



**Comprehensive Annual  
Financial Report  
Fiscal Year Ended  
June 30, 2019**

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# Coconino County Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019

## COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott  
District 1  
Chair

Elizabeth C. Archuleta  
District 2

Matthew G. Ryan  
District 3

Jim Parks  
District 4

Lena Fowler  
District 5  
Vice Chair

## COCONINO COUNTY MANAGEMENT

James Jayne  
County Manager

Michael Townsend

Lucinda Andreani  
Deputy County Managers

Dr. Marie Peoples

### Finance Team

*Michael Townsend, Chief Financial Officer  
Thomas Johnson, CPA, Accounting Manager  
Chyenne Schmidt, CPA, Senior Accountant  
Marsha Westling, Accountant  
Nancy Ho, MBA, Senior Accountant*

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## **INTRODUCTORY SECTION**

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April 30, 2020

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, 2019. 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, 2019 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, 2019, 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, 2019, 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 16<sup>th</sup> 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 2019 population of Coconino County is 147,100. 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 of Supervisors 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.* In July 2019, as reported by The Washington Post, the International Monetary Fund (IMF) increased its U.S. growth forecast; projecting economic growth at a rate of 2.6% for 2019. The 2018 calendar year ended with 2.9% real GDP. Arizona continued to grow in overall economy and employment during fiscal year 2019. According to the Phoenix Business Journal, Arizona averaged 4% real GDP growth in all of 2018 with projections of similar growth for 2019. According to Arizona economists, Arizona historically outpaces the nation in GDP growth and continues to do so. Job growth has been steady and wage growth is gaining momentum. Minimum wage ballot measures were approved by voters across the State and locally in Flagstaff; contributing to wage growth. Housing prices and permits have slightly decreased. In December 2019 Zillow reports the median listing price of homes in Flagstaff at \$430,000 with a median home value of \$377,000, reported as 2.5% over the prior year. Building permits were down by 17% in Coconino County for FY19 over FY18. The State continues to add jobs and residents at a faster pace than the nation, and is expected to continue to do so over the next three years. 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 budgeted a total of 3% in base salary increases for all employees, for FY19. The budget also included a one-time payment for each employee based on pay grade, excluding department directors and elected officials

*Impact of State Economic Condition.* Although the County's sound long-term financial planning considers and includes a recessionary growth model based on prior recessions, cost shifts and State impacts to local government 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.

*Local economy.* The economy of Coconino County is based primarily on tourism, public administration, the service industry, wholesale and retail trade. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. The list of major employers remained relatively the same in FY19 as in the prior year. The list of major employers includes; Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, Twin Arrows Navajo Casino and Resort, City of Flagstaff, Walmart, Grand Canyon Railway, 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 U.S. 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. The tourism sector saw an increase of 7.1% in revenue at year end 2019 over the prior year, according to the Arizona Office of Tourism (latest data available). Arizona State Parks is reporting a decrease in visitors to State Parks within Coconino County, in all of 2019.

*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 FY19 the County continued to expand on the Strategic Budget Process that began 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 the FY19 budget, health insurance premiums increased on average 9% over the three different plans offered to County employees. This was only the third increase in six years and is well below the national average for health plan premium increases.

## 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 of Supervisors 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 of Supervisors.

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 of Supervisors 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 current resources to current expenditures.

*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**

### Public Pension Plans

Legislative changes have been made to the public pension systems to address the unfunded liabilities outstanding. In the PSPRS system a proactive plan has been developed which changed the amortization period to allow for full funding in 20 – 25 years, the assumed rate of return was adjusted down to better reflect market trends, which resulted in an increase in contribution rates over the next five years. The Coconino County Board of Supervisors took an action to make an extra payment to pay down the unfunded liability. In FY19 the Board authorized an additional payment of \$10.0 million. This made a large difference in the funded status for Coconino County as well as the contribution rate going forward.

### Capital Investments

#### **Enterprise Resource Program (ERP) and Facilities Master Plan (FMP)**

Fiscal Year 2019 brought about the conclusion of the ERP implementation, capping off an 18 month window with the go-live of the financial system on July 1, 2018 and the payroll system on January 1, 2019. The County was also able to integrate timekeeping with its existing ExecuTime system and the new Munis payroll system to improve turnaround times for payroll processing. Additional process improvements using system functionality have streamlined daily operations for County staff through enhanced reporting, approval workflow, and search capabilities.

Funding set aside in FY18, added to prior fiscal year FMP funding allows for the Master Plan to get back on track, after being put on hold for several years following the economic downturn. A new space for the Medical Examiner's Office was completed in FY19. Also, in the works, the County purchased a lot near 4<sup>th</sup> Street in East Flagstaff, adjacent to the King Street Health and Community Services Building, for future expansion. More planning to happen in FY20.

### Compensation plan

As the economy continues to improve, we are cognizant of the potential risks of increased employee turnover. Beginning in FY14 the Board of Supervisors has taken steps to address compensation. This was continued in FY19 with employees receiving a 3% base adjustment to wages. 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. The Board added funding to the Tuition Reimbursement Program, which has become very popular with employees. The program was expanded to include more educational/degree options than in the original program.

### Commissioned Officer and Detention Officer Retention Program Pilot

The County is piloting a program to help in both recruitment and retention of law enforcement and detention employees. The Board approved a program designed to set-aside a lump sum of either \$10,000 or \$20,000 dollars for all current eligible employees and at the time a law enforcement or detention officer is hired. This sum is invested and is eligible to be paid out upon reaching specific longevity mileposts. The first payout is at

5 years of service, at 25% of the lump sum. The second payout is at 8 years of service, at 50% of the total lump sum. The final payout is at 10 years of service and will be for the remaining balance, or 100% of the initial lump sum. There is also a requirement that employees eligible at the date of inception, January 2018, must remain employed through December 31, 2019. The first payout, based on vesting, will be March 1, 2020. The straight-line amortization of future liability is stated in Note 6.

In June 2018 the Board of Supervisors adopted the Commissioned Officer and Detention Officer Retention Program. The Program includes a loan option for the sole purpose of buying a primary residence. Working with the City of Flagstaff through Housing Solutions, employee's eligibility is determined and the County assistance funds are used to purchase a home.

#### Joint Land Use Study (JLUS)

Coconino County is continuing its partnership with the United States Naval Observatory Flagstaff Station, Arizona Army National Guard, Camp Navajo, and the City of Flagstaff in implementing an Arizona Joint Land Use Study (JLUS).

The goal of the Study is to provide multiple outcomes, including: drafting strategies to reduce light pollution impacts around the Naval Observatory, develop conflict resolution strategies to perpetuate existing compatible land uses, recommend a tool box of policies, regulations, and ordinances to address existing incompatibility issues and guide future compatible development that protects and preserves military readiness/defense capabilities, recommend development of a process at the local level to support compatibility between development of regional renewable energy resources and military operations, to facilitate the siting of renewable energy projects, and to develop recommendations for transportation infrastructure investments that would serve future military mission needs and future development in the area.

#### Navajo Generating Station Proposed Closure; Economic Impact

The Navajo Generating Station is located just outside the City of Page, Arizona, within Coconino County. The owners of the power plant announced their plans to close this facility on June 30, 2016. Through negotiations with the Navajo Nation, the owners delayed the closure until 2019. The financial impact to the entire region is estimated at tens of millions of dollars in losses including; wages, sales and property tax revenue, employee spending, housing, lost sale of coal and coal mining operations, and revenue impacts to related businesses and education.

Coconino County is working with a consortium of agencies and partners including the City of Page, Page Unified School District, Coconino Community College, Northern Arizona University, ECONA, Navajo Nation Economic Development, Coconino County Career Center, and others, to begin developing plans to bring innovative, sustainable economic development resources to the region.

## **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. 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, 2015, 2016 and 2017. 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. Due to different obstacles Coconino County did not submit to be considered for this award for FY19.

In addition, Coconino County has received the GFOA’s Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2018. 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,

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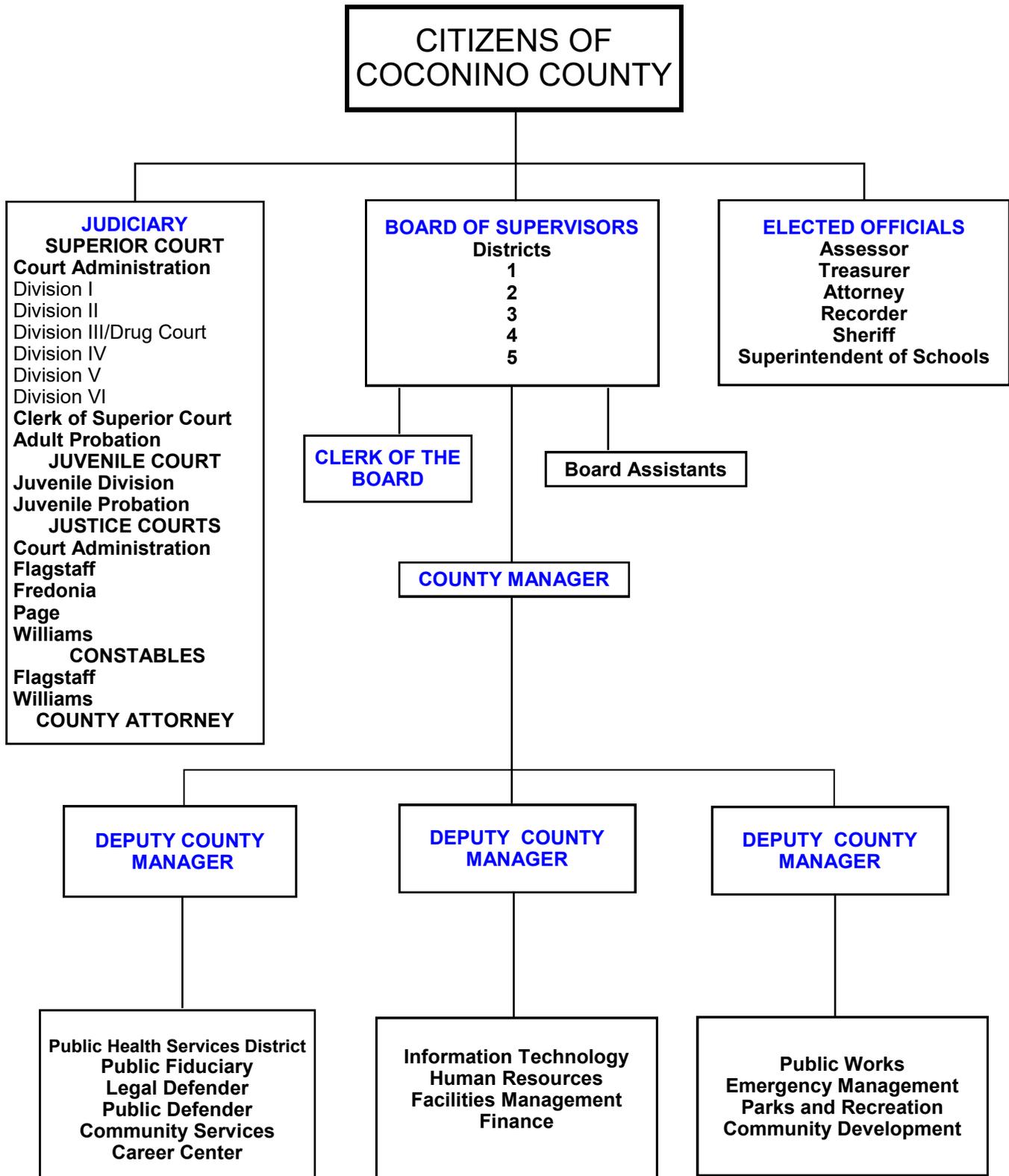
James Jayne  
County Manager

