



**Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2016**



Coconino County Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016

COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott
District 1

Elizabeth C. Archuleta
District 2
Vice Chairperson

Matthew G. Ryan
District 3

Mandy Metzger
District 4

Lena Fowler
District 5
Chairperson

COCONINO COUNTY MANAGEMENT

Cynthia Seelhammer
County Manager

Neal Young
Deputy County Manager

Mike Townsend
Deputy County Manager

Finance Team

*Bonny Lynn, MPA, Chief Financial Officer
Thomas Johnson, CPA, Accounting Manager
Nancy Ho, MBA, Senior Accountant
Chyenne Schmidt, CPA, Senior Accountant
Marsha Westling, Accountant*

Coconino County
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INTRODUCTORY SECTION

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December 22, 2016

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, 2016. The report provides additional information to the Board and 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, 2016 and has been issued an unmodified ("clean") opinion.

This report consists of management's representations concerning the finances of Coconino County. Consequently management assumes full responsibility for the accuracy of the information and 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.

The Arizona Office of the Auditor General has 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, 2016, 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 unmodified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2016, 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 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.

The County's CAFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes §41-725. 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 – it 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 7.3 per square mile (2010 Census). Only 12% of the County's total square miles are private property. The remainder is a combination of state, federal and reservation land.

The estimated 2016 population of Coconino County is 143,616. 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 operations for the following year. These estimates are used to update the ten-year financial plan. Departments submit their budgets which are evaluated using criteria and strategies adopted by the Board and budget recommendations are based on these evaluations. Final budget decisions are also subject to the availability of funds within the context of the ten-year financial plans; 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.

Economic Outlook.

Arizona's economy contains some positive trends. As reported by the Economic and Business Research Center of the University of Arizona's Eller College of Management in June 2016, the State of Arizona's economy is on an accelerated growth track from the prior year. The State continues to add jobs and residents at a faster pace than the nation, and is expected to continue to do so in the next three years. Employment increased 2.6% in CY 2015 for the state outpacing last year's 2.0% rate, with population growth rising modestly from 1.3% to 1.4%. Single family housing permits in the Greater Phoenix area were up over 44% in January 2016 compared to a year prior. Total activity at Sky Harbor Airport was up 4.5% in 2015. The local and State economy are very dependent on visitors to the State, which adds to our largest source of revenue, the sales tax.

Coconino County's local economy lags the State and includes a poverty level of 23% of total population compared to the State at 18%. For population under age 18, the level rises to 28% in the County compared to 26% for the State. The higher rates of poverty in the County create an opportunity to focus public health, education, public safety, and community services toward the needs of this population.

Both the government and private sectors are experiencing slow growth, however the government sector is not growing at the rate of the private sector. This will challenge local governments in planning for adequate compensation levels to compete for experienced staff and to plan for implementing deferred capital needs in the areas of technology and facilities capital repair and replacement. In addition, retirement contributions have continued to grow at an accelerated rate prior to, and after the

recent recession. The changes implemented over many years to the Arizona State Retirement System resulted in slowing the growth of contribution requirements and in the next few years rates may begin to decline. The area of concern that has had the largest growth of unfunded liabilities and contribution requirements is the Public Safety Personnel Retirement System (PSPRS).

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 the most recent economic downturn to both the State and local economies continues to impact County revenues. The County anticipates potential reduced and reallocated State and Federal Highways and Streets revenues, shifts in mandated State costs to counties, and further cuts to County funding for Public Safety, Courts, Health and Social Services programs. 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, County Supervisors Association and the Arizona Association of Counties to find solutions to state cost shifts 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.

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. The list of major employers include; Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, City of Flagstaff, Twin Arrows Navajo Casino and Resort, Walmart, Grand Canyon Railway, SCA Tissue, Coconino Community College, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, and Nestle-Purina.

Tourism significantly impacts the local economy. Old Route 66 runs across most of the County as well as US Interstate 40. Attractions include National Parks, National Monuments and State Parks, some of which are: the Grand Canyon, Sedona/Oak Creek Canyon, Glen Canyon National Recreation Area, Wupatki National Monument, Sunset Crater National Monument, Walnut Canyon National Monument, and Slide Rock State Park. Over 9.5 million people visited these attractions in FY16.

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year (FY) 2007. In FY16 the County continued to expand 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; 1) a ten-year financial plan, 2) aligning high probability revenue types with mission critical expenditures, 3) balancing recurring expenditures with recurring revenue, 4) building prudent reserves, 5) planning the budget to include employee compensation, facilities

R & R, and IT, 6) continued development of the Strategic Budgeting Process, and 7) development of new revenue sources.

The County, as a member of the Northern Arizona Public Employee Benefit Trust (NAPEBT), has successfully achieved lower than average growth in health insurance costs over the past several years. Through becoming a self-funded trust and implementing a wellness program, claims experience has stayed well below national averages. In addition, during FY16, NAPEBT opened an on-site-model health clinic, called the Vera Clinic. All employees and their dependents, covered by NAPEBT for health insurance, can utilize the Vera Clinic. The goal in operating the clinic is to attain sustainable, long-term health care cost containment.

Budget Management Policy

- The Board uses the approved County fiscal policies and strategic priorities to guide the County's budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.
- During the budget process, departments are asked to develop and evaluate a line item budget for both revenues and expenditures and present program performance measures and outcomes. Funding for all County programs is submitted to the Budget Team and County Manager, for a recommendation to the Board for approval of funding. Requests for increases to program funding must demonstrate the estimated return on investment, efficiency, or be clearly tied to a specific strategic priority outcome indicator, as adopted by the Board.
- All requested funding increases should be tied to the outcomes of the adopted Strategic Priority Areas and will be evaluated for funding based on criteria adopted by the Board.

Coconino County's fiscal policies promote long-term stability, provide perspective to the financial picture of the County in its entirety rather than single issues, link long-term financial planning to day-to-day operations, and provide a framework for the Board and the citizens for measuring the fiscal impact of government services against established fiscal parameters. The fiscal 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 and as an emergency contingency in the County General Fund equal to at least 10% of its annual revenue budget. The County also maintains a revenue smoothing reserve of 5% of its annual revenue budget. These funds should only be utilized to cover short-term drops in County revenues to maintain service levels in difficult economic times.

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.

Major Initiatives/Impacts

Road Maintenance Sales Tax (RMST) (Proposition 403)
Revenue reductions from HURF funds and lack of federal dollars for highway and road improvements left the Board with few options to address seriously deteriorating roads. County residents were involved in a Citizens Road Advisory Committee, which came out of their deliberations with a recommendation to the Board that a ballot measure was the best option.

Coconino County led a successful educational campaign, over a six month period, leading up to the November 2014 election to ask the voters of the county to approve Prop 403, a 3/10th of a cent sales tax dedicated to maintenance of the county road system. The voters approved the ballot measure by a good margin. The 3/10th of a cent sales tax went into effect on January 1, 2015. The tax will be in effect for 20 years.

Fiscal Year 2016 was the first year of full twelve month collections for the RMST. Total collections were \$ 8.43 million. A partial list of road projects completed using RMST funds includes; Townsend-Winona Pavement Project, Flagstaff Meadows Unit I Pavement Repair Projects, Lake Mary Road Chip Seal, Williams and Parks Chip Seal projects, Fort Tuthill Loop and Purple Sage, Pine Del Estates and Westwood Estates. With the RMST revenue, Public Works was also able to replace aging heavy equipment and fill many of the 40 vacant positions held open during the past two years, which will staff the multitude of projects slated for completion over the next 20 years.

Public Safety Personnel Retirement System (PSPRS)

The state oversees many of the public pension systems, but the PSPRS is the responsibility of each separate jurisdiction. In the State of Arizona, the PSPRS is only 50 percent funded. That means there is an unfunded liability – a debt -- of \$6.40 billion (yes with a “b”) in the State of Arizona. These pensions are a promise that was made to our law enforcement officers, so this is a debt that must be paid.

For Coconino County, as of June 1, 2016, our PSPRS account had assets of \$10.00 million and liabilities of \$40.20 million. This means an unfunded liability (debt) of \$30.20 million. The June 1, 2016 funded status was 25 percent. Coconino County pays about \$2.50 million to PSPRS every year to cover the costs of current law enforcement employee pensions. During FY16 the County had the ability, and statutory authority, to make a major payment toward PSPRS. In the month of June 2016, the County Board of Supervisors authorized making a \$10.00 million payment toward the PSPRS unfunded pension liability. This pay down now will improve the County's financial situation greatly in the future. That \$10.00 million paid now saves between \$22.00 and \$25.00 million over the next 20 years. The savings is a result of a combination of factors; 1) the much higher return on investment at PSPRS compared to local returns on the \$10 million, and 2) reduction by \$ 0.50 million per year now paid by Coconino County on the debt, based on current amortization of the unfunded liability on a straight line basis over 20 years.

The cash to make the \$10.00 million payment came from Jail District fund balance. Through the good work of the Criminal Justice Coordinating Council (CJCC), and programs to reduce recidivism and manage jail populations, jail beds became available over the past decade and a half, to rent to other agencies. A total of \$28.00 million in bed rental revenue was raised. The county retired remaining Jail District debt and was able to generate savings through greater efficiency and effectiveness throughout the CJCC system; including judges, police, the sheriff, probation and specialty court programs. After making the \$10.00 million payment, the Jail District has a remaining fund balance of \$12.57 million at June 30, 2016.

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. Facilities staff has a planned ten-year schedule of projects and the financial plan includes maintaining funding for a minimum of four years of projects. Four years of funding will allow the County to continue investing in our assets during the average two-year economic downturn and through a two-year recovery period. This four-year funding target was funded as part of the FY16 budget. The County also has a strategic plan for our Information Technology department that we hope to begin implementing in the near future.

Legislative Impacts

Legislation was introduced and passed at the State level, in FY14, reestablishing the County Assistance Fund which provides lottery revenues to the counties. Coconino County received additional revenue of \$550,038 in FY15 and FY16. This funding is subject to loss through further legislative action. In FY15 the Legislature passed a measure which eliminated County Assistance Funding from 3 additional counties, and Coconino County is in the next level of counties which could see elimination of funding.

Legislation was passed at the State level, in FY15, which requires all counties to provide funds to support the operations of the Arizona Department of Revenue (ADOR) and Arizona Department of Juvenile Corrections (ADJC). The impact of this legislation, in FY16, required the County to fund ADOR in the amount of \$141,935 and ADJC in the amount of \$ 252,400.

Compensation plan

The Board approved a 1.5% compression adjustment which was implemented in FY16, in addition to continuing the budgeted funding of a 2.5% merit increase for County staff. Coconino County continued innovative one-time monetary and non-monetary compensation programs, such as, the Personal Day Purchase Program (a type of voluntary furlough), as well as a Vacation Sell Back Program. A new employee benefit program in FY16, funded by the Board, is a Tuition Reimbursement Program.

Wellness program

Coconino County, as a partner of the NAPEBT, implemented a Wellness Incentive Program in FY13 and continued to expand and grow the program with much success through FY16. The program provides a monetary incentive to encourage employees to participate in a proactive health screening assessment and to live healthy lifestyles. The results are healthy employees that lead more fulfilling lives and a reduction in targeted catastrophic illnesses that drive health claims experience, which keep overall health care costs lower. During FY16 NAPEBT initiated the Vera on-site model health Clinic. Vera will provide more efficient health care for NAPEBT employees, reduce time away from work, provide access to primary care at reduced co-pays with extended hours and incorporates wellness and chronic disease management.

Criminal Justice Coordinating Council (CJCC)

The purpose of the CJCC is to study the criminal justice systems in the region, review opportunities to collaborate, identify areas for improvement and formulate policy, plans and programs for change to create efficiencies within our criminal justice system. 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. The direction and mission of the CJCC has been clear and the partners are motivated to make improvements to the system.

The CJCC has developed a system performance tool to identify changes to performance criteria. This helps to identify changes early in the process in order to analyze and understand what impacts occur throughout the system. In addition, the County's Chief Health Officer was added to the Executive Committee as the impacts for those dealing with behavioral health problems are having an increasing impact on criminal justice systems in Coconino County and across the country.

Other Initiatives

Coconino County completed intergovernmental agreements with municipalities for Court Services in Tusayan and Williams. This allows the Justice of the Peace to fill the duties of Town Magistrate and leverage the investment of support staff, one-stop court services for citizens and delivery of services at reduced costs for taxpayers.

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, 2010, 2011, 2012, 2014, and 2015. 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.

In addition, Coconino County has received the GFOA’s Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2015. 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 Arizona Office of the Auditor General. 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,

Cynthia Seelhammer, ICMA-CM
County Manager

Bonny Lynn, MPA
Chief Fiscal Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Coconino County
Arizona**

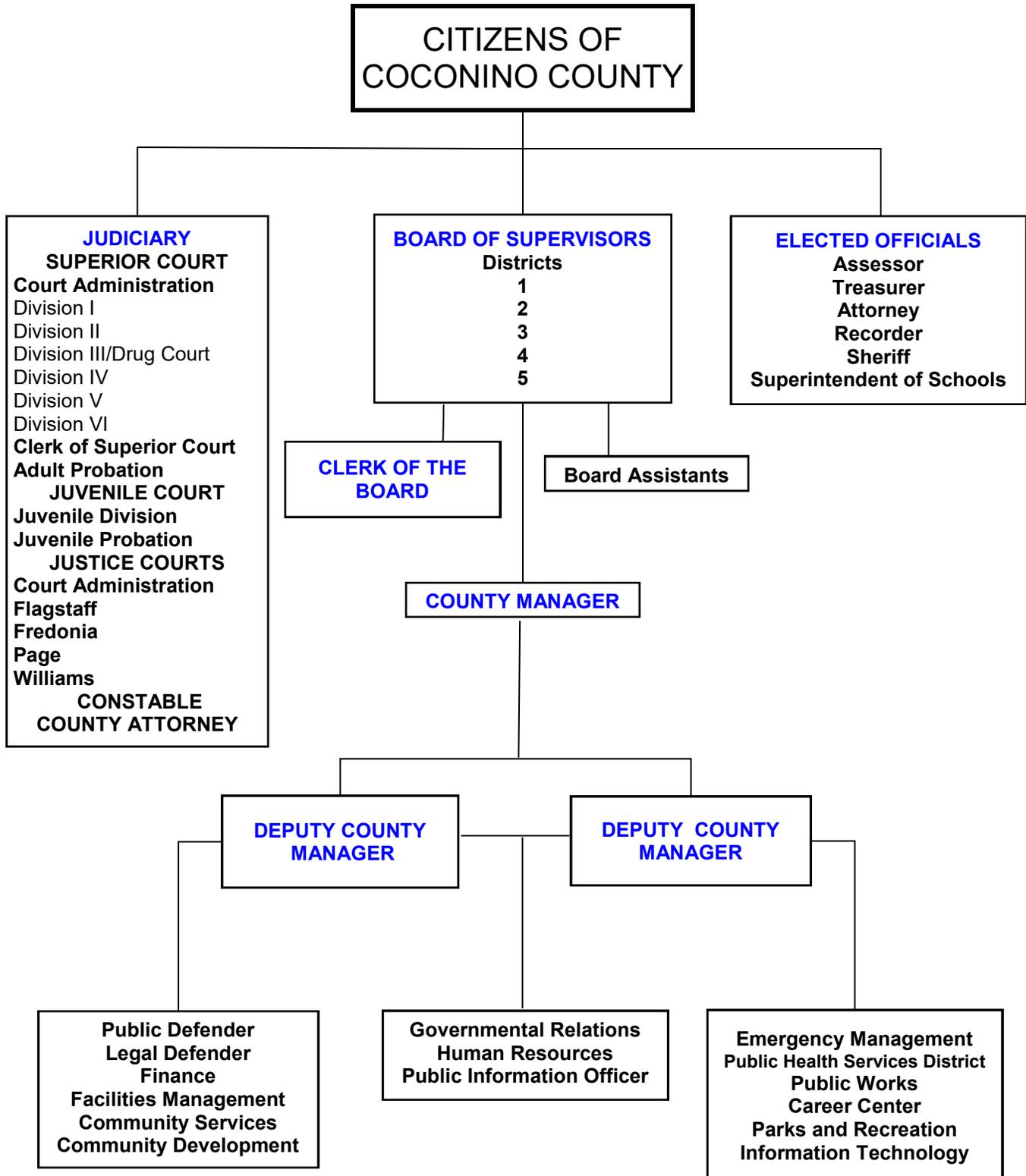
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

COCONINO COUNTY

Organizational Chart



COCONINO COUNTY

County Officials

BOARD OF SUPERVISORS

District 1	Art Babbott
District 2	Elizabeth C. Archuleta, Vice Chairperson
District 3	Matthew G. Ryan
District 4	Mandy Metzger
District 5	Lena Fowler, Chairperson
County Manager	Cynthia Seelhammer
Deputy County Manager	Neal Young
Deputy County Manager	Mike Townsend
Clerk of the Board	Wendy Escoffier

ELECTED OFFICIALS

Clerk of the Superior Court	Valerie Wyant	
Constable	Darrin Womble	
County Assessor	Chris Mazon	
County Attorney	David W. Rozema	
County Recorder	Patty Hansen	
County Sheriff	William Pribil	
County Superintendent of Schools	Risha VanderWey	
County Treasurer	Sarah Benatar	
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/Drug Court	Mark Moran, Presiding Judge
	Division IV	Elaine Fridlund-Horne
	Division V	Cathleen Brown Nichols
	Division VI	Ted Reed, Judge Pro Tempore

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer)	Sarah Douthit
Career Center	Carol Curtis
Community Development	Jay Christelman
Community Services	Janet Regner
Court Administrator	Gary Krcmarik
Facilities Management	Susan Brown
Public Health Services District	Marie Peoples
Human Resources	Erika Philpot
Finance	Bonny Lynn
Information Technology	Kristopher Estes
Juvenile Court Services	Bryon Matsuda
Legal Defender	Gary Pearlmutter
Parks and Recreation	Dustin Woodman
Public Defender	Sandra Diehl
Public Works	Lucinda Andreani/Mike Lopker
Superior Court Juvenile Court Judge/Commissioner	Margaret McCullough

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FINANCIAL SECTION

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Coconino County, Arizona

Report on the financial statements

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2016, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 24 through 37, budgetary comparison schedules on pages 106 through 111, schedule of the County's proportionate share of the net pension liability—cost-sharing pension plans on page 112, schedule of changes in the County's net pension liability and related ratios—agent pension plans on pages 113 through 114, schedule of county pension contributions on pages 115 through 116, and schedule of agent retirement plans' and Coconino County postemployment healthcare plans' funding progress on page 118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections 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 are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies

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 the County received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues the County received solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will 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, and 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* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 22, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(REQUIRED SUPPLEMENTARY INFORMATION)

Coconino County
Management's Discussion and Analysis
June 30, 2016

Management's Discussion and Analysis (MD&A) of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the transmittal letter on pages 3-12 and the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2016

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2016 by \$140.54 million (net position). The unrestricted net deficit in the amount of \$77.73 million consists of positive net position in the amount of \$45.16 million that may be used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted net position in the amount of \$122.89 million is primarily the result of the County's unfunded pension and OPEB obligations.
- The increase in the County's net position was \$2.76 million in fiscal year 2016.
- At the close of fiscal year 2016, the County's governmental funds reported combined ending fund balances of \$96.66 million, a decrease of \$2.00 million.
- The General Fund reported an unassigned fund balance of \$28.96 million at the close of fiscal year 2016, an increase of \$2.84 million.

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.

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 Position 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.

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The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

When viewed over a period of time, increases and decreases in net position are a useful indicator of an improving or deteriorating County financial condition. In addition to this change, other financial and non-financial factors should be considered.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flow. 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, 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 41-43 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 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.

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Because the focus of the governmental funds is narrower 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 Position 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, Public Works/HURF Fund, Jail District Fund, Parks and Open Spaces Tax Projects Fund and Public Health Services District Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregate presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report. *The basic governmental fund financial statements can be found on pages 44-50 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 Position and the Statement of Activities. *The basic proprietary fund financial statements can be found on pages 51-53 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 54-55 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 58-104 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 Proportionate Share of the Net Pension Liability for Cost Sharing Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios for Agent Pension Plans, the Schedule of County Pension Contributions, and the Schedule of Agent Retirement Plans' and Coconino County Postemployment Healthcare Plan's Funding Progress. *Required supplementary information can be found on pages 106-119 of this report.*

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The Statement of Net Position presents the financial position of the County at the end of the fiscal year, including all assets and deferred outflows, all liabilities and deferred inflows. The following table summarizes the County's assets and deferred outflows, liabilities and deferred inflows, and net position on June 30, 2016 and June 30, 2015. Net Position may serve over time as a useful indicator of a County's financial position.

	Governmental Activities (in millions)	
	2016	2015
Current and other assets	\$109.04	\$115.76
Capital assets	151.23	150.22
Total assets	260.27	265.98
Deferred outflows of resources	26.73	19.68
Current liabilities	10.40	12.43
Long-term liabilities outstanding	128.94	123.05
Total liabilities	139.34	135.48
Deferred inflows of resources	7.12	12.40
Net position:		
Net investment in capital assets	150.90	149.87
Restricted	67.37	74.28
Unrestricted	(77.73)	(86.37)
Total net position	<u>\$140.54</u>	<u>\$137.78</u>

The County's net position from governmental activities at the end of the fiscal year was \$140.54 million. The net position was relatively flat with a small increase of \$2.76 million as recorded in the Statement of Activities.

Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the County's net position that are applicable to a future reporting period. In fiscal year 2015 the County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*; an amendment of GASB Statement No. 27, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; an amendment of GASB Statement No. 68. Due to the implementation of the above mentioned GASBs, deferred outflows of resources increased \$7.06 million compared to fiscal year 2015 which was \$19.68 million (see Note 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

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Total Liabilities

Total liabilities increased \$3.86 million compared to fiscal year 2015 due to the following: a decrease in due to other governments of \$2.11 million, a decrease in accounts payable of \$0.52 million, an increase in accrued payroll and employee benefits of \$0.64 million, and an increase in long term liabilities of \$5.89 million. The decrease in accounts payable is attributable to large Public Works projects completed over the summer of 2015. The decrease in due to other governments was the result of Forest Fee revenue received too late to expend prior to June 30, 2015. The increase in long term liabilities is attributable to future postemployment health benefit liability and net pension liability (see Note 5 – LONG-TERM LIABILITIES).

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position by the County that are applicable to a future reporting period. In fiscal year 2015 the County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68*. Due to the implementation, in fiscal year 2015, of the above mentioned GASBs, deferred inflows of resources decreased \$5.27 million compared to fiscal year 2015 which was \$12.40 million (see Note 9 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Net Investment in Capital Assets

The County's net investment in capital assets increased by \$1.03 million in the current fiscal year, with total net investment in capital assets of \$150.90 million. Capital assets include land, buildings, equipment, and infrastructure. These assets are used to provide services to citizens, but are not available for future spending.

Restricted Net Position

Expendable restricted net position includes resources in which the County is legally obligated to spend the resources in accordance with restrictions provided by external parties. The portion of the County's net position which is subject to external restrictions is \$67.37 million. The County's restricted net position decreased by \$6.91 million in the current fiscal year. This is mainly attributable to the use of Jail District Funds, previously restricted for construction of an additional pod, to make a substantial payment to reduce the PSPRS pension liability.

Unrestricted Net Position

Unrestricted net position is not subject to externally imposed stipulations; however, most of these resources have been designated for particular capital projects and for the County's unfunded pension and OPEB obligations. The reported negative balance of the County's net position, \$77.73 million, is unrestricted and consists of, positive net position in the amount of \$45.16 million that may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements, and negative unrestricted net position in the amount of \$122.89 million which

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is primarily the result of the County's unfunded pension and OPEB obligations (see Note 9 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Net Position

The County's total net position from governmental activities at the end of the fiscal year was \$140.54 million. The County's total net position increased by \$2.76 million compared to fiscal year 2015. The major cause of the increase is due to an increase in local and State sales tax revenues.

Deferred Outflows of Resources & Deferred Inflows of Resources

Deferred Outflows of Resources

Deferred outflows of resources were new to the County's Statement of Net Position for fiscal year 2015. This classification balance, although similar to "assets," is set apart because these items do not meet the technical definition of being a County asset on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure.

Deferred outflow of resources being reported are related to the implementation of GASB Statement No. 68 and GASB Statement No. 71 for pension liability reporting. GASB 71 requires that employer contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources. Consequently, a portion of the deferred outflows of resources reported are comprised of current year employer contributions to the retirement system. However, there are other deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred Inflows of Resources

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the County as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position.

Deferred inflows of resources being reported on the County's Statement of Net Position are related to pensions and represent a net amount attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

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Statement of Activities

The Statement of Activities presents information on how the County's net position changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2016 compared to the prior year.

