u>	<u>256</u>
Fund balance, June 30, 2011	<u>\$ 89,364</u>	<u>\$ 89,364</u>	<u>\$ 88,289</u>	<u>\$ (1,075)</u>

Coconino County
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2011

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Assets			
Cash and cash equivalents	\$ 89,371,128	\$ 9,904,229	\$ 99,275,357
Interest receivable	385,702		385,702
Total Assets	<u>89,756,830</u>	<u>9,904,229</u>	<u>99,661,059</u>
Liabilities			
Total liabilities			
Net assets			
Held in trust for pool participants	<u>\$ 89,756,830</u>	<u>\$ 9,904,229</u>	<u>\$ 99,661,059</u>

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
June 30, 2011

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 338,672,208	\$ 4,506,341	\$ 343,178,549
Investment income	2,567,841	3,047	2,570,888
Total additions	<u>341,240,049</u>	<u>4,509,388</u>	<u>345,749,437</u>
Deductions:			
Distributions to participants	331,066,399	16,237,382	347,303,781
Total deductions	<u>331,066,399</u>	<u>16,237,382</u>	<u>347,303,781</u>
Change in net assets	10,173,650	(11,727,994)	(1,554,344)
Net assets, July 1, 2010	79,583,180	21,632,223	101,215,403
Net assets, June 30, 2011	<u>\$ 89,756,830</u>	<u>\$ 9,904,229</u>	<u>\$ 99,661,059</u>

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Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Assets				
Cash and cash equivalents	\$ 1,160,956	\$ 61,208,310	\$ 61,122,023	\$ 1,247,243
Cash and investments held by trustee	807,619	1,908,437	1,751,319	964,737
Total assets	<u>\$ 1,968,575</u>	<u>\$ 63,116,747</u>	<u>\$ 62,873,342</u>	<u>\$ 2,211,980</u>
Liabilities				
Deposits held for others	\$ 1,729,800	\$ 60,383,462	\$ 60,099,765	\$ 2,013,497
Due to other governments	238,775	2,733,285	2,773,577	198,483
Total liabilities	<u>\$ 1,968,575</u>	<u>\$ 63,116,747</u>	<u>\$ 62,873,342</u>	<u>\$ 2,211,980</u>

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STATISTICAL SECTION

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Coconino County
Statistical Section
Year Ended June 30, 2011

This part of the Coconino County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	137-141
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	142-145
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	146-148
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	149-150
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	151-153

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Coconino County
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting) ¹

	Fiscal Year								
	<u>2003 as restated</u>	<u>2004 as restated</u>	<u>2005</u>	<u>2006 as restated</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Primary government:									
Governmental activities									
Invested in capital assets,									
net of related debt	\$ 37,336,750	\$ 51,758,593	\$ 59,709,325	\$ 109,735,410	\$ 106,913,167	\$ 128,198,350	\$ 129,694,889	\$ 128,372,030	\$ 145,814,515
Restricted	9,902,462	38,233,250	42,603,789	39,761,272	36,994,894	29,929,358	28,345,559	28,386,829	29,523,169
Unrestricted	<u>80,415,957</u>	<u>53,687,535</u>	<u>54,000,965</u>	<u>57,199,373</u>	<u>64,103,998</u>	<u>52,345,917</u>	<u>52,251,638</u>	<u>53,636,533</u>	<u>55,504,516</u>
Total governmental activities net assets	<u>\$ 127,655,169</u>	<u>\$ 143,679,378</u>	<u>\$ 156,314,079</u>	<u>\$ 206,696,055</u>	<u>\$ 208,012,059</u>	<u>\$ 210,473,625</u>	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>	<u>\$ 230,842,200</u>

Source: Coconino County Single Audit Reporting Package

1) Ten years of information is not available, the County did not implement GASB 34 until 2003.