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Megan Cunningham  
Interim Finance Director, CFO

# COCONINO COUNTY

## Organizational Chart



# COCONINO COUNTY

## County Officials

### **BOARD OF SUPERVISORS**

District 1 .....	Art Babbott, Chair
District 2 .....	Elizabeth C. Archuleta
District 3 .....	Matthew G. Ryan
District 4 .....	Jim Parks
District 5 .....	Lena Fowler, Vice Chair
County Manager .....	James Jayne
Deputy County Manager .....	Michael Townsend
Deputy County Manager .....	Dr. Marie Peoples
Deputy County Manager .....	Lucinda Andreani
Clerk of the Board .....	Lindsay Daley

### **ELECTED OFFICIALS**

Clerk of the Superior Court .....	Valerie Wyant	
Constable	Flagstaff .....	Darrin Womble
	Williams .....	Rick Remender
County Assessor .....	Armando Ruiz	
County Attorney .....	William P. Ring	
County Recorder .....	Patty Hansen	
County Sheriff .....	Jim Driscoll	
County Superintendent of Schools .....	Risha VanderWey	
County Treasurer .....	Sarah Benatar	
Justice of the Peace	Flagstaff .....	Howard Grodman
	Fredonia .....	Serena Cutchen
	Page .....	Donald G. Roberts
	Williams .....	Robert Krombeen
Superior Court	Division I .....	Ted Reed
	Division II .....	Dan Slayton
	Division III/Drug Court .....	Mark Moran, Presiding Judge
	Division IV .....	Elaine Fridlund-Horne
	Division V .....	Cathleen Brown Nichols
	Division VI .....	Fanny Steinlage, Judge Pro Tempore

### **APPOINTED DEPARTMENT HEADS**

Adult Probation (Chief Probation Officer) .....	Sarah Douthit
Career Center .....	Carol Curtis
Community Development .....	Jay Christelman
Community Services (Interim) .....	Norma Gallegos
Court Administrator .....	Gary Krcmarik
Facilities Management .....	Susan Brown
Public Health Services District .....	Marie Peoples
Human Resources .....	Erika Philpot
Finance .....	Michael Townsend
Information Technology .....	Matt Fowler
Juvenile Court Services .....	Bryon Matsuda
Legal Defender (Interim) .....	Erika Arlington
Parks and Recreation .....	Cynthia Nemeth-Briehn
Public Defender .....	Sandra Diehl
Public Works .....	Lucinda Andreani
Superior Court Juvenile Court Judge/Commissioner .....	Angela Kircher

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## **FINANCIAL SECTION**

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MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL  
LINDSEY A. PERRY

JOSEPH D. MOORE  
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, 2019, 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 the County as of June 30, 2019, 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 2 to the financial statements, the County restated beginning net position of its financial statements for the year ended June 30, 2019, to correct a misstatement in its previously issued financial statements. 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 22 through 34, budgetary comparison schedules on pages 96 through 101, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on page 102, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 103, schedule of County pension contributions on pages 104, and schedule of changes in the County's total OPEB liability on page 107 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 (HURF) and other dedicated State transportation revenue monies*

In connection with our audit of the County's Public Works/HURF major fund, we noted the County spent \$51,192 for food and beverages, which did not comply with the authorized transportation purposes for HURF monies it received pursuant to Arizona Revised Statutes (A.R.S.) Title 28, Chapter 18, Article 2; transportation excise tax monies pursuant to A.R.S. Title 28, Chapter 17, Article 3; and any other dedicated State transportation revenues it received. We will include this matter in the other reporting required by *Government Auditing Standards* discussed below.

Our audit was not directed primarily toward obtaining knowledge as to whether the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for these monies. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of HURF 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 solely 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 the effectiveness of the County's 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.

Lindsey Perry  
Auditor General

April 30, 2020

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

Coconino County  
Management's Discussion and Analysis  
June 30, 2019

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, 2019. Please read it in conjunction with the transmittal letter on pages 3-11 and the County's basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2019**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$161.40 million (net position). The unrestricted net deficit in the amount of \$89.06 million consists of positive net position in the amount of \$39.57 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 \$128.63 million is primarily the result of the County's unfunded pension and other postemployment benefit (OPEB) obligations.
- The increase in the County's net position was \$12.09 million in fiscal year 2019.
- At the close of fiscal year 2019, the County's governmental funds reported combined ending fund balances of \$94.80 million, a decrease of \$11.35 million.
- The General Fund reported an unassigned fund balance of \$20.30 million at the close of fiscal year 2019, a decrease of \$5.43 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 37-39 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 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 40-46 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 47-49 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 50-51 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 54-93 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 Changes in the County's Total OPEB Liability. *Required supplementary information can be found on pages 96-107 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, 2019 and June 30, 2018. Net Position may serve over time as a useful indicator of a County's financial position.

	Governmental Activities	
	(in millions)	
	2019	2018
Current and other assets	\$107.16	\$ 117.68
Capital assets	177.76	170.00
Total assets	284.92	287.68
Deferred outflows of resources	41.33	23.19
Current liabilities	10.79	9.51
Long-term liabilities outstanding	137.07	150.76
Total liabilities	147.86	160.27
Deferred inflows of resources	16.99	5.63
Net position:		
Net investment in capital assets	177.77	169.98
Restricted	72.69	79.73
Unrestricted	(89.06)	(104.74)
Total net position	<u>\$ 161.40</u>	<u>\$ 144.97</u>

The County's net position from governmental activities at the end of the fiscal year was \$161.40 million. There was an increase of \$16.43 million from the amount recorded in fiscal year 2018 because of a restatement in net position from the prior year of \$4.34 million for capital assets (see Note 2 – PRIOR PERIOD ADJUSTMENT) and an increase in current year net position of \$12.09 million as recorded in the Statement of Activities. The current year increase is primarily the result of the \$15.52 million payment to Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP) net pension liability. The expenses are removed and reported as deferred outflows of resources in the statement of net position because the reported net pension liability is measured one year before the County's report date. (See Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities on page 46).

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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 2019, deferred outflows of resources increased \$18.14 million compared to fiscal year 2018 which was \$23.19 million because the County made an additional employer contribution of \$15.52 million to PSPRS and CORP. (See Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Liabilities

Total liabilities decreased \$12.41 million compared to fiscal year 2018 due to a decrease in long-term liabilities of \$13.69 million. The decrease in long-term liabilities is attributable to net pension liability which is calculated in actuarial reports. (See Note 6 – 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 2019, deferred inflows of resources increased \$11.36 million compared to fiscal year 2018 which was \$5.63 million due to changes in actuarial estimates related to the County's net pension liability. (See Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Net Investment in Capital Assets

The County's net investment in capital assets increased by \$7.79 million in the current fiscal year, with total net investment in capital assets of \$177.77 million. Capital assets include land, buildings, equipment, and infrastructure. The \$7.79 million increase is due to Public Works purchases of heavy equipment and fleet vehicles to replace obsolete and outdated equipment and vehicles. 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 \$72.69 million. The County's restricted net position decreased by \$7.04 million in the current fiscal year. This reduction is attributed to a payment to the PSPRS of \$5.52 million to pay down the CORP net 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 liabilities. The reported negative balance of the County's net position, \$89.06 million, is unrestricted and consists of, positive net position in the amount of \$39.57 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 \$128.63 million which is primarily the

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result of the County's unfunded pension and OPEB liabilities. The reduction in negative unrestricted net position is due to the \$15.52 million payment to PSPRS and CORP. (See Note 10 – 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 \$161.40 million. The County's total net position increased by \$16.43 million compared to fiscal year 2018. The increase as recorded in the Statement of Net Position is primarily the result of the \$15.52 million payment to PSPRS and CORP net pension liability. Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and are not reported in the funds. (See Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position on page 43).

**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 2019 compared to the prior year.

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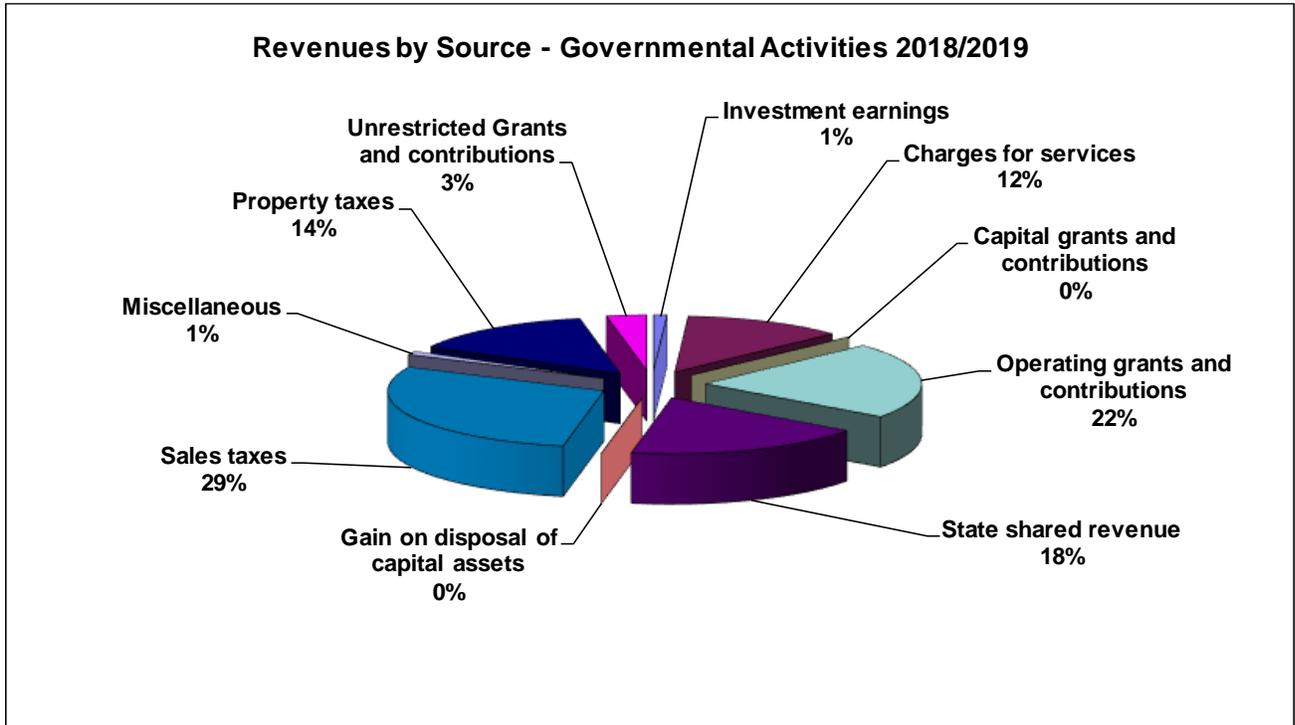
	Governmental Activities (in millions)	
	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues:		
Charges for services	\$ 18.45	\$ 14.44
Operating grants and contributions	33.84	36.04
Capital grants and contributions	0.01	1.09
Total program revenue	<u>52.30</u>	<u>51.57</u>
General revenues:		
State shared revenue	27.33	26.65
Sales taxes	43.23	42.66
Property taxes	21.82	21.03
Grants and contributions not restricted to specific programs	3.91	4.24
Investment earnings	2.17	0.35
Gain on disposal of capital assets	0.01	0.66
Miscellaneous	2.04	0.05
Total general revenue	<u>100.51</u>	<u>95.64</u>
Total revenues	<u>152.81</u>	<u>147.21</u>
Program expenses		
General government	38.57	41.68
Public safety	43.12	49.97
Highways and streets	24.43	23.62
Sanitation	2.25	2.20
Health	14.93	15.01
Welfare	4.45	5.21
Culture and recreation	8.08	7.75
Education	4.89	7.17
Total program expenses	<u>140.72</u>	<u>152.61</u>
Change in net position	12.09	(5.40)
Net position - beginning	<u>144.97</u>	<u>151.81</u>
Prior period adjustment	4.34	(1.44)
Net position - beginning, as restated	<u>149.31</u>	<u>150.37</u>
Net position - ending	<u>\$ 161.40</u>	<u>\$ 144.97</u>