	Governmental Activities (in millions)	
	<u>2016</u>	<u>2015</u>
Revenues		
Program revenues:		
Charges for services	\$ 12.78	\$ 11.49
Operating grants and contributions	32.56	38.18
Capital grants and contributions	<u>0.70</u>	<u>0.01</u>
Total program revenue	46.04	49.68
General revenues:		
State shared revenue	24.58	23.30
Sales taxes	36.94	32.09
Property taxes	19.73	19.06
Grants and contributions not restricted to specific programs	2.82	2.48
Investment earnings	1.04	0.70
Gain on disposal of capital assets	0.35	0.22
Miscellaneous	<u>0.09</u>	<u>0.09</u>
Total general revenue	<u>85.55</u>	<u>77.94</u>
Total revenues	<u>131.59</u>	<u>127.62</u>
Program Expenses		
General government	33.87	34.77
Public safety	40.95	42.40
Highways and streets	21.81	14.91
Sanitation	2.24	2.01
Health	13.18	13.91
Welfare	4.25	4.49
Culture and recreation	7.17	6.68
Education	5.34	6.71
Interest on long-term debt	<u>0.02</u>	<u>0.02</u>
Total program expenses	<u>128.83</u>	<u>125.90</u>
Change in net position	<u>2.76</u>	<u>1.72</u>
Net position - beginning	<u>137.78</u>	<u>233.61</u>
Prior period adjustment		<u>(97.55)</u>
Net position - beginning, as restated	<u>137.78</u>	<u>136.06</u>
Net position - ending	<u>\$ 140.54</u>	<u>\$ 137.78</u>

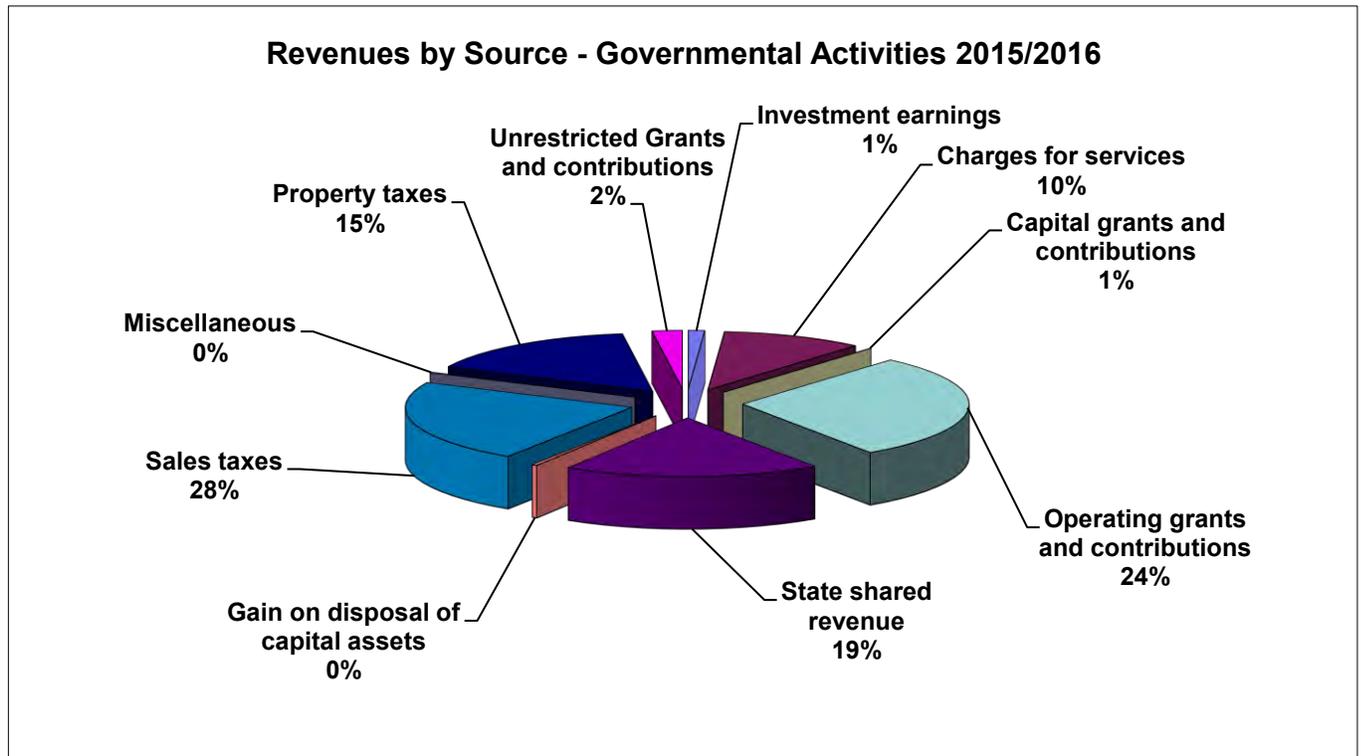
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Overall program revenues decreased by \$3.64 million in the current fiscal year. This decrease was from a reduction in operating grants and contributions of \$5.62 million due primarily to the completion of large flood control projects, increase in charges for services of \$1.29 million, and an increase in capital grants and contributions of \$0.69 million in highway grants. Program expenses were relatively flat with a small increase of \$2.93 million in the current fiscal year.

Total general revenue increased by \$7.61 million in fiscal year 2016. This was due in large part to increased State shared and local county sales tax collections of \$6.13 million, increase in property tax collections of \$0.67 million, an increase in investment earnings of \$0.34 million due to investment market changes, and an increase in grants and contributions not restricted to specific programs of \$0.34 million.

State shared revenue increased \$1.28 million due in part to the moderate rebound in taxable sales at the state level.

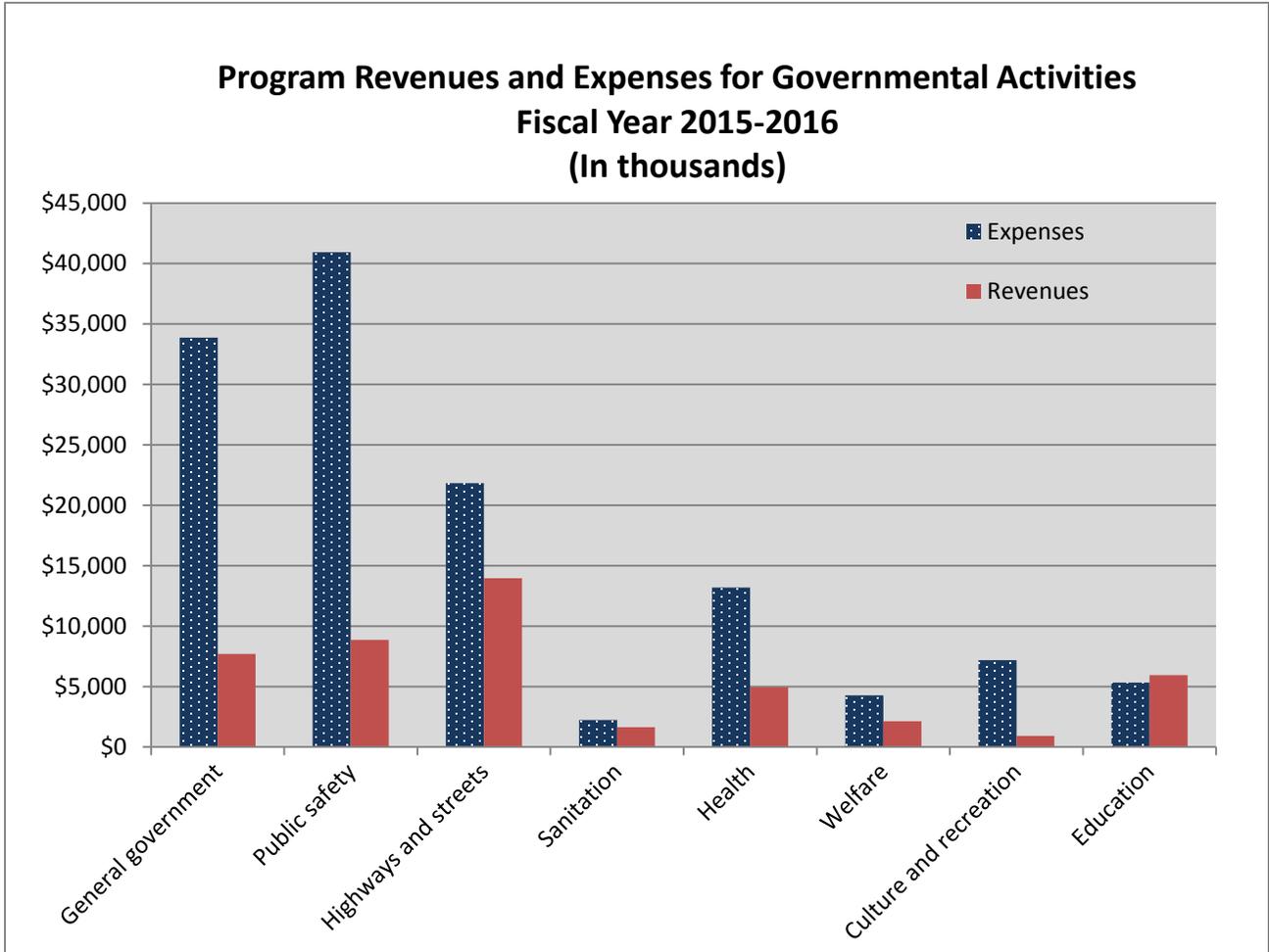
Local county sales tax revenue increased by \$4.85 million due in large part to the improving economy.



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, sales taxes are the largest single source of funds (28%), followed by operating grants and contributions (24%), and State shared revenue (19%).

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Public safety is the largest functional area in expense (32%), followed by general government (26%), highways and streets (17%) and public health services (10%).



General Government expenses were relatively flat with a small decrease of \$0.90 million in the current fiscal year. Highways and streets expenses increased to fund deferred road maintenance projects with the Road Maintenance Sales Tax passed by Coconino County voters in November 2014. Welfare expenses and education expenses decreased due to reduced grant expenses for Community Services, the Career Center, and in the Superintendent of Schools Office.

The County uses credit cards to pay certain vendors for goods and services and for employee travel expenses. The County received a financial consideration resulting from credit card payments for the year ended June 30, 2016 in the amount of \$65,746.

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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported five major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, and Parks and Open Spaces Tax Projects. At year-end the County's governmental funds reported combined fund balances of \$96.66 million, which is a decrease of \$2.00 million from last year, or a decrease of 2.03%. Of the total, \$95.49 million (98.79%) constitutes spendable fund balance.

Revenues and expenditures for governmental functions overall increased by 6.49% and 10.48%, respectively. These increases were the result of an increase in local and State sales tax revenues, and on the expenditure side from the substantial payment made to reduce pension liability. Governmental fund expenditures exceeded governmental fund revenues by \$2.39 million in the current fiscal year and the fund balance decreased by \$2.00 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 \$28.96 million. Spendable fund balance represents 96.49% of the General Fund's total fund balance. The General Fund's fund balance increased by \$2.37 million over fiscal year 2015.

The Public Works/HURF Fund, fund balance decreased by \$1.00 million in the current fiscal year. The decrease was from expenditures exceeding revenues. Many road maintenance projects which had been deferred for several years, were completed in FY16 from the Road Maintenance Sales Tax Revenue, and many vacant positions were filled.

The Jail District Fund, fund balance decreased by \$7.04 million in the current fiscal year. It decreased primarily due to a \$10.00 million dollar transfer to the General Fund for payment to PSPRS to reduce the County's unfunded pension liability.

The Parks and Open Spaces Tax Projects Fund, fund balance decreased by \$0.99 million in the current fiscal year. This decrease was due to completion of planned FY15 projects in FY16.

The Public Health Services District Fund, fund balance increased by \$0.67 million in the current fiscal year. The change in fund balance was primarily from the implementation of several cost saving measures, including closing the County Dental Clinic and replacing with dental care vouchers, and other staffing changes.

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General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund at year-end were \$2.00 million less than the original adopted budget. This change was primarily due to budget adjustments for new grants and construction projects.
- For the General Fund, actual expenditures were \$10.58 million less than the final budget. The expenditures variance was primarily unexpended contingency funds and fiscal reserves.
- The final budgeted revenues for the General Fund at year-end were flat with the original adopted budget. For the General Fund, actual revenues exceeded the final budget by \$4.54 million. The increase was primarily due to significant increases in County Sales tax and State Shared Sales tax revenues.

Capital Assets and Debt Administration

Capital Assets (Note 4)

During the current fiscal year, the County added \$1.62 million to its buildings and other improvements inventory, and added to its machinery and equipment inventory by \$2.27 million. The addition in machinery and equipment was to replace old, inefficient heavy equipment and vehicles which had been kept running, beyond expected life-cycle, awaiting the passage of the Road Maintenance Sales Tax. The County added \$7.97 million to its infrastructure inventory. The increase in infrastructure inventory includes culverts for Turkey Trail and Bowstring Road, improvements to Koch Field Road and Pinewood Boulevard, and drainage improvements on lower Crisp Hill Road and South Paintbrush. Also added were additional improvements to Campbell Avenue. The County's overall estimated value of capital asset inventory increased \$1.01 million net of increases in depreciation (see Note 4 – CAPITAL ASSETS found on page 72 of this report).

The following table reflects the changes in capital assets for the County for the fiscal year 2016 compared to fiscal year 2015.

	Governmental Activities (net of depreciation) (in millions)	
	2016	2015
Land	\$ 40.84	\$ 40.85
Buildings and other improvements	50.52	51.28
Machinery and equipment	7.35	5.13
Infrastructure	50.58	45.71
Construction in progress	1.94	7.25
Total	\$ 151.23	\$ 150.22

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Long-term Debt (Note 5)

At the end of the current fiscal year the County had \$260,000 in special assessment debt outstanding. The long-term liability for future postemployment health benefit (OPEB) liability has increased by \$0.50 million to \$6.83 million in the current year. This change is the result of \$0.90 million in additional annual OPEB cost and only \$0.40 million in actual contributions made during fiscal year 2016 (see Note 5 – LONG-TERM LIABILITIES found on page 73 of this report).

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 local and State shared sales taxes. Local and State shared sales taxes constitute approximately 45% of the County's government-wide general revenues and approximately 67% of General Fund revenues. This makes the County's revenues sensitive to both improvements and downturns in the economy. County staff incorporated historical financial trends, and local, national and global economic trends into the County's fiscal 2016 budget. State shared sales tax and County sales tax revenues stabilized in fiscal year 2012 and are now above the pre-recession measurement year of fiscal year 2007 levels; State shared sales tax exceeds the fiscal year 2007 level by 15.9% and County sales tax is 14.0% above the fiscal year 2007 level.

The key elements of the fiscal year 2016 budget are based on the assumption that economic recovery began in fiscal year 2011, and we are now showing recovery in our state revenues. The county continues to see lower levels in federal and state grant revenue, and uncertainty in federal payments for Payments In Lieu of Taxes and the Secure Rural Schools Act.

The county established the following Financial Planning Milestones in the fiscal year 2016 budget:

- Align "high probability of receipt" revenue types with recurring expenditures.
- Allocate budgeted receipts above recessionary revenue levels to one-time or non-mission-critical expenditures.
- Plan adequate reserves for revenue smoothing and an emergency reserve, to allow for unknown and unplanned events.
- Provide adequate compensation to retain trained and experienced staff, who will efficiently and effectively deliver services.
- Strategically plan for long-term facility and technology resources to have appropriate work space and tools available for staff.

In developing the fiscal year 2016 budget, major areas of concern were:

- Impacts from the State shifting costs to the County, while reducing County revenue allocations to subsidize the State budget deficit. For FY16 new State cost shifts

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added more than \$0.50 million impact, in addition to the over \$4.00 million in continuing cost shifts from prior fiscal years.

- The new shifts include;
 - Paying the State to operate the Arizona Department of Revenue for collecting county sales tax
 - Paying for the operating costs of the Arizona Department of Juvenile Corrections
 - Paying all the costs of the state-required Presidential Preference Election in 2016
- Potential reductions in Federal funding, particularly the loss of Secure Rural Schools funding (previously known as Forest Fees), a major source of funding for schools and roads.
- Focus on Criminal Justice by back-filling reduced special revenue funds and lost State funding by using the General Fund to provide an excess of \$0.30 million in one-time funding for the County Attorney and Public Defender.
- Focus on Public Safety by adding 6 new positions in the Jail District (4 in Flagstaff and 2 in Page) and approving a 2% market adjustment for Sheriff's Officers and Jail Detention Officers, in addition to their pay plan step increases. The additional positions were recommended in a recent Jail study.
- The commitment to our employees in the form of appropriate compensation to the extent possible and avoiding the cost of increased turnover which decreases efficiency. A 2.5% merit increase, zero increase in health benefit premiums, and funding of a tuition reimbursement program are examples of support for employees.
- Continuing increases in pension costs that further constrict limited resources.
- Focus on holding health insurance costs well below national averages by expanding participation in the successful wellness program for employees, while considering other best practices. An on-site model health clinic, called the Vera Clinic, was opened in FY16 for use by all employees and dependents of agencies who are participants in the Northern Arizona Public Employee Benefit Trust (NAPEBT), of which Coconino County is a participating agency. The goal in opening the Vera Clinic is to create sustainable, long-term cost containment for health care of our employees.
- Addressing long-term deficits for the Public Health Services District (PHSD). This is being accomplished through programmatic changes, reductions in staffing (cutting 4.6 FTE), increases in revenue through user fees, and reorganization. A projected deficit of nearly \$1.00 million has been reduced to \$0.08 million.

The County's financial planning is based on realistic 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, including the level of recurring costs that may be maintained during a recession.

Coconino County
Management's Discussion and Analysis
June 30, 2016

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 Position
June 30, 2016

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 90,311,693
Investments	602,590
Cash and investments held by trustee	30,209
Receivables (net of allowances for uncollectibles):	
Property taxes	681,771
Accounts	270,182
Special assessments	153,644
Road sales tax	1,618,011
Jail District sales tax	2,679,956
Accrued interest	172,990
Due from other governments	12,161,394
Inventories	184,126
Prepaid items	170,541
Capital assets, not being depreciated	42,783,144
Capital assets, being depreciated, net	108,446,084
Total assets	260,266,335
 Deferred Outflows of Resources	
Deferred outflows related to pensions	26,733,586
Total deferred outflows of resources	26,733,586
 Liabilities	
Accounts payable	7,260,190
Accrued payroll and employee benefits	3,066,793
Deposits held for others	38,063
Unearned revenues	34,094
Noncurrent liabilities	
Due within 1 year	3,647,392
Due in more than 1 year	125,290,414
Total liabilities	139,336,946
 Deferred Inflows of Resources	
Deferred inflows related to pensions	7,124,795
Total deferred inflows of resources	7,124,795
 Net Position	
Net investment in capital assets	150,901,461
Restricted for:	
Public safety	14,259,749
Highways and streets	25,364,855
Sanitation	1,355,407
Health	2,779,816
Welfare	140,641
Culture and recreation	761,496
Education	2,239,084
Debt service	348,312
Capital projects	17,276,936
Other purposes	2,843,991
Unrestricted	(77,733,568)
Total net position	\$ 140,538,180

The accompanying notes are an integral part of these basic financial statements.

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Coconino County
Statement of Activities
Year Ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary government:				
Governmental activities:				
General government	33,869,932	5,751,943	1,949,408	\$ (26,168,581)
Public safety	40,947,920	3,159,188	5,686,093	(32,102,639)
Highways and streets	21,815,377	72,866	13,180,607	701,112 (7,860,792)
Sanitation	2,235,478	1,348,145	296,727	339 (590,267)
Health	13,180,529	1,143,207	3,786,316	(8,251,006)
Welfare	4,254,709	123,744	1,994,181	(2,136,784)
Culture and recreation	7,172,432	810,926	95,611	(6,265,895)
Education	5,336,344	373,206	5,569,238	606,100
Interest on long-term debt	18,128			(18,128)
Total governmental activities	<u>\$ 128,830,849</u>	<u>\$ 12,783,225</u>	<u>\$ 32,558,181</u>	<u>\$ 701,451</u> <u>\$ (82,787,992)</u>
General revenues				
Taxes:				
Property taxes, levied for general purposes				9,511,567
Property taxes, levied for library				3,924,459
Property taxes, levied for flood control				2,444,129
Property taxes, levied for accommodation school				8
Property taxes, levied for health services				3,847,788
General county sales tax				14,123,077
Road sales tax				8,426,665
Jail District sales tax				14,127,110
Parks and open spaces sales tax				27,012
Excise tax				139,804
Franchise tax				97,267
Shared revenue - state sales tax				21,004,646
Shared revenue - state vehicle license tax				3,570,541
Grants and contributions not restricted to specific programs				2,822,490
Investment earnings				1,037,145
Gain on disposal of capital assets				354,668
Miscellaneous				90,144
Total general revenues				<u>85,548,520</u>
Change in net position				<u>2,760,528</u>
Net position, July 1, 2015				<u>137,777,652</u>
Net position, June 30, 2016				<u>\$ 140,538,180</u>

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Public Works/HURF Fund	Jail District Fund
Assets			
Cash and cash equivalents	\$ 24,665,045	\$ 20,366,951	\$ 10,577,142
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes	310,496		
Accounts	18,607		645
Special assessments			
Road sales tax		1,618,011	
Jail District sales tax			2,679,956
Accrued interest	37,246	41,362	25,447
Advances to other funds	1,001,783		
Due from:			
Other funds	1,629,123	177,195	78,787
Other governments	7,531,112	1,951,095	327,285
Inventories	326		
Prepaid items	52,944	1,667	1,124
Total assets	\$ 35,246,682	\$ 24,156,281	\$ 13,690,386
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,768,401	\$ 3,606,800	\$ 436,741
Accrued payroll and employee benefits	1,700,014	216,674	340,196
Advances from other funds			
Due to:			
Other funds	1,477,052	346,177	345,667
Deposits held for others	5,651		
Unearned revenue	19,123		
Total liabilities	4,970,241	4,169,651	1,122,604
Deferred Inflows of Resources			
Unavailable revenue - property taxes	259,815		
Unavailable revenue - special assessments			
Unavailable revenue - intergovernmental			
Unavailable revenue - other			
Total deferred inflows of resources	259,815		
Fund balances:			
Nonspendable	1,055,053	1,667	1,124
Restricted		19,984,963	12,566,658
Unassigned	28,961,573		
Total fund balances	30,016,626	19,986,630	12,567,782
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,246,682	\$ 24,156,281	\$ 13,690,386

The accompanying notes are an integral part of these basic financial statements.

Public Health Services District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,974,219	\$ 13,916,289	\$ 18,059,151	\$ 89,558,797
		602,590	602,590
		30,209	30,209
140,885		230,390	681,771
57,709		159,637	236,598
		153,644	153,644
			1,618,011
			2,679,956
4,678	26,947	36,091	171,771
			1,001,783
134,415		2,088,252	4,107,772
968,251	3,782	1,379,869	12,161,394
			326
77,245		37,561	170,541
<u>\$ 3,357,402</u>	<u>\$ 13,947,018</u>	<u>\$ 22,777,394</u>	<u>\$ 113,175,163</u>
\$ 205,964	\$ 372,906	\$ 779,741	\$ 7,170,553
219,913	3,991	352,273	2,833,061
		1,001,783	1,001,783
151,709		2,130,276	4,450,881
		32,412	38,063
		14,971	34,094
<u>577,586</u>	<u>376,897</u>	<u>4,311,456</u>	<u>15,528,435</u>
118,748		189,239	567,802
		153,644	153,644
		256,270	256,270
		10,210	10,210
<u>118,748</u>	<u></u>	<u>609,363</u>	<u>987,926</u>
77,245		37,561	1,172,650
2,583,823	13,570,121	19,057,814	67,763,379
		(1,238,800)	27,722,773
<u>2,661,068</u>	<u>13,570,121</u>	<u>17,856,575</u>	<u>96,658,802</u>
<u>\$ 3,357,402</u>	<u>\$ 13,947,018</u>	<u>\$ 22,777,394</u>	<u>\$ 113,175,163</u>

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Coconino County
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2016

Fund balances – total governmental funds	\$ 96,658,802
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	150,327,400
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	987,926
Internal service fund is used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund are included in governmental activities in the Statement of Net Position.	1,201,740
Long-term 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.	(12,836,031)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(115,421,560)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	26,680,145
Deferred inflows of resources related to pensions	(7,060,242)
Net position of governmental activities	\$ 140,538,180

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	<u>General Fund</u>	<u>Public Works/HURF Fund</u>	<u>Jail District Fund</u>
Revenues:			
Property taxes	\$ 9,498,577	\$	\$
County sales taxes	14,360,222	8,426,665	14,127,110
Special assessments			
Licenses and permits	1,135,405	25,974	
Fees, fines, and forfeits	1,351,348		
Intergovernmental	28,885,641	11,732,298	190,258
Charges for services	2,142,798	6,592	527,292
Investment earnings	298,660	278,249	219,294
Contributions	245,964		14,000
Miscellaneous	188,357	2,425	39
Total revenues	<u>58,106,972</u>	<u>20,472,203</u>	<u>15,077,993</u>
Expenditures:			
Current:			
General government	29,113,447		
Public safety	24,945,723		13,863,593
Highways and streets	451,477	22,422,188	
Sanitation			
Health	28,619		
Welfare	1,179,379		
Culture and recreation	1,489,745		
Education	458,272		
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	<u>57,666,662</u>	<u>22,422,188</u>	<u>13,863,593</u>
Excess (deficiency) of revenues over expenditures	<u>440,310</u>	<u>(1,949,985)</u>	<u>1,214,400</u>
Other financing sources (uses):			
Capital lease agreement	90,011		
Sale of capital assets	3,300	352,249	
Transfers in	11,213,384	772,160	2,587,635
Transfers out	<u>(9,373,964)</u>	<u>(178,835)</u>	<u>(10,838,189)</u>
Total other financing sources (uses)	<u>1,932,731</u>	<u>945,574</u>	<u>(8,250,554)</u>
Net change in fund balances	2,373,041	(1,004,411)	(7,036,154)
Fund balances, July 1, 2015	<u>27,643,585</u>	<u>20,991,041</u>	<u>19,603,936</u>
Fund balances, June 30, 2016	<u>\$ 30,016,626</u>	<u>\$ 19,986,630</u>	<u>\$ 12,567,782</u>

The accompanying notes are an integral part of these basic financial statements.