Coconino County
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)¹

	Fiscal year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 22,208,018	\$ 24,038,681	\$ 25,093,451	\$ 26,858,863	\$ 30,137,861	\$ 32,252,372	\$ 32,364,030	\$ 31,501,241	\$ 30,768,963
Public safety	22,427,039	23,546,410	25,408,377	27,583,478	29,170,427	32,282,534	33,164,905	31,592,406	36,544,608
Highways and streets	10,424,490	14,276,404	11,814,903	9,551,859	18,699,298	17,990,951	16,655,737	15,639,291	13,811,657
Sanitation	2,607,577	2,743,348	2,710,356	3,014,199	3,138,878	3,216,176	3,274,456	3,138,985	3,151,415
Health	9,339,836	9,631,470	10,518,140	11,160,577	11,575,909	12,192,703	12,692,864	11,216,546	11,045,264
Welfare	4,474,322	3,967,458	4,519,831	5,590,510	5,902,878	6,666,186	7,615,522	8,273,139	8,284,852
Culture and recreation	3,643,292	4,298,993	4,580,555	4,933,059	5,628,042	6,957,602	7,814,879	7,725,556	7,286,373
Education	689,086	2,228,618	2,920,657	3,730,202	3,816,081	4,437,125	4,892,986	5,278,556	4,767,625
Transportation	2,142,540	2,708,420	3,012,154	4,163,891	-	-	-	-	287,272
Interest on long term debt	2,120,561	1,998,810	1,928,292	1,761,726	1,602,303	603,969	512,256	414,902	-
Defeasance of long-term debt	-	-	-	-	-	832,030	-	-	-
Total expenses	\$ 80,076,761	\$ 89,438,612	\$ 92,506,716	\$ 98,348,364	\$ 109,671,677	\$ 117,431,648	\$ 118,987,635	\$ 114,780,622	\$ 115,948,029
Program Revenues									
Governmental activities:									
Charges for services:									
General government	6,330,030	6,874,262	7,322,776	8,387,583	4,322,299	8,273,916	7,316,495	7,169,300	6,022,842
Public safety	3,743,388	3,787,242	3,671,837	3,643,195	4,132,207	2,986,695	3,421,790	3,679,918	3,821,300
Highways and streets	536,340	158,596	967,377	298,492	3,459,682	74,556	1,152,294	69,689	93,370
Sanitation	1,087,542	1,072,675	1,033,289	1,138,057	1,437,621	1,375,478	1,375,437	1,321,418	1,386,848
Health	1,026,224	1,289,677	1,318,990	1,403,315	1,520,902	1,340,236	1,316,870	1,247,031	1,151,680
Welfare	839,345	768,396	921,571	1,455,946	1,599,249	1,337,392	1,262,876	2,101,024	1,905,924
Culture and recreation	881,328	907,000	995,382	1,031,838	1,188,201	1,159,535	1,170,109	794,306	865,254
Education	26,395	5,925	8,309	71,232	107,301	115,216	95,016	116,020	130,681
Transportation	190,007	266,099	286,090	542,003	-	-	-	-	-
Operating grants and contributions	28,615,150	32,101,547	31,800,725	39,359,052	33,695,469	34,185,253	34,581,839	34,922,841	39,900,147
Capital grants and contributions	924,048	6,019,139	4,310,727	1,937,161	134,120	898,314	118,520	84,811	6,320,016
Total governmental activities program revenues	\$ 44,199,797	\$ 53,250,558	\$ 52,637,073	\$ 59,267,874	\$ 51,597,051	\$ 51,746,591	\$ 51,811,246	\$ 51,506,358	\$ 61,598,062
Net (expenses) revenues	\$ (35,876,964)	\$ (36,188,054)	\$ (39,869,643)	\$ (39,080,490)	\$ (58,074,626)	\$ (65,685,057)	\$ (67,176,389)	\$ (63,274,264)	\$ (54,349,967)

(Continued on next page)

Coconino County
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)¹
(Continued)

	Fiscal year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes, levied for general purposes	4,334,159	5,914,008	6,159,732	6,806,423	7,011,847	7,180,218	7,935,524	8,185,332	8,405,307
Property taxes, levied for library	2,109,658	2,242,657	2,408,492	2,539,393	1,263,035	3,847,035	4,708,037	5,107,399	4,879,638
Property taxes, levied for flood control	338,399	366,766	411,622	1,077,540	2,860,021	1,510,077	2,011,055	1,959,193	1,849,054
Property taxes, levied for accommodation school	-	-	-	-	-	-	189,318	4,310	275
Property taxes, levied for health services	-	-	-	-	-	-	-	-	4,923,145
General county sales tax	9,467,920	10,153,344	10,304,992	11,580,757	12,384,595	12,445,915	11,497,627	10,774,208	11,118,458
Jail district sales tax	5,692,968	6,086,834	6,183,905	6,946,353	9,691,689	12,395,931	11,486,443	10,791,078	11,109,910
Parks and open spaces sales tax	864,263	2,470,248	2,573,730	2,894,657	3,076,949	3,105,737	2,871,495	2,689,346	2,775,886
Excise tax	-	-	93,516	100,295	111,593	102,863	92,118	68,688	118,795
Franchise tax	84,311	102,781	115,300	141,758	134,640	46,966	41,944	39,207	36,969
Shared revenue - state sales tax	13,908,270	14,439,695	15,283,056	16,684,292	18,125,003	17,000,598	15,287,328	14,353,390	15,670,801
Shared revenue - state vehicle license tax	4,215,758	4,850,913	5,073,200	5,547,275	5,695,838	5,622,049	5,240,676	4,971,307	4,932,200
Grants and contributions not restricted to specific programs	1,532,902	1,688,999	1,720,959	1,809,330	1,646,585	1,727,679	2,866,290	2,139,437	1,974,042
Investment earnings	2,636,671	61,822	1,888,242	745,407	4,489,537	2,726,375	2,388,053	2,090,720	684,904
Gain on disposal of capital assets	399,985	1,269,042	206,469	749,146	158,415	209,636	2,100	130,889	1,037,009
Miscellaneous	107,258	17,606	81,129	47,325	23,279	225,544	376,842	73,066	111,114
Donated capital					(7,282,396)				5,169,268
Total general revenues	<u>\$ 45,692,522</u>	<u>\$ 49,664,715</u>	<u>\$ 52,504,344</u>	<u>\$ 57,669,951</u>	<u>\$ 59,390,630</u>	<u>\$ 68,146,623</u>	<u>\$ 66,994,850</u>	<u>\$ 63,377,570</u>	<u>\$ 74,796,775</u>
Change in net assets	<u>\$ 9,815,558</u>	<u>\$ 13,476,661</u>	<u>\$ 12,634,701</u>	<u>\$ 18,589,461</u>	<u>\$ 1,316,004</u>	<u>\$ 2,461,566</u>	<u>\$ (181,539)</u>	<u>\$ 103,306</u>	<u>\$ 20,446,808</u>