Overall program revenues increased by \$0.73 million in the current fiscal year. This increase was primarily due to an increase in HURF funding of \$0.61 million.

Program expenses decreased by \$11.89 million in the current fiscal year, primarily due to a decrease in Education grants and in Public Safety operational expenses.

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Management's Discussion and Analysis  
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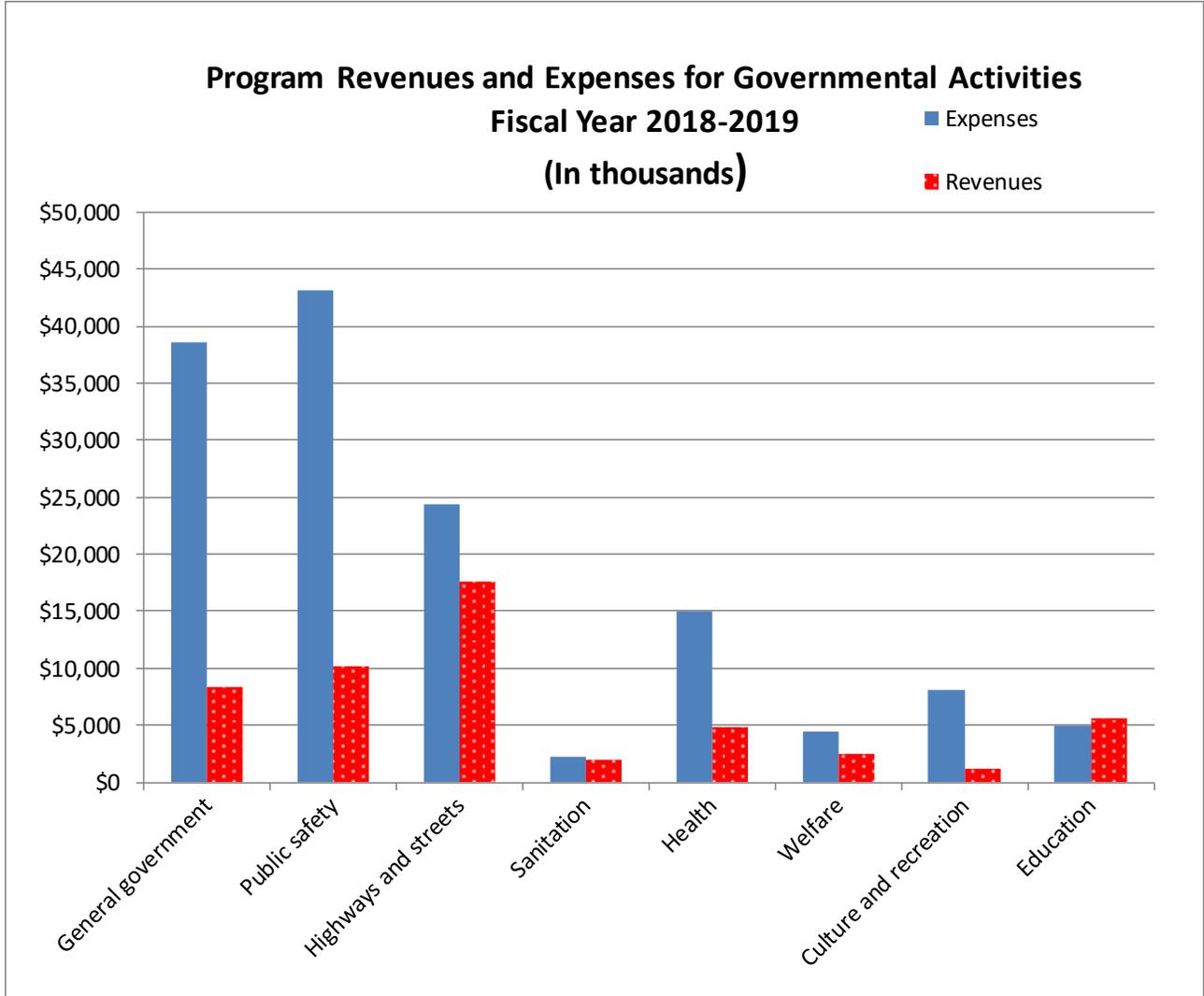
Total general revenue increased by \$4.87 million in fiscal year 2019. This was due in large part to donation of capital assets of \$1.90 million, increased local County sales tax collections of \$0.57 million, an increase in property tax collections of \$0.79 million, and an increase in State shared revenue of \$0.68 million.



As shown in the “Revenues by Source - Governmental Activities” chart above and “Program Revenues and Expenses for Governmental Activities” chart on the following page, for governmental activities overall, without regard to program, sales taxes are the largest single source of funds (29%), followed by operating grants and contributions (22%), and State shared revenue (18%).

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Public safety is the largest functional area in expense (31%), followed by general government (27%), highways and streets (17%) and health (11%).



General Government expenses decreased \$3.11 million in the current fiscal year due in large part to purchase of a new ERP software system and hardware during 2018. Public Safety expenses decreased \$6.85 million attributed to operational savings. Education expenses decreased by \$2.28 million in the current year as a result of large grants ending.

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, 2019 in the amount of \$79,268.

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Management's Discussion and Analysis  
June 30, 2019

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

The County reported four major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, and Public Health Services District. At year-end the County's governmental funds reported combined fund balances of \$94.80 million, which is a decrease of \$11.35 million from last year, or a decrease of 10.69%. Of the total, \$94.68 million (99.87%) constitutes spendable fund balance.

Revenues for governmental functions overall increased by 2.93% and expenditures for governmental functions overall increased by 19.70%. The revenue increases were the result of an increase in local sales tax, increase in property tax revenue, and increases in charges for services revenues. On the expenditure side, the increase was primarily due to the PSPRS and CORP pension contributions discussed above. Governmental fund expenditures exceeded governmental fund revenue by \$12.18 million in the current fiscal year and the fund balance decreased by \$11.35 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 \$21.17 million. Spendable fund balance represents 99.86% of the General Fund's total fund balance. The General Fund's fund balance decreased by \$5.77 million compared to fiscal year 2018. This decrease is largely due to a transfer from the General Fund into the Capital Facilities Fund for the Facilities Master Plan.

The Public Works/HURF Fund, fund balance increased by \$3.89 million in the current fiscal year. The increase was from revenues exceeding expenditures. In addition, \$1.7 million in road construction projects were not completed in fiscal year 2019 and were carried over into fiscal year 2020.

The Jail District Fund, fund balance decreased by \$2.05 million in the current fiscal year. The decrease was primarily due to \$5.52 million paydown of unfunded liabilities in the CORP retirement system.

The Public Health Services District Fund, fund balance increased by \$0.04 million in the current fiscal year. The change in fund balance was attributable to an increase in federal grant revenue and investment income for the prescription drug abuse prevention program.

### **General Fund Budgetary Highlights**

- The final budgeted expenditures for the General Fund at year-end were \$0.67 million less than the original adopted budget. This change was primarily due to budget adjustments for unawarded grants and delayed construction projects.
- For the General Fund, actual expenditures were \$8.02 million less than the final budget. The expenditures variance was primarily unexpended contingency funds, salary savings from vacancies and turn-over, and fiscal reserves.

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revenues fell short of the final budget by \$3.26 million. The shortage was primarily due to lower intergovernmental and charges for services revenues.

**Capital Assets and Debt Administration**

Capital Assets (Note 5)

During the current fiscal year, the County added \$1.85 million to its land ownership. The County purchased 80 acres near Rogers Lake and received a donation of two parcels. The County added to its machinery and equipment inventory by \$3.44 million. The addition of equipment included heavy equipment for road maintenance and software and hardware for elections. Buildings and other improvements decreased by \$0.19 million. The County's overall estimated value of capital asset inventory increased \$3.43 million net of increases in depreciation. (See Note 5 – CAPITAL ASSETS found on page 66 of this report).

The following table reflects the changes in capital assets for the County for the fiscal year 2019 compared to fiscal year 2018.

	Governmental Activities (net of depreciation) (in millions)	
	2019	2018 as restated
Land	\$ 53.39	\$ 51.54
Buildings and other improvements	48.08	48.27
Machinery and equipment	16.38	12.95
Infrastructure	56.06	57.56
Construction in progress	3.85	4.02
Total	\$ 177.76	\$ 174.34

Long-term Debt (Note 6)

At the end of the current fiscal year the County had no special assessment debt outstanding. The long-term liability for future net pension liability has decreased by \$15.11 million to \$118.31 million in the current fiscal year. This change is the result of current year employer extra payments to PSPRS and CORP. (See Note 6 – LONG-TERM LIABILITIES found on page 67 of this report).

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The County utilizes a Ten-Year Financial Plan, which is updated regularly, 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 29% of the County's government-wide total revenues and approximately 65% of General Fund revenues. This makes the County's revenues sensitive to both improvements and downturns in the

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economy. County staff incorporated historical financial trends, and local, national and global economic trends into the County's fiscal 2019 budget. State shared sales tax and County sales tax revenues continue a five year upward trend.