Public Health Services District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,839,304	\$	\$ 6,363,869	\$ 19,701,750
5,897	27,012	5,682	36,952,588
		57,851	57,851
555,200		4,650	1,721,229
		536,294	1,887,642
4,224,237		16,873,350	61,905,784
621,834		3,624,490	6,923,006
23,678	186,421	257,775	1,264,077
111,401		307,838	679,203
		1,248,510	1,439,331
<u>9,381,551</u>	<u>213,433</u>	<u>29,280,309</u>	<u>132,532,461</u>
		2,308,412	31,421,859
737,683		9,160,703	48,707,702
		63,106	22,936,771
		2,065,123	2,065,123
12,694,622			12,723,241
142,422		2,703,150	4,024,951
		4,435,151	5,924,896
		4,683,198	5,141,470
	1,207,850	665,144	1,872,994
		85,000	85,000
		18,128	18,128
<u>13,574,727</u>	<u>1,207,850</u>	<u>26,187,115</u>	<u>134,922,135</u>
<u>(4,193,176)</u>	<u>(994,417)</u>	<u>3,093,194</u>	<u>(2,389,674)</u>
			90,011
4,551		1,235	361,335
4,909,041		3,223,994	22,706,214
<u>(49,885)</u>		<u>(2,325,916)</u>	<u>(22,766,789)</u>
<u>4,863,707</u>		<u>899,313</u>	<u>390,771</u>
670,531	(994,417)	3,992,507	(1,998,903)
<u>1,990,537</u>	<u>14,564,538</u>	<u>13,864,068</u>	<u>98,657,705</u>
<u>\$ 2,661,068</u>	<u>\$ 13,570,121</u>	<u>\$ 17,856,575</u>	<u>\$ 96,658,802</u>

Coconino County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of the Governmental Funds
 to the Statement of Activities
 Year Ended June 30, 2016

Net change in fund balances – total governmental funds \$ (1,998,903)

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	7,414,846	
Depreciation expense	<u>(6,577,637)</u>	837,209

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	(193,372)	
Decrease in claims and judgments	45,790	
Increase in future postemployment health benefits	<u>(495,460)</u>	(643,042)

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

Debt incurred		(90,011)
Principal repaid		107,375

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (1,305,959)

County pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net position liability is measured a year before the County's report date.

Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

County pension contribution		17,853,910
Pension expense		(11,980,232)

Internal service fund is 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 governmental activities. (19,819)

Change in net position of governmental activities \$ 2,760,528

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Net Position
Proprietary Fund
June 30, 2016

	Governmental Activities - Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 752,896
Receivables (net of allowances for uncollectibles):	
Accounts	33,584
Accrued interest	1,219
Due from other funds	343,883
Inventories	183,800
Total current assets	1,315,382
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	38,653
Equipment, net	863,175
Capital assets, net	901,828
Total noncurrent assets	901,828
Total assets	2,217,210
Deferred Outflows of Resources	
Deferred outflows related to pensions	53,441
Total deferred outflows of resources	53,441
Liabilities	
Current liabilities:	
Accounts payable	89,637
Accrued payroll and employee benefits	272,887
Due to other funds	774
Total current liabilities	363,298
Noncurrent liabilities:	
Net pension liability	641,060
Total noncurrent liabilities	641,060
Total liabilities	1,004,358
Deferred Inflows of Resources	
Deferred inflows related to pensions	64,553
Total deferred inflows of resources	64,553
Net Position	
Net investment in capital assets	901,828
Unrestricted	299,912
Total net position	\$ 1,201,740

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2016

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,316,414
Total operating revenues	2,316,414
Operating expenses:	
Personal services	651,932
Professional services	82,035
Supplies	1,356,516
Utilities	20,024
Repairs and maintenance	33,506
Travel	3,117
Depreciation	270,389
Total operating expenses	2,417,519
Operating Loss	(101,105)
Nonoperating revenues:	
Investment earnings	10,207
Gain on disposal of capital assets	10,504
Transfers from other funds	60,575
Total nonoperating revenues	81,286
Decrease in net position	(19,819)
Total net position, July 1, 2015	1,221,559
Total net position, June 30, 2016	\$ 1,201,740

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2016

	Governmental Activities- Internal Service Fund
<u>Cash flows from operating activities:</u>	
Receipts from other funds for services provided	\$ 2,312,271
Payments to suppliers and providers of goods and services	(1,531,978)
Payments to employees	(627,313)
Net cash provided by operating activities	152,980
<u>Cash flows from noncapital financing activities:</u>	
Cash transfers from other funds	60,575
Net cash provided by noncapital financing activities	60,575
<u>Cash flows from capital and related financing activities:</u>	
Proceeds from sale of capital assets	13,075
Purchases of capital assets	(447,509)
Net cash used for capital and related financing activities	(434,434)
<u>Cash flows from investing activities:</u>	
Interest received on investments	7,718
Net increase in fair value of investments	2,779
Net cash provided by investing activities	10,497
Net decrease in cash and cash equivalents	(210,382)
Cash and cash equivalents, July 1, 2015	963,278
Cash and cash equivalents, June 30, 2016	\$ 752,896
<u>Reconciliation of operating loss to net cash provided by operating activities:</u>	
Operating loss	\$ (101,105)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	270,389
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in:	
Due from other funds	(30,254)
Accrued payroll and employee benefits	32,914
Due to other funds	628
Net pension liability	25,009
Decrease in:	
Accounts receivable	25,483
Accounts payable	(45,350)
Inventories	8,570
Deferred outflows related to pensions	18,527
Deferred inflows related to pensions	(51,831)
Net cash provided by operating activities	\$ 152,980

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 122,298,508	\$ 1,706,374
Cash and investments held by trustee		1,066,716
Interest and dividends receivable	253,426	
Total assets	122,551,934	2,773,090
Liabilities		
Deposits held for others		2,520,535
Due to other governments		252,555
Total liabilities		\$ 2,773,090
Net Position		
Held in trust for investment trust participants	\$ 122,551,934	

The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2016

	Investment Trust Funds
Additions:	
Contribution from participants	\$ 243,167,593
Investment earnings:	
Interest and dividends	1,291,220
Net increase in fair value of investments	438,558
Total investment earnings	1,729,778
Total additions	244,897,371
Deductions:	
Distributions to participants	224,003,622
Total deductions	224,003,622
Change in net position	20,893,749
Net position, July 1, 2015	101,658,185
Net position, June 30, 2016	\$ 122,551,934

The accompanying notes are an integral part of these basic financial statements.

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BASIC FINANCIAL STATEMENTS - NOTES

Coconino County
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2016, the County implemented the provisions of GASB Statement No. 72, Fair Value Measurement and Application and GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. GASB Statement No. 72 establishes standards for measuring fair value and applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles.

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.

As the Coconino County Board of Supervisors serves as the Board of Directors of all special districts discussed below, it is able to significantly influence the programs, projects, activities, and level of services provided by the Districts; the Board also establishes policy, appoints management, exercises budgetary control and determines tax rates. Further, the Districts provide services almost entirely for the benefit of the County; therefore, the Districts are considered blended component units of the County. Separate financial statements for the Districts are not available.

Coconino County
Notes to Financial Statements
June 30, 2016

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 the 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 roads, sidewalks, curbs and gutters, and irrigation systems 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 the County's residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available

Coconino County
Notes to Financial Statements
June 30, 2016

Related Organization:

The Industrial Development Authority of Coconino County (Authority) is a legally separate entity that was created to assist in the financing of commercial activities, including a health care institution, residential real property for dwelling units located within the County, and industrial park facilities. The Authority fulfills its function through the issuance of tax exempt bonds. The County Board of Supervisors appoints the Authority's Board of Directors, but cannot remove a member of the Authority's Board at-will. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

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 information's usefulness.

Government-wide statements – Provide information about the primary government (the County) and its component units. The statements include a statement of net position 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. Program revenues include:

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

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies or imposes, 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.

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Fund financial statements – Provide information about the County’s funds, including fiduciary funds and blended component units. Separate statements are presented for the 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 expenses 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 along with revenues generated by ancillary activities. 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 a special revenue fund used to account for highway user fees restricted to the construction, repair, and maintenance of county roads that are funded primarily by a State-shared fuel tax and a County Road Maintenance Sales Tax.

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

The *Public Health Services District Fund* is a special revenue fund used to account for health services for County residents that are funded by a \$0.2500 per \$100 of assessed valuation property tax, grants and contributions, and charges for services.

The *Parks and Open Spaces Tax Projects Fund* is a capital projects fund 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. Collections from the one-eighth cent sales tax ceased after September 2014.

The County also 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 non-pooled assets held and invested by the County Treasurer on behalf of other governmental entities.

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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 and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. 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 resources 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. Tax revenues collected within 60 days after year-end are accrued as the County had a claim to those revenues at year-end. Other revenues, including grants from federal and state governments, are considered available if collected within 90 days if the County has a claim to the revenues, and the amount is measurable and available to pay liabilities of the current period. The County's major revenue sources that are subject to accrual are state-shared sales taxes and fuel taxes, county sales taxes, 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 the statement of cash flows, the County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash on deposit with the County Treasurer, highly liquid investments with a maturity of three months or less when purchased, and investments that may be called by the Treasurer at any time without penalty.

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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 that are not in the County Treasurer's investment pool are stated at amortized cost. Tuba City Unified School District bonds 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 an asset 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.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Amounts on hand at year-end are shown on the balance sheet as an asset 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.

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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 acquisition value.

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 and proprietary fund's statements 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 and other improvements	5,000	Straight-Line	5-50 Years
Machinery and equipment	5,000	Straight-Line	3-40 Years
Infrastructure	5,000	Straight-Line	7-50 Years

I. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. 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.

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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 that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. Only the Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager to assign 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 will use restricted fund balance first. The County has no formal policy as to its disbursing of unrestricted fund balances.

L. Investment Earnings

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

M. Compensated Absences

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

Employees may accumulate up to 240 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount. Upon terminating employment, the County pays all unused and unforfeited vacation benefits to employees. Any unused vacation hours in excess of the maximum amount at fiscal year-end is forfeited. 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 payoff 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

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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 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the County Treasurer to invest public monies in securities and deposits with a maximum maturity of five years. All public monies shall be invested in eligible investments, including: 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, notes, and other evidences of indebtedness including those of counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; commercial paper of prime quality issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain 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. Bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's Investors 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.

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Notes to Financial Statements
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Custodial credit risk

The Arizona State Treasurer's Office administers a State Wide Pooled Collateral Program. The purpose of the Pooled Collateral Program is to ensure all taxpayer funds on deposit with any federally insured depository in excess of any insurance is backed with 102% of eligible collateral and provide an efficient means for eligible depositories to aggregate collateral for public deposits. Under the Pooled Collateral Program, each financial institution with public deposits pledges a pool of collateral against all of the public deposits it holds for the state and local governments of the State of Arizona except as provided by law. That collateral is pledged to the pooled collateral administrator who is responsible for monitoring the collateral on behalf of all public depositors. The Pooled Collateral Administrator ("Administrator") is established in the Arizona State Treasurer's Office and may adopt and enforce policies and procedures as necessary to carry out its duties pursuant to A.R.S. §35-1202 et seq. The Administrator is responsible for ensuring that eligible depositories have posted 102% collateral for each public depositor in excess of any federally insured deposits. Coconino County's deposits are covered under the State Wide Pooled Collateral Program.

Concentration of credit risk

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

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Foreign currency risk

Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

Deposits – At June 30, 2016, the carrying amount of the County's deposits was \$40,311,383 and the bank balance was \$46,810,066. The County does not have a formal policy with respect to custodial credit risk. The County adheres to the custodial credit risk requirements in Statutes.

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Notes to Financial Statements
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Investments – The County’s investments at June 30, 2016, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment by fair value level	Amount			
U.S. agency securities	\$ 99,884,543		\$ 99,884,543	
Corporate bonds	33,392,223		33,392,223	
Commercial paper	15,659,257		15,659,257	
Municipal bonds	12,407,455		12,407,455	
Negotiable CDs	8,739,005		8,739,005	
Mutual funds-debt	457,572	457,572		
Mutual funds-equity	206,886	206,886		
Money market mutual funds	95,714	\$ 95,714		
Total investment by fair value level	\$ 170,842,655	\$ 760,172	\$ 170,082,483	
External investment pools measured at fair value				
State Treasurer's investment pool #7	\$ 2,655,699			
Total investment measured at fair value	\$ 2,655,699			
Investments measured at amortized cost				
Municipal bonds	\$ 2,084,709			
Total investment measured at amortized cost	\$ 2,084,709			
Total investments	\$ 175,583,063			

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

The investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

Investments in the State Treasurer’s investment pool are valued at the pool’s share price multiplied by the number of shares the County held. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools.

Investments measured at amortized cost consist of school improvement bonds issued by the Tuba City Unified School District to the Coconino County Treasurer.

Coconino County
Notes to Financial Statements
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Credit risk – The County Treasurer has a formal investment policy with respect to credit risk which mirrors A.R.S. 35-323. At June 30, 2016, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	AAA	Moody's	\$ 99,884,543
Corporate bonds	A1	Moody's	14,180,082
Corporate bonds	A2	Moody's	10,081,537
Negotiable CDs	Unrated	Not Applicable	8,739,005
Commercial paper	A1+	Standard and Poor's	8,692,440
Commercial paper	A1	Moody's	6,966,817
Corporate bonds	Baa1	Moody's	5,566,580
Municipal bonds	AAA	Moody's	4,416,994
Municipal bonds	AA-	Standard and Poor's	3,887,798
Municipal bonds	Unrated	Not Applicable	3,618,251
State Treasurer's investment pool #7	Unrated	Not Applicable	2,655,699
Corporate bonds	AAA	Moody's	1,018,600
Corporate bonds	A+	Standard and Poor's	1,001,050
Corporate bonds	A	Standard and Poor's	998,220
Municipal bonds	AA	Standard and Poor's	990,713
Municipal bonds	A+	Standard and Poor's	464,028
Municipal bonds	A	Standard and Poor's	408,627
Municipal bonds	AA+	Standard and Poor's	402,762
Mutual funds-debt	Unrated	Not Applicable	273,092
Municipal bonds	Aa3	Moody's	252,983
Corporate bonds	Aa1	Moody's	200,492
Corporate bonds	Aa3	Moody's	200,446
Mutual funds-debt	Unrated	Not Applicable	184,480
Corporate bonds	A3	Moody's	100,000
Money market mutual funds	Aaa-mf	Moody's	95,714
Municipal bonds	Aa2	Moody's	50,008
Corporate bonds	Aa2	Moody's	45,216
			\$ 175,376,177

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 an outside party’s possession. The County does not have a formal policy with respect to custodial credit risk.

Coconino County
Notes to Financial Statements
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Concentration of credit risk – The County Treasurer has a formal policy with respect to concentration of credit risk. The policy allows more than 5% of the portfolio from any one issuer, with the exception of a corporate issuer. Corporate bonds in total shall not exceed 20% of the entire portfolio and no one corporate issuer shall exceed 5% of the entire portfolio. The County had investments at June 30, 2016, of five percent or more in Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments were 15.68%, 25.06%, and 12.66%, respectively, of the County's total investments.

Interest rate risk – The County Treasurer has a formal policy with respect to interest rate risk, acknowledging that in a rising rate environment investments may have to be held to maturity rather than incur a loss of principle in a net trade situation. Diversification in the portfolio can be used to reduce the adverse effect of rising rates.

At June 30, 2016, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	99,884,543	2.672
Corporate bonds	33,392,223	1.709
Negotiable CDs	8,739,005	1.418
Commercial paper	15,659,257	0.304
Municipal bonds	14,492,164	3.069
Money market mutual funds	95,714	0.066
State Treasurer's investment pool #7	2,655,699	0.760
Mutual funds-debt	273,092	6.600
Mutual funds-debt	184,480	8.400
	<u>\$ 175,376,177</u>	

Coconino County
Notes to Financial Statements
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A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position follows:

Cash, deposits, and investments:

Cash on hand	\$ 121,644
Amount of deposits	40,311,383
Amount of investments	175,583,063
Total	<u>\$216,016,090</u>

Statement of Net Position:	<u>Governmental Activities</u>	<u>Investment Trust Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Cash and cash equivalents	\$ 90,311,693	\$ 122,298,508	\$ 1,706,374	\$214,316,575
Investments	602,590			602,590
Cash and investments held by trustee(s)	30,209		1,066,716	1,096,925
Total	<u>\$ 90,944,492</u>	<u>\$122,298,508</u>	<u>\$2,773,090</u>	<u>\$216,016,090</u>

NOTE 3 – RECEIVABLES

Due from other governments – Amounts due from other governments at June 30, 2016, include \$3,618,367 and \$1,810,476 in state-shared revenue from sales taxes and fuel taxes, respectively; \$259,053 from the State of Arizona for state vehicle license tax; \$2,679,725 in county sales tax; \$1,360,625 in grants from the federal government; \$695,905 in grants from various state agencies; and \$3,429 in reimbursements from the Arizona Department of Emergency Management. The remaining balance of \$1,733,814 is composed of miscellaneous receivables from federal, state, and local government.

Coconino County
Notes to Financial Statements
June 30, 2016

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

<u>Governmental activities</u>	<u>Balance July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Land	\$ 40,845,535	\$	\$	\$ 40,845,535
Construction in progress	<u>7,252,539</u>	<u>3,478,391</u>	<u>8,793,321</u>	<u>1,937,609</u>
Total capital assets not being depreciated	48,098,074	3,478,391	8,793,321	42,783,144
Capital assets being depreciated:				
Buildings and other improvements	89,774,434	1,617,956		91,392,390
Machinery and equipment	35,209,276	3,602,035	1,332,151	37,479,160
Infrastructure	<u>104,512,147</u>	<u>7,974,464</u>		<u>112,486,611</u>
Total	229,495,857	13,194,455	1,332,151	241,358,161
Less accumulated depreciation for:				
Buildings and other improvements	38,492,677	2,383,419		40,876,096
Machinery and equipment	30,077,735	1,362,603	1,312,410	30,127,928
Infrastructure	<u>58,806,049</u>	<u>3,102,004</u>		<u>61,908,053</u>
Total	127,376,461	6,848,026	1,312,410	132,912,077
Total capital assets being depreciated, net	<u>102,119,396</u>	<u>6,346,429</u>	<u>19,741</u>	<u>108,446,084</u>
Governmental activities capital assets, net	<u>\$ 150,217,470</u>	<u>\$ 9,824,820</u>	<u>\$ 8,813,062</u>	<u>\$ 151,229,228</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 881,999
Public safety	1,243,635
Highways and streets	3,250,837
Sanitation	199,827
Health	115,519
Welfare	57,784
Culture and recreation	728,575
Education	99,461
Internal service fund	<u>270,389</u>
Total governmental activities depreciation expense	<u>\$ 6,848,026</u>

Construction and Other Significant Commitments – The County had major contractual commitments related to various capital projects at June 30, 2016, for the repair and construction of a wastewater project and facilities upgrades. At June 30, 2016, the County had spent \$1,501,113 on these projects and had remaining contractual commitments with contractors totaling \$479,656. These projects are being financed by Flood Control property tax, highway user revenues, federal and state emergency management reimbursements, and state grants.

Coconino County
Notes to Financial Statements
June 30, 2016

NOTE 5 – LONG-TERM LIABILITIES

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2016:

<u>Governmental Activities</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2016</u>	<u>Due within 1 year</u>
Bonds payable:					
Special assessment bonds					
with governmental commitment	\$ 345,131	\$	\$ 85,131	\$ 260,000	\$ 89,000
Total bonds payable	<u>345,131</u>		<u>85,131</u>	<u>260,000</u>	<u>89,000</u>
Capital lease payable		90,011	22,244	67,767	29,869
Net pension liability (Note 9)	110,838,473	33,731,088	28,506,941	116,062,620	
Compensated absences payable	4,840,736	3,474,879	3,246,889	5,068,726	3,394,113
Claims and judgments payable	692,902	156,144	201,935	647,111	134,410
Future postemployment health benefit liability (Note 9)	<u>6,331,584</u>	<u>895,123</u>	<u>395,125</u>	<u>6,831,582</u>	
Total Governmental activities long-term liabilities	<u>\$ 123,048,826</u>	<u>\$ 38,347,245</u>	<u>\$ 32,458,265</u>	<u>\$ 128,937,806</u>	<u>\$ 3,647,392</u>

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. The special assessment districts pledged these assessments to repay the principal amount of \$795,000 in special assessment debt. Payment made by the assessed property owners are 100 percent pledged to pay the scheduled principal and interest payments on special assessment bonds. 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, 2016, future pledged revenues through final maturity at July 1, 2019 totaled \$286,850 consisting of \$260,000 for principal and \$26,850 for interest. Future principal and interest payments are expected to require 100 percent of pledged special assessment revenues. Principal and interest paid for the current year and total current year special assessment revenues were \$103,128 and \$57,851, respectively. While there is no legal obligation for the County to further secure the special assessment debt of the districts below, the County has made a moral commitment to take steps necessary to prevent default.

The following special assessment bonds were outstanding at June 30, 2016:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Special assessment bonds with governmental commitment	<u>\$ 795,000</u>	July 1, 2019	4.90-5.65%	<u>\$ 260,000</u>

Coconino County
Notes to Financial Statements
June 30, 2016

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2016:

Year Ending June 30	Governmental Activities	
	Special Assessment Bonds	
	Principal	Interest
2017	89,000	13,700
2018	94,000	9,039
2019	77,000	4,111
Total	\$ 260,000	\$ 26,850

Capital Lease – The County has acquired equipment under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for transfer of ownership by the end of the lease term.

The following assets were acquired through capital lease:

	Governmental activities
Machinery and equipment	70,762
Less: accumulated depreciation	17,691
Carrying value	53,071

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2016:

	Governmental activities
Year ending June 30	
2017	30,593
2018	30,593
2019	7,648
Total minimum lease payments	68,834
Less amount representing interest	1,067
Present value of net minimum lease payments	67,767

The present value of net minimum lease payments at June 30, 2016, of \$67,767 exceeds the total capital assets of \$53,071 because a portion of the assets acquired through the capital lease are for computer related equipment that is below the County's capitalization threshold.

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),

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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 2016, the County paid for compensated absences as follows: 53.10 percent from the General Fund, 32.06 percent from major funds, and 14.84 percent from other funds. The County paid for claims and judgments from the General Fund.

NOTE 6 – FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2016, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Parks and Open Spaces Tax Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Advances	\$ 1,001,783	\$	\$	\$	\$	\$	\$ 1,001,783
Inventories	326						326
Prepaid items	52,944	1,667	1,124	77,245		37,561	170,541
Total nonspendable	<u>1,055,053</u>	<u>1,667</u>	<u>1,124</u>	<u>77,245</u>		<u>37,561</u>	<u>1,172,650</u>
Restricted for:							
Debt Service						194,668	194,668
Highways and Streets		19,984,963				5,378,225	25,363,188
Jail and Sheriff			12,566,658			1,326,032	13,892,690
Culture and Recreation						638,155	638,155
Health				2,583,823			2,583,823
Capital Projects					13,570,121	3,706,815	17,276,936
Education						1,966,656	1,966,656
Sanitation						1,340,194	1,340,194
Welfare						140,642	140,642
Probation						1,523,355	1,523,355
Superior Court						482,372	482,372
Justice Courts						527,484	527,484
Public and Legal Defender						82,531	82,531
County Attorney						853,710	853,710
General Govt Services						896,975	896,975
Total restricted		<u>19,984,963</u>	<u>12,566,658</u>	<u>2,583,823</u>	<u>13,570,121</u>	<u>19,057,814</u>	<u>67,763,379</u>
Unassigned	<u>28,961,573</u>					<u>(1,238,800)</u>	<u>27,722,773</u>
Total fund balances	<u>\$30,016,626</u>	<u>\$19,986,630</u>	<u>\$12,567,782</u>	<u>\$ 2,661,068</u>	<u>\$13,570,121</u>	<u>\$17,856,575</u>	<u>\$96,658,802</u>

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NOTE 7 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2016, the following nonmajor governmental fund reported a deficit in fund balance.

Fund	Deficit
Governmental Funds:	
Emergency Services Grants	\$ 139,668
Flood Control District Fund	1,099,132
	\$ 1,238,800

The fund balance deficit for the Emergency Services Grants Fund resulted from operations during the year and is expected to be corrected during normal operations in fiscal year 2017. The Flood Control District expenditures exceeded revenue in FY16 in a planned effort to finalize flood control projects from recent major flooding incidents, including the Slide and Schultz Floods. In FY17 the Flood Control District will limit expenditures to project planning efforts for future fiscal year implementation. This will allow the annual Flood Control District property tax levy in the amount of \$ 2,490,852 to cover the deficit and build a fund balance for future use.

NOTE 8 – 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 others; 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 CopperPoint Mutual Insurance Company to meet Arizona statutory requirements on workers compensation coverage for its elected officials, employees, and volunteers. There is no deductible associated with this coverage and no loss limit per claim. The employer’s liability section of our workers’ compensation policy is insured with coverage limits at the \$1,000,000 level. There have been no claims against our employer’s liability to date.