Source: Coconino County Single Audit Reporting Package

Notes: Financial statement amounts broken out to show individual property tax categories for 2003 and 2004.

1) Ten years of information is not available, the County did not implement GASB 34 until 2003.

Coconino County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003 as restated	2004 as restated	2005	2006	2007	2008	2009	2010	2011 ¹
General Fund										
Reserved	\$ 31,821	\$ 90,603		\$ 126,359	\$ 48,359	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720	
Unreserved	15,955,622	20,244,573	\$ 24,114,908	27,492,971	29,626,015	33,986,837	27,495,342	24,956,598	22,206,572	
Nonspendable										\$ 85,029
Restricted										
Committed										
Assigned										
Unassigned										26,368,723
Total general fund	<u>\$ 15,987,443</u>	<u>\$ 20,335,176</u>	<u>\$ 24,114,908</u>	<u>\$ 27,619,330</u>	<u>\$ 29,674,374</u>	<u>\$ 34,047,460</u>	<u>\$ 27,628,706</u>	<u>\$ 25,130,097</u>	<u>\$ 22,247,292</u>	<u>\$ 26,453,752</u>
All other governmental funds										
Reserved	\$ 16,692	\$ 23,642,052	\$ 769,789	\$ 912,739		\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136	
Unreserved, reported in:										
Special revenue funds	39,961,845	38,663,685	39,435,620	38,335,351	\$ 38,946,353	39,555,023	41,731,738	52,444,661	58,066,418	
Capital project funds	622,670	2,009,720	2,992,244	4,248,949	2,097,854	1,968,757	10,265,707	1,176,745	842,548	
Debt service fund	20,390,694	-	22,630,545	18,511,896	19,967,912	12,318,744	15,066	46	-	
Nonspendable										\$ 84,711
Restricted										58,606,383
Committed										
Assigned										
Total all other governmental funds	<u>\$ 60,991,901</u>	<u>\$ 64,315,457</u>	<u>\$ 65,828,198</u>	<u>\$ 62,008,935</u>	<u>\$ 61,012,119</u>	<u>\$ 61,796,917</u>	<u>\$ 52,561,966</u>	<u>\$ 54,006,187</u>	<u>\$ 59,501,102</u>	<u>\$ 58,691,094</u>

Source: Coconino County Single Audit Reporting Package

1) Due to implementation of GASB 54 in FY 2011 categories regarding fund balances have been redefined. See Note 2 of Notes to Basic Financial Statements.