The key elements of the fiscal year 2019 budget are based on the assumption that economic recovery began in fiscal year 2011, and we are now showing significant recovery in our state and local revenues. The county continues to see reduced levels of funding in federal and state grant revenue, and uncertainty in federal allocations for Payments In Lieu of Taxes and the Secure Rural Schools Act.

The County established the following Financial Planning Milestones in next year's fiscal 2020 budget:

### **Strategic Investment Plan**

The economic recovery and the resulting increases in revenues creates an important opportunity for the County to implement a strategic investment plan. This plan will jumpstart movement towards change in how we impact the issues affecting our citizens and will motivate an entrepreneurial spirit that supports responsible risk-taking within our County team. Many of the proposed investments create incentives for leveraging resources, working across departments, and partnering with our communities to change the trajectory of people's lives as well as addressing the costs associated with these issues. Other proposed strategic investments recognize the talent of our team members, engaging them to bring forth their ideas and energy to influence the way we do business.

The proposed investment plan addresses the following priorities:

- Improvement of law enforcement services in our community by continued implementation of the Law Enforcement Retention Plan to retain quality team members.
- A commitment to value our teachers by continued funding of a Teacher Professional Development Program Reserve Fund that will allow for the continuity of programs during grant funding uncertainty.
- Funding of a Collective Impact Model that acts as an intervention tool to assist families that have multi-generational members with significant justice system contact.
- Implementation of the Criminal Justice Coordinating Council's strategic plan, addressing behavioral health and substance abuse issues.
- Continued planning for Census 2020, in which we must ensure a full, accurate and complete count of all our residents.
- Managing the financial sustainability of our Public Health Services District, which will save the County's general funds.

Internally, there are also opportunities for strategic investment within the organization:

- Competitive employee compensation, including an FY20 base salary adjustment.
- Provide opportunities for conferences and/or speakers to facilitate transformational leadership.
- Implementation of a Diversity and Inclusion Plan.

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June 30, 2019

- Innovative technology and security upgrades that allow for variable work locations and County information safety.

The County has limited ability to grow revenues, given state-required revenue caps and legal limitations with producing profit. Our inherent focus must be on reducing the demand for our services, which is in alignment with our mission of improving lives in our communities. These strategic investments, plus a range of actions that increase self-sufficiency and promote improvements to service impact and delivery, are key to the County's long-term financial solvency and the creation of a successful community.

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 current and future needs of its citizens, including an assessment of the level of recurring costs that need to be maintained during a recession.

The recent outbreak of the COVID-19 virus may negatively impact the County. Due to the uncertainty and unprecedented events linked to the COVID-19 crisis, it is too early to really know and quantify the extent of the impact. The County will consistently evaluate the crisis, monitor financials, and will propose measures as needed to protect the County's financial resources.

## **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.

## **BASIC FINANCIAL STATEMENTS**

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Coconino County  
Statement of Net Position  
June 30, 2019

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 88,953,452
Investments	614,852
Cash and investments held by trustee	38,524
Receivables (net of allowance for uncollectibles)	
Property taxes	594,482
Accounts	502,456
Special assessments	14,513
Road sales tax	1,902,637
Accrued interest	318,712
Jail District sales tax	3,085,716
Due from other governments	10,778,283
Inventories	234,424
Prepaid items	119,426
Capital assets, not being depreciated	57,235,703
Capital assets, being depreciated, net	120,529,600
Total assets	284,922,780
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions and other postemployment benefits	41,326,787
Total deferred outflows of resources	41,326,787
 <b>LIABILITIES</b>	
Accounts payable	6,352,359
Accrued payroll and employee benefits	4,167,142
Deposits held for others	119,213
Unearned revenues	152,686
Noncurrent liabilities	
Due within 1 year	4,825,184
Due in more than 1 year	132,243,464
Total liabilities	147,860,048
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and other postemployment benefits	16,990,151
Total deferred inflows of resources	16,990,151
 <b>NET POSITION</b>	
Net investment in capital assets	177,765,298
Restricted for:	
Capital projects	5,453,544
Culture and recreation	756,452
Debt service	102,014
Education	5,358,215
Health	2,433,558
Highways and streets	34,428,035
Other purposes	4,121,266
Public safety	18,413,101
Sanitation	1,484,242
Welfare	139,912
Unrestricted (deficit)	(89,056,269)
Total net position	\$ 161,399,368

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

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Coconino County  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 38,571,061	\$ 6,999,797	\$ 1,402,380	\$ -	\$ (30,168,884)
Public safety	43,120,801	4,094,546	6,094,691		(32,931,564)
Highways and streets	24,433,607	3,048,765	14,577,156	11,355	(6,796,331)
Sanitation	2,249,173	1,617,164	290,684	1,715	(339,610)
Health	14,925,100	1,096,152	3,789,753		(10,039,195)
Welfare	4,445,594	103,486	2,329,258		(2,012,850)
Culture and recreation	8,083,346	1,038,488	175,106		(6,869,752)
Education	4,891,709	449,395	5,184,714		742,400
Interest on long-term debt	303				(303)
Total governmental activities	<u>\$ 140,720,694</u>	<u>\$ 18,447,793</u>	<u>\$ 33,843,742</u>	<u>\$ 13,070</u>	<u>\$ (88,416,089)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					10,341,927
Property taxes, levied for library					4,432,797
Property taxes, levied for flood control					2,710,498
Property taxes, levied for health services					4,332,291
General county sales tax					16,441,153
Road sales tax					10,085,924
Jail District sales tax					16,441,531
Parks and open spaces sales tax					8,021
Excise tax					123,396
Franchise tax					130,564
Shared revenue - state sales tax					23,176,245
Shared revenue - state vehicle license tax					4,155,291
Grants and contributions not restricted to specific programs					3,904,154
Investment earnings					2,171,381
Gain on disposal of capital assets					13,687
Miscellaneous					2,034,140
Total general revenues					<u>100,503,000</u>
Change in net position					12,086,911
Net position - beginning, before restatement					144,972,636
Prior period adjustment (Note 2)					4,339,821
Net position - beginning, as restated					149,312,457
Net position - ending					<u>\$ 161,399,368</u>

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

Coconino County  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Public Works/HURF Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 24,529,969	\$ 27,685,493
Investments		
Cash and investments held by trustee		
Receivables (net of allowances for uncollectibles)		
Property taxes	269,890	
Accounts	326,634	3
Special assessments		
Road sales tax		1,902,637
Jail district sales tax		
Accrued interest	107,867	107,686
Due from other funds	3,973,784	83,722
Due from other governments	5,389,896	2,223,709
Prepaid items	29,161	1,293
Total assets	\$ 34,627,201	\$ 32,004,543
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 2,894,147	\$ 896,409
Accrued payroll and employee benefits	2,368,575	289,319
Due to other funds	7,865,235	412,774
Deposits held for others	13,540	
Unearned revenues	33,827	
Total liabilities	13,175,324	1,598,502
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	216,511	
Unavailable revenue - special assessments		
Unavailable revenue - intergovernmental	30,583	
Unavailable revenue - other	1,114	
Total deferred inflow of resources	248,208	
Total liabilities and deferred inflows of resources	13,423,532	1,598,502
 <b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	29,161	1,293
Restricted		30,404,748
Committed	878,853	
Unassigned	20,295,655	
Total fund balances (deficits)	\$ 21,203,669	\$ 30,406,041
 Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 34,627,201	\$ 32,004,543

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

Jail District Fund	Public Health Services District Fund	Total Nonmajor Funds	Total Governmental Funds
\$ 15,401,514	\$ 1,944,881	\$ 19,005,338	\$ 88,567,195
		614,853	614,853
		38,524	38,524
	120,547	204,045	594,482
21,242	4,719	152,107	504,705
		14,513	14,513
			1,902,637
3,085,716			3,085,716
31,029	7,631	63,213	317,426
23,175	237,740	8,557,812	12,876,233
488,904	1,055,541	1,610,224	10,768,274
424	70,562	17,976	119,416
<u>\$ 19,052,004</u>	<u>\$ 3,441,621</u>	<u>\$ 30,278,605</u>	<u>\$ 119,403,974</u>
\$ 437,496	\$ 478,779	\$ 1,423,806	\$ 6,130,637
484,028	268,049	501,167	3,911,138
583,214	164,568	4,253,332	13,279,123
		105,674	119,214
		118,859	152,686
<u>1,504,738</u>	<u>911,396</u>	<u>6,402,838</u>	<u>23,592,798</u>
	96,667	163,152	476,330
		14,513	14,513
13,740	185,665	292,465	522,453
			1,114
<u>13,740</u>	<u>282,332</u>	<u>470,130</u>	<u>1,014,410</u>
<u>1,518,478</u>	<u>1,193,728</u>	<u>6,872,968</u>	<u>24,607,208</u>
424	70,562	17,976	119,416
16,030,569	2,177,331	23,467,329	72,079,977
1,502,533			2,381,386
		(79,668)	20,215,987
<u>\$ 17,533,526</u>	<u>\$ 2,247,893</u>	<u>\$ 23,405,637</u>	<u>\$ 94,796,766</u>
<u>\$ 19,052,004</u>	<u>\$ 3,441,621</u>	<u>\$ 30,278,605</u>	<u>\$ 119,403,974</u>

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Coconino County  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 June 30, 2019

Fund balances – total governmental funds	\$ 94,796,766
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.	175,994,503
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,014,410
Internal service funds are 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.	1,722,479
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.	(8,396,198)
Net pension and other postemployment benefits (OPEB) liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(128,034,585)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions and OPEB	41,215,278
Deferred inflows of resources related to pensions and OPEB	(16,913,285)
Net position of governmental activities	\$ 161,399,368

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  
For the Year Ended June 30, 2019

	General Fund	Public Works/HURF Fund
	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>		
Property taxes	\$ 10,318,451	\$ -
County sales tax	16,700,950	10,085,924
Special assessments		
Licenses and permits	1,399,150	87,487
Fees, fines, and forfeits	1,518,171	
Intergovernmental	31,806,548	13,837,318
Charges for services	4,003,405	17,349
Investment earnings	832,073	764,649
Contributions	356,113	
Miscellaneous	206,260	25,843
Total revenues	<u>67,141,121</u>	<u>24,818,570</u>
<b>EXPENDITURES</b>		
Current:		
General government	36,788,361	
Public safety	28,083,463	
Highways and streets	517,592	21,243,475
Sanitation		
Health	12,391	
Welfare	1,199,104	
Culture and recreation	2,440,448	
Education	525,545	
Capital outlay		
Debt service:		
Principal		
Interest and other charges		
Total expenditures	<u>69,566,904</u>	<u>21,243,475</u>
Excess (deficiency) of revenues over expenditures	<u>(2,425,783)</u>	<u>3,575,095</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Sale of capital assets	11,300	436,005
Transfers in	10,606,967	83,722
Transfers out	(13,961,767)	(200,555)
Total other financing sources (uses)	<u>(3,343,500)</u>	<u>319,172</u>
Net change in fund balances	(5,769,283)	3,894,267
Fund balances - beginning	26,972,952	26,511,774
Fund balances - ending	<u>\$ 21,203,669</u>	<u>\$ 30,406,041</u>