The County also purchases coverage from insurers for property insurance, commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, automobile liability and physical damage, healthcare professional liability, cyber liability, environmental impairment liability, and non-owned aircraft liability. The County self-insures liability claims for the first \$125,000 with the exception of a few specialty lines noted here after. The County self- insures environmental liability claims for the first \$50,000 and healthcare professional liability for the first \$100,000. There is a \$25,000 deductible for cyber liability, and also a \$25,000

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deductible for automobile physical damage. A self-insurance retention fund has been established for these losses. There is no self-insured retention or deductible on our non-owned aircraft liability policy.

The County carries excess layers of liability with a combined limit of \$30,000,000 over our basic individual \$1,000,000 liability limits for commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, and automobile liability. We carry a separate \$5,000,000 on professional healthcare liability, \$2,000,000 on cyber liability, \$1,000,000 on environmental impairment liability, and \$5,000,000 on non- owned aircraft liability which are not included in our excess liability insurance coverage.

For real property and business personal property damage coverage the County has a \$25,000 deductible with blanket coverage up to the property values insured on a replacement cost basis on the special property form. This property insurance includes flood with a \$5,000,000 sublimit and a \$100,000 deductible for most properties. Two locations are listed with higher deductibles of \$250,000 and \$500,000 for flood insurance. Our property insurance also includes coverage for earthquake with a \$5,000,000 sublimit and a \$100,000 deductible. Crime coverage is carried at a limit of \$1,000,000 with a \$25,000 deductible. Settled claims have not exceeded commercial insurance coverage for any of the past three fiscal years.

NOTE 9 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The County contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2016, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liabilities	\$116,062,620
Deferred outflows of resources	26,733,586
Deferred inflows of resources	7,124,795
Pension expense	12,007,885

The County's accrued payroll and employee benefits includes \$52,643 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30,

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2016. Also, the County reported \$17,853,910 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan description – County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan, a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

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Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 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 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 percent for retirement, 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the ASRS. The County’s contributions to the pension plan for the year ended June 30, 2016, were \$4,071,019. The County’s contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30		
2016	\$ 187,605	\$ 45,025
2015	212,883	43,298
2014	214,717	85,887

During fiscal year 2016, the County paid for ASRS pension and OPEB contributions as follows: 54.9 percent from the General Fund, 32.0 percent from major funds, and 13.1 percent from other funds.

Pension liability – At June 30, 2016, the County reported a liability of \$61,051,275 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The County’s proportion of the net pension liability was based on the County’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The County’s proportion measured as of June 30, 2015, was 0.392 percent, which was a decrease of .005 from its proportion measured as of June 30, 2014.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2016, the County recognized pension expense for ASRS of \$2,691,574. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,665,957	\$ 3,199,148
Net difference between projected and actual earnings on pension plan investments		1,956,558
Changes in proportion and differences between county contributions and proportionate share of contributions	23,168	1,036,900
County contributions subsequent to the measurement date	4,071,019	
Total	\$ 5,760,144	\$ 6,192,606

The \$4,071,019 reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	\$(1,892,350)
2018	(2,556,816)
2019	(1,466,704)
2020	1,412,389

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

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The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS	Long-Term Expected	
Asset Class	Target Allocation	Arithmetic Real Rate of Return
Equity	58%	6.79%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.93%
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
County’s proportionate share of the net pension liability	\$ 79,998,035	\$ 61,051,275	\$ 48,066,537

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Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

Plan descriptions – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers (agent plans), and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for AOC officers (cost-sharing plans). The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

Benefits provided – The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 15 years, age 62	25 years, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years

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PSPRS

Initial membership date:
Before January 1, 2012 **On or after January 1, 2012**

Benefit percent

Normal Retirement

50% less 2.0% for each year of credited service less than 20 years
OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%

2.5% per year of credited service, not to exceed 80%

Accidental Disability Retirement

50% or normal retirement, whichever is greater

Catastrophic Disability Retirement

90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater

Ordinary Disability Retirement

Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20

Survivor Benefit

Retired Members

80% to 100% of retired member's pension benefit

Active Members

80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

CORP

Initial membership date:
Before January 1, 2012 **On or after January 1, 2012**

Retirement and Disability

Years of service and age required to receive benefit

Sum of years and age equals 80
20 years, any age
10 years, age 62

25 years, age 52.5
10 years, age 62

Final average salary is based on

Highest 36 consecutive months of last 10 years

Highest 60 consecutive months of last 10 years

Benefit percent

Normal Retirement

2.0% to 2.5% per year of credited service, not to exceed 80%

Accidental Disability Retirement

50% or normal retirement if more than 20 years of credited service

50% or normal retirement if more than 25 years of credited service

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Total and Permanent Disability Retirement 50% or normal retirement if more than 25 years of credited service

Ordinary Disability Retirement 2.5% per year of credited service

Survivor Benefit

Retired Members 80% of retired member's pension benefit

Active Members 40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees covered by benefit terms – At June 30, 2016, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	52	9
Inactive employees entitled to but not yet receiving benefits	13	54
Active employees	54	93
Total	119	156

Contributions and annual OPEB cost – State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2016, are indicated below. Rates are a percentage of active members' annual covered payroll.

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	PSPRS Sheriff	CORP Detention	CORP AOC
Active members—Pension	11.65%	8.41%	8.41%
County			
Pension	75.15%	10.20%	19.10%
Health insurance premium benefit	0.72%	0.22%	0.85%

In addition, the County was required by statute to contribute at the actuarially determined rate of 28.62 percent for the PSPRS of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the County's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2016, were:

	PSPRS Sheriff	CORP Detention
Pension		
Contributions made	\$12,403,682	\$378,425
Health Insurance Premium Benefit		
Annual OPEB cost	23,029	8,162
Contributions made	23,029	8,162

PSPRS Contributions include a voluntary \$10 million excess contribution to reduce the unfunded liability.

Contributions to the CORP AOC pension plan for the year ended June 30, 2016, were \$642,596. The County's contributions for the current and 2 preceding years for the CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

CORP AOC	Health Insurance Fund
Year ended June 30	
2016	\$ 28,597
2015	43,781
2014	39,346

During fiscal year 2016, the County paid for PSPRS, CORP, and CORP AOC pension and OPEB contributions as follows: 93.0 percent from the General Fund, 3.0 percent from major funds, and 4.0 percent from other funds.

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Pension liability – At June 30, 2016, the County reported the following net pension liabilities:

	Net Pension Liability
PSPRS Sheriff	\$30,388,556
CORP Detention	2,448,767
CORP AOC (County's proportionate share)	7,590,997

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent. The change in the County's net pension liability as a result of the statutory adjustments is not known.

Pension actuarial assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP – Pension

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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PSPRS and CORP		Long-Term Expected Geometric Real Rate of Return
Asset Class	Target Allocation	
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	<u>16%</u>	6.23%
Total	<u>100%</u>	

Pension discount rates – The discount rate used to measure the PSPRS and CORP total pension liabilities was 7.85 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability

PSPRS Sheriff	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2015	<u>39,892,490</u>	<u>9,933,371</u>	<u>29,959,119</u>
Changes for the year:			
Service cost	542,285		542,285
Interest on the total pension liability	3,045,276		3,045,276
Differences between expected and actual experience in the measurement of the pension liability	(519,453)		(519,453)
Contributions—employer		1,798,480	(1,798,480)
Contributions—employee		451,605	(451,605)
Net investment income		360,105	(360,105)
Benefit payments, including refunds of employee contributions	(2,740,615)	(2,740,615)	
Administrative expense		(9,163)	9,163
Other changes		37,644	(37,644)
Net changes	<u>327,493</u>	<u>(101,944)</u>	<u>429,437</u>
Balances at June 30, 2016	<u><u>40,219,983</u></u>	<u><u>9,831,427</u></u>	<u><u>30,388,556</u></u>

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CORP Detention	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a) – (b)
Balances at June 30, 2015	8,748,409	6,557,432	2,190,977
Changes for the year:			
Service cost	486,259		486,259
Interest on the total pension liability	694,602		694,602
Differences between expected and actual experience in the measurement of the pension liability	(79,768)		(79,768)
Contributions—employer		296,134	(296,134)
Contributions—employee		312,482	(312,482)
Net investment income		246,544	(246,544)
Benefit payments, including refunds of employee contributions	(286,223)	(286,223)	
Administrative expense		(6,468)	6,468
Other changes		(5,389)	5,389
Net changes	814,870	557,080	257,790
Balances at June 30, 2016	9,563,279	7,114,512	2,448,767

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015 was 3.122 percent, which was a decrease of 0.113 from its proportion measured as of June 30, 2014.

Sensitivity of the County's net pension liability to changes in the discount rate – The following table presents the County's net pension liabilities calculated using the current discount rate of 7.85 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.85 percent) or 1 percentage point higher (8.85 percent) than the current rate:

	1% Decrease (6.85%)	Current discount rate (7.85%)	1% Increase (8.85%)
PSPRS Sheriff			
Net pension liability	\$ 35,017,500	\$ 30,388,556	\$ 26,521,869
CORP Detention			
Net pension liability	\$ 3,870,626	\$ 2,448,767	\$ 1,291,735
CORP AOC			
County's proportionate share of the net pension liability	\$ 9,925,269	\$ 7,590,997	\$ 5,648,285

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Pension plan fiduciary net position – Detailed information about the pension plans’ fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

Pension expense – For the year ended June 30, 2016, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$3,452,274
CORP Detention	432,365
CORP AOC (County's proportionate share)	979,848

Pension deferred outflows/inflows of resources – At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,611	\$ 406,194
Changes in assumptions or other inputs	3,069,204	
Net difference between projected and actual earnings on pension plan investments	8,099	
County contributions subsequent to the measurement date	12,403,682	
Total	\$ 15,503,596	\$ 406,194

Coconino County
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CORP Detention	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,159	\$ 65,025
Changes in assumptions or other inputs	285,928	
Net difference between projected and actual earnings on pension plan investments	28,035	
County contributions subsequent to the measurement date	378,425	
Total	\$ 771,547	\$ 65,025

CORP AOC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 259,959	\$ 42,845
Changes in assumptions or other inputs	804,601	
Net difference between projected and actual earnings on pension plan investments	41,737	
Changes in proportion and differences between county contributions and proportionate share of contributions		177,380
County contributions subsequent to the measurement date	642,596	
Total	\$ 1,748,893	\$ 220,225

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. County contributions for PSPRS include a voluntary \$10 million excess payment to reduce the unfunded liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ending June 30	PSPRS	CORP	
	Sheriff	Detention	CORP AOC
2017	\$ 1,085,653	\$ 79,849	\$ 233,203
2018	1,085,653	79,849	233,203
2019	508,527	79,848	233,203
2020	13,888	94,603	205,148
2021		(6,053)	(18,685)

Agent plan OPEB actuarial assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status 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 for the health insurance premium benefit 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 the County and plans' members understand them 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 designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2016 contribution requirements:

PSPRS and CORP – OPEB Contribution Requirements

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

Coconino County
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Agent plan OPEB trend information – Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Sheriff			
2016	\$ 23,029	100%	\$ 0
2015	68,725	100%	0
2014	68,144	100%	0
CORP Detention			
2016	8,162	100%	\$ 0
2015	31,500	100%	0
2014	30,825	100%	0

Agent plan OPEB funded status – The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2016, along with the actuarial assumptions and methods used in those valuations follow.

	PSPRS Sheriff	CORP Detention
Actuarial value of assets (a)	\$ 647,863	\$ 468,299
Actuarial accrued liability (b)	834,307	424,012
Unfunded actuarial accrued liability (funding excess) (b) – (a)	186,444	(44,287)
Funded ratio (a)/(b)	77.7%	110.4%
Annual covered payroll (c)	\$ 2,845,463	\$ 3,421,091
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) – (a) / (c)	6.6%	(1.3)%

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The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS and CORP – OPEB Funded Status

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

C. Elected Officials Retirement Plan

Plan description – Elected officials and judges participate in the Elected Officials Retirement Plan (EORP). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS’s website at www.psprs.com.

Benefits provided – The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years

Coconino County
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EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

*With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2016, statute required active EORP members to contribute 13 percent of the members' annual covered payroll and the County to contribute 23.5 percent of active EORP members' annual covered payroll. The County's contributions to the pension plan for the year ended June 30, 2016, were \$394,136. No OPEB contributions were required or made for the years ended June 30, 2015 and 2016. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

EORP	Health Insurance Fund
Year ended June 30	
2016	\$
2015	
2014	27,154

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During fiscal year 2016, the County paid for EORP pension contributions as follows: 96.4 percent from the General Fund and 3.6 percent from major funds.

Pension liability – At June 30, 2016, the County reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$14,583,025
State’s proportionate share of the EORP net pension liability associated with the County	4,546,380
Total	<u>\$19,129,405</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County’s proportion of the net pension liability was based on the County’s actual contributions to the plan relative to the total of all participating employers’ actual contributions for the year ended June 30, 2015. The County’s proportion measured as of June 30, 2015 was 1.866 percent, which was a decrease of 0.026 from its proportion measured as of June 30, 2014.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2016, the County recognized pension expense for EORP of \$4,451,824 and revenue of \$1,223,264 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Coconino County
Notes to Financial Statements
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EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,319	\$ 162,362
Changes in assumptions or other inputs	2,443,505	
Net difference between projected and actual earnings on pension plan investments	88,446	
Changes in proportion and differences between county contributions and proportionate share of contributions		78,383
County contributions subsequent to the measurement date	394,136	
Total	\$ 2,949,406	\$ 240,745

The \$394,136 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	1,960,440
2018	280,206
2019	7,283
2020	66,596

Actuarial assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Coconino County
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Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP	Target	Long-Term Expected
Asset Class	Allocation	Geometric Real Rate
	of Return	
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	<u>16%</u>	6.23%
Total	<u>100%</u>	

Discount rate – At June 30, 2015, the discount rate used to measure the EORP total pension liability was 4.86 percent, which was a decrease of 0.81 from the discount rate used as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 2028. A municipal bond rate of 3.80 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 25, 2015, was applied to periods of projected benefit payments after June 30, 2028.

Coconino County
Notes to Financial Statements
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Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 4.86 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.86 percent) or 1 percentage point higher (5.86 percent) than the current rate:

EORP	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
County’s proportionate share of the net pension liability	\$ 16,976,480	\$ 14,583,025	\$12,570,254

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.

Also, the County reported \$17,853,910 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

D. 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). NAPEBT administers a cost-sharing multiple employer postemployment healthcare benefit plan; however, it is reported as an agent-multiple employer plan for financial reporting purposes as the plan assets are not dedicated solely to providing benefits to retirees and their beneficiaries. 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 at www.napebt.com. Although Coconino County does not explicitly pay a portion of the retirees’ 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.

Coconino County
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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 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Change in Net OPEB Obligation
6/30/2016	\$ 895,123	\$ 395,125	44.14%	\$ 499,998
6/30/2015	996,848	93,243	9.35%	903,605
6/30/2014	949,983	133,882	14.09%	816,101

Components of Annual OPEB Costs and Net OPEB Obligation – The annual components of OPEB cost and net OPEB obligation as of June 30, 2016, were as follows:

Annual required contribution (ARC)	Interest on existing net OPEB obligation	ARC adjustment	Increase in OPEB obligation	Net OPEB obligation
\$ 998,908	\$ 284,921	\$ (388,706)	\$ 499,998	\$ 6,831,582

Funding Status and Funding Progress – The latest actuarial valuation done was as of July 1, 2015. The funded status of the plan as of June 30, 2016, 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) Covered payroll	(6) Unfunded AAL as a percentage of covered payroll (4) / (5)
7/1/2015	\$	\$ 8,119,959	0.00%	\$ 8,119,959	\$ 49,643,004	16.36%

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 the County and plan’s members understand it 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 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:

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Valuation Date	July 1, 2015
Actuarial cost method	Entry Age, Level Dollar
Amortization method	30-Year Amortization, level dollar, Open
Remaining amortization period	30 years
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	Based on the assumptions for the ASRS Defined Benefit valuation as of June 30, 2014
Active members	909
Retirees, beneficiaries, and dependents	75
Asset Valuation method	N/A. No assets in an OPEB trust
Inflation rate	N/A
Projected salary increase	N/A
Post-retirement benefits increase	N/A
Healthcare cost trend rate	7.00% graded down to ultimate rate of 5.00% over 8 years

NOTE 10 – INTERFUND BALANCES AND ACTIVITY

Interfund Receivables and Payables – Interfund balances at June 30, 2016, were as follows:

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.

	Payable to						Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	
Payable from							
General Fund	\$	\$ 12,368	\$ 78,787	\$ 133,452	\$ 1,146,521	\$105,924	\$1,477,052
Public Works/HURF Fund	62,478				129,394	154,305	346,177
Jail District Fund	265,277				77,079	3,311	345,667
Public Health Services District Fund	133,619				8,000	10,090	151,709
Nonmajor Governmental Funds	1,166,975	164,827		963	727,258	70,253	2,130,276
Internal Service Fund	774						774
Total	\$1,629,123	\$ 177,195	\$ 78,787	\$ 134,415	\$ 2,088,252	\$ 343,883	\$ 4,451,655

Coconino County
Notes to Financial Statements
June 30, 2016

Interfund Transfers – Interfund transfers for the year ended June 30, 2016, were as follows:

	Transfer to						Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	
Transfer from							
General Fund	\$	\$ 20,000	\$2,587,635	\$ 4,909,041	\$1,857,288	\$	\$ 9,373,964
Public Works/HURF Fund		49,791			129,044		178,835
Jail District Fund		10,634,769			203,420		10,838,189
Public Health Services District Fund		49,885					49,885
Nonmajor Governmental Funds		478,939	752,160		1,034,242	60,575	2,325,916
Total	\$11,213,384	\$ 772,160	\$ 2,587,635	\$ 4,909,041	\$ 3,223,994	\$60,575	\$22,766,789

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

Advances From/To Other Funds

The General Fund has advanced \$1,783 to Oakwood Pines County Road Improvement Districts to cover debt service payments and \$1 million to the Flood Control District to provide cash to cover expenditures made for the catastrophic flooding.

The \$1 million advance to the Flood Control District is expected to be paid back in fiscal years 2017 through 2019.

Advances To	Advances from General Fund
Oakwood Pines	\$ 1,783
Flood Control District	1,000,000
Total Advances From	\$ 1,001,783

NOTE 11 – 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’s 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

Coconino County
Notes to Financial Statements
June 30, 2016

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.

The deposits and investments the County holds are included in the County Treasurer's investment pool, except for \$3,300,441 of deposits, \$457,572 of investments in mutual funds-debt, \$2,655,699 in the State Treasurer's Investment Pool #7, and \$206,886 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 2 for the disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
U.S. agency securities	\$ 99,688,206	0-1.750%	07/15/2016-05/17/2021	\$ 99,884,543
Corporate bonds	33,569,258	1.000-3.350%	07/05/2016-09/14/2020	33,392,223
Negotiable CDs	8,682,103	0.650-2.650%	07/28/2016-08/12/2020	8,739,005
Commercial paper	15,659,257	0.610-1.700%	08/01/2016-04/21/2017	15,659,257
Municipal bonds	14,324,406	0.600-4.276%	07/01/2016-11/01/2020	14,492,164
Money market mutual funds	95,714	0.191%	less than 1 year	95,714

A condensed statement of the investment pool's net position and changes in net position follows:

Statement of Net Position

Assets	\$ 209,700,249
Net position	<u>\$ 209,700,249</u>

Net position held in trust for:

Internal participants	\$ 89,665,783
External participants	120,034,466
Total net position held in trust	<u>\$ 209,700,249</u>

Statement of Changes in Net Position

Total additions	\$ 371,508,422
Total deletions	357,869,289
Net increase	13,639,133
Net position held in trust	
July 1, 2015	196,061,116
June 30, 2016	<u>\$ 209,700,249</u>

Coconino County
Notes to Financial Statements
June 30, 2016

NOTE 12 – MAINTENANCE OF EFFORT

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 payment for fiscal year 2016 was \$2,587,635. 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 2016 was \$4,780,393.

REQUIRED SUPPLEMENTARY INFORMATION

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 9,517,093	\$ 9,517,093	\$ 9,498,577	\$ (18,516)
County sales taxes	13,414,100	13,414,100	14,360,222	946,122
Licenses and permits	1,062,928	1,062,928	1,135,405	72,477
Fees, fines, and forfeits	1,121,150	1,121,150	1,351,348	230,198
Intergovernmental	26,315,683	27,338,564	28,885,641	1,547,077
Charges for services	1,702,341	1,702,341	2,142,798	440,457
Investment earnings	121,400	121,400	298,660	177,260
Contributions	206,000	206,000	245,964	39,964
Miscellaneous	106,315	106,315	188,357	82,042
Total revenues	<u>53,567,010</u>	<u>54,589,891</u>	<u>58,106,972</u>	<u>3,517,081</u>
Expenditures:				
General government				
Assessor	2,006,550	2,087,608	1,754,467	333,141
Board of Supervisors	1,237,003	1,245,383	1,324,346	(78,963)
Clerk of the Superior Court	1,196,098	1,196,098	1,174,061	22,037
Community Development	2,125,174	2,133,225	1,641,559	491,666
Community Initiatives	206,935	222,744	131,484	91,260
County Attorney	3,613,523	3,576,707	3,239,696	337,011
County Manager	1,332,152	1,327,052	1,226,936	100,116
Facilities	4,142,644	4,208,850	3,115,762	1,093,088
Finance/Budget	1,442,215	1,440,175	1,222,666	217,509
Flagstaff Justice Court	1,200,980	1,200,980	1,185,461	15,519
Fredonia Justice Court	192,427	192,427	187,935	4,492
Human Resources	1,301,440	1,308,324	1,081,851	226,473
Information Technology	2,256,879	2,265,971	1,485,562	780,409
Legal Defender	1,029,042	1,026,322	1,033,304	(6,982)
Non-departmental	20,074,091	7,309,799	1,039,654	6,270,145
Page Justice Court	369,081	369,081	376,272	(7,191)
Public Defender	2,298,973	2,289,367	2,207,186	82,181
Recorder	1,827,188	2,327,188	1,722,559	604,629
Superior Courts	3,173,505	3,263,998	3,096,786	167,212
Treasurer	622,281	622,281	449,083	173,198
Williams Justice Court	362,499	418,486	416,817	1,669
Total general government	<u>52,010,680</u>	<u>40,032,066</u>	<u>29,113,447</u>	<u>10,918,619</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

(continued)