Coconino County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003 as restated	2004 as restated	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Property taxes	\$ 6,527,597	\$ 6,773,059	\$ 8,545,310	\$ 8,986,089	\$ 10,427,635	\$ 10,944,924	\$ 12,447,359	\$ 14,683,323	\$ 15,286,914	\$ 19,877,174
Other taxes	17,158,055	20,379,490	23,665,944	24,344,667	27,211,403	31,096,502	33,726,601	31,235,155	29,334,804	30,092,941
Special assessments	169,207	378,246	2,513,620	1,176,966	1,055,453	800,422	697,085	533,246	567,822	528,262
Licenses and permits	1,819,072	1,844,588	2,875,039	2,552,808	2,794,699	2,412,270	2,028,139	1,596,184	1,531,423	1,544,071
Fees, fines, and forfeits	1,276,147	1,719,289	1,393,864	1,384,704	1,894,884	1,958,043	2,426,546	2,636,342	2,475,047	1,912,702
Intergovernmental	46,430,495	48,739,810	48,840,485	52,202,702	59,239,916	52,924,453	52,807,937	52,131,109	51,035,314	61,706,361
Charges for services	7,684,370	9,757,811	10,072,643	10,504,525	11,811,190	12,413,030	11,059,144	10,616,158	11,421,254	11,176,829
Investment income	4,373,339	3,437,152	249,074	2,421,063	1,316,328	5,076,801	3,426,238	2,941,346	2,547,186	894,731
Contributions	171,802	234,011	524,882	334,598	285,572	420,695	638,673	498,811	654,529	582,801
Miscellaneous	736,820	1,049,502	408,090	712,638	888,221	681,321	644,530	1,039,999	411,152	547,255
Total revenues	\$ 86,346,904	\$ 94,312,958	\$ 99,088,951	\$ 104,620,760	\$ 116,925,301	\$ 118,728,461	\$ 119,902,252	\$ 117,911,673	\$ 115,265,445	\$ 128,863,127
Expenditures:										
Current:										
General government	\$ 21,585,395	\$ 21,720,344	\$ 23,584,036	\$ 24,223,774	\$ 26,124,976	\$ 29,462,096	\$ 31,775,048	\$ 31,104,566	\$ 30,537,222	\$ 30,019,684
Public safety	21,357,162	21,484,339	22,650,149	23,967,742	26,768,092	28,039,150	31,240,851	31,381,596	30,336,374	36,603,002
Highways and streets	10,135,995	13,545,422	16,863,946	14,155,135	15,738,269	19,756,618	16,548,734	16,992,456	13,181,875	10,912,173
Sanitation	2,229,589	2,392,249	2,563,988	2,468,056	2,769,470	2,880,863	3,154,224	3,146,581	2,978,416	2,919,328
Health	8,756,774	9,242,964	9,489,392	10,322,173	11,029,368	11,403,856	12,077,635	12,361,518	10,956,358	10,795,196
Welfare	6,646,690	4,423,207	3,908,526	4,450,151	5,516,865	5,993,228	6,605,519	7,517,819	8,149,363	8,109,040
Culture and recreation	6,004,289	4,440,396	4,920,230	6,935,242	5,475,603	5,727,983	8,320,721	8,045,985	7,607,898	19,136,103
Education	590,981	689,479	2,220,609	6,003,942	3,425,244	3,618,428	4,273,975	4,730,288	5,110,500	4,727,587
Transportation	-	2,450,514	3,224,686	2,927,659	8,351,299	-	-	-	-	-
Capital outlay	3,743,630	633,722	2,304,376	4,004,214	4,940,004	359,940	1,711,967	1,434,116	771,393	1,049,137
Debt service:										
Principal	3,363,356	3,498,472	3,611,446	4,082,543	4,280,700	4,303,256	18,545,471	2,508,901	2,637,213	2,255,923
Interest and other charges	2,269,133	2,120,561	1,998,810	1,928,292	1,761,725	1,602,303	1,435,999	512,256	414,902	287,272
Total expenditures	\$ 86,682,994	\$ 86,641,669	\$ 97,340,194	\$ 105,468,923	\$ 116,181,615	\$ 113,147,721	\$ 135,690,144	\$ 119,736,082	\$ 112,681,514	\$ 126,814,445
Excess (deficiency) of revenues over expenditures	(336,090)	7,671,289	1,748,757	(848,163)	743,686	5,580,740	(15,787,892)	(1,824,409)	2,583,931	2,048,682
Other financing sources (uses):										
Sale of capital assets	-	-	\$ 1,173,160	\$ 150,405	\$ 314,542	\$ 368,694	\$ 22,911	\$ 2,100	\$ 28,179	\$ 1,329,950
Bond proceeds	-	-	2,298,623	382,917	-	(791,550)	-	795,000	-	-
Special item - loss on closure of activity	-	-	-	-	-	-	-	-	-	-
Transfers in	\$ 9,531,935	\$ 12,951,669	11,349,358	16,765,844	14,112,086	12,934,995	37,093,497	15,481,676	15,042,578	21,912,454
Transfers out	(9,531,935)	(12,951,669)	(11,349,358)	(16,765,844)	(14,112,086)	(12,934,995)	(36,982,221)	(15,508,755)	(15,042,578)	(21,894,634)
Total other financing sources and uses	-	-	3,471,783	533,322	314,542	(422,856)	134,187	770,021	28,179	1,347,770
Net changes in fund balances	\$ (336,090)	\$ 7,671,289	\$ 5,220,540	\$ (314,841)	\$ 1,058,228	\$ 5,157,884	\$ (15,653,705)	\$ (1,054,388)	\$ 2,612,110	\$ 3,396,452
Debt service as a percentage of noncapital expenditures										
	7.29%	6.99%	6.27%	6.30%	5.74%	5.53%	17.53%	2.62%	2.80%	2.06%

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Other Taxes in FY 2002 and to show Capital Outlay in FY 2003 through 2008

Coconino County
Assessed Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Secured	Unsecured	Total			
2002	836,821,983	211,678,756	1,048,500,739	0.6245	7,860,165,430	13.3
2003	889,581,505	227,086,983	1,116,668,488	0.6849	8,526,469,615	13.1
2004	963,512,887	210,604,408	1,174,117,295	0.7449	9,238,836,376	12.7
2005	1,049,556,398	214,223,437	1,263,779,835	0.7449	10,034,154,715	12.6
2006	1,144,384,468	223,578,936	1,367,963,404	0.8652	11,396,633,513	12.0
2007	1,288,341,613	225,916,527	1,514,258,140	0.8521	13,799,610,572	11.0
2008	1,458,940,955	229,241,854	1,688,182,809	0.8588	16,687,281,012	10.1
2009	1,605,854,299	234,920,747	1,840,775,046	0.8791	17,790,931,957	10.3
2010	1,694,104,159	224,614,413	1,918,718,572	0.8340	17,143,465,763	11.2
2011	1,607,918,353	232,224,257	1,840,142,610	0.8320	15,460,396,890	11.9

Source: Coconino County Assessor

Note: Secured and Unsecured assessed property values and estimated market values are determined each calendar year. The tax rates are applicable beginning July 1st of the next fiscal year. The Board of Supervisors approves the tax rates on the third Monday of August.