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  
For the Year Ended June 30, 2019

Jail District Fund	Public Health Services District Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 4,322,253	\$ 7,135,447	\$ 21,776,151
16,441,531	2,522	8,021	43,238,948
-	-	40,217	40,217
-	622,760	31,158	2,140,555
-	-	576,714	2,094,885
-	3,937,901	14,447,621	64,029,388
903,464	689,663	4,343,153	9,957,034
334,019	75,661	771,813	2,778,215
17,900	183,368	585,265	1,142,646
435	8,680	569,634	810,852
<u>17,697,349</u>	<u>9,842,808</u>	<u>28,509,043</u>	<u>148,008,891</u>
-	-	3,017,079	39,805,439
22,214,704	1,214,944	10,829,911	62,343,023
-	-	74,534	21,835,601
-	-	1,943,840	1,943,840
-	13,547,699	-	13,560,090
-	-	3,380,172	4,579,275
-	-	4,871,960	7,312,408
-	-	4,350,942	4,876,487
-	-	3,920,365	3,920,365
-	-	11,560	11,560
-	-	303	303
<u>22,214,704</u>	<u>14,762,643</u>	<u>32,400,666</u>	<u>160,188,391</u>
<u>(4,517,355)</u>	<u>(4,919,835)</u>	<u>(3,891,623)</u>	<u>(12,179,500)</u>
-	830	381,230	829,365
2,568,918	5,056,260	7,521,404	25,837,271
(98,070)	(101,202)	(11,475,677)	(25,837,271)
<u>2,470,848</u>	<u>4,955,888</u>	<u>(3,573,043)</u>	<u>829,365</u>
(2,046,507)	36,053	(7,464,666)	(11,350,135)
19,580,033	2,211,840	30,870,301	106,146,900
<u>\$ 17,533,526</u>	<u>\$ 2,247,893</u>	<u>\$ 23,405,635</u>	<u>\$ 94,796,765</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, 2019

Net change in fund balances – total governmental funds \$ (11,350,134)

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	9,847,453	
Depreciation expense	<u>(8,003,024)</u>	1,844,429

The net effect of various miscellaneous transactions involving capital assets is an increase to net position.

Donation of capital assets	1,752,190	
Net value of disposed capital assets	<u>(815,667)</u>	936,523

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 claims and judgments	(1,132,007)	
Increase in compensated absences	(444,058)	
Decrease in retention programs payable	<u>87,000</u>	(1,489,065)

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 (e.g., bonds, leases) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

19,187

Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

(1,202,312)

County pension/OPEB 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 pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

County pension/OPEB contributions	26,187,204
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Pension and OPEB expense	(3,049,855)
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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 are reported with governmental activities.

190,934

Change in net position of governmental activities \$ 12,086,911

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

Coconino County  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Governmental Activities- Internal Service Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 386,257
Accrued interest	1,286
Due from other funds	396,195
Due from other governments	10,009
Inventories	234,424
Prepaid items	10
Total current assets	1,028,181
Noncurrent assets:	
Equipment, net	1,770,800
Total noncurrent assets	1,770,800
Total assets	2,798,981
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions and other postemployment benefits	111,509
Total deferred outflows of resources	111,509
Total assets and deferred outflows of resources	2,910,490
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	216,712
Accrued payroll and employee benefits	256,004
Due to other funds	114
Total current liabilities	472,830
Noncurrent liabilities:	
Net pension liability and other postemployment benefits	597,222
Compensated absences	41,093
Total noncurrent liabilities	638,315
Total liabilities	1,111,145
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and other postemployment benefits	76,866
Total deferred inflows of resources	76,866
Total liabilities and deferred inflows of resources	1,188,011
 <b>NET POSITION</b>	
Net investment in capital assets	1,770,800
Unrestricted (deficit)	(48,321)
Total net position	\$ 1,722,479

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 Funds  
For the Year Ended June 30, 2019

	Governmental Activities- Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,032,869
Miscellaneous	16,642
Total operating revenues	3,049,511
<b>OPERATING EXPENSES</b>	
Personal services	570,651
Professional services	207,222
Supplies	1,525,339
Utilities	17,523
Repairs and maintenance	262,350
Travel	2,089
Depreciation	340,069
Total operating expenses	2,925,243
Operating income	124,268
<b>NONOPERATING REVENUES</b>	
Investment earnings	14,768
Gain on disposal of capital assets	51,898
Total nonoperating revenues	66,666
Income before contributions and transfers	190,934
Change in net position	190,934
Total net position - beginning	1,531,545
Total net position - ending	\$ 1,722,479

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

Coconino County  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2019

	<u>Governmental Activities - Internal Service Fund</u>
<u>Cash flows from operating activities:</u>	
Receipts from other funds for services provided	\$ 2,990,875
Payments to suppliers and providers of goods and services	(1,854,443)
Payments to employees	(537,144)
Net cash provided by operating activities	<u>599,288</u>
<u>Cash flows from capital and related financing activities:</u>	
Proceeds from sale of capital assets	51,898
Purchases of capital assets	(935,961)
Net cash used for capital and related financing activities	<u>(884,063)</u>
<u>Cash flows from investing activities:</u>	
Interest received on investments	(656)
Net increase in fair value of investments	14,768
Net cash provided by investing activities	<u>14,112</u>
Net decrease in cash and cash equivalents	(270,663)
Cash and cash equivalents, July 1, 2018	<u>656,920</u>
Cash and cash equivalents, June 30, 2019	<u>\$ 386,257</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	\$ 124,269
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	340,069
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	85,132
Due from other funds	49,803
Inventories	(49,477)
Prepaid Items	(10)
Deferred outflows related to pensions and other post employment benefits	(47,164)
Accounts payable	110,324
Accrued payroll and employee benefits, including compensated absences	8,306
Net pension liability	(60,505)
Deferred inflows related to pensions and other post employment benefits	38,541
Net cash provided by operating activities	<u>\$ 599,288</u>

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

Coconino County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

	Investment Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 166,029,305	\$ 3,992,369
Interest and dividends receivable	608,074	-
Due from other funds	6,808	-
Total assets	166,644,187	3,992,369
<b>LIABILITIES</b>		
Due to other governments		\$ 798,308
Deposits held for others		3,194,061
Total liabilities		3,992,369
<b>NET POSITION</b>		
Held in trust for investment trust participants	166,644,187	
Total net position	\$ 166,644,187	

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, 2019

	Investment Trust Funds
Additions:	
Contribution from participants	\$ 286,395,765
Investment earnings:	
Interest and dividends	2,540,185
Net increase in fair value of investments	1,697,056
Total investment earnings	4,237,241
Total additions	290,633,006
 Deductions:	
Distributions to participants	251,727,040
Total deductions	251,727,040
 Change in net position	 38,905,966
 Net position, July 1, 2018	 <u>127,738,221</u>
 Net position, June 30, 2019	 <u><u>\$ 166,644,187</u></u>

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, 2019

**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).

**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, 2019

The following table describes the County's component units:

<u>Component Unit</u>	<u>Description</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	Blended	Not available
Coconino County Library District	Provides and maintains library services for the County's residents	Blended	Not available
Coconino County Special Assessment Districts	Constructs or improves roads, sidewalks, curbs and gutters, and irrigation systems within the County	Blended	Not available
Coconino County Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions	Blended	Not available
Coconino County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems	Blended	Not available
Public Health Services District	A tax-levying district that provides and maintains health services for the County's residents	Blended	Not available

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.

Coconino County  
Notes to Financial Statements  
June 30, 2019

**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.

**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

Coconino County  
Notes to Financial Statements  
June 30, 2019

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 \$0.25 per \$100 of assessed valuation property tax, grants and contributions, and charges for services.

The County also reports the following fund types:

The *internal service fund* accounts for automotive maintenance and operation services 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.

The *agency funds* account 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 funds 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.

Coconino County  
Notes to Financial Statements  
June 30, 2019

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. 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.

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 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 and proprietary fund's financial statements.

**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."

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**G. Property Tax Calendar**

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

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

**H. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost if historical records are not available. Donated assets are reported at 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 statements are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
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. Postemployment Benefits**

For purposes of measuring the net pension and other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including

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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.

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, pursuant to a Board meeting and resolution.

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.

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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 are forfeited. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary fund financial statements.

Non-exempt, eligible employees may accumulate up to 80 hours of compensatory time. Public safety officers are exempt from the compensatory cap. 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 the employee. Accordingly, compensatory time is accrued as a liability in the government-wide and proprietary fund financial statements.

Employees will accrue paid sick time in accordance with the Arizona Fair Wages and Healthy Families Act on a fiscal year basis. Employees may accumulate up to 1,000 hours of paid time off. Generally, paid time off 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 and will be compensated 25% of paid time off accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary fund financial statements.

**NOTE 2 – PRIOR PERIOD ADJUSTMENT**

During fiscal year 2019 Coconino County conducted a physical inventory and capital asset classification review. During this review, the County identified several assets that were not included in the County's records that had been purchased in prior years. In addition, there were assets that had been previously deleted and included in the County's records. These reviews increased beginning net position in the government-wide statements to correct the errors as follows:

Net position end of year, as previously reported	\$144,972,636
Current year restatement	<u>4,339,821</u>
Net position, beginning of year, as restated	\$149,312,457

In addition to the prior period adjustment, certain capital assets were also reclassified as further explained in Note 5 – Capital Assets.

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**NOTE 3 – 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. Specified 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.

*Custodial credit risk*

Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

*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.

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*Foreign currency risk*

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

*Deposits* – At June 30, 2019, the carrying amount of the County’s deposits was \$78,632,072 and the bank balance was \$81,852,088. The County does not have a formal policy with respect to custodial credit risk.

At June 30, 2019, \$5,288,437 of the County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments—The County had total investments of \$180,494,449 at June 30, 2019. The County categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

	Amount	Fair value measurement using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
<b>Investment by fair value level</b>			
U.S. agency securities	\$ 113,519,025		\$ 113,519,025
Corporate bonds	25,023,376		25,023,376
Commercial paper	18,446,768		18,446,768
Municipal bonds	9,855,536		9,855,536
Negotiable CDs	1,174,456		1,174,456
Mutual funds-debt	469,835	\$ 469,835	
Mutual funds-equity	247,387	247,387	
Money market mutual funds	10,184,077	168,407	10,015,670
Total investment by fair value level	\$ 178,920,460	\$ 885,629	\$ 178,034,831

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.

The County also had investments of \$999,280 in the State Treasurer’s investment pools measured at fair value. 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.