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	1,574,886	1,574,646	1,569,889	4,757
Constable	96,237	96,237	93,782	2,455
Juvenile Probation	3,035,749	3,035,749	2,813,145	222,604
Sheriff	9,829,493	20,832,865	20,468,907	363,958
Total public safety	<u>14,536,365</u>	<u>25,539,497</u>	<u>24,945,723</u>	<u>593,774</u>
Highways and streets				
Information Technology	535,828	535,828	451,477	84,351
Health				
Information Technology	26,471	26,471	28,619	(2,148)
Welfare				
Community Services	1,029,327	1,028,527	1,179,379	(150,852)
Culture and recreation				
Parks and Recreation	1,639,911	1,638,078	1,489,745	148,333
Education				
School Superintendent	467,217	467,217	458,272	8,945
Total expenditures	<u>70,245,799</u>	<u>69,267,684</u>	<u>57,666,662</u>	<u>11,601,022</u>
Excess (deficiency) of revenues over expenditures	(16,678,789)	(14,677,793)	440,310	15,118,103
Other financing sources (uses):				
Capital lease agreement			90,011	90,011
Sale of capital assets			3,300	3,300
Transfers in	1,206,594	11,206,594	11,213,384	6,790
Transfers out	(9,807,050)	(9,715,028)	(9,373,964)	341,064
Total other financing sources (uses)	<u>(8,600,456)</u>	<u>1,491,566</u>	<u>1,932,731</u>	<u>441,165</u>
Net change in fund balances	(25,279,245)	(13,186,227)	2,373,041	15,559,268
Fund balance, July 1, 2015	25,279,245	25,279,245	27,643,585	2,364,340
Fund balance, June 30, 2016	<u><u>25,279,245</u></u>	<u><u>\$ 12,093,018</u></u>	<u><u>\$ 30,016,626</u></u>	<u><u>\$ 17,923,608</u></u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
County sales taxes	\$ 7,839,498	\$ 7,839,498	\$ 8,426,665	587,167
Licenses and permits	28,100	28,100	25,974	(2,126)
Intergovernmental	11,249,165	11,249,165	11,732,298	483,133
Charges for services			6,592	6,592
Investment earnings	50,000	50,000	278,249	228,249
Miscellaneous			2,425	2,425
Total revenues	<u>19,166,763</u>	<u>19,166,763</u>	<u>20,472,203</u>	<u>1,305,440</u>
Expenditures:				
Highways and streets				
Public Works	<u>26,121,694</u>	<u>28,681,464</u>	<u>22,422,188</u>	<u>6,259,276</u>
Total expenditures	<u>26,121,694</u>	<u>28,681,464</u>	<u>22,422,188</u>	<u>6,259,276</u>
Excess (deficiency) of revenues over expenditures	(6,954,931)	(9,514,701)	(1,949,985)	7,564,716
Other financing sources (uses):				
Sale of capital assets	150,000	150,000	352,249	202,249
Transfers in	760,000	780,000	772,160	(7,840)
Transfers out	<u>(221,091)</u>	<u>(221,091)</u>	<u>(178,835)</u>	<u>42,256</u>
Total other financing sources (uses)	<u>688,909</u>	<u>708,909</u>	<u>945,574</u>	<u>236,665</u>
Net change in fund balances	(6,266,022)	(8,805,792)	(1,004,411)	7,801,381
Fund balance, July 1, 2015	<u>16,715,253</u>	<u>16,715,253</u>	<u>20,991,041</u>	<u>4,275,788</u>
Fund balance, June 30, 2016	<u>\$ 10,449,231</u>	<u>\$ 7,909,461</u>	<u>\$ 19,986,630</u>	<u>\$ 12,077,169</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 13,274,100	\$ 13,274,100	\$ 14,127,110	\$ 853,010
Intergovernmental	12,000	169,254	190,258	21,004
Charges for services	1,407,483	1,407,483	527,292	(880,191)
Investment earnings	193,057	193,057	219,294	26,237
Contributions		14,000	14,000	
Miscellaneous			39	39
Total revenues	<u>14,886,640</u>	<u>15,057,894</u>	<u>15,077,993</u>	<u>20,099</u>
Expenditures:				
Public safety				
Sheriff	<u>19,454,964</u>	<u>19,879,697</u>	<u>13,863,593</u>	<u>6,016,104</u>
Total expenditures	<u>19,454,964</u>	<u>19,879,697</u>	<u>13,863,593</u>	<u>6,016,104</u>
Excess (deficiency) of revenues over expenditures	(4,568,324)	(4,821,803)	1,214,400	6,036,203
Other financing sources (uses):				
Transfers in	2,595,929	2,595,929	2,587,635	(8,294)
Transfers out	<u>(855,149)</u>	<u>(10,856,657)</u>	<u>(10,838,189)</u>	<u>18,468</u>
Total other financing sources (uses)	<u>1,740,780</u>	<u>(8,260,728)</u>	<u>(8,250,554)</u>	<u>10,174</u>
Net change in fund balances	(2,827,544)	(13,082,531)	(7,036,154)	6,046,377
Fund balance, July 1, 2015	18,277,784	18,277,784	19,603,936	1,326,152
Fund balance, June 30, 2016	<u>\$ 15,450,240</u>	<u>\$ 5,195,253</u>	<u>\$ 12,567,782</u>	<u>\$ 7,372,529</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
 Required Supplementary Information
 Budgetary Comparison Schedule
 Public Health Services District Fund
 Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 3,850,071	\$ 3,850,071	\$ 3,839,304	\$ (10,767)
County sales taxes			5,897	5,897
Licenses and permits	561,253	561,253	555,200	(6,053)
Intergovernmental	4,354,957	4,756,297	4,224,237	(532,060)
Charges for services	546,171	546,171	621,834	75,663
Investment earnings	6,034	6,034	23,678	17,644
Contributions	23,000	23,000	111,401	88,401
Miscellaneous	27,833	66,691		(66,691)
Total revenues	<u>9,369,319</u>	<u>9,809,517</u>	<u>9,381,551</u>	<u>(427,966)</u>
Expenditures:				
Public safety				
Medical Examiner	706,409	706,409	737,683	(31,274)
Health				
Health Department	13,306,130	13,823,603	12,694,622	1,128,981
Welfare				
Community Services	142,731	142,731	142,422	309
Total expenditures	<u>14,155,270</u>	<u>14,672,743</u>	<u>13,574,727</u>	<u>1,098,016</u>
Excess (deficiency) of revenues over expenditures	(4,785,951)	(4,863,226)	(4,193,176)	670,050
Other financing sources (uses):				
Sale of capital assets			4,551	4,551
Transfers in	4,914,244	4,910,444	4,909,041	(1,403)
Transfers out	(137,022)	(145,775)	(49,885)	95,890
Total other financing sources (uses)	<u>4,777,222</u>	<u>4,764,669</u>	<u>4,863,707</u>	<u>99,038</u>
Net change in fund balances	(8,729)	(98,557)	670,531	769,088
Fund balance, July 1, 2015	1,586,580	1,586,580	1,990,537	403,957
Fund balance, June 30, 2016	<u>\$ 1,577,851</u>	<u>\$ 1,488,023</u>	<u>\$ 2,661,068</u>	<u>\$ 1,173,045</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
 Required Supplementary Information
 Notes to Budgetary Comparison Schedules
 June 30, 2016

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

A.R.S. requires 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, 2016, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Community Services	\$150,543
Board of Supervisors	78,963
Page Justice Court	7,191
Legal Defender	6,982
Public Health Services District Fund	
Medical Examiner	31,274

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
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2016

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
County's proportion of the net pension liability	0.39%	0.40%	Information not available
County's proportionate share of the net pension liability	\$ 61,051,275	\$ 58,741,596	Information not available
County's covered payroll	\$ 36,081,751	\$ 35,786,206	
County's proportionate share of the net pension liability as a percentage of its covered payroll	169.20%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%	

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
County's proportion of the net pension liability	3.12%	3.24%	Information not available
County's proportionate share of the net pension liability	\$ 7,590,997	\$ 7,259,716	Information not available
County's covered payroll	\$ 3,530,713	\$ 3,481,917	
County's proportionate share of the net pension liability as a percentage of its covered payroll	215.00%	208.50%	
Plan fiduciary net position as a percentage of the total pension liability	57.89%	58.59%	

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
County's proportion of the net pension liability	1.87%	1.89%	Information not available
County's proportionate share of the net pension liability	\$ 14,583,025	\$ 12,687,065	Information not available
State's proportionate share of the net pension liability associated with the County	4,546,380	3,889,972	
Total	\$ 19,129,405	\$ 16,577,037	
County's covered payroll	\$ 1,695,740	\$ 1,740,635	
County's proportionate share of the net pension liability as a percentage of its covered payroll	859.98%	728.88%	
Plan fiduciary net position as a percentage of the total pension liability	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2016

Public Safety Personnel Retirement System - Sheriff	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 542,285	\$ 526,940	
Interest on the total pension liability	3,045,276	2,499,646	
Changes of benefit terms	-	1,149,553	
Differences between expected and actual experience in the measurement of the pension liability	(519,453)	40,499	
Changes of assumptions or other inputs	-	5,497,276	
Benefit payments, including refunds of employee contributions	(2,740,615)	(2,801,153)	
Net change in total pension liability	327,493	6,912,761	
Total pension liability—beginning	39,892,490	32,979,729	
Total pension liability—ending (a)	<u>\$ 40,219,983</u>	<u>\$ 39,892,490</u>	
Plan fiduciary net position			
Contributions—employer	\$ 1,798,480	\$ 1,717,418	
Contributions—employee	451,605	342,096	
Net investment income	360,105	1,251,743	
Benefit payments, including refunds of employee contributions	(2,740,615)	(2,801,153)	
Administrative expense	(9,163)	(10,081)	
Other changes	37,644	24,720	
Net change in plan fiduciary net position	(101,944)	524,743	
Plan fiduciary net position—beginning	9,933,371	9,408,628	
Plan fiduciary net position—ending (b)	<u>\$ 9,831,427</u>	<u>\$ 9,933,371</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 30,388,556</u>	<u>\$ 29,959,119</u>	
Plan fiduciary net position as a percentage of the total pension liability	24.44%	24.90%	
Covered payroll	\$ 3,241,732	\$ 3,069,559	
County's net pension liability as a percentage of covered payroll	937.42%	976.01%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2016

Correction Officers Retirement Plan - Detention	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 486,259	\$ 536,007	
Interest on the total pension liability	694,602	588,300	
Changes of benefit terms	-	43,775	
Differences between expected and actual experience in the measurement of the pension liability	(79,768)	124,233	
Changes of assumptions or other inputs	-	448,734	
Benefit payments, including refunds of employee contributions	(286,223)	(437,813)	
Net change in total pension liability	814,870	1,303,236	
Total pension liability—beginning	8,748,409	7,445,173	
Total pension liability—ending (a)	<u>\$ 9,563,279</u>	<u>\$ 8,748,409</u>	
Plan fiduciary net position			
Contributions—employer	\$ 296,134	\$ 313,756	
Contributions—employee	312,482	320,700	
Net investment income	246,544	788,339	
Benefit payments, including refunds of employee contributions	(286,223)	(437,813)	
Administrative expense	(6,468)	(6,198)	
Other changes	(5,389)	(67,789)	
Net change in plan fiduciary net position	557,080	910,995	
Plan fiduciary net position—beginning	6,557,432	5,646,437	
Plan fiduciary net position—ending (b)	<u>\$ 7,114,512</u>	<u>\$ 6,557,432</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 2,448,767</u>	<u>\$ 2,190,977</u>	
Plan fiduciary net position as a percentage of the total pension liability	74.39%	74.96%	
Covered payroll	\$ 3,705,907	\$ 3,669,661	
County's net pension liability as a percentage of covered payroll	66.08%	59.71%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2016

Arizona State Retirement System

	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 4,071,019	\$ 3,929,303	\$ 3,829,124	Information not available
County's contributions in relation to the statutorily required contribution	4,071,019	3,929,303	3,829,124	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 37,520,908	\$36,081,751	\$35,786,206	
County's contributions as a percentage of covered payroll	10.85%	10.89%	10.70%	

**Correction Officer Retirement Plan -
Administrative Office of the Courts**

	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 642,596	\$ 525,370	\$ 503,137	Information not available
County's contributions in relation to the statutorily required contribution	642,596	525,370	503,137	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 3,364,379	\$ 3,530,713	\$ 3,481,917	
County's contributions as a percentage of covered payroll	19.10%	14.88%	14.45%	

Elected Officials Retirement Plan

	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 394,136	\$ 398,499	\$ 403,131	Information not available
County's contributions in relation to the statutorily required contribution	394,136	398,499	403,131	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 1,677,173	\$ 1,695,740	\$ 1,740,635	
County's contributions as a percentage of covered payroll	23.50%	23.50%	23.16%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Schedule of County Pension Contributions
 June 30, 2016

Public Safety Personnel Retirement System - Sheriff	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Actuarially determined contribution	\$ 2,403,682	\$ 1,819,260	\$ 1,717,418	Information not available
County's contributions in relation to the actuarially determined contribution	12,403,682	1,819,260	1,717,418	
County's contribution deficiency (excess)	<u>\$ (10,000,000)</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 3,198,513	\$ 3,241,732	\$ 3,069,559	
County's contributions as a percentage of covered payroll	387.80%	56.12%	55.95%	

Correction Officer Retirement Plan - Detention	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Actuarially determined contribution	\$ 378,425	\$ 295,361	\$ 313,756	Information not available
County's contributions in relation to the actuarially determined contribution	378,425	295,361	313,756	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 3,710,052	\$ 3,705,907	\$ 3,669,661	
County's contributions as a percentage of covered payroll	10.20%	7.97%	8.55%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 June 30, 2016

Note 1 – Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2014 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 - Factors That Affect Trends

In fiscal year 2016, the County made a \$10 million excess payment to reduce the PSPRS unfunded liability which significantly affected the trends in the amounts reported. Had the County only made the actuarially determined contribution, the County’s contribution as a percentage of covered payroll would have been 75.15% for the 2016 fiscal year.

Coconino County
 Required Supplementary Information
 Schedule of Agent Retirement Plans' and Coconino County
 Postemployment Healthcare Plan's Funding Progress
 June 30, 2016

Health Insurance Premium Benefit

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
PSPRS Sheriff						
6/30/2016	\$647,863	\$ 834,307	\$ 186,444	77.65%	\$ 2,845,463	6.55%
6/30/2015	633,475	798,157	164,682	79.37%	3,122,030	5.27%
6/30/2014	587,700	776,530	188,830	75.68%	2,950,184	6.40%
CORP Detention						
6/30/2016	\$468,299	\$ 424,012	\$ (44,287)	110.44%	\$ 3,421,091	(1.29)%
6/30/2015	444,438	402,809	(41,629)	110.33%	3,670,869	(1.13)%
6/30/2014	400,984	366,967	(34,017)	109.27%	3,488,706	(0.98)%
Coconino County Postemployment Healthcare Plan						
7/1/2015		\$ 8,119,959	\$8,119,959	0.00%	\$ 49,643,004	16.36%
7/1/2013		8,472,061	8,472,061	0.00%	49,547,980	17.10%
7/1/2011		9,911,098	9,911,098	0.00%	48,579,979	20.40%

See accompanying notes to schedule of agent OPEB plans' funding progress.

Coconino County
Required Supplementary Information
Notes to Schedule of Agent Retirement Plans' and Coconino County
Postemployment Healthcare Plan's Funding Progress
June 30, 2016

Note 1 – Actuarial Information Available

New actuarial measurements are required by GASB 45 to be made biennially for the Coconino County Postemployment Healthcare Plan. The County used the most recent actuarial valuation, since the full actuarial valuation as of July 1, 2016 was not available.

Note 2 – Factors That Affect the Identification of Trends

Beginning in fiscal year 2014, PSPRS and CORP established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS**

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Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2016

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. 25-381.

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.

Flood Control District Fund – accounts for flood control services that are funded by a \$0.4000 per \$100 of assessed valuation property tax.

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.

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

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2016

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, 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

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.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2016

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.

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

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	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	\$ 743,696	\$ 8,105	\$	\$ 349,572
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	3,607			
Special assessments				
Accrued interest	1,529			675
Advances to other funds				
Due from:				
Other funds	105,336		16,308	2,596
Other governments	34,580		118,307	
Prepaid items	229			
Total assets	<u>\$ 888,977</u>	<u>\$ 8,105</u>	<u>\$ 134,615</u>	<u>\$ 352,843</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 62,942	\$ 55	\$ 20,986	\$ 3,021
Accrued payroll and employee benefits	89,812		29,908	
Advances from other funds				
Due to:				
Other funds	2,968		77,111	
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities	<u>155,722</u>	<u>55</u>	<u>128,005</u>	<u>3,021</u>
Deferred Inflows of Resources				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable	229			
Restricted	733,026	8,050	6,610	349,822
Unassigned				
Total fund balances	<u>733,255</u>	<u>8,050</u>	<u>6,610</u>	<u>349,822</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 888,977</u>	<u>\$ 8,105</u>	<u>\$ 134,615</u>	<u>\$ 352,843</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Assets				
Cash and cash equivalents	\$	\$ 39,481	\$ 338,162	\$ 1,353,220
Investments			457,572	
Cash and investments held by trustee			30,209	
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	13,727		7,809	105,421
Special assessments				
Accrued interest	480	74	744	2,545
Advances to other funds				
Due from:				
Other funds	690,882		225,970	480
Other governments	92,123	5,705	44,220	15,213
Prepaid items				
Total assets	<u>\$ 797,212</u>	<u>\$ 45,260</u>	<u>\$ 1,104,686</u>	<u>\$ 1,476,879</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 32,198	\$ 788	\$ 27,120	\$ 74,800
Accrued payroll and employee benefits	28,033	1,307	14,189	19,116
Advances from other funds				
Due to:				
Other funds	590,977		209,667	7,132
Other governments				
Deposits held for others	11,972			20,440
Unearned revenue				
Total liabilities	<u>663,180</u>	<u>2,095</u>	<u>250,976</u>	<u>121,488</u>
Deferred Inflows of Resources				
Unavailable revenue				15,213
Total deferred inflows of resources				<u>15,213</u>
Fund balances:				
Nonspendable				
Restricted	134,032	43,165	853,710	1,340,178
Unassigned				
Total fund balances	<u>134,032</u>	<u>43,165</u>	<u>853,710</u>	<u>1,340,178</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 797,212</u>	<u>\$ 45,260</u>	<u>\$ 1,104,686</u>	<u>\$ 1,476,879</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue			
	County Library District	Emergency Services Grants	Flood Control District Fund	Inmate Welfare
Assets				
Cash and cash equivalents	\$ 141,489	\$	\$	\$ 241,332
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes	145,988		84,402	
Accounts				10,789
Special assessments				
Accrued interest	380			382
Advances to other funds				
Due from:				
Other funds	92,472	11,453	49,738	
Other governments		3,429	5,032	
Prepaid items				
Total assets	<u>\$ 380,329</u>	<u>\$ 14,882</u>	<u>\$ 139,172</u>	<u>\$ 252,503</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 95,628	\$ 18,943	\$ 35,967	\$ 2,112
Accrued payroll and employee benefits		8,050	12,939	4,372
Advances from other funds			1,000,000	
Due to:				
Other funds		124,553	123,500	963
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities	<u>95,628</u>	<u>151,546</u>	<u>1,172,406</u>	<u>7,447</u>
Deferred Inflows of Resources				
Unavailable revenue	123,341	3,004	65,898	10,196
Total deferred inflows of resources	<u>123,341</u>	<u>3,004</u>	<u>65,898</u>	<u>10,196</u>
Fund balances:				
Nonspendable				
Restricted	161,360			234,860
Unassigned		(139,668)	(1,099,132)	
Total fund balances	<u>161,360</u>	<u>(139,668)</u>	<u>(1,099,132)</u>	<u>234,860</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 380,329</u>	<u>\$ 14,882</u>	<u>\$ 139,172</u>	<u>\$ 252,503</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue			
	Jail Enhancement	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees
Assets				
Cash and cash equivalents	\$ 693,885	\$ 832,981	\$ 907,079	\$ 8,490
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	112	17		
Special assessments				
Accrued interest	1,344	1,481	1,896	16
Advances to other funds				
Due from:				
Other funds			12,026	5,973
Other governments	15,514	1,867	2,111	621
Prepaid items	1,689		350	
Total assets	<u>\$ 712,544</u>	<u>\$ 836,346</u>	<u>\$ 923,462</u>	<u>\$ 15,100</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 7,286	\$ 8,133	\$ 51,090	\$ 933
Accrued payroll and employee benefits		4,339	65,837	
Advances from other funds				
Due to:				
Other funds		296,390	15,856	5,708
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities	<u>7,286</u>	<u>308,862</u>	<u>132,783</u>	<u>6,641</u>
Deferred Inflows of Resources				
Unavailable revenue	14			
Total deferred inflows of resources	<u>14</u>			
Fund balances:				
Nonspendable	1,689		350	
Restricted	703,555	527,484	790,329	8,459
Unassigned				
Total fund balances	<u>705,244</u>	<u>527,484</u>	<u>790,679</u>	<u>8,459</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 712,544</u>	<u>\$ 836,346</u>	<u>\$ 923,462</u>	<u>\$ 15,100</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue			
	National Forest Fees	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval
Assets				
Cash and cash equivalents	\$ 5,481,750	\$ 581,237	\$ 76,979	\$ 385,282
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts			119	12
Special assessments				
Accrued interest	10,262	1,115	153	715
Advances to other funds				
Due from:				
Other funds			53,756	
Other governments			5,978	34,562
Prepaid items			443	
Total assets	<u>\$ 5,492,012</u>	<u>\$ 582,352</u>	<u>\$ 137,428</u>	<u>\$ 420,571</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 70,917	\$ 9,038	\$ 4
Accrued payroll and employee benefits		5,966		113
Advances from other funds				
Due to:				
Other funds	113,799	13,703	53,875	
Other governments				
Deposits held for others				
Unearned revenue		14,971		
Total liabilities	<u>113,799</u>	<u>105,557</u>	<u>62,913</u>	<u>117</u>
Deferred Inflows of Resources				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable			443	
Restricted	5,378,213	476,795	74,072	420,454
Unassigned				
Total fund balances	<u>5,378,213</u>	<u>476,795</u>	<u>74,515</u>	<u>420,454</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,492,012</u>	<u>\$ 582,352</u>	<u>\$ 137,428</u>	<u>\$ 420,571</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue			
	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 1,480,333	\$ 220,212	\$	\$ 359,962
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	17,191		129	704
Special assessments				
Accrued interest	3,465	617		358
Advances to other funds				
Due from:				
Other funds	72,869	134,759	209,077	286,282
Other governments	743,396	131,636	116,604	4,020
Prepaid items	34,375			475
Total assets	<u>\$ 2,351,629</u>	<u>\$ 487,224</u>	<u>\$ 325,810</u>	<u>\$ 651,801</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 96,391	\$ 10,097	\$ 100,031	\$ 52,729
Accrued payroll and employee benefits	16,154	26,753	3,903	14,458
Advances from other funds				
Due to:				
Other funds		62,757	221,860	101,767
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities	<u>112,545</u>	<u>99,607</u>	<u>325,794</u>	<u>168,954</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>238,053</u>			
Total deferred inflows of resources	<u>238,053</u>			
Fund balances:				
Nonspendable	34,375			475
Restricted	1,966,656	387,617	16	482,372
Unassigned				
Total fund balances	<u>2,001,031</u>	<u>387,617</u>	<u>16</u>	<u>482,847</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,351,629</u>	<u>\$ 487,224</u>	<u>\$ 325,810</u>	<u>\$ 651,801</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Special Revenue		Debt Service
	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Districts-Debt Service
Assets			
Cash and cash equivalents	\$ 76,888	\$	\$ 195,695
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes			
Accounts			
Special assessments			153,644
Accrued interest	147		756
Advances to other funds			
Due from:			
Other funds		111,705	
Other governments			
Prepaid items			
Total assets	\$ 77,035	\$ 111,705	\$ 350,095
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,551	\$	\$
Accrued payroll and employee benefits		4,003	
Advances from other funds			1,783
Due to:			
Other funds		107,690	
Other governments			
Deposits held for others			
Unearned revenue			
Total liabilities	1,551	111,693	1,783
Deferred Inflows of Resources			
Unavailable revenue			153,644
Total deferred inflows of resources			153,644
Fund balances:			
Nonspendable			
Restricted	75,484	12	194,668
Unassigned			
Total fund balances	75,484	12	194,668
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,035	\$ 111,705	\$ 350,095

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2016

	Capital Projects			Total Nonmajor Governmental Funds
	County Accommodation School	Improvement Districts-Capital Projects	Other Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ 110,661	\$ 426,462	\$ 3,006,198	\$ 18,059,151
Investments		73,004	72,014	602,590
Cash and investments held by trustee				30,209
Receivables (net of allowances for uncollectibles):				
Property taxes				230,390
Accounts				159,637
Special assessments				153,644
Accrued interest	211	982	5,764	36,091
Advances to other funds				
Due from:				
Other funds			6,570	2,088,252
Other governments	4,951			1,379,869
Prepaid items				37,561
Total assets	<u>\$ 115,823</u>	<u>\$ 500,448</u>	<u>\$ 3,090,546</u>	<u>\$ 22,777,394</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1	\$ 1	\$	\$ 779,741
Accrued payroll and employee benefits				352,273
Advances from other funds				1,001,783
Due to:				
Other funds				2,130,276
Other governments				
Deposits held for others				32,412
Unearned revenue				14,971
Total liabilities	<u>1</u>	<u>1</u>		<u>4,311,456</u>
Deferred Inflows of Resources				
Unavailable revenue				609,363
Total deferred inflows of resources				<u>609,363</u>
Fund balances:				
Nonspendable				37,561
Restricted	115,822	500,447	3,090,546	19,057,814
Unassigned				(1,238,800)
Total fund balances	<u>115,822</u>	<u>500,447</u>	<u>3,090,546</u>	<u>17,856,575</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,823</u>	<u>\$ 500,448</u>	<u>\$ 3,090,546</u>	<u>\$ 22,777,394</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	2,219,770		754,918	
Charges for services	636,569			55,902
Investment earnings	9,801		28	4,729
Contributions				
Miscellaneous				
Total revenues	<u>2,866,140</u>		<u>754,946</u>	<u>60,631</u>
Expenditures:				
Current:				
General government		1,580		98,908
Public safety	2,878,535			
Highways and streets				
Sanitation				
Welfare			813,348	
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,878,535</u>	<u>1,580</u>	<u>813,348</u>	<u>98,908</u>
Excess (deficiency) of revenues over expenditures	<u>(12,395)</u>	<u>(1,580)</u>	<u>(58,402)</u>	<u>(38,277)</u>
Other financing sources (uses):				
Sale of capital assets	1,235			
Transfers in	105,336		55,495	2,596
Transfers out				
Total other financing sources (uses)	<u>106,571</u>		<u>55,495</u>	<u>2,596</u>
Net changes in fund balances	94,176	(1,580)	(2,907)	(35,681)
Fund balances, July 1, 2015	639,079	9,630	9,517	385,503
Fund balances, June 30, 2016	<u>\$ 733,255</u>	<u>\$ 8,050</u>	<u>\$ 6,610</u>	<u>\$ 349,822</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Special Revenue			County
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	Improvement Districts-Special Revenue
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				11,198
Licenses and permits				
Fees, fines, and forfeits			513,747	
Intergovernmental	1,048,933	8,387	444,971	
Charges for services	21,592	41,127	31,893	1,174,925
Investment earnings	3,799	589	24,589	18,897
Contributions	84,330			
Miscellaneous	71,039			21,653
Total revenues	<u>1,229,693</u>	<u>50,103</u>	<u>1,015,200</u>	<u>1,226,673</u>
Expenditures:				
Current:				
General government	2,686	64,815	904,270	
Public safety				
Highways and streets				
Sanitation				1,426,322
Welfare	1,889,802			
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>1,892,488</u>	<u>64,815</u>	<u>904,270</u>	<u>1,426,322</u>
Excess (deficiency) of revenues over expenditures	<u>(662,795)</u>	<u>(14,712)</u>	<u>110,930</u>	<u>(199,649)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	846,506		258,146	
Transfers out	(60,258)		(297,086)	
Total other financing sources (uses)	<u>786,248</u>		<u>(38,940)</u>	
Net changes in fund balances	123,453	(14,712)	71,990	(199,649)
Fund balances, July 1, 2015	10,579	57,877	781,720	1,539,827
Fund balances, June 30, 2016	<u>\$ 134,032</u>	<u>\$ 43,165</u>	<u>\$ 853,710</u>	<u>\$ 1,340,178</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