Coconino County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Direct Rates				
Fiscal Year	County	Library District	Flood Control	Total Direct
	Operating		District	
2002	0.3433	0.1899	0.0913	0.6245
2003	0.4153	0.1899	0.0797	0.6849
2004	0.4753	0.1899	0.0797	0.7449
2005	0.4753	0.1899	0.0797	0.7449
2006	0.4753	0.1899	0.2000	0.8652
2007	0.4622	0.1899	0.2000	0.8521
2008	0.4383	0.2205	0.2000	0.8588
2009	0.4338	0.2293	0.2160	0.8791
2010	0.3973	0.2367	0.2000	0.8340
2011	0.3953	0.2367	0.2000	0.8320

Overlapping Rates							
Fiscal Year	Fire District	School	Community			Other Special	
	Assistance	Equalization	College	Cities	Fire Districts	Districts	School Districts
2002	0.0645	0.4974	0.5717	0 - 1.7127	.1501 - 2.5000	0 - 1.1730	1.9949 - 7.8089
2003	0.1000	0.4889	0.5809	0 - 1.7127	.1500 - 2.5000	0 - 1.1730	2.0296 - 8.3052
2004	0.1000	0.4717	0.5775	0 - 1.7127	.1500 - 3.0000	0 - 1.1730	.0500 - 9.6289
2005	0.1000	0.4560	0.5659	0 - 1.7127	.6500 - 3.0000	0 - 1.1730	.0500 - 8.2761
2006	0.1000	0.4358	0.5525	0 - 1.6627	.6500 - 3.0000	0 - 1.1730	.0500 - 10.4246
2007	0.1000		0.5269	0 - 1.5929	.4700 - 3.0000	0 - 1.3500	.0500 - 9.4606
2008	0.1000		0.4865	0 - 1.5519	.4100 - 2.7500	0 - 2.2300	.0500 - 9.9025
2009	0.0972		0.4643	0 - 1.5169	.4100 - 2.7500	0 - 2.2300	.0500 - 10.9896
2010	0.0904		0.4267	0 - 1.4913	.3000 - 3.0000	0 - 2.9705	.0500 - 9.9371
2011	0.0925	0.3564	0.4308	0 - 1.4845	.2742 - 3.0000	0 - 2.6680	.0500 - 8.4520

Source: Coconino County adopted tax rate schedules.
Note: Tax rates are per \$100 assessed valuation.

Coconino County
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2011			2002 ¹		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 74,137,832	1	4.03%	\$ 59,642,816	1	5.69%
Transwestern Pipeline Company	38,105,312	2	2.07	18,657,434	3	1.78
W.L. Gore & Associates Inc.	18,366,471	3	1.00	9,738,182	10	0.93
El Paso Natural Gas Company	17,927,358	4	0.97	18,013,917	4	1.72
Unisource Energy Corporation	17,903,028	5	0.97			
City of Los Angeles Dept of Wtr & Pwr	17,054,644	6	0.93	21,937,054	2	2.09
Burlington Northern/Santa Fe Railway Company	15,177,655	7	0.82	17,035,424	5	1.62
Nevada Power Company	9,695,758	8	0.53	13,937,745	6	
Qwest Corporation	9,270,370	9	0.50			0.00
Fidelity National Title Insurance Agency of Coconino,	5,944,868	10	0.32			
U.S. West Communication Inc.				13,796,642	7	1.32
Tucson Electric Power Company				11,781,816	8	1.12
Northern Arizona Gas Division				11,499,877	9	1.10
Total Principal Taxpayers	<u>\$ 223,583,296</u>		<u>12.15%</u>	<u>\$ 196,040,907</u>		<u>18.70%</u>
Total Coconino County Primary Assessed Value	\$ 1,840,142,610			\$ 1,048,500,739		

Source: Coconino County Assessor

1) Arizona Department of Revenue, Central Information Services

Coconino County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	County Tax Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 5,885,271	\$ 5,657,528	96.13	\$ 170,091	\$ 5,827,620	99.02%
2003	6,729,959	6,474,370	96.20	234,857	6,709,227	99.69
2004	7,873,568	7,684,016	97.59	175,891	7,859,907	99.83
2005	8,300,867	8,116,516	97.78	178,789	8,295,305	99.93
2006	9,579,684	9,416,476	98.30	154,507	9,570,983	99.91
2007	10,370,580	10,197,426	98.33	167,757	10,365,183	99.95
2008	11,986,446	11,693,983	97.56	277,355	11,971,338	99.87
2009	14,046,149	13,583,453	96.71	443,053	14,026,506	99.86
2010	14,747,446	13,977,568	94.78	391,511	14,369,079	97.43
2011	14,639,224	13,718,074	93.71		13,718,074	93.71