The County also had the following investments measured at amortized cost:

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	Amount
Municipal bonds	\$ 574,709
Total investment measured at amortized cost	\$ 574,709

*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, 2019, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 113,519,025
Money market mutual funds	Aaa-mf	Moody's	10,184,077
Commercial paper	P1	Moody's	8,532,693
Corporate Bonds	A1	Moody's	8,531,240
Corporate Bonds	A2	Moody's	7,459,846
Commercial paper	P2	Moody's	6,935,075
Corporate Bonds	Aa1	Moody's	5,026,010
Corporate Bonds	Aa3	Moody's	4,006,280
Municipal Bonds	Aa1	Moody's	3,165,824
Commercial paper	Unrated	Not Applicable	2,979,000
Municipal Bonds	A1	Moody's	1,984,860
Municipal Bonds	Aa3	Moody's	1,898,956
Municipal Bonds	Aa2	Moody's	1,497,635
Negotiable CDs	Unrated	Not Applicable	1,174,456
State Treasurer's investment pool #7	Unrated	Not Applicable	999,280
Municipal Bonds	Aaa	Moody's	997,780
Municipal bonds, unrated	Unrated	Not Applicable	885,190
Mutual funds-debt unrated	Unrated	Not Applicable	469,835
			\$ 180,247,062

*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.

*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 25% of the entire portfolio and no one corporate issuer shall exceed 5% of the entire portfolio. The County had investments at June 30, 2019, of five percent or more in Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Western Asset, and Federal Farm Credit Bank. These investments were 23.44%, 19.86%, 14.61%, 5.55%, and 4.98% respectively, of the County’s total investments.

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*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, 2019, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	\$ 113,519,025	1.406
Corporate Bonds	25,023,376	1.628
Commercial paper	18,446,768	0.265
Money market mutual funds	10,184,077	0.052
Municipal Bonds	10,430,245	1.094
Negotiable CDs	1,174,456	1.262
State Treasurer's investment pool #7	999,280	0.080
Mutual funds-debt	469,835	27.350
	<u>\$ 180,247,062</u>	

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

Cash, deposits, and investments

Cash on hand	\$ 501,981
Amount of deposits	78,632,072
Amount of investments	180,494,449
Total	<u>\$ 259,628,502</u>

Statement of Net Position:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 88,953,452	\$ 166,029,305	\$ 3,992,369	\$ 258,975,126
Investments	614,852			614,852
Cash and investments held by trustee	38,524			38,524
Total	<u>\$ 89,606,828</u>	<u>\$ 166,029,305</u>	<u>\$ 3,992,369</u>	<u>\$ 259,628,502</u>

**NOTE 4 – RECEIVABLES**

**Due from other governments** – Amounts due from other governments for the Governmental Funds at June 30, 2019, include \$816,130 and \$2,126,995 in state-shared revenue from sales taxes and fuel taxes, respectively; \$260,839 from the State of Arizona for state vehicle license tax; \$3,085,950 in county sales tax; \$2,001,781 in grants from the federal government; and

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\$827,092 in grants from various state agencies. The remaining balance of \$1,649,487 is composed of miscellaneous receivables from federal, state, and local government.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

<u>Governmental activities</u>	<u>Balance July 1, 2018 As Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Capital assets not being depreciated:				
Land	\$ 51,535,683	\$ 2,226,388	\$ 376,671	\$ 53,385,400
Construction in progress	4,025,800	3,627,846	3,803,343	3,850,303
Total capital assets not being depreciated	<u>55,561,483</u>	<u>5,854,234</u>	<u>4,180,014</u>	<u>57,235,703</u>
Capital assets being depreciated:				
Buildings and other improvements	93,246,466	2,327,741	56,478	95,517,729
Machinery and equipment	41,426,090	5,500,704	1,952,834	44,973,960
Infrastructure	126,853,342	2,755,351	469,882	129,138,811
Total	<u>261,525,898</u>	<u>10,583,796</u>	<u>2,479,194</u>	<u>269,630,500</u>
Less accumulated depreciation for:				
Buildings and other improvements	44,974,920	2,474,874	15,218	47,434,576
Machinery and equipment	28,479,299	2,044,031	1,931,371	28,591,959
Infrastructure	69,294,817	3,824,187	44,639	73,074,365
Total	<u>142,749,036</u>	<u>8,343,092</u>	<u>1,991,228</u>	<u>149,100,900</u>
Total capital assets being depreciated, net	<u>118,776,862</u>	<u>2,240,704</u>	<u>487,966</u>	<u>120,529,600</u>
Governmental activities capital assets, net	<u>\$ 174,338,345</u>	<u>\$ 8,094,938</u>	<u>\$ 4,667,980</u>	<u>\$ 177,765,303</u>

Beginning balances for July 1, 2018, were restated as disclosed in Note 2 – Prior Period Adjustment. In addition, additional balances were reclassified after an analysis of the assets in each class. The analysis resulted in adjustments of \$1,088,259 from building improvements to infrastructure including \$300,848 for depreciation, \$144,945 from building improvements to machinery including \$115,955 for depreciation, and \$252,819 from machinery to infrastructure including \$46,220 for depreciation.

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 906,574
Public safety	1,412,951
Highways and streets	4,394,416
Sanitation	147,870
Health	110,124
Welfare	35,684
Culture and recreation	893,061
Education	102,343
Internal service fund	340,069
Total governmental activities depreciation expense	<u>\$ 8,343,092</u>

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**Construction and Other Significant Commitments** – The County had major contractual commitments related to various capital projects at June 30, 2019, for the repair and construction of a road project, facilities upgrades, a new ERP system, and software. At June 30, 2019, the County had spent \$2,787,222 on these projects and had remaining contractual commitments with contractors totaling \$799,875. These projects are being financed by Flood Control property tax, highway user revenues, federal and state emergency management reimbursements, state grants, and the General Fund.

**NOTE 6 – LONG-TERM LIABILITIES**

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2019:

<u>Governmental Activities</u>	<u>Restated Balance July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due within 1 year</u>
Bonds payable:					
Special assessment bonds with governmental commitment	\$ 11,863	\$ -	\$ 11,863	\$ -	\$ -
Total bonds payable	<u>11,863</u>	<u>-</u>	<u>11,863</u>	<u>-</u>	<u>-</u>
Capital lease payable	7,627		7,627	-	-
Compensated absences payable	5,503,755	4,016,948	3,567,145	5,953,558	3,987,344
Claims and judgments payable	770,276	1,233,453	101,446	1,902,283	558,840
Retention programs payable	668,000	-	87,000	581,000	279,000
Net pension liability (Note 10)	133,412,659	620,561	15,727,969	118,305,251	
Other postemployment benefit (OPEB) liability	<u>10,386,406</u>		<u>59,850</u>	<u>10,326,556</u>	
Total governmental activities long-term liabilities	<u>\$ 150,760,586</u>	<u>\$ 5,870,962</u>	<u>\$19,562,900</u>	<u>\$ 137,068,648</u>	<u>\$ 4,825,184</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 \$438,000 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. During fiscal year 2019, the County fully extinguished the debt using special assessment funds collected for the improvement district. Principal and interest paid for the current year and total current year special assessment revenues were \$11,863.

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**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 capital lease was fully extinguished in FY2019.

	Governmental activities
Machinery and equipment	66,786
Less: accumulated depreciation	66,786
Carrying value	-

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

**Compensated Absences and Claims and Judgments** – Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2019, the County paid for compensated absences as follows: 54.07 percent from the General Fund, 31.54 percent from major funds, and 14.39 percent from other funds. The County paid for claims and judgments from the General Fund.

**Retention Programs** – In support of the goal of the Board of Supervisors, Sheriff’s Office and County Management to recruit and attract new Commissioned Deputies and to retain trained Deputies, Coconino County has created the Commissioned Law Enforcement Retention Program and Detention Officer Retention Program. Through these Programs, Individual Investment Accounts with interest earnings were established for existing eligible Deputies and Detention Officers, and new hires will be added. Each account is set-up in the employee’s name and front load funded with a lump sum by the Coconino County Board of Supervisors for current eligible positions. If hired on or before December 31, 2011, the lump sum amount was \$10,000. If hired on or after January 1, 2012, the lump sum amount is \$20,000. The County holds the individual Investment Accounts and is required to distribute lump sum amounts and interest earned based on the programs’ vesting schedules. On June 30, 2019, the liability for both Programs was \$581,000 and interest Earned but Not Paid was \$9,511.

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**NOTE 7 – FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS**

The fund balance classifications of the governmental funds as of June 30, 2019, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Prepaid items	\$ 29,161	\$ 1,293	\$ 424	\$ 70,562	\$ 17,976	\$ 119,416
Total nonspendable	<u>29,161</u>	<u>1,293</u>	<u>424</u>	<u>70,562</u>	<u>17,976</u>	<u>119,416</u>
Restricted for:						
Debt Service					102,014	102,014
Highways and Streets		30,404,748			3,072,649	33,477,397
Jail and Sheriff			16,030,569		888,328	16,918,897
Flood Control					934,832	934,832
Culture and Recreation					756,452	756,452
Health				2,177,331		2,177,331
Capital Projects					5,453,544	5,453,544
Education					5,331,912	5,331,912
Sanitation					1,477,816	1,477,816
Welfare					101,958	101,958
Probation					1,227,672	1,227,672
Superior Court					653,778	653,778
Justice Courts					919,573	919,573
Public and Legal Defenders					54,009	54,009
County Attorney					1,634,761	1,634,761
General Govt Services					858,031	858,031
Total restricted		<u>30,404,748</u>	<u>16,030,569</u>	<u>2,177,331</u>	<u>23,467,329</u>	<u>72,079,977</u>
Committed to:						
Retention programs	878,853		1,502,533			2,381,386
Total committed	<u>878,853</u>		<u>1,502,533</u>			<u>2,381,386</u>
Unassigned	<u>20,295,655</u>				<u>(79,668)</u>	<u>20,215,987</u>
Total fund balances	<u>\$21,203,669</u>	<u>\$30,406,041</u>	<u>\$17,533,526</u>	<u>\$ 2,247,893</u>	<u>\$23,405,637</u>	<u>\$94,796,766</u>

Stabilization Arrangements – The Board of Supervisors has the authority to authorize and establish a stabilization arrangement by formal action. Subsequent modification, addition to, or expenditure from any stabilization arrangements also requires formal action by the Board of Supervisors, the highest level of decision-making authority within the County. At June 30, 2019, the General Fund had fund balance set aside for use in emergency situations and/or a shortage in anticipated revenues.

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**NOTE 8 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

At June 30, 2019, the following nonmajor governmental funds reported a deficit in fund balance.

Fund	Deficit
<b>Governmental Funds:</b>	
Career Center Grants	\$ 55,339
Emergency Services Grants	24,329
	\$ 79,668

The fund balance deficit for the Career Center Grants Fund and Emergency Services Grants Fund resulted from operations during the year and is expected to be corrected during normal operations in fiscal year 2020.