Special Revenue

	County Library District	Emergency Services Grants	Flood Control District Fund	Inmate Welfare
Revenues:				
Property taxes	\$ 3,925,585	\$	\$ 2,438,276	\$
County sales taxes	5,682			
Special assessments				
Licenses and permits			4,650	
Fees, fines, and forfeits				
Intergovernmental		253,492	2,289,356	
Charges for services				106,506
Investment earnings	5,377			2,460
Contributions	90,336	547	10,623	
Miscellaneous				126,040
Total revenues	<u>4,026,980</u>	<u>254,039</u>	<u>4,742,905</u>	<u>235,006</u>
Expenditures:				
Current:				
General government				
Public safety		351,883	2,770,832	219,540
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	3,939,470			
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>3,939,470</u>	<u>351,883</u>	<u>2,770,832</u>	<u>219,540</u>
Excess (deficiency) of revenues over expenditures	<u>87,510</u>	<u>(97,844)</u>	<u>1,972,073</u>	<u>15,466</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		129,568	49,738	
Transfers out	(92,472)			
Total other financing sources (uses)	<u>(92,472)</u>	<u>129,568</u>	<u>49,738</u>	
Net changes in fund balances	(4,962)	31,724	2,021,811	15,466
Fund balances, July 1, 2015	166,322	(171,392)	(3,120,943)	219,394
Fund balances, June 30, 2016	<u>\$ 161,360</u>	<u>\$ (139,668)</u>	<u>\$ (1,099,132)</u>	<u>\$ 234,860</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Special Revenue			
	Jail Enhancement	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits		22,547		
Intergovernmental	206,541		1,989,217	2,090
Charges for services		523,858	54,405	
Investment earnings	8,955	8,781	12,242	127
Contributions				
Miscellaneous			253	
Total revenues	<u>215,496</u>	<u>555,186</u>	<u>2,056,117</u>	<u>2,217</u>
Expenditures:				
Current:				
General government		157,504		1,513
Public safety	171,045		2,093,092	
Highways and streets				
Sanitation				
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>171,045</u>	<u>157,504</u>	<u>2,093,092</u>	<u>1,513</u>
Excess (deficiency) of revenues over expenditures	<u>44,451</u>	<u>397,682</u>	<u>(36,975)</u>	<u>704</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in			7,664	5,973
Transfers out		(296,581)		(5,708)
Total other financing sources (uses)		<u>(296,581)</u>	<u>7,664</u>	<u>265</u>
Net changes in fund balances	44,451	101,101	(29,311)	969
Fund balances, July 1, 2015	660,793	426,383	819,990	7,490
Fund balances, June 30, 2016	<u>\$ 705,244</u>	<u>\$ 527,484</u>	<u>\$ 790,679</u>	<u>\$ 8,459</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Special Revenue			
	National Forest Fees	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	2,500,941	85,000	20,107	48,818
Charges for services		402,096		123,641
Investment earnings	62,172	7,400	1,251	4,615
Contributions				
Miscellaneous		14,680		
Total revenues	<u>2,563,113</u>	<u>509,176</u>	<u>21,358</u>	<u>177,074</u>
Expenditures:				
Current:				
General government			28,069	51,009
Public safety				
Highways and streets				
Sanitation				
Welfare				
Culture and recreation		495,681		
Education	1,068,247			
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>1,068,247</u>	<u>495,681</u>	<u>28,069</u>	<u>51,009</u>
Excess (deficiency) of revenues over expenditures	<u>1,494,866</u>	<u>13,495</u>	<u>(6,711)</u>	<u>126,065</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	156,000		53,756	
Transfers out	(1,057,884)	(106,150)	(53,756)	
Total other financing sources (uses)	<u>(901,884)</u>	<u>(106,150)</u>		
Net changes in fund balances	592,982	(92,655)	(6,711)	126,065
Fund balances, July 1, 2015	4,785,231	569,450	81,226	294,389
Fund balances, June 30, 2016	<u>\$ 5,378,213</u>	<u>\$ 476,795</u>	<u>\$ 74,515</u>	<u>\$ 420,454</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Special Revenue			
	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees
Revenues:				
Property taxes	\$ 8	\$	\$	\$
County sales taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	3,898,555	527,448	296,727	214,104
Charges for services	52,013	80,080	132,996	170,094
Investment earnings	21,899	4,268		3,025
Contributions	72,618	1,250		48,134
Miscellaneous	321,343			1,426
Total revenues	<u>4,366,436</u>	<u>613,046</u>	<u>429,723</u>	<u>436,783</u>
Expenditures:				
Current:				
General government				936,244
Public safety		675,776		
Highways and streets				
Sanitation			638,801	
Welfare				
Culture and recreation				
Education	3,614,951			
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>3,614,951</u>	<u>675,776</u>	<u>638,801</u>	<u>936,244</u>
Excess (deficiency) of revenues over expenditures	<u>751,485</u>	<u>(62,730)</u>	<u>(209,078)</u>	<u>(499,461)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	72,869	155,353	209,077	500,376
Transfers out		(60,575)		(2,596)
Total other financing sources (uses)	<u>72,869</u>	<u>94,778</u>	<u>209,077</u>	<u>497,780</u>
Net changes in fund balances	824,354	32,048	(1)	(1,681)
Fund balances, July 1, 2015	1,176,677	355,569	17	484,528
Fund balances, June 30, 2016	<u>\$ 2,001,031</u>	<u>\$ 387,617</u>	<u>\$ 16</u>	<u>\$ 482,847</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Special Revenue		Debt Service
	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Districts-Debt Service
Revenues:			
Property taxes	\$	\$	\$
County sales taxes			
Special assessments			46,653
Licenses and permits			
Fees, fines, and forfeits			
Intergovernmental			
Charges for services	15,229	1,564	
Investment earnings	975		5,001
Contributions			
Miscellaneous		153	
Total revenues	<u>16,204</u>	<u>1,717</u>	<u>51,654</u>
Expenditures:			
Current:			
General government	11,498	50,316	
Public safety			
Highways and streets		63,106	
Sanitation			
Welfare			
Culture and recreation			
Education			
Capital outlay			
Debt service:			
Principal			85,000
Interest and other charges			18,128
Total expenditures	<u>11,498</u>	<u>113,422</u>	<u>103,128</u>
Excess (deficiency) of revenues over expenditures	<u>4,706</u>	<u>(111,705)</u>	<u>(51,474)</u>
Other financing sources (uses):			
Sale of capital assets			
Transfers in		111,705	11,019
Transfers out			(7,110)
Total other financing sources (uses)		<u>111,705</u>	<u>3,909</u>
Net changes in fund balances	4,706		(47,565)
Fund balances, July 1, 2015	70,778	12	242,233
Fund balances, June 30, 2016	<u>\$ 75,484</u>	<u>\$ 12</u>	<u>\$ 194,668</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2016

	Capital Projects			Total Nonmajor Governmental Funds
	Accommodation School	County Improvement Districts-Capital Projects	Other Capital Projects Funds	
Revenues:				
Property taxes	\$	\$	\$	\$ 6,363,869
County sales taxes				5,682
Special assessments				57,851
Licenses and permits				4,650
Fees, fines, and forfeits				536,294
Intergovernmental	63,975			16,873,350
Charges for services				3,624,490
Investment earnings	1,434	9,406	35,955	257,775
Contributions				307,838
Miscellaneous		691,923		1,248,510
Total revenues	<u>65,409</u>	<u>701,329</u>	<u>35,955</u>	<u>29,280,309</u>
Expenditures:				
Current:				
General government				2,308,412
Public safety				9,160,703
Highways and streets				63,106
Sanitation				2,065,123
Welfare				2,703,150
Culture and recreation				4,435,151
Education				4,683,198
Capital outlay	41,140	615,000	9,004	665,144
Debt service:				
Principal				85,000
Interest and other charges				18,128
Total expenditures	<u>41,140</u>	<u>615,000</u>	<u>9,004</u>	<u>26,187,115</u>
Excess (deficiency) of revenues over expenditures	<u>24,269</u>	<u>86,329</u>	<u>26,951</u>	<u>3,093,194</u>
Other financing sources (uses):				
Sale of capital assets				1,235
Transfers in		486,247	6,570	3,223,994
Transfers out		(285,740)		(2,325,916)
Total other financing sources (uses)		<u>200,507</u>	<u>6,570</u>	<u>899,313</u>
Net changes in fund balances	24,269	286,836	33,521	3,992,507
Fund balances, July 1, 2015	91,553	213,611	3,057,025	13,864,068
Fund balances, June 30, 2016	<u>\$ 115,822</u>	<u>\$ 500,447</u>	<u>\$ 3,090,546</u>	<u>\$ 17,856,575</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,234,649	\$ 2,310,408	\$ 2,219,770	\$ (90,638)
Charges for services	600,000	600,000	636,569	36,569
Investment earnings	5,050	5,050	9,801	4,751
Total revenues	2,839,699	2,915,458	2,866,140	(49,318)
Expenditures:				
Public safety				
Adult Probation	3,300,369	3,257,314	2,878,535	378,779
Total expenditures	3,300,369	3,257,314	2,878,535	378,779
Excess (deficiency) of revenues over expenditures	(460,670)	(341,856)	(12,395)	329,461
Other financing sources (uses):				
Sale of capital assets			1,235	1,235
Transfers in	283,068	163,198	105,336	(57,862)
Transfers out				
Total other financing sources (uses)	283,068	163,198	106,571	(56,627)
Net changes in fund balances	(177,602)	(178,658)	94,176	272,834
Fund balance, July 1, 2015	544,193	544,193	639,079	94,886
Fund balance, June 30, 2016	\$ 366,591	\$ 365,535	\$ 733,255	\$ 367,720

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$	\$	\$	\$
Expenditures:				
General government				
Assessor	9,912	9,630	1,580	8,050
Total expenditures	9,912	9,630	1,580	8,050
Excess (deficiency) of revenues over expenditures	(9,912)	(9,630)	(1,580)	8,050
Net changes in fund balances	(9,912)	(9,630)	(1,580)	8,050
Fund balance, July 1, 2015	9,913	9,913	9,630	(283)
Fund balance, June 30, 2016	\$ 1	\$ 283	\$ 8,050	\$ 7,767

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,060,619	\$ 1,183,968	\$ 754,918	\$ (429,050)
Investment earnings			28	28
Total revenues	1,060,619	1,183,968	754,946	(429,022)
Expenditures:				
Welfare				
Career Center	1,116,895	1,240,244	813,348	426,896
Total expenditures	1,116,895	1,240,244	813,348	426,896
Excess (deficiency) of revenues over expenditures	(56,276)	(56,276)	(58,402)	(2,126)
Other financing sources (uses):				
Transfers in	55,495	55,495	55,495	
Total other financing sources (uses)	55,495	55,495	55,495	
Net changes in fund balances	(781)	(781)	(2,907)	(2,126)
Fund balance, July 1, 2015	8,540	8,540	9,517	977
Fund balance, June 30, 2016	\$ 7,759	\$ 7,759	\$ 6,610	\$ (1,149)

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 100,000	\$ 100,000	\$	\$ (100,000)
Charges for services	50,300	50,300	55,902	5,602
Investment earnings	2,000	2,000	4,729	2,729
Total revenues	<u>152,300</u>	<u>152,300</u>	<u>60,631</u>	<u>(91,669)</u>
Expenditures:				
General government				
Clerk of the Superior Court	<u>157,290</u>	<u>157,290</u>	<u>98,908</u>	<u>58,382</u>
Total expenditures	<u>157,290</u>	<u>157,290</u>	<u>98,908</u>	<u>58,382</u>
Excess (deficiency) of revenues over expenditures	(4,990)	(4,990)	(38,277)	(33,287)
Other financing sources (uses):				
Transfers in	<u>12,581</u>	<u>12,581</u>	<u>2,596</u>	<u>(9,985)</u>
Total other financing sources (uses)	<u>12,581</u>	<u>12,581</u>	<u>2,596</u>	<u>(9,985)</u>
Net changes in fund balances	7,591	7,591	(35,681)	(43,272)
Fund balance, July 1, 2015	<u>400,189</u>	<u>400,189</u>	<u>385,503</u>	<u>(14,686)</u>
Fund balance, June 30, 2016	<u>\$ 407,780</u>	<u>\$ 407,780</u>	<u>\$ 349,822</u>	<u>\$ (57,958)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,394,115	\$ 1,353,115	\$ 1,048,933	\$ (304,182)
Charges for services	249,997	249,997	21,592	(228,405)
Investment earnings	2,000	2,000	3,799	1,799
Contributions	114,016	114,016	84,330	(29,686)
Miscellaneous	1,800	1,800	71,039	69,239
Total revenues	1,761,928	1,720,928	1,229,693	(491,235)
Expenditures:				
General government				
Facilities	25,004	35,815	2,686	33,129
Welfare				
Community Services	2,550,090	2,507,790	1,889,802	617,988
Total expenditures	2,575,094	2,543,605	1,892,488	651,117
Excess (deficiency) of revenues over expenditures	(813,166)	(822,677)	(662,795)	159,882
Other financing sources (uses):				
Transfers in	764,513	763,213	846,506	83,293
Transfers out			(60,258)	(60,258)
Total other financing sources (uses)	764,513	763,213	786,248	23,035
Net changes in fund balances	(48,653)	(59,464)	123,453	182,917
Fund balance, July 1, 2015	153,593	153,593	10,579	(143,014)
Fund balance, June 30, 2016	\$ 104,940	\$ 94,129	\$ 134,032	\$ 39,903

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,300	\$ 8,500	\$ 8,387	\$ (113)
Charges for services	44,400	44,400	41,127	(3,273)
Investment earnings	250	250	589	339
Total revenues	51,950	53,150	50,103	(3,047)
Expenditures:				
General government				
Superior Courts	85,449	86,649	64,815	21,834
Total expenditures	85,449	86,649	64,815	21,834
Excess (deficiency) of revenues over expenditures	(33,499)	(33,499)	(14,712)	18,787
Net changes in fund balances	(33,499)	(33,499)	(14,712)	18,787
Fund balance, July 1, 2015	55,037	55,037	57,877	2,840
Fund balance, June 30, 2016	\$ 21,538	\$ 21,538	\$ 43,165	\$ 21,627

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, fines, and forfeits	\$ 450,000	\$ 450,000	\$ 513,747	\$ 63,747
Intergovernmental	469,008	452,675	444,971	(7,704)
Charges for services	37,142	37,142	31,893	(5,249)
Investment earnings	7,250	7,250	24,589	17,339
Total revenues	<u>963,400</u>	<u>947,067</u>	<u>1,015,200</u>	<u>68,133</u>
Expenditures:				
General government				
County Attorney	1,360,725	1,256,111	904,270	351,841
Total expenditures	<u>1,360,725</u>	<u>1,256,111</u>	<u>904,270</u>	<u>351,841</u>
Excess (deficiency) of revenues over expenditures	(397,325)	(309,044)	110,930	419,974
Other financing sources (uses):				
Transfers in	86,875	253,419	258,146	4,727
Transfers out	(35,002)	(297,110)	(297,086)	24
Total other financing sources (uses)	<u>51,873</u>	<u>(43,691)</u>	<u>(38,940)</u>	<u>4,751</u>
Net changes in fund balances	(345,452)	(352,735)	71,990	424,725
Fund balance, July 1, 2015	530,828	530,828	781,720	250,892
Fund balance, June 30, 2016	<u>\$ 185,376</u>	<u>\$ 178,093</u>	<u>\$ 853,710</u>	<u>\$ 675,617</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 11,400	\$ 11,400	\$ 11,198	\$ (202)
Charges for services	1,170,600	1,170,600	1,174,925	4,325
Investment earnings	9,465	9,465	18,897	9,432
Miscellaneous	20,000	20,000	21,653	1,653
Total revenues	1,211,465	1,211,465	1,226,673	15,208
Expenditures:				
Sanitation				
KVID	1,655,926	1,655,926	1,426,322	229,604
Total expenditures	1,655,926	1,655,926	1,426,322	229,604
Excess (deficiency) of revenues over expenditures	(444,461)	(444,461)	(199,649)	244,812
Net changes in fund balances	(444,461)	(444,461)	(199,649)	244,812
Fund balance, July 1, 2015	1,239,133	1,239,133	1,539,827	300,694
Fund balance, June 30, 2016	\$ 794,672	\$ 794,672	\$ 1,340,178	\$ 545,506

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 3,936,314	\$ 3,936,314	\$ 3,925,585	\$ (10,729)
County sales taxes			5,682	5,682
Investment earnings			5,377	5,377
Contributions			90,336	90,336
Total revenues	3,936,314	3,936,314	4,026,980	90,666
Expenditures:				
Culture and recreation				
Library District	3,843,842	3,843,842	3,939,470	(95,628)
Total expenditures	3,843,842	3,843,842	3,939,470	(95,628)
Excess (deficiency) of revenues over expenditures	92,472	92,472	87,510	(4,962)
Other financing sources (uses):				
Transfers out	(92,472)	(92,472)	(92,472)	
Total other financing sources (uses)	(92,472)	(92,472)	(92,472)	
Net changes in fund balances			(4,962)	(4,962)
Fund balance, July 1, 2015	24,604	24,604	166,322	141,718
Fund balance, June 30, 2016	\$ 24,604	\$ 24,604	\$ 161,360	\$ 136,756

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Contributions	\$ 176,531	\$ 363,984	\$ 253,492	\$ (110,492)
Miscellaneous	65,000	65,000	547	547
Total revenues	<u>241,531</u>	<u>428,984</u>	<u>254,039</u>	<u>(174,945)</u>
Expenditures:				
Public safety				
County Manager	340,293	339,433	351,883	(12,450)
Public Works	65,000	65,000		65,000
Total expenditures	<u>405,293</u>	<u>404,433</u>	<u>351,883</u>	<u>52,550</u>
Excess (deficiency) of revenues over expenditures	(163,762)	24,551	(97,844)	(122,395)
Other financing sources (uses):				
Transfers in	128,968	129,368	129,568	200
Total other financing sources (uses)	<u>128,968</u>	<u>129,368</u>	<u>129,568</u>	<u>200</u>
Net changes in fund balances	(34,794)	153,919	31,724	(122,195)
Fund balance, July 1, 2015	34,795	34,795	(171,392)	(206,187)
Fund balance, June 30, 2016	<u>\$ 1</u>	<u>\$ 188,714</u>	<u>\$ (139,668)</u>	<u>\$ (328,382)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Flood Control District Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,445,058	\$ 2,445,058	\$ 2,438,276	\$ (6,782)
Licenses and permits			4,650	4,650
Intergovernmental	514,726	514,726	2,289,356	1,774,630
Contributions	8,063	8,063	10,623	2,560
Total revenues	<u>2,967,847</u>	<u>2,967,847</u>	<u>4,742,905</u>	<u>1,775,058</u>
Expenditures:				
Public Safety				
Flood Control	3,015,085	3,018,042	2,770,832	247,210
Total expenditures	<u>3,015,085</u>	<u>3,018,042</u>	<u>2,770,832</u>	<u>247,210</u>
Excess (deficiency) of revenues over expenditures	(47,238)	(50,195)	1,972,073	2,022,268
Other financing sources (uses):				
Transfers in	47,238	47,238	49,738	2,500
Total other financing sources (uses)	<u>47,238</u>	<u>47,238</u>	<u>49,738</u>	<u>2,500</u>
Net changes in fund balances		(2,957)	2,021,811	2,024,768
Fund balance, July 1, 2015	41,778	41,778	(3,120,943)	(3,162,721)
Fund balance, June 30, 2016	<u>\$ 41,778</u>	<u>\$ 38,821</u>	<u>\$ (1,099,132)</u>	<u>\$ (1,137,953)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 110,000	\$ 110,000	\$ 106,506	\$ (3,494)
Investment earnings	2,000	2,000	2,460	460
Miscellaneous	140,250	140,250	126,040	(14,210)
Total revenues	252,250	252,250	235,006	(17,244)
Expenditures:				
Public safety				
Sheriff	374,142	374,142	219,540	154,602
Total expenditures	374,142	374,142	219,540	154,602
Excess (deficiency) of revenues over expenditures	(121,892)	(121,892)	15,466	137,358
Net changes in fund balances	(121,892)	(121,892)	15,466	137,358
Fund balance, July 1, 2015	179,434	179,434	219,394	39,960
Fund balance, June 30, 2016	\$ 57,542	\$ 57,542	\$ 234,860	\$ 177,318

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 206,541	\$ (6,977)
Investment earnings	2,500	2,500	8,955	6,455
Total revenues	216,018	216,018	215,496	(522)
Expenditures:				
Public safety				
Sheriff	667,385	667,385	171,045	496,340
Total expenditures	667,385	667,385	171,045	496,340
Excess (deficiency) of revenues over expenditures	(451,367)	(451,367)	44,451	495,818
Net changes in fund balances	(451,367)	(451,367)	44,451	495,818
Fund balance, July 1, 2015	602,657	602,657	660,793	58,136
Fund balance, June 30, 2016	\$ 151,290	\$ 151,290	\$ 705,244	\$ 553,954

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 43,300	\$ 43,300	\$ 22,547	\$ (20,753)
Charges for services	423,155	423,155	523,858	100,703
Investment earnings	10,650	10,650	8,781	(1,869)
Total revenues	<u>477,105</u>	<u>477,105</u>	<u>555,186</u>	<u>78,081</u>
Expenditures:				
General government				
Flagstaff Justice Court	215,651	215,651	100,018	115,633
Fredonia Justice Court	19,100	19,100	6,607	12,493
Page Justice Court	33,846	33,846	17,670	16,176
Williams Justice Court	51,929	51,929	33,209	18,720
Total expenditures	<u>320,526</u>	<u>320,526</u>	<u>157,504</u>	<u>163,022</u>
Excess (deficiency) of revenues over expenditures	156,579	156,579	397,682	241,103
Other financing sources (uses):				
Transfers out	<u>(264,803)</u>	<u>(264,803)</u>	<u>(296,581)</u>	<u>(31,778)</u>
Total other financing sources (uses)	<u>(264,803)</u>	<u>(264,803)</u>	<u>(296,581)</u>	<u>(31,778)</u>
Net changes in fund balances	(108,224)	(108,224)	101,101	209,325
Fund balance, July 1, 2015	430,972	430,972	426,383	(4,589)
Fund balance, June 30, 2016	<u>\$ 322,748</u>	<u>\$ 322,748</u>	<u>\$ 527,484</u>	<u>\$ 204,736</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,105,068	\$ 2,031,050	\$ 1,989,217	\$ (41,833)
Charges for services	51,310	51,310	54,405	3,095
Investment earnings	5,000	3,600	12,242	8,642
Miscellaneous	1,000,000	1,000,000	253	(999,747)
Total revenues	3,161,378	3,085,960	2,056,117	(1,029,843)
Expenditures:				
Public safety				
Juvenile Probation	4,048,531	3,799,049	2,093,092	1,705,957
Total expenditures	4,048,531	3,799,049	2,093,092	1,705,957
Excess (deficiency) of revenues over expenditures	(887,153)	(713,089)	(36,975)	676,114
Other financing sources (uses):				
Transfers in	160,320	9,817	7,664	(2,153)
Total other financing sources (uses)	160,320	9,817	7,664	(2,153)
Net changes in fund balances	(726,833)	(703,272)	(29,311)	673,961
Fund balance, July 1, 2015	729,785	729,785	819,990	90,205
Fund balance, June 30, 2016	\$ 2,952	\$ 26,513	\$ 790,679	\$ 764,166

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,090	\$ 90
Investment earnings	71	71	127	56
Total revenues	2,071	2,071	2,217	146
Expenditures:				
General government				
Legal Defender	2,455	2,455	1,513	942
Total expenditures	2,455	2,455	1,513	942
Excess (deficiency) of revenues over expenditures	(384)	(384)	704	1,088
Other financing sources (uses):				
Transfers in	5,317	5,317	5,973	656
Transfers out	(5,727)	(5,727)	(5,708)	19
Total other financing sources (uses)	(410)	(410)	265	675
Net changes in fund balances	(794)	(794)	969	1,763
Fund balance, July 1, 2015	6,419	6,419	7,490	1,071
Fund balance, June 30, 2016	\$ 5,625	\$ 5,625	\$ 8,459	\$ 2,834