Fiscal Year Ended June 30,	County Tax Levied for the Fiscal Year			
	County Operating	Flood Control District	County Library	Total County
2002	\$ 3,519,326	\$ 357,284	\$ 2,008,660	\$ 5,885,271
2003	4,338,790	337,979	2,053,190	6,729,959
2004	5,312,944	369,984	2,190,640	7,873,568
2005	5,577,257	404,689	2,318,921	8,300,867
2006	6,000,215	1,081,620	2,497,849	9,579,684
2007	6,331,198	1,237,327	2,802,055	10,370,580
2008	6,635,051	1,508,062	3,843,333	11,986,446
2009	7,321,260	2,011,780	4,713,109	14,046,149
2010	7,313,399	2,330,396	5,103,651	14,747,446
2011	7,589,961	2,188,940	4,860,323	14,639,224

Source: Taxes levied obtained from the Coconino County Adopted Budget. Collections obtained from the Coconino County Treasurer.

Note: Collections to date may exceed 100%, as the initial amount levied is not updated to reflect any adjustments or exemptions arising from taxpayer disputes.

Coconino County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Certificates of Participation	Jail District Revenue Bonds	Special Assessments	Total	Percentage of Personal Income ¹	Per Capita ¹
2002	\$ 25,390,000	\$ 19,645,000	\$ 497,144	\$ 45,532,144	1.50%	\$ 378.21
2003	23,700,000	17,970,000	594,887	42,264,887	1.34%	347.73
2004	21,940,000	16,210,000	3,373,420	41,523,420	1.21%	336.63
2005	21,940,000	16,210,000	2,840,377	40,990,377	1.11%	328.44
2006	20,100,000	14,370,000	2,490,948	36,960,948	0.92%	293.27
2007	18,180,000	12,445,000	2,153,550	32,778,550	0.77%	257.19
2008		10,435,000	1,885,208	12,320,208	0.28%	95.93
2009		8,340,000	2,364,178	10,704,178	0.24%	82.44
2010		6,145,000	2,016,964	8,161,964	0.18%	60.72
2011		3,855,000	1,646,042	5,501,042	NA ²	NA ²

Source: Details regarding the County's outstanding debt can be found in the Notes to the financial statements.

1) Personal income and population information can be found in the Demographics and Economic Statistics schedule.

2) Personal income and population was not available for 2011.

Coconino County
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010	
Assessed value	\$ 1,840,142,610
Debt limit (6% of assessed value)	110,408,557
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	\$ 110,408,557
Legal debt margin	\$ 110,408,557

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 62,910,044	\$ 67,000,109	\$ 70,447,038	\$ 75,826,790	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557
Total net debt applicable to the limit										
Legal debt margin	\$ 62,910,044	\$ 67,000,109	\$ 70,447,038	\$ 75,826,790	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Assessed value information obtained from the Coconino County Assessor. Debt amounts obtained from the Coconino County Single Audit Reports.

Note: The Arizona Constitution, Article 9, Section 8, state that the County may become indebted for an amount not to exceed six percent of taxable property.

Coconino County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds						
Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 14,659,344	\$ 10,365,752	\$ 4,293,592	\$ 1,600,000	\$ 978,344	1.67
2003	12,451,583	7,978,098	4,473,485	1,675,000	900,260	1.74
2004	13,506,384	10,259,298	3,247,086	1,760,000	816,031	1.26
2005	13,665,611	8,825,891	4,839,720	1,840,000	735,372	1.88
2006	13,951,974	9,742,506	4,209,468	1,920,000	956,555	1.46
2007	17,132,399	10,708,410	6,423,989	2,010,000	566,908	2.49
2008	20,714,914	12,543,072	8,171,842	2,095,000	477,958	3.18
2009	22,039,625	12,175,349	9,864,276	2,195,000	383,992	3.82
2010	23,176,800	12,060,220	11,116,580	2,290,000	284,622	4.32
2011	24,465,343	12,366,420	12,098,923	1,885,000	177,311	5.87

Special Assessment Bonds				
Fiscal Year	Special Assessment Collections ¹	Debt Service		Coverage
		Principal	Interest	
2002	\$ 138,159	\$ 143,356	\$ 46,188	0.73
2003	378,246	133,472	36,175	2.23
2004	650,739	133,916	33,168	3.89
2005	609,025	152,297	34,225	3.27
2006	1,055,453	393,571	155,405	1.92
2007	800,422	293,256	168,330	1.73
2008	697,085	270,471	126,011	1.76
2009	533,246	313,901	128,264	1.21
2010	567,822	347,213	130,280	1.19
2011	528,262	370,923	109,961	1.10

Source: Details regarding the County's outstanding debt can be found in the Notes to the financial statements.

1) Revenues included beginning fund balances and transfers in.

2) Expenditures include transfers out.