**NOTE 9 – 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. Coconino County also provides HR services to State employees of the Clerk of Superior Court, Juvenile Court, Adult Probation, and Superior Court. These are separately insured by the State of Arizona and Arizona State Risk Management for workers’ compensation and employer’s liability. There have also been no claims to date from this source against employer’s liability of Arizona State Risk Management.

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 hereafter. The County self-insures environmental liability claims for the first \$50,000, crime insurance for the first \$25,000, automobile physical damage for the first \$25,000, and healthcare professional liability for the first \$100,000 on each claim. There is a \$50,000 deductible for cyber liability, and a \$25,000 deductible for Payment Card Industry Data Security Standard Assessments due to cyber breaches and a zero-dollar deductible for privacy

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event services for up to 500,000 persons affected by a cyber breach after a level of 100 affected persons is reached. 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, \$1,000,000 on environmental impairment liability, \$5,000,000 on non-owned aircraft liability, and \$5,000,000 on cyber liability, which are not included in our excess liability insurance coverage. Our cyber liability coverage limit of \$5,000,000 contains a sublimit of \$2,500,000 per event for event management, and a sublimit of \$1,000,000 for credit card industry assessment fees if applicable to a cyber loss event.

For real property and business personal property damage coverage, the County has a \$25,000 deductible with blanket coverage on property values listed in total at \$102.4 million and insured on a replacement cost basis on a special property form. This property insurance includes flood with a \$5,000,000 sublimit and a \$100,000 deductible for most properties, a \$500,000 flood deductible for properties located in flood zone D, and a \$250,000 flood deductible for properties located in flood zones A and X. Our property insurance also includes coverage for earthquake with a \$5,000,000 sublimit and a \$100,000 deductible.

During 2018 the County had two cyber event management responses that were coordinated through our cyber insurer. Both incidents exceeded our deductible of \$50,000 with our cyber insurer paying for the balance of forensics.

**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The County contributes to the plans described below. The pension plans described in this note are component units of the State of Arizona. The County's share of the Corrections Officer Retirement Plan (CORP), Corrections Officer Retirement Plan - Administrative Office of the Courts (CORP-AOC), and the non-County Other Postemployment Benefit (OPEB) are immaterial and will not be disclosed in this note.

At June 30, 2019, the County reported the following aggregate amounts related to pensions and the Northern Arizona Public Employees Benefit Trust (NAPEBT) OPEB plan to which it contributes:

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<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>
Net pension and OPEB liabilities	\$128,631,807
Deferred outflows of resources	41,326,787
Deferred inflows of resources	16,990,151
Pension and OPEB expense	3,086,343

The County's accrued payroll and employee benefits includes \$333,671 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2019. Also, the County reported \$25,800,695 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. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. 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](http://www.azasrs.gov).

**Benefits provided** – The ASRS provides retirement 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:

<b>ASRS</b>	<b>Retirement</b>	
	<b>Initial membership date:</b>	
	<b>Before July 1, 2011</b>	<b>On or after July 1, 2011</b>
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

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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.

**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, 2019, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.64 percent of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.18 percent of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.41 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2019, were \$5,001,952.

During fiscal year 2019, the County paid for ASRS pension contributions as follows: 55.4 percent from the General Fund, 31.8 percent from major funds, and 12.8 percent from other funds.

**Pension liability** – At June 30, 2019, the County reported a liability of \$58,614,269 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3–6.75 percent to 2.7–7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

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, 2018. The County's proportion measured as of June 30, 2018, was 0.420 percent, which was an increase of 0.004 from its proportion measured as of June 30, 2017.

**Pension expense** – For the year ended June 30, 2019, the County recognized pension expense for ASRS of \$2,245,096.

**Deferred outflows/inflows of resources** – At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<b>ASRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,614,776	\$ 323,131
Changes of assumptions or other inputs	1,551,040	5,196,960
Net difference between projected and actual earnings on pension plan investments	-	1,409,534
Changes in proportion and differences between county contributions and proportionate share of contributions	1,593,625	50,016
County contributions subsequent to the measurement date	5,001,952	
<b>Total</b>	<b>\$ 9,761,393</b>	<b>\$ 6,979,641</b>

The amount 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, 2020. 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	
2020	\$ 1,623,621
2021	(1,073,539)
2022	(2,138,160)
2023	(632,122)
2024	-
Thereafter	-

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

<b>ASRS</b>	
Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7 - 7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

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The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 geometric real rates of return for each major asset class are summarized in the following table:

<b>ASRS</b>		
<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	<u>100%</u>	

**Discount Rate** – At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 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 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 7.5 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 (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

<b>ASRS</b>	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
County’s proportionate share of the net pension liability	\$ 83,555,990	\$ 58,614,269	\$ 37,775,865

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

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**B. Public Safety Personnel Retirement System Plan**

**Plan descriptions** – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans. A nine-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. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County’s financial statements.

The PSPRS issues a publicly available report that includes financial statements and required supplementary information for the PSPRS plan. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits provided** – The PSPRS provides retirement, 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:

<b>PSPRS</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2017</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, 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
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%	1.5% to 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	

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**PSPRS**

**Initial membership date:**

**Before January 1, 2012**

**On or after January 1, 2012 and  
before July 1, 2017**

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
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**Survivor Benefit**

Retired Members Active Members	80% to 100% of retired member's pension benefit 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
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Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. 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, 2019, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff
Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	16
Active employees	51
Total	<u>127</u>

**Contributions** – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension 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. Contribution rates for the year ended June 30, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>PSPRS Sheriff</b>
Active members—Pension	7.65%-11.65%
County Pension	65.44%

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In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

	<b>Pension</b>
PSPRS Sheriff	54.51%

The County's contributions to the plans for the year ended June 30, 2019, were:

	<b>Pension</b>
PSPRS Sheriff	\$12,631,788

PSPRS contributions include a voluntary \$10,000,000 in excess contributions to reduce the unfunded liability.

During fiscal year 2019, the County paid for PSPRS pension contributions as follows: 98.8 percent from the General Fund, 0.4 percent from major funds, and 0.8 percent from other funds.

**Pension liability** – At June 30, 2019, the County reported the following net pension liabilities:

	<b>Net Pension Liability</b>
PSPRS Sheriff	\$ 24,923,097

The net pension liabilities were measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

**PSPRS– Pension**

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price Inflation	2.5%
Cost-of-living adjustment	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience

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Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.4 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:

<b>PSPRS</b>		
<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
Short term investments	2%	0.25%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTS	12%	3.96%
Private credit	16%	6.75%
Real estate	10%	3.75%
Private equity	12%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

**Discount rates** – At June 30, 2018, the discount rate used to measure the PSPRS total pension liability was 7.4 percent, which was the same as the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate 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**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) – (b)</b>
Balances at June 30, 2018	46,678,370	22,375,834	24,302,536
Changes for the year:			
Service cost	643,353		643,353
Interest on the total pension liability	3,366,709		3,366,709
Changes of benefit terms	-		-
Differences between expected and actual experience in the measurement of the pension liability	647,389		647,389
Changes of assumptions or other inputs	-		-
Contributions—employer		2,212,139	(2,212,139)
Contributions—employee		328,432	(328,432)
Net investment income		1,488,239	(1,488,239)
Benefit payments, including refunds of employee contributions	(3,007,952)	(3,007,952)	-
Administrative expense		(23,351)	23,351
Other changes		31,431	(31,431)
Net changes	1,649,499	1,028,938	620,561
Balances at June 30, 2019	48,327,869	23,404,772	24,923,097

**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 7.4 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 (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

	<b>1% Decrease (6.4%)</b>	<b>Current discount rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
PSPRS Sheriff Net pension liability	\$ 30,985,837	\$ 24,923,097	\$ 19,949,591

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

**Pension expense** – For the year ended June 30, 2019, the County recognized the following pension expense:

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	<b>Pension Expense</b>
PSPRS Sheriff	\$3,726,152

**Pension deferred outflows/inflows of resources** – At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PSPRS Sheriff</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 921,985	\$ 122,540
Changes of assumptions or other inputs	1,471,936	
Net difference between projected and actual earnings on pension plan investments	130,100	
County contributions subsequent to the measurement date	12,631,788	
<b>Total</b>	<b>\$ 15,155,809</b>	<b>\$ 122,540</b>

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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	<b>PSPRS Sheriff</b>
2020	\$ 1,177,418
2021	1,057,250
2022	124,613
2023	42,200
2024	-
Thereafter	-

**PSPDCRP plan**—County sheriff employees, County detention officers, and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title

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38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2019, active PSPDCRP members were required by statute to contribute at least 9 percent (County sheriff employees) or 5 percent (County detention officers, and AOC probation, surveillance, and juvenile detention officers) of the members' annual covered payroll, and the County was required by statute to contribute 9 percent or 5 percent, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the County's contributions each year as set forth in statute. The plan retains nonvested County contributions when forfeited because of employment terminations. For the year ended June 30, 2019, the County recognized pension expense of \$726,826.

**C. Elected Officials Retirement Plan**

**Plan description** – Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EODCRS will not be further disclosed below due to immateriality. EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension 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](http://www.psprs.com).

**Benefits provided** – The EORP provides retirement, 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:

<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
<b>Retirement and Disability</b>		
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

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<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
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
<b>Survivor Benefit</b>		
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 inflation. In addition, 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, 2019, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 61.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, in addition to the County's required contributions to ASRS for these elected officials and judges. The County's contributions to the pension plan for the year ended June 30, 2019, were \$717,859.

During fiscal year 2019, the County paid for EORP pension contributions as follows: 94.3 percent from the General Fund, 4.2 percent from major funds, and 1.5 percent from other funds.

**Pension liability** – At June 30, 2019, 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:

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County's proportionate share of the EORP net pension liability	\$18,107,080
State's proportionate share of the EORP net pension liability associated with the County	<u>3,102,531</u>
Total	<u><u>\$21,209,611</u></u>

The net pension liability was measured as of June 30, 2018, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2018, reflect statutory changes in benefit terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustments was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

The County's proportion of the net pension liability was based on the County's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2018. The County's proportion measured as of June 30, 2018, was 2.874 percent, which was an increase of 0.767 from its proportion measured as of June 30, 2017.

**Pension expense** – For the year ended June 30, 2019, the County recognized negative pension expense for EORP of \$4,474,399 and negative revenue of \$1,216,153 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

**Pension deferred outflows/inflows of resources** – At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 282,407
Changes of assumptions or other inputs	112,822	7,538,116
Net difference between projected and actual earnings on pension plan investments	157,127	
Changes in proportion and differences between county contributions and proportionate share of contributions	4,721,419	
County contributions subsequent to the measurement date	<u>717,859</u>	
Total	<u><u>\$ 5,709,227</u></u>	<u><u>\$ 7,820,523</u></u>

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June 30, 2019

The amount 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, 2020. 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	
2020	(2,600,272)
2021	(164,833)
2022	(66,659)
2023	2,608
2024	-
Thereafter	-

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

**EORP**

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price inflation	2.5%
Cost-of-living adjustment	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.4 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:

Coconino County  
Notes to Financial Statements  
June 30, 2019

**EORP**

Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTS	12%	3.96%
Private credit	16%	6.75%
Real estate	10%	3.75%
Private equity	12%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

**Discount rate** – At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent, which was an increase of 3.49 as of June 30, 2017. 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 actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the 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 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 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 7.4 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 (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

EORP	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
County’s proportionate share of the net pension liability	\$ 20,791,136	\$ 18,107,080	\$ 15,825,551

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

Coconino County  
Notes to Financial Statements  
June 30, 2019

**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 NAPEBT. NAPEBT administers 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. 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.