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$ 2,500,941	\$ 2,500,941
Investment earnings	1,300	1,300	62,172	60,872
Total revenues	<u>1,300</u>	<u>1,300</u>	<u>2,563,113</u>	<u>2,561,813</u>
Expenditures:				
Education				
School Superintendent			1,068,247	(1,068,247)
Total expenditures			<u>1,068,247</u>	<u>(1,068,247)</u>
Excess (deficiency) of revenues over expenditures	1,300	1,300	1,494,866	1,493,566
Other financing sources (uses):				
Transfers in			156,000	156,000
Transfers out	(1,067,138)	(1,046,418)	(1,057,884)	(11,466)
Total other financing sources (uses)	<u>(1,067,138)</u>	<u>(1,046,418)</u>	<u>(901,884)</u>	<u>144,534</u>
Net changes in fund balances	(1,065,838)	(1,045,118)	592,982	1,638,100
Fund balance, July 1, 2015	<u>3,028,722</u>	<u>3,028,722</u>	<u>4,785,231</u>	<u>1,756,509</u>
Fund balance, June 30, 2016	<u>\$ 1,962,884</u>	<u>\$ 1,983,604</u>	<u>\$ 5,378,213</u>	<u>\$ 3,394,609</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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 164,794	\$ 173,481	\$ 85,000	\$ (88,481)
Charges for services	409,100	409,100	402,096	(7,004)
Investment earnings			7,400	7,400
Miscellaneous	7,500	7,500	14,680	7,180
Total revenues	581,394	590,081	509,176	(80,905)
Expenditures:				
Culture and recreation				
Parks and Recreation	496,435	496,251	495,681	570
Total expenditures	496,435	496,251	495,681	570
Excess (deficiency) of revenues over expenditures	84,959	93,830	13,495	(80,335)
Other financing sources (uses):				
Transfers out	(106,150)	(106,150)	(106,150)	
Total other financing sources (uses)	(106,150)	(106,150)	(106,150)	
Net changes in fund balances	(21,191)	(12,320)	(92,655)	(80,335)
Fund balance, July 1, 2015	505,559	505,559	569,450	63,891
Fund balance, June 30, 2016	\$ 484,368	\$ 493,239	\$ 476,795	\$ (16,444)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,000	\$ 16,000	\$ 20,107	\$ 4,107
Investment earnings	700	700	1,251	551
Total revenues	<u>16,700</u>	<u>16,700</u>	<u>21,358</u>	<u>4,658</u>
Expenditures:				
General government				
Public Defender	<u>30,000</u>	<u>30,000</u>	<u>28,069</u>	<u>1,931</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,069</u>	<u>1,931</u>
Excess (deficiency) of revenues over expenditures	(13,300)	(13,300)	(6,711)	6,589
Other financing sources (uses):				
Transfers in	47,855	47,855	53,756	5,901
Transfers out	<u>(47,855)</u>	<u>(47,855)</u>	<u>(53,756)</u>	<u>(5,901)</u>
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u></u>
Net changes in fund balances	(13,300)	(13,300)	(6,711)	6,589
Fund balance, July 1, 2015	73,340	73,340	81,226	7,886
Fund balance, June 30, 2016	<u>\$ 60,040</u>	<u>\$ 60,040</u>	<u>\$ 74,515</u>	<u>\$ 14,475</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 51,665	\$ 51,665	\$ 48,818	\$ (2,847)
Charges for services	130,000	130,000	123,641	\$ (6,359)
Investment earnings	900	900	4,615	3,715
Total revenues	182,565	182,565	177,074	(5,491)
Expenditures:				
General government				
Recorder	250,977	254,155	51,009	203,146
Total expenditures	250,977	254,155	51,009	203,146
Excess (deficiency) of revenues over expenditures	(68,412)	(71,590)	126,065	197,655
Net changes in fund balances	(68,412)	(71,590)	126,065	197,655
Fund balance, July 1, 2015	277,907	277,907	294,389	16,482
Fund balance, June 30, 2016	\$ 209,495	\$ 206,317	\$ 420,454	\$ 214,137

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$	\$	\$ 8	\$ 8
Intergovernmental	3,405,170	4,062,093	3,898,555	(163,538)
Charges for services	45,000	45,000	52,013	7,013
Investment earnings	350	350	21,899	21,549
Contributions	30,000	70,276	72,618	2,342
Miscellaneous	150,000	150,000	321,343	171,343
Total revenues	<u>3,630,520</u>	<u>4,327,719</u>	<u>4,366,436</u>	<u>38,717</u>
Expenditures:				
Education				
School Superintendent	<u>3,117,532</u>	<u>3,839,289</u>	<u>3,614,951</u>	<u>224,338</u>
Total expenditures	<u>3,117,532</u>	<u>3,839,289</u>	<u>3,614,951</u>	<u>224,338</u>
Excess (deficiency) of revenues over expenditures	512,988	488,430	751,485	263,055
Other financing sources (uses):				
Transfers in	<u>70,671</u>	<u>70,671</u>	<u>72,869</u>	<u>(2,198)</u>
Total other financing sources (uses)	<u>70,671</u>	<u>70,671</u>	<u>72,869</u>	<u>(2,198)</u>
Net changes in fund balances	583,659	559,101	824,354	265,253
Fund balance, July 1, 2015	1,491,649	1,491,649	1,176,677	(314,972)
Fund balance, June 30, 2016	<u>\$ 2,075,308</u>	<u>\$ 2,050,750</u>	<u>\$ 2,001,031</u>	<u>\$ (49,719)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 752,716	\$ 803,047	\$ 527,448	\$ (275,599)
Charges for services	61,439	61,439	80,080	18,641
Investment earnings	1,400	1,400	4,268	2,868
Contributions	5,000	5,000	1,250	(3,750)
Miscellaneous	2,789,000	2,757,390		(2,757,390)
Total revenues	3,609,555	3,628,276	613,046	(3,015,230)
Expenditures:				
Public safety				
Sheriff	3,763,065	3,948,882	675,776	3,273,106
Total expenditures	3,763,065	3,948,882	675,776	3,273,106
Excess (deficiency) of revenues over expenditures	(153,510)	(320,606)	(62,730)	257,876
Other financing sources (uses):				
Transfers in	118,022	215,726	155,353	(60,373)
Transfers out		(60,575)	(60,575)	
Total other financing sources (uses)	118,022	155,151	94,778	(60,373)
Net changes in fund balances	(35,488)	(165,455)	32,048	197,503
Fund balance, July 1, 2015	446,225	446,225	355,569	(90,656)
Fund balance, June 30, 2016	\$ 410,737	\$ 280,770	\$ 387,617	\$ 106,847

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 255,000	\$ 255,000	\$ 296,727	\$ 41,727
Charges for services	129,470	129,470	132,996	3,526
Total revenues	384,470	384,470	429,723	45,253
Expenditures:				
Sanitation				
Public Works	665,285	685,885	638,801	47,084
Total expenditures	665,285	685,885	638,801	47,084
Excess (deficiency) of revenues over expenditures	(280,815)	(301,415)	(209,078)	92,337
Other financing sources (uses):				
Transfers in	318,868	309,088	209,077	(100,011)
Total other financing sources (uses)	318,868	309,088	209,077	(100,011)
Net changes in fund balances	38,053	7,673	(1)	(7,674)
Fund balance, July 1, 2015			17	17
Fund balance, June 30, 2016	\$ 38,053	\$ 7,673	\$ 16	\$ (7,657)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 173,789	\$ 227,784	\$ 214,104	\$ (13,680)
Charges for services	151,000	151,000	170,094	19,094
Investment earnings	850	850	3,025	2,175
Contributions	59,000	59,000	48,134	(10,866)
Miscellaneous	34,400	34,400	1,426	(32,974)
Total revenues	<u>419,039</u>	<u>473,034</u>	<u>436,783</u>	<u>(36,251)</u>
Expenditures:				
General government				
Superior Courts	1,016,423	1,055,871	936,244	119,627
Total expenditures	<u>1,016,423</u>	<u>1,055,871</u>	<u>936,244</u>	<u>119,627</u>
Excess (deficiency) of revenues over expenditures	(597,384)	(582,837)	(499,461)	83,376
Other financing sources (uses):				
Transfers in	485,855	485,855	500,376	14,521
Transfers out	(12,581)	(12,581)	(2,596)	9,985
Total other financing sources (uses)	<u>473,274</u>	<u>473,274</u>	<u>497,780</u>	<u>24,506</u>
Net changes in fund balances	(124,110)	(109,563)	(1,681)	107,882
Fund balance, July 1, 2015	430,264	430,264	484,528	54,264
Fund balance, June 30, 2016	<u>\$ 306,154</u>	<u>\$ 320,701</u>	<u>\$ 482,847</u>	<u>\$ 162,146</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 16,500	\$ 16,500	\$ 15,229	\$ (1,271)
Investment earnings	1,250	1,250	975	(275)
Total revenues	17,750	17,750	16,204	(1,546)
Expenditures:				
General government				
Treasurer	31,000	31,000	11,498	19,502
Total expenditures	31,000	31,000	11,498	19,502
Excess (deficiency) of revenues over expenditures	(13,250)	(13,250)	4,706	17,956
Net changes in fund balances	(13,250)	(13,250)	4,706	17,956
Fund balance, July 1, 2015	52,600	52,600	70,778	18,178
Fund balance, June 30, 2016	\$ 39,350	\$ 39,350	\$ 75,484	\$ 36,134

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 7,000	\$ 7,000	\$ 1,564	\$ (5,436)
Miscellaneous			153	153
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>1,717</u>	<u>(5,283)</u>
Expenditures:				
General government				
Finance/Budget	54,478	54,478	50,316	4,162
Highways and streets				
Public Works	66,259	67,279	63,106	4,173
Total expenditures	<u>120,737</u>	<u>121,757</u>	<u>113,422</u>	<u>8,335</u>
Excess (deficiency) of revenues over expenditures	(113,737)	(114,757)	(111,705)	3,052
Other financing sources (uses):				
Transfers in	113,737	113,737	111,705	(2,032)
Total other financing sources (uses)	<u>113,737</u>	<u>113,737</u>	<u>111,705</u>	<u>(2,032)</u>
Net changes in fund balances		(1,020)		1,020
Fund balance, July 1, 2015			12	12
Fund balance, June 30, 2016	<u>\$</u>	<u>\$ (1,020)</u>	<u>\$ 12</u>	<u>\$ 1,032</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 103,150	\$ 103,150	\$ 46,653	\$ (56,497)
Investment earnings			5,001	5,001
Total revenues	<u>103,150</u>	<u>103,150</u>	<u>51,654</u>	<u>(51,496)</u>
Expenditures:				
Debt service:				
Principal	85,000	85,000	85,000	
Interest and other charges	18,150	18,150	18,128	22
Total expenditures	<u>103,150</u>	<u>103,150</u>	<u>103,128</u>	<u>22</u>
Excess (deficiency) of revenues over expenditures			(51,474)	(51,474)
Other financing sources (uses):				
Transfers in			11,019	(11,019)
Transfers out			(7,110)	7,110
Total other financing sources (uses)			<u>3,909</u>	<u>(3,909)</u>
Net changes in fund balances			(47,565)	(47,565)
Fund balance, July 1, 2015	<u>247,529</u>	<u>247,529</u>	<u>242,233</u>	<u>(5,296)</u>
Fund balance, June 30, 2016	<u>\$ 247,529</u>	<u>\$ 247,529</u>	<u>\$ 194,668</u>	<u>\$ (52,861)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Open Spaces Tax Projects Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
County sales taxes	\$	\$	\$ 27,012	\$ 27,012
Investment earnings	24,000	24,000	186,421	162,421
Miscellaneous	1,972	1,972		(1,972)
Total revenues	<u>25,972</u>	<u>25,972</u>	<u>213,433</u>	<u>187,461</u>
Expenditures:				
Capital outlay	<u>10,612,018</u>	<u>13,654,607</u>	<u>1,207,850</u>	<u>12,446,757</u>
Total expenditures	<u>10,612,018</u>	<u>13,654,607</u>	<u>1,207,850</u>	<u>12,446,757</u>
Excess (deficiency) of revenues over expenditures	(10,586,046)	(13,628,635)	(994,417)	12,634,218
Net changes in fund balances	(10,586,046)	(13,628,635)	(994,417)	12,634,218
Fund balance, July 1, 2015	<u>11,291,567</u>	<u>11,291,567</u>	<u>14,564,538</u>	<u>3,272,971</u>
Fund balance, June 30, 2016	<u>\$ 705,521</u>	<u>\$ (2,337,068)</u>	<u>\$ 13,570,121</u>	<u>\$ 15,907,189</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,754	\$ 63,754	\$ 63,975	\$ 221
Investment earnings	679	679	1,434	755
Total revenues	64,433	64,433	65,409	976
Expenditures:				
Capital outlay	56,500	56,500	41,140	15,360
Total expenditures	56,500	56,500	41,140	15,360
Excess (deficiency) of revenues over expenditures	7,933	7,933	24,269	16,336
Net changes in fund balances	7,933	7,933	24,269	16,336
Fund balance, July 1, 2015	88,486	88,486	91,553	3,067
Fund balance, June 30, 2016	\$ 96,419	\$ 96,419	\$ 115,822	\$ 19,403

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$	\$	\$ 9,406	\$ 9,406
Miscellaneous			691,923	691,923
Total revenues			<u>701,329</u>	<u>701,329</u>
Expenditures:				
Capital outlay		615,000	615,000	
Total expenditures		<u>615,000</u>	<u>615,000</u>	
Excess (deficiency) of revenues over expenditures		(615,000)	86,329	701,329
Other financing sources (uses):				
Transfers in			486,247	486,247
Transfers out			(285,740)	(285,740)
Total other financing sources (uses)			<u>200,507</u>	<u>200,507</u>
Net changes in fund balances		(615,000)	286,836	901,836
Fund balance, July 1, 2015		212,240	213,611	1,371
Fund balance, June 30, 2016	<u>\$</u>	<u>212,240</u>	<u>\$</u>	<u>500,447</u>
		<u>\$</u>	<u>(402,760)</u>	<u>\$</u>
			<u>500,447</u>	<u>\$</u>
				<u>903,207</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 10,000	\$ 10,000	\$ 35,955	\$ 25,955
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>35,955</u>	<u>25,955</u>
Expenditures:				
Capital outlay	475,890	623,568	9,004	614,564
Total expenditures	<u>475,890</u>	<u>623,568</u>	<u>9,004</u>	<u>614,564</u>
Excess (deficiency) of revenues over expenditures	(465,890)	(613,568)	26,951	640,519
Other financing sources (uses):				
Transfers in	475,890	623,569	6,570	(616,999)
Total other financing sources (uses)	<u>475,890</u>	<u>623,569</u>	<u>6,570</u>	<u>(616,999)</u>
Net changes in fund balances	10,000	10,001	33,521	23,520
Fund balance, July 1, 2015	3,038,484	3,038,484	3,057,025	18,541
Fund balance, June 30, 2016	<u>\$ 3,048,484</u>	<u>\$ 3,048,485</u>	<u>\$ 3,090,546</u>	<u>\$ 42,061</u>

Coconino County
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2016

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Assets			
Cash and cash equivalents	\$ 119,787,461	\$ 2,511,047	\$ 122,298,508
Interest and dividends receivable	253,426		253,426
Total assets	<u>120,040,887</u>	<u>2,511,047</u>	<u>122,551,934</u>
Liabilities			
Total liabilities			
Net position			
Held in trust for investment trust participants	<u>\$ 120,040,887</u>	<u>\$ 2,511,047</u>	<u>\$ 122,551,934</u>

Coconino County
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
Year Ended June 30, 2016

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 240,600,899	\$ 2,566,694	\$ 243,167,593
Investment earnings	1,729,778		1,729,778
Total additions	<u>242,330,677</u>	<u>2,566,694</u>	<u>244,897,371</u>
Deductions:			
Distributions to participants	<u>223,785,125</u>	<u>218,497</u>	<u>224,003,622</u>
Total deductions	<u>223,785,125</u>	<u>218,497</u>	<u>224,003,622</u>
Change in net position	18,545,552	2,348,197	20,893,749
Net position, July 1, 2015	101,495,335	162,850	101,658,185
Net position, June 30, 2016	<u><u>\$ 120,040,887</u></u>	<u><u>\$ 2,511,047</u></u>	<u><u>\$ 122,551,934</u></u>

Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Assets				
Cash and cash equivalents	\$ 1,835,811	\$ 69,145,792	\$ 69,275,229	\$ 1,706,374
Cash and investments held by trustee	950,113	1,538,225	1,421,622	1,066,716
Total assets	<u>\$ 2,785,924</u>	<u>\$ 70,684,017</u>	<u>\$ 70,696,851</u>	<u>\$ 2,773,090</u>
Liabilities				
Deposits held for others	\$ 2,514,606	\$ 67,100,873	\$ 67,094,944	\$ 2,520,535
Due to other governments	271,318	3,583,143	3,601,906	252,555
Total liabilities	<u>\$ 2,785,924</u>	<u>\$ 70,684,016</u>	<u>\$ 70,696,850</u>	<u>\$ 2,773,090</u>

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STATISTICAL SECTION

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Coconino County
Statistical Section
Year Ended June 30, 2016

This part of the Coconino County's 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

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. 181-185

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. 186-189

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. 190-192

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. 193-195

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. 196-200

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Coconino County
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary government:										
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 106,913,167	\$ 128,198,350	\$ 129,694,889	\$ 128,372,030	\$ 145,814,515	\$ 142,964,843	\$ 145,559,259	\$ 145,480,845	\$ 149,872,339	\$ 150,901,461
Restricted	36,994,894	29,929,358	28,345,559	28,386,829	63,914,015	65,858,399	63,564,437	69,537,246	74,284,443	67,370,287
Unrestricted	64,103,998	52,345,917	52,251,638	53,636,533	22,113,670	23,547,699	22,747,752	18,591,785	(86,379,130)	(77,733,568)
Total governmental activities net position	<u>\$ 208,012,059</u>	<u>\$ 210,473,625</u>	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>	<u>\$ 231,842,200</u>	<u>\$ 232,370,941</u>	<u>\$ 231,871,448</u>	<u>\$ 233,609,876</u>	<u>\$ 137,777,652</u>	<u>\$ 140,538,180</u>

Source: Coconino County Single Audit Reporting Package

Note: Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015, net position for the year ended June 30, 2014 was restated, however this change was not reflected in this schedule.

Coconino County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal year			
	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 30,137,861	\$ 32,252,372	\$ 32,364,030	\$ 31,501,241
Public safety	29,170,427	32,282,534	33,164,905	31,592,406
Highways and streets	18,699,298	17,990,951	16,655,737	15,639,291
Sanitation	3,138,878	3,216,176	3,274,456	3,138,985
Health	11,575,909	12,192,703	12,692,864	11,216,546
Welfare	5,902,878	6,666,186	7,615,522	8,273,139
Culture and recreation	5,628,042	6,957,602	7,814,879	7,725,556
Education	3,816,081	4,437,125	4,892,986	5,278,556
Transportation				
Interest on long term debt	1,602,303	603,969	512,256	414,902
Defeasance of long-term debt		832,030		
Total expenses	\$ 109,671,677	\$ 117,431,648	\$ 118,987,635	\$ 114,780,622
Program Revenues				
Governmental activities:				
Charges for services:				
General government	4,322,299	8,273,916	7,316,495	7,169,300
Public safety	4,132,207	2,986,695	3,421,790	3,679,918
Highways and streets	3,459,682	74,556	1,152,294	69,689
Sanitation	1,437,621	1,375,478	1,375,437	1,321,418
Health	1,520,902	1,340,236	1,316,870	1,247,031
Welfare	1,599,249	1,337,392	1,262,876	2,101,024
Culture and recreation	1,188,201	1,159,535	1,170,109	794,306
Education	107,301	115,216	95,016	116,020
Transportation				
Operating grants and contributions	33,695,469	34,185,253	34,581,839	34,922,841
Capital grants and contributions	134,120	898,314	118,520	84,811
Total governmental activities program revenues	\$ 51,597,051	\$ 51,746,591	\$ 51,811,246	\$ 51,506,358
Net (expenses) revenues	\$ (58,074,626)	\$ (65,685,057)	\$ (67,176,389)	\$ (63,274,264)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes, levied for general purposes	7,011,847	7,180,218	7,935,524	8,185,332
Property taxes, levied for library	1,263,035	3,847,035	4,708,037	5,107,399
Property taxes, levied for flood control	2,860,021	1,510,077	2,011,055	1,959,193
Property taxes, levied for accommodation school			189,318	4,310
Property taxes, levied for health services				
General county sales tax	12,384,595	12,445,915	11,497,627	10,774,208
Road sales tax				
Jail District sales tax	9,691,689	12,395,931	11,486,443	10,791,078
Parks and open spaces sales tax	3,076,949	3,105,737	2,871,495	2,689,346
Excise tax	111,593	102,863	92,118	68,688
Franchise tax	134,640	46,966	41,944	39,207
Shared revenue - state sales tax	18,125,003	17,000,598	15,287,328	14,353,390
Shared revenue - state vehicle license tax	5,695,838	5,622,049	5,240,676	4,971,307
Grants and contributions not restricted to specific programs	1,646,585	1,727,679	2,866,290	2,139,437
Investment earnings	4,489,537	2,726,375	2,388,053	2,090,720
Gain (loss) on disposal of capital assets	158,415	209,636	2,100	130,889
Miscellaneous	23,279	225,544	376,842	73,066
Donated capital	(7,282,396)			
Total general revenues	\$ 59,390,630	\$ 68,146,623	\$ 66,994,850	\$ 63,377,570
Change in net position	\$ 1,316,004	\$ 2,461,566	\$ (181,539)	\$ 103,306

Source: Coconino County Single Audit Reporting Package

Fiscal year						
2011	2012	2013	2014	2015	2016	
\$ 30,768,963	\$ 31,590,773	\$ 32,049,113	\$ 29,994,545	\$ 34,766,812	\$ 33,869,932	
36,552,608	33,763,301	37,609,509	42,122,131	42,398,679	40,947,920	
13,811,657	15,955,413	15,958,230	14,058,678	14,906,659	21,815,377	
3,151,415	3,088,446	2,102,071	1,611,107	2,007,358	2,235,478	
11,045,264	11,550,850	12,199,793	13,735,528	13,915,744	13,180,529	
8,284,852	6,907,365	6,642,756	4,932,758	4,486,667	4,254,709	
7,286,373	7,243,089	7,063,893	6,594,783	6,682,930	7,172,432	
4,767,625	5,232,363	5,941,255	7,332,953	6,708,189	5,336,344	
287,272						
	178,025	69,723	46,622	24,582	18,128	
<u>\$ 115,956,029</u>	<u>\$ 115,509,625</u>	<u>\$ 119,636,343</u>	<u>\$ 120,429,105</u>	<u>\$ 125,897,620</u>	<u>\$ 128,830,849</u>	
6,022,842	4,995,911	4,465,482	4,868,512	4,737,629	5,751,943	
3,821,300	3,272,289	3,107,973	2,937,416	2,538,879	3,159,188	
93,370	93,636	99,728	54,445	114,459	72,866	
1,386,848	1,402,290	1,346,328	1,342,276	1,327,150	1,348,145	
1,151,680	1,181,490	1,301,249	1,353,915	1,463,783	1,143,207	
1,905,924	1,802,447	1,467,637	795,045	243,096	123,744	
865,254	760,863	850,519	838,718	879,799	810,926	
130,681	113,749	171,298	183,275	180,507	373,206	
39,900,147	32,332,327	36,156,108	35,999,361	38,184,459	32,558,181	
6,320,016	13,130	(1,892)	14,217	6,821	701,451	
<u>\$ 61,598,062</u>	<u>\$ 45,968,132</u>	<u>\$ 48,964,430</u>	<u>\$ 48,387,180</u>	<u>\$ 49,676,582</u>	<u>\$ 46,042,857</u>	
<u>\$ (54,357,967)</u>	<u>\$ (69,541,493)</u>	<u>\$ (70,671,913)</u>	<u>\$ (72,041,925)</u>	<u>\$ (76,221,038)</u>	<u>\$ (82,787,992)</u>	
8,405,307	8,807,267	8,744,783	9,040,033	9,023,305	9,511,567	
4,879,638	4,313,244	4,157,084	3,906,545	3,848,918	3,924,459	
1,849,054	3,179,252	2,943,787	2,462,802	2,425,568	2,444,129	
275	142	33	(18)	8	8	
4,923,145	4,801,721	4,390,334	3,816,050	3,761,327	3,847,788	
11,118,458	11,369,591	11,705,643	12,271,635	13,579,820	14,123,077	
				3,778,550	8,426,665	
11,109,910	11,368,185	11,699,874	12,270,130	13,576,136	14,127,110	
2,775,886	2,832,704	2,923,093	3,065,409	997,627	27,012	
118,795	107,980	74,510	83,589	70,356	139,804	
36,969	36,788	47,198	58,608	94,022	97,267	
15,670,801	17,208,420	18,592,227	19,067,396	19,995,985	21,004,646	
4,932,200	4,676,609	3,082,023	3,180,936	3,301,848	3,570,541	
1,974,042	1,930,854	1,902,703	2,616,490	2,484,148	2,822,490	
684,904	1,162,458	(316,192)	1,420,929	700,571	1,037,145	
1,037,009	(882,441)	42,869	453,292	218,749	354,668	
111,114	55,430	182,451	66,527	86,637	90,144	
5,169,268						
<u>\$ 74,796,775</u>	<u>\$ 70,968,204</u>	<u>\$ 70,172,420</u>	<u>\$ 73,780,353</u>	<u>\$ 77,943,575</u>	<u>\$ 85,548,520</u>	
<u>\$ 20,438,808</u>	<u>\$ 1,426,711</u>	<u>\$ (499,493)</u>	<u>\$ 1,738,428</u>	<u>\$ 1,722,537</u>	<u>\$ 2,760,528</u>	