Coconino County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2002	120,390	\$ 3,045,224	\$ 25,295	5.4%
2003	121,545	3,153,210	25,943	5.7
2004	123,349	3,417,992	27,710	5.2
2005	124,804	3,680,133	29,487	4.9
2006	126,029	4,006,311	31,789	4.2
2007	127,451	4,237,486	33,248	3.7
2008	128,426	4,467,204	34,784	5.1
2009	129,849	4,481,137	34,510	7.1
2010	134,421	4,596,510	34,136	8.4
2011	NA ¹	NA ¹	NA ¹	8.2

Sources: Population and personal income through 2010 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA). Unemployment rate obtained from Arizona Unemployment Statistics Program, Research Administration.

1) Population and personal income estimates were not yet available for fiscal years 2011

Coconino County
Principal Employers
Current Year and Five Years Ago

Employer	2011 ²			2006 ³		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,487	1	3.45%	3,393	1	5.02%
Flagstaff Medical Center	2,200	2	3.05%	1,999	2	2.95%
W.L. Gore	1,950	3	2.71%	1,300	4	1.92%
Flagstaff Unified School District	1,555	4	2.16%	1,700	3	2.51%
Coconino County	1,200	5	1.67%	1,056	5	1.56%
City of Flagstaff	708	6	0.98%	948	6	1.40%
Walmart	570	7	0.79%			
Walgreens Distribution Center	420	8	0.58%	400	7	0.59%
Grand Canyon Railway	395	9	0.55%	400	7	0.59%
Dell/Perot Systems	300	10	0.42%			
Total employment in Coconino County						
As of June 30 ¹	72,017			67,652		

Sources: (1) Employers and the Arizona Unemployment Statistics Program, Special Unemployment Report
(2) Flagstaff Chamber of Commerce
(3) Arizona Department of Economic Security, Workforce Arizona Statistics

Coconino County
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Assessor	18.75	20.75	24.00	24.00	24.00	26.00	27.00	27.08	27.00	25.00
Board of Supervisors	11.00	11.00	11.00	11.50	13.50	13.50	13.50	14.50	14.00	13.50
Clerk of the Superior Court	20.50	20.50	20.50	20.50	21.50	23.50	23.35	23.35	23.35	23.35
Community Development	19.00	19.50	20.75	19.50	19.50	21.50	23.00	23.50	23.50	22.50
County Attorney	42.38	42.38	42.25	40.75	42.00	42.00	42.75	43.00	42.00	42.00
County Manager	5.00	5.00	4.00	4.00	5.00	5.00	10.50	10.50	11.00	12.00
Facilities Management	28.00	28.00	26.50	27.00	28.00	28.00	28.00	28.00	28.00	26.00
Finance	17.00	17.00	18.00	18.00	17.00	19.00	19.00	18.00	18.00	17.00
Human Resources	9.00	10.00	11.00	10.00	10.00	10.00	11.00	10.00	10.00	10.00
Information Technology	19.00	19.00	18.00	19.00	27.50	28.00	28.00	30.00	30.00	31.00
Justice Court - Flagstaff	19.75	19.75	17.75	18.25	20.50	22.00	24.25	24.50	23.50	22.75
Justice Court - Fredonia	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50
Justice Court - Page	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Justice Court - Williams	4.00	4.00	4.00	4.75	4.75	5.00	5.00	5.00	5.00	5.00
Legal Defender	4.48	4.48	4.48	4.48	4.48	4.48	5.00	5.00	5.00	5.00
Organizational Development	-	-	-	-	-	-	-	-	-	4.00
Non-Departmental	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Public Defender	21.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	21.00	21.00
Recorder	15.00	15.00	16.50	17.00	17.00	17.00	19.00	19.00	19.00	17.00
Superintendent of Schools	6.00	7.00	7.00	7.00	6.85	10.40	11.36	11.36	11.36	9.58
Superior Court	26.85	26.85	28.50	28.50	30.50	31.00	34.75	35.00	36.00	35.00
Treasurer	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.00	8.00	8.00
Public Safety										
Adult Probation	59.10	59.10	60.00	59.60	58.60	59.60	60.10	60.10	60.10	59.50
Constable	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Jail District	162.80	162.80	166.58	164.33	146.33	146.33	165.83	168.83	168.83	166.83
Juvenile Court Services	75.94	75.94	73.50	74.95	75.28	75.28	75.48	75.28	72.08	71.20
Sheriff	88.50	89.00	86.50	86.00	91.50	93.50	94.50	94.50	96.50	97.50
Highways and Streets										
Public Works	109.00	110.00	134.90	136.40	136.40	136.40	136.40	136.40	136.40	121.15
Sanitation										
Kachina Village Imp. Dist.	8.00	8.00	8.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Health										
Health	111.17	112.17	110.76	113.79	121.24	122.50	129.58	132.53	135.17	111.65
Welfare										
Career Center	14.79	14.79	11.00	8.80	10.88	10.88	10.88	13.88	13.00	13.00
Community Services	90.36	90.36	91.87	51.32	58.13	47.92	49.15	51.65	43.17	48.22
Culture and Recreation										
Parks and Recreation	14.50	14.50	16.75	17.25	19.00	19.00	20.50	21.00	21.00	19.75
Total	1,036.87	1,043.87	1,072.09	1,033.67	1,056.44	1,065.79	1,115.88	1,129.46	1,119.46	1,074.98