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

	Fiscal Year									
	2007	2008	2009	2010	2011 ¹	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720	\$	\$	\$	\$	\$	\$
Unreserved	33,986,837	27,495,342	24,956,598	22,206,572						
Nonspendable					85,029	1,509,973	1,541,383	1,556,369	1,517,238	1,055,053
Restricted								15,000		
Unassigned					26,368,723	28,450,416	29,184,907	26,643,317	26,126,347	28,961,573
Total general fund	<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>	<u>\$ 29,960,389</u>	<u>\$ 30,726,290</u>	<u>\$ 28,214,686</u>	<u>\$ 27,643,585</u>	<u>\$ 30,016,626</u>
All other governmental funds										
Reserved	\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	39,555,023	41,731,738	52,444,661	58,066,418						
Capital project funds	1,968,757	10,265,707	1,176,745	842,548						
Debt service fund	12,318,744	15,066	46							
Nonspendable					84,711	271,992	231,804	139,493	104,770	117,597
Restricted					58,606,383	60,899,020	61,776,253	69,921,012	74,212,850	67,763,379
Unassigned								(2,077,795)	(3,303,500)	(1,238,800)
Total all other governmental funds	<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>	<u>\$ 61,171,012</u>	<u>\$ 62,008,057</u>	<u>\$ 67,982,710</u>	<u>\$ 71,014,120</u>	<u>\$ 66,642,176</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 1 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Property taxes	\$ 10,944,924	\$ 12,447,359	\$ 14,683,323	\$ 15,286,914	\$ 19,877,174	\$ 21,134,274	\$ 20,320,244	\$ 19,255,927	\$ 18,966,331	\$ 19,701,750
County sales taxes	31,096,502	33,726,601	31,235,155	29,334,804	30,092,941	30,395,929	26,455,658	27,750,211	32,096,706	36,952,588
Special assessments	800,422	697,085	533,246	567,822	528,262	443,889	454,223	232,948	137,434	57,851
Licenses and permits	2,412,270	2,028,139	1,596,184	1,531,423	1,544,071	2,080,424	1,428,438	1,585,215	1,520,047	1,721,229
Fees, fines, and forfeits	1,958,043	2,426,546	2,636,342	2,475,047	2,426,546	1,536,208	1,434,276	1,890,338	1,609,332	1,887,642
Intergovernmental	52,924,453	52,807,937	52,131,109	51,035,314	61,706,361	51,173,921	60,388,098	60,348,857	60,921,308	61,905,784
Charges for services	12,413,030	11,059,144	10,616,158	11,421,254	11,176,829	9,280,931	8,764,702	7,751,499	7,004,301	6,923,006
Investment earnings	5,076,801	3,426,238	2,941,346	2,547,186	894,731	1,450,443	(360,692)	1,713,752	1,038,111	1,264,077
Contributions	420,695	638,673	498,811	654,529	582,801	629,849	674,720	658,818	600,116	679,203
Miscellaneous	681,321	644,530	1,039,999	411,152	547,255	491,740	613,048	531,987	565,043	1,439,331
Total revenues	\$ 118,728,461	\$ 119,902,252	\$ 117,911,673	\$ 115,265,445	\$ 128,863,127	\$ 118,617,608	\$ 120,172,715	\$ 121,719,552	\$ 124,458,729	\$ 132,532,461
Expenditures:										
Current:										
General government	\$ 29,462,096	\$ 31,775,048	\$ 31,104,566	\$ 30,537,222	\$ 30,019,684	\$ 30,768,104	\$ 31,049,633	\$ 29,107,514	\$ 31,139,164	\$ 31,421,859
Public safety	28,039,150	31,240,851	31,381,596	30,336,374	36,611,002	34,375,074	39,373,290	45,050,982	43,662,534	48,707,702
Highways and streets	19,756,618	16,548,734	16,992,456	13,181,875	10,912,173	12,105,577	13,312,515	10,949,715	13,734,826	22,936,771
Sanitation	2,880,863	3,154,224	3,146,581	2,978,416	2,919,328	2,874,688	1,820,482	1,413,555	1,941,069	2,065,123
Health	11,403,856	12,077,635	12,361,518	10,956,358	10,795,196	11,338,648	12,036,240	13,528,580	13,091,067	12,723,241
Welfare	5,993,228	6,605,519	7,517,819	8,149,363	8,109,040	6,806,132	6,464,632	4,936,174	4,091,392	4,024,951
Culture and recreation	5,727,983	8,320,721	8,045,985	7,607,898	19,136,103	6,650,038	6,122,803	5,986,724	6,598,582	5,924,896
Education	3,618,428	4,273,975	4,730,288	5,110,500	4,727,587	5,085,903	5,783,644	7,176,253	6,456,550	5,141,470
Capital outlay	359,940	1,711,967	1,434,116	771,393	1,049,137	148,465	2,213,866	147,146	1,281,468	1,872,994
Debt service:										
Principal	4,303,256	18,545,471	2,508,901	2,637,213	2,255,923	2,353,289	396,669	415,808	105,144	85,000
Interest and other charges	1,602,303	1,435,999	512,256	414,902	287,272	178,025	69,723	46,622	24,582	18,128
Total expenditures	\$ 113,147,721	\$ 135,690,144	\$ 119,736,082	\$ 112,681,514	\$ 126,822,445	\$ 112,683,943	\$ 118,643,497	\$ 118,759,073	\$ 122,126,378	\$ 134,922,135
Excess (deficiency) of revenues over expenditures	5,580,740	(15,787,892)	(1,824,409)	2,583,931	2,040,682	5,933,665	1,529,218	2,960,479	2,332,351	(2,389,674)
Other financing sources (uses):										
Capital lease agreement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 90,011
Sale of capital assets	368,694	22,911	2,100	28,179	1,329,950		20,194	502,570	127,958	361,335
Bond proceeds	(791,550)		795,000							
Transfers in	12,934,995	37,093,497	15,481,676	15,042,578	21,912,454	14,661,648	14,454,693	14,188,062	15,427,307	22,706,214
Transfers out	(12,934,995)	(36,982,221)	(15,508,755)	(15,042,578)	(21,894,634)	(14,608,758)	(14,401,159)	(14,188,062)	(15,427,307)	(22,766,789)
Total other financing sources and uses	(422,856)	134,187	770,021	28,179	1,347,770	52,890	73,728	502,570	127,958	390,771
Net changes in fund balances	\$ 5,157,884	\$ (15,653,705)	\$ (1,054,388)	\$ 2,612,110	\$ 3,388,452	\$ 5,986,555	\$ 1,602,946	\$ 3,463,049	\$ 2,460,309	\$ (1,998,903)
Debt service as a percentage of noncapital expenditures	5.53%	17.53%	2.62%	2.80%	2.06%	2.30%	0.42%	0.41%	0.12%	0.08%

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Capital Outlay in FY 2006 through 2008

Coconino County
Assessed Value and Estimated Market Value of
Taxable Property
Last Ten 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			
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	1.0820	15,460,396,890	11.9
2012	1,714,437,231	45,163,364	1,759,600,595	1.3170	14,840,670,920	11.9
2013	1,714,436,551	45,173,364	1,759,609,915	1.3347	14,840,650,090	11.9
2014	1,475,006,428	58,058,854	1,533,065,282	1.4522	13,008,153,658	11.8
2015	1,478,590,523	55,893,415	1,534,483,938	1.4702	13,223,453,140	11.6
2016	1,545,641,492	56,698,420	1,602,339,912	1.4702	14,061,706,204	11.4

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 Operating	Library District	Flood Control District	Public Health Service District	Total Direct
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	0.2500	1.0820
2012	0.4303	0.2367	0.4000	0.2500	1.3170
2013	0.4480	0.2367	0.4000	0.2500	1.3347
2014	0.5466	0.2556	0.4000	0.2500	1.4522
2015	0.5466	0.2556	0.4000	0.2500	1.4522
2016	0.5646	0.2556	0.4000	0.2500	1.4702

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
2007	0.1000		0.5269	0 - 1.5929	0.4700 - 3.0000	0 - 1.3500	0.0500 - 9.4606
2008	0.1000		0.4865	0 - 1.5519	0.4100 - 2.7500	0 - 2.2300	0.0500 - 9.9025
2009	0.0972		0.4643	0 - 1.5169	0.4100 - 2.7500	0 - 2.2300	0.0500 - 10.9896
2010	0.0904	0.3306	0.4267	0 - 1.4913	0.3000 - 3.0000	0 - 2.9705	0.0500 - 9.9371
2011	0.0925	0.3564	0.4308	0 - 1.4845	0.2742 - 3.0000	0 - 2.6680	0.0500 - 8.4520
2012	0.0986	0.4259	0.4734	0 - 1.5283	0.0600 - 3.2500	0 - 1.5640	0.0500 - 8.5934
2013	0.1000	0.4717	0.4927	0 - 1.5497	0.3000 - 3.2500	0 - 1.6919	0.0500 - 10.7007
2014	0.1000	0.5123	0.5879	0 - 1.6795	0.3500 - 3.2500	0 - 3.3685	0.0500 - 11.9461
2015	0.1000	0.5123	0.5879	0 - 1.6784	0.4000 - 3.2500	0 - 1.6659	0.0500 - 11.9461
2016	0.1000	0.5089	0.6056	0 - 1.6784	0.4000 - 3.2500	0 - 1.6659	0.0500 - 13.0827

Source: Coconino County adopted tax rate schedules

Note: Tax rates are per \$100 assessed valuation.

Coconino County
Principal Property Tax Payers
Current Year and Seven Years Ago

Taxpayer	2016			2009		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 78,375,580	1	4.89%	\$ 77,017,813	1	4.18%
Transwestern Pipeline Company	25,246,409	2	1.58	35,331,053	2	1.92
Unisource Energy Corporation	19,498,977	3	1.22	18,541,722	4	1.01
BNSF Railway Company	19,294,328	4	1.20	16,356,913	7	0.89
W.L. Gore & Associates Inc.	18,164,529	5	1.13	18,043,975	5	0.98
City of Los Angeles Dept of Wtr & Pwr	15,870,784	6	0.99	18,018,149	6	0.98
Kinder Morgan (El Paso Natural Gas)	15,446,144	7	0.96	19,625,984	3	1.07
Nevada Power Company	9,921,570	8	0.62	9,866,303	9	0.54
Qwest Corporation	5,697,142	9	0.36	13,184,230	8	0.72
Wal-mart Stores Inc.	4,915,014	10	0.31			
HTS-CHC (Sedona) LLC				5,431,114	10	0.30
Total Principal Taxpayers	<u>\$ 212,430,477</u>		<u>13.26%</u>	<u>\$ 231,417,256</u>		<u>12.59%</u>
Total Coconino County Primary Assessed Value	\$ 1,602,339,912			\$ 1,840,775,046		

Source: Coconino County Assessor

**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
2007	\$10,373,130	\$ 10,197,426	98.31	\$ 172,828	\$ 10,370,254	99.97
2008	11,991,569	11,693,983	97.52	283,373	11,977,356	99.88
2009	14,061,783	13,583,453	96.60	456,882	14,040,335	99.85
2010	14,383,909	13,977,568	97.18	406,803	14,384,371	100.00
2011	19,513,519	18,641,220	95.53	734,404	19,375,624	99.29
2012	19,880,920	19,239,142	96.77	527,319	19,766,461	99.42
2013	19,356,876	18,811,741	97.18	421,051	19,232,792	99.36
2014	18,532,923	18,092,321	97.62	319,253	18,411,574	99.35
2015	18,693,720	18,610,772	99.56	910	18,611,682	99.56
2016	19,059,353	18,622,068	97.71		18,622,068	97.71

Fiscal Year Ended June 30,	County Tax Levied for the Fiscal Year				
	County Operating	Public Health Service District	Flood Control District	County Library	Total County
2007	6,332,859		1,237,412	2,802,859	10,373,130
2008	6,637,571		1,508,651	3,845,347	11,991,569
2009	7,328,876		2,014,075	4,718,832	14,061,783
2010	7,320,104		1,961,323	5,102,482	14,383,909
2011	7,631,149	5,153,351	1,849,827	4,879,193	19,513,519
2012	7,774,986	4,588,969	3,172,129	4,344,836	19,880,920
2013	7,836,325	4,397,524	2,959,452	4,163,575	19,356,876
2014	8,321,922	3,828,370	2,468,506	3,914,125	18,532,923
2015	8,541,404	3,820,326	2,426,088	3,905,901	18,693,720
2016	8,828,938	3,848,713	2,446,777	3,934,925	19,059,353

Source: Taxes levied and collections are 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
2007	\$ 18,180,000	\$ 12,445,000	\$ 2,153,550	\$ 32,778,550	0.77%	\$ 251.29
2008		10,435,000	1,885,208	12,320,208	0.28%	93.44
2009		8,340,000	2,364,178	10,704,178	0.24%	80.19
2010		6,145,000	2,016,964	8,161,964	0.18%	60.64
2011		3,855,000	1,646,042	5,501,042	0.12%	40.90
2012		1,970,000	1,262,673	3,232,673	0.07%	23.77
2013			866,084	866,084	0.02%	6.34
2014			450,276	450,276	0.01%	3.27
2015			345,131	345,131	0.01%	2.48
2016			260,000	260,000	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 and income and population was not available for 2016.

Coconino County
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016	
Assessed value	\$ 1,602,339,912
Debt limit (6% of assessed value)	96,140,395
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	96,140,395
Legal debt margin	\$ 96,140,395

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395
Total net debt applicable to the limit										
Legal debt margin	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395
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		Debt Service		Coverage
			Revenue	Principal	Interest		
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	
2012	25,597,226	12,638,737	12,958,489	1,970,000	89,333	6.29	
2013	26,432,645	12,954,957	13,477,688		1,500		
2014	29,764,353	13,793,638	15,970,715				
2015	33,158,650	13,554,714	19,603,936				
2016	37,112,310	24,544,528	12,567,782				

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues ¹	Debt Service		Coverage
		Principal	Interest	
2007	\$ 762,301	\$ 293,256	\$ 168,330	1.65
2008	1,024,569	270,471	126,011	2.58
2009	1,082,701	313,901	128,264	2.45
2010	938,727	347,213	130,280	1.97
2011	1,001,654	370,923	109,961	2.08
2012	971,522	370,923	109,961	2.02
2013	931,380	396,669	68,223	2.00
2014	704,051	415,808	46,622	1.52
2015	371,959	105,144	24,582	2.87
2016	297,796	85,000	18,128	2.89

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
2007	130,442	\$ 4,348,995	\$ 33,340	3.7%
2008	131,853	4,590,014	34,812	5.1
2009	133,477	4,514,396	33,822	7.1
2010	134,611	4,523,918	33,607	8.4
2011	134,105	4,617,232	34,430	8.2
2012	136,011	4,735,934	34,820	8.3
2013	136,539	4,906,294	35,933	7.9
2014	137,682	5,399,899	39,220	7.1
2015	139,097	5,705,476	41,018	6.4
2016	143,616	NA ¹	NA ¹	6.5

Sources: Population and personal income through 2015 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

Population projection for 2016 obtained from Office of Employment & Population Statistics, Arizona Department of Administration.

Unemployment rate obtained from Arizona Unemployment Statistics Program, Research Administration.

¹ Personal income estimates were not yet available for fiscal year 2016.

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Coconino County
Principal Employers
Current Year and Nine Years Ago

Employer	2016 ¹			2007 ²		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,815	1	4.10%	3,393	1	4.99%
Flagstaff Medical Center	2,350	2	3.42%	1,999	2	2.94%
W.L. Gore	2,200	3	3.20%	1,300	4	1.91%
Flagstaff Unified School District	1,436	4	2.09%	1,700	3	2.50%
Coconino County	1,294	5	1.88%	1,056	5	1.55%
City of Flagstaff	872	6	1.27%	948	6	1.39%
Twin Arrows Navajo Casino Resort	700	7	1.02%			
Walmart	630	8	0.92%			
Grand Canyon Railway	421	9	0.61%			
SCA Tissue	279	10	0.41%	279	8	0.41%
Walgreens Distribution Center				400	7	0.59%
Total Employment in Coconino County						
As of June 30 ³				68,662	67,997	

- Sources: ¹ Economic Collaborative of Northern Arizona, Flagstaff Chamber of Commerce
² Arizona Department of Economic Security, Workforce Arizona Statistics
³ Arizona Unemployment Statistics Program, Research Administration

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2007	2008	2009	2010
General Government				
Assessor	26.00	27.00	27.08	27.00
Board of Supervisors	13.50	13.50	14.50	14.00
Clerk of the Superior Court	23.50	23.35	23.35	23.35
Community Development	21.50	23.00	23.50	23.50
County Attorney	42.00	42.75	43.00	42.00
County Manager	5.00	10.50	10.50	11.00
Facilities Management	28.00	28.00	28.00	28.00
Finance	19.00	19.00	18.00	18.00
Human Resources	10.00	11.00	10.00	10.00
Government Relations				
Information Technology	28.00	28.00	30.00	30.00
Justice Court - Flagstaff	22.00	24.25	24.50	23.50
Justice Court - Fredonia	2.50	2.50	2.50	2.50
Justice Court - Page	5.00	5.00	5.00	5.00
Justice Court - Williams	5.00	5.00	5.00	5.00
Legal Defender	4.48	5.00	5.00	5.00
Non-Departmental				
Organizational Development	1.00	1.00	1.00	1.00
Public Defender	22.00	22.00	22.00	21.00
Recorder	17.00	19.00	19.00	19.00
Superintendent of Schools	10.40	11.36	11.36	11.36
Superior Court	31.00	34.75	35.00	36.00
Treasurer	8.50	8.50	8.00	8.00
Public Safety				
Adult Probation	59.60	60.10	60.10	60.10
Constable	1.00	1.00	1.00	1.00
Emergency Management				
Jail District	146.33	165.83	168.83	168.83
Juvenile Court Services	75.28	75.48	75.28	72.08
Sheriff	93.50	94.50	94.50	96.50
Highways and Streets				
Public Works	136.40	136.40	136.40	136.40
Sanitation				
Kachina Village Imp. Dist.	8.00	8.00	8.00	8.00
Health				
Health	122.50	129.58	132.53	135.17
Welfare				
Career Center	10.88	10.88	13.88	13.00
Community Services	47.92	49.15	51.65	43.17
Culture and Recreation				
Parks and Recreation	19.00	20.50	21.00	21.00
Total	<u>1,065.79</u>	<u>1,115.88</u>	<u>1,129.46</u>	<u>1,119.46</u>

Source: Coconino County Budget Books 2007-2016

2011	2012	2013	2014	2015	2016
25.00	25.00	26.00	27.00	27.00	26.00
13.50	13.50	13.50	14.50	14.50	14.50
23.35	23.35	23.98	23.60	23.60	25.60
22.50	22.50	22.50	23.50	30.00	30.00
42.00	42.00	42.00	43.00	43.00	43.00
12.00	12.40	13.22	12.47	7.00	7.00
26.00	26.00	26.00	26.00	26.00	26.00
17.00	18.25	18.25	18.00	18.00	18.00
10.00	9.73	9.73	10.63	10.63	11.75
				4.00	4.00
31.00	28.00	24.00	24.00	24.00	24.25
22.75	22.75	22.75	21.50	21.50	21.50
2.50	2.50	2.50	2.50	2.50	2.75
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	6.00	6.00	6.00
5.00	5.00	5.00	6.00	6.00	6.25
4.00	3.00				
21.00	21.00	21.00	20.00	20.00	20.00
17.00	17.00	17.00	17.50	17.50	17.50
9.58	8.88	11.66	10.83	10.00	10.71
35.00	33.50	34.33	34.33	36.33	36.33
8.00	8.00	8.00	8.00	8.00	8.00
59.50	59.50	58.80	56.80	56.80	57.81
1.00	1.00	1.00	1.00	1.00	1.00
				3.00	3.00
166.83	169.63	169.68	170.98	172.89	181.50
71.20	69.58	68.63	70.11	69.93	70.55
97.50	97.50	99.65	96.83	98.75	97.13
121.15	120.50	132.13	127.54	125.51	125.51
8.00	8.00	8.00	8.00	8.00	8.00
111.65	113.71	111.60	114.33	102.32	95.43
13.00	12.00	12.00	12.00	13.00	13.00
48.22	51.22	50.32	48.33	34.83	34.42
19.75	19.75	20.00	19.00	19.00	19.00
<u>1,074.98</u>	<u>1,074.75</u>	<u>1,083.23</u>	<u>1,079.28</u>	<u>1,065.59</u>	<u>1,070.49</u>

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

Function/Program	2007	2008	2009	2010
General Government				
Clerk of the Superior Court				
New Court Cases	3,805	3,502	3,910	3,950
Community Development				
Building Permits Issued	1,934	1,794	1,581	1,783
Building Inspection/Site Visits	7,487	6,950	6,295	4,624
County Attorney				
Adult Felony and Misdemeanor cases	8,994	8,334	7,518	7,009
Victim Restitution Collected for Bad Checks	\$ 52,846	\$ 49,833	\$ 35,028	\$ 24,150
Justice Courts				
Total Cases	27,462	26,206	27,596	26,801
Legal Defender				
Total Cases	605	512	466	400
Public Defender				
Total Cases	4,562	4,001	3,889	3,393
Recorder				
Documents Recorded by Fiscal Year	54,356	42,701	37,929	37,000
Registered Voters	62,046	66,000	71,000	66,000
Superior Court				
Total Number of Criminal Cases Filed	1,192	1,108	1,179	1,024
Total Number of Domestic Relations Cases Filed	725	619	692	766
Total Number of Civil Cases Filed	998	874	1,111	1,166
Treasurer				
Total Real Property Notices	72,518	74,000	77,100	73,796
Public safety				
Adult Probation				
Monthly Average Probationers Supervised	1,343	1,280	1,236	1,253
Restitution Collected	\$ 244,527	\$ 220,000	\$ 237,055	\$ 196,824
Jail District				
Average Local Population	365	397	366	372
Juvenile Court Services				
Delinquents and Incurable Petitions Filed	870	878	817	662
Contributed to Community Through Restitution Hours	\$ 34,650	\$ 34,779	\$ 54,433	\$ 46,906
Sheriff				
Calls for Service	42,344	38,911	40,656	50,311
Culture and recreation				
Parks and Recreation				
County Fair participants	42,536	43,126	45,049	41,711
Highways and streets				
Public Works				
Number of miles graded	1,712	2,114	2,382	2,303
Number of miles resurfaced	28	35	53	45
Miles of road chip sealed	24	75	21	60
Health				
Health Department				
Patient Vaccination visits	10,729	10,783	10,512	10,510
Restaurant/Public Facility Inspections	3,664	4,048	3,838	3,662
Welfare				
Community Services				
Home Delivered Meals	21,227	24,400	20,806	20,500
Congregate Meals	23,612	25,100	24,366	25,076
Cases Managed	3,591	3,042	3,012	3,180

Source: County Department records and Adopted Budgets

Fiscal Year					
2011	2012	2013	2014	2015	2016
4,575	4,583	4,343	4,296	4,465	5,822
1,880	1,311	1,250	1,280	1,200	1,065
5,545	2,629	3,496	4,100	3,600	2,076
6,278	7,002	6,915	9,552	9,181	8,687
\$ 15,231	\$ 16,000	\$ 13,444	\$ 18,938	\$ 8,045	\$ 9,993
26,506	26,833	22,819	24,438	23,093	24,673
370	451	552	702	728	755
3,026	3,133	2,951	2,830	3,097	3,044
37,000	36,500	32,000	32,000	40,000	35,000
67,000	68,000	73,000	71,000	67,000	70,000
862	943	900	930	929	910
711	608	625	630	653	700
1,077	716	873	880	706	750
74,000	74,786	74,000	80,165	70,334	69,305
1,252	1,222	1,193	1,196	1,184	1,230
\$ 189,911	\$ 153,524	\$ 198,079	\$ 190,000	\$ 190,000	\$ 190,000
372	407	432	400	415	395
662	619	608	449	481	467
\$ 30,584	\$ 34,707	\$ 39,814	\$ 43,474	\$ 52,601	\$ 53,929
52,815	56,195	60,955	58,651	63,270	63,291
45,441	45,095	42,841	44,000	45,000	45,000
2,500	2,400	2,088	2,559	2,755	3,408
70	70	62	104	79	58
55	80	44		54	46
4,300	4,693	4,923	4,323	3,564	3,372
3,400	3,400	3,825	3,737	3,115	3,570
18,395	18,500	14,268	17,304	17,683	17,380
26,649	25,076	20,220	21,346	18,965	15,733
3,303	3,200	1,404	810	842	684

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

Function	Fiscal Year								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government									
Facilities square footage managed	684,914	684,914	684,914	684,914	684,914	684,914	679,914	682,455	682,455
Public safety									
Jails	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	8	8	7	7	7
Patrol vehicles	74	74	75	77	79	55	46	47	56
Highways and streets									
Bridges	30	30	30	30	30	38	39	39	39
Miles of paved roads	322	323	323	332	319	319	333	323	322
Miles of unpaved roads	711	711	711	711	611	604	590	672	676
Sanitation									
Solid Waste transfer stations	10	10	10	10	8	8	2	2	2
Wastewater treatment facilities	1	1	1	1	1	1	1	1	1
Wells	5	5	5	5	5	5	5	5	5
Health									
Public health facilities	1	1	1	1	1	1	1	1	1
Animal transport vehicles	3	3	3	3	4	4	4	4	4
Culture and recreation									
Parks	9	9	9	9	9	9	9	9	9
Acres protected as open space	589	589	589	2,503	2,600	2,600	2,600	2,600	2,600
Trail miles available for public use	16	17	17	18	18	18	18	23	23
Education									
School building	2	2	2	2	2	2	2	2	2

Source: Coconino County capital asset records and county departments

Note: Information was only available for nine years.