Source: Coconino County Budget Books 2002 - 2011

Coconino County
Operating Indicators by Function/Program
Last Seven Fiscal Years

Function/Program	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
General Government							
Clerk of the Superior Court							
New Cases Filed	3,483	3,811	3,804	3,664	3,910	4,000	4,100
Court Filings	3,647	3,611	3,805	3,502	3,910		4,575
Community Development							
Building Permits Issued	1,923	2,061	1,934	1,794	1,629	1,500	1,750
Building Inspection/Site Visits	10,175	8,512	7,487	6,950	6,298	4,625	5,215
County Attorney							
Adult Felony and Misdemeanor cases	9,034	8,624	8,994	8,334	7,518	7,009	6,278
\$ Victim Restitution Collected for Bad Checks	\$ 65,346	\$ 95,474	\$ 52,846	\$ 49,833	\$ 35,028	\$ 30,000	\$ 17,551
Justice Courts							
Total Cases	27,994	24,514	27,462	26,206	27,456	26,801	32,423
Legal Defender							
Total Cases	732	705	683	514	468	467	506
Public Defender							
Total Cases	4,727	4,567	4,562	4,123	3,889	3,593	3,080
Recorder							
Documents Recorded by Fiscal Year	59,131	61,336	54,356	42,701	37,929	37,000	37,000
Active Registered Voters	65,006	65,977	62,046	66,000	71,000	66,000	70,000
Superior Court							
Total Number of Criminal Cases Filed	1,275	1,291	1,192	1,108	1,179	1,024	940
Total Number of Domestic Relations Cases Filed	595	597	725	619	692	792	638
Total Number of Civil Cases Filed	747	1,030	998	874	1,111	1,232	1,078
Treasurer							
Total Parcel Count / Notices	70,043	71,111	72,518	74,000	77,100	75,736	74,000
Public safety							
Adult Probation							
Monthly Average Probationers Supervised	1,204	1,252	1,343	1,280	1,236	1,253	1,252
Restitution Collected	\$ 241,440	\$ 242,688	\$ 244,527	\$ 220,000	\$ 237,055	\$ 196,824	\$ 190,000
Jail District							
Average Local Population	364	374	365	397	366	372	372
Juvenile Court Services							
Delinquents and Incurable Petitions Filed	904	860	870	878	786	817	570
\$ Contributed to Community Through Restitution Hours	\$ 34,997	\$ 34,569	\$ 34,650	\$ 34,779	\$ 54,433	\$ 53,022	\$ 27,000
Sheriff							
Calls for Service	39,227	40,324	42,344	38,911	40,656	50,311	52,815
Culture and recreation							
Parks and Recreation							
County Fair participants	42,000	40,839	42,536	43,126	45,049	41,711	45,441
Horse Race participants	14,841	15,362	14,654	13,754	14,304	12,785	-
Highways and streets							
Public Works							
Number of miles graded	2,350	2,521	1,712	2,114	2,382	3,000	2,600
Number of miles resurfaced	52	104	28	35	53	70	70
Miles of road chip sealed	22	22	24	75	21	21	55
Health							
Health Department							
Vaccinations	9,939	16,250	10,729	10,783	10,512	12,100	11,486
Restaurant/Public Facility Inspections	4,513	4,481	3,664	4,048	3,838	3,662	3,400
Welfare							
Community Services							
Home Delivered Meals	23,171	21,520	21,227	24,400	20,806	24,421	18,395
Congregate Meals	20,137	21,071	23,612	25,100	24,366	25,138	26,649
Cases Managed	1,840	2,949	3,591	3,042	3,012	3,180	3,000

Source: County Department records

Note: Information was only available for seven years.

Coconino County
Capital Asset and Infrastructure Statistics by Function
Last Six Fiscal Years

Function	Fiscal Year					
	2006	2007	2008	2009	2010	2011
General government						
Facilities square footage managed	7,031,358	7,030,321	6,849,142	6,849,142	6,849,142	684,914
Public safety						
Jails	2	2	2	2	2	2
Substations	8	8	8	8	8	8
Patrol vehicles	52	69	74	74	75	77
Highways and streets						
Bridges	30	30	30	30	30	30
Miles of paved roads	319	319	322	323	322	332
Miles of unpaved roads	710	711	711	711	711	711
Sanitation						
Solid Waste transfer stations	10	10	10	10	10	10
Wastewater treatment facilities	1	1	1	1	1	1
Wells	5	5	5	5	5	5
Health						
Public health facilities	1	1	1	1	1	1
Animal transport vehicles	2	3	3	3	3	3
Culture and recreation						
Parks	5	7	9	9	9	9
Acres protected as open space	589	589	589	589	589	2,503
Trail miles available for public use	14	14	16	17	16	18
Education						
Schools	2	2	2	2	2	2

Source: Coconino County capital asset records and information from county departments.

Note: Information only available for six years.

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