At June 30, 2017, plan membership consisted of the following:

Retired members currently receiving health	78
Active members	<u>807</u>
Total	885

**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.

**OPEB Liability** – At June 30, 2019, the County reported an other postemployment benefit (OPEB) liability for the NAPEBT plan of \$10,326,556. The plan’s total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017. The total OPEB liability as of June 30, 2018, reflects the following changes of actuarial assumptions and benefit terms for the NAPEBT plan:

- Actual premium increases for 2018-2019 and 2019-2020 were reflected.
- Healthcare future trend rates were updated.
- Mortality, disability, turnover, and retirement rate assumptions were updated to reflect those from the June 30, 2018, ASRS actuarial report.
- The discount rate increased from 3.58 to 3.87% based on changes in the Bond Buyer 20 index municipal bond rate from June 30, 2017 to June 30, 2018.

The following table shows changes in the County’s OPEB liability:

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Total OPEB Liability		
Service cost	\$	821,651
Interest		393,741
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes of assumptions		(855,833)
Benefit payments		(419,409)
Net change in total OPEB liability		(59,850)
Total OPEB liability - beginning		10,386,406
Total OPEB liability - ending	\$	<u>10,326,556</u>

**OPEB expense and deferred outflows/inflows of resources** – For the year ended June 30, 2019, the County recognized OPEB expense of \$1,216,894. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,121,848	\$ 748,451
Differences between expected and actual experience in the Total OPEB liability		396,687
County contributions subsequent to the measurement date	441,752	
Total	<u>\$ 1,563,600</u>	<u>\$ 1,145,138</u>

The amount reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30		
2020	\$	1,502
2021		1,502
2022		1,502
2023		1,502
2024		1,502
Thereafter		(30,800)

**Actuarial Methods and Assumptions** – Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and plan members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the

Coconino County  
Notes to Financial Statements  
June 30, 2019

effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, if any.

The County's actuarial methods and significant assumptions for the most recent actuarial valuation are as follows:

Actuarial valuation date: June 30, 2017

Actuarial cost method: Entry age, level percent of salary

Salary increases: Wage inflation rate of 2.70% to 7.20% varying by service, including inflation

Discount rate: 3.87%

Health care cost trend range: 7.50% in 2018/2019 graded down to ultimate rate of 4.50% over 12 years

**Mortality Rates:**

*Pre-retirement* RP-2014 Employee mortality table. Generational mortality improvements in accordance with the Ultimate MP 2017 Unisex scales are projected from the year 2014.

*Post-retirement*

*Healthy* 2017 State Retirees of Arizona (SRA) mortality table. Generational mortality improvements in accordance with the Ultimate MP 2017 Unisex scales and projected from the year 2017.

*Disabled* RP-2014 Disabled Retiree mortality table. Generational improvements in accordance with the Ultimate MP 2017 Unisex scales are projected from the year 2014.

Mortality, turnover, disability and retirement rate assumptions are based on the Arizona State Retirement System Actuarial Report as of June 30, 2018, dated January 28, 2019. These assumptions were based on the experience study performed by the ASRS actuary for the five-year period ended June 30, 2016, and adopted by ASRS Board action on October 27, 2017, effective as of June 30, 2017.

**Discount rate** – The discount rate for OPEB funded entirely on a pay-as-you-go basis is the yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher. For this purpose, the Bond Buyer 20-Bond General Obligation Municipal Bond Index as of June 28, 2018, was used.

Coconino County  
Notes to Financial Statements  
June 30, 2019

**Sensitivity analysis** - The following shows the net impact of the OPEB liability calculated using the discount rate of 3.87%, as well as what the County's liability would be if the discount rate is 1% less than and 1% greater than the current rate:

	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
Total OPEB Liability	\$11,397,960	\$10,326,556	\$9,382,723

The following table presents the OPEB liability calculated using the healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% less than and 1% greater than the current rate:

	<b>1% Decrease</b>	<b>Current Trend Rate*</b>	<b>1% Increase</b>
Total OPEB Liability	\$9,133,770	\$10,326,556	\$11,753,974

\* *Current trend rates: 9.50% to 2019, 2.00% to 2020, and 7.25% to 2021 graded down to 4.50% over 11 years for medical and drug plan costs. Note that the 9.50% and the 2.00% reflect the actual change in renewal premiums.*

**NOTE 11 – INTERFUND BALANCES AND ACTIVITY**

**Interfund Receivables and Payables** – Interfund balances at June 30, 2019, were as follows:

<b>Payable from</b>	<b>Payable to</b>							<b>Total</b>
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	Investment Trust Funds	
General Fund	\$	\$	\$ 17,538	\$ 235,624	\$ 7,434,730	\$ 177,343	\$	\$ 7,865,235
Public Works/HURF Fund	109,718			2,020	127,279	173,757		412,774
Jail District Fund	520,994				46,793	15,427		583,214
Public Health Services District Fund	118,993				28,811	16,764		164,568
Nonmajor Governmental Funds	3,224,061	83,722	5,637		920,200	12,904	6,808	4,253,332
Internal Service Fund	18			96				114
Total	\$ 3,973,784	\$ 83,722	\$ 23,175	\$ 237,740	\$ 8,557,813	\$ 396,195	\$ 6,808	\$ 13,279,237

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.

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Notes to Financial Statements  
June 30, 2019

**Interfund Transfers** – Interfund transfers for the year ended June 30, 2019, were as follows:

	Transfer to					Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	
<b>Transfer from</b>						
General Fund	\$	\$	\$ 2,568,918	\$ 5,056,260	\$ 6,336,589	\$ 13,961,767
Public Works/HURF Fund	108,202				92,353	200,555
Jail District Fund	54,293				43,777	98,070
Public Health Services District Fund	72,391				28,811	101,202
Nonmajor Governmental Funds	10,372,081	83,722			1,019,873	11,475,676
<b>Total</b>	<b>\$ 10,606,967</b>	<b>\$ 83,722</b>	<b>\$ 2,568,918</b>	<b>\$ 5,056,260</b>	<b>\$ 7,521,403</b>	<b>\$ 25,837,270</b>

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

**NOTE 12 – 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 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 County’s deposits and investments are included in the County Treasurer’s investment pool, except for \$5,158,779 of deposits, \$469,835 of investments in mutual funds-debt, \$999,280 in the State Treasurer’s Investment Pool #7, and \$247,387 of investments in equities. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 3 for the disclosure of the County’s deposit and investment risks.

Coconino County  
Notes to Financial Statements  
June 30, 2019

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
U.S. agency securities	\$ 113,475,334	1.000-6.000%	07/26/2019-12/28/2022	\$ 113,519,025
Corporate bonds	24,962,469	1.700-3.000%	11/13/2019-05/11/2022	25,023,376
Commercial paper	18,428,768	2.710-2.900%	07/24/2019-12/10/2019	18,446,768
Municipal bonds	10,458,657	1.700-2.540%	11/01/2019-08/15/2021	10,430,245
Negotiable CDs	1,169,048	1.950-2.350%	07/15/2019-01/20/2022	1,174,456
Money market mutual funds	10,184,077	1.874-2.150%	less than 1 year	10,184,077

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

**Statement of Net Position**

Assets	<u>\$ 253,064,063</u>
Net position	<u><u>\$ 253,064,063</u></u>

Net position held in trust for:

Internal participants	\$ 87,279,640
External participants	<u>165,784,423</u>
Total net position held in trust	<u><u>\$ 253,064,063</u></u>

**Statement of Changes in Net Position**

Total additions	\$ 386,895,656
Total deletions	<u>353,792,848</u>
Net increase	33,102,808
Net position held in trust	
July 1, 2018	<u>219,961,255</u>
June 30, 2019	<u><u>\$ 253,064,063</u></u>

**NOTE 13 – 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 2019 was \$2,568,918. 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 2019 was \$4,836,605.

Coconino County  
Notes to Financial Statements  
June 30, 2019

**NOTE 14 – SUBSEQUENT EVENTS**

On May 21, 2019, Resolution 2019-13 was adopted by the Coconino County Board of Supervisors approving the formal conversion of Kachina Village Improvement District into a Domestic Water and Wastewater Improvement District (DWID). By becoming a DWID, on July 1, 2019, Kachina Village Improvement District became a political subdivision that acts independently and is governed by a Board of Directors elected from the community. This action moves Kachina Village Improvement District away from County stewardship which will be evident in the FY20 CAFR.

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**REQUIRED SUPPLEMENTARY INFORMATION**

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 10,349,854	\$ 10,349,854	\$ 10,318,451	\$ (31,403)
County sales tax	17,447,346	17,447,346	16,700,950	(746,396)
Licenses and permits	1,406,150	1,406,150	1,399,150	(7,000)
Fees, fines, and forfeits	1,234,350	1,234,350	1,518,171	283,821
Intergovernmental	32,694,272	33,013,001	31,806,548	(1,206,453)
Charges for services	6,452,596	6,452,596	4,003,405	(2,449,191)
Investment earnings	147,695	147,695	832,073	684,378
Contributions	201,000	204,100	356,113	152,013
Miscellaneous	143,325	143,325	206,260	62,935
Total revenues	70,076,588	70,398,417	67,141,121	(3,257,296)
<b>EXPENDITURES</b>				
General government				
Assessor	2,418,707	2,376,786	2,190,648	186,138
Board of Supervisors	1,967,278	2,105,874	1,918,904	186,970
Clerk of the Superior Court	1,377,964	1,402,017	1,357,018	44,999
Community Development	2,552,317	2,828,989	2,405,375	423,614
Community Initiatives	152,863	262,748	88,173	174,575
County Attorney	4,255,874	4,341,530	4,349,923	(8,393)
County Manager	2,912,174	4,119,858	2,514,551	1,605,307
Facilities	5,335,799	5,462,534	3,499,751	1,962,783
Finance/Budget	1,751,058	1,803,947	1,644,948	158,999
Flagstaff Justice Court	1,457,523	1,457,523	1,385,972	71,551
Fredonia Justice Court	238,436	238,436	214,985	23,451
Human Resources	2,054,849	2,521,710	2,296,590	225,120
Information Technology	3,631,207	4,769,657	3,872,195	897,462
Legal Defender	1,363,919	1,451,734	1,373,301	78,433
Non-Departmental	13,891,665	6,089,793	(4,204,496)	10,294,289
Page Justice Court	481,607	481,607	462,521	19,086
Public Defender	2,682,471	2,672,471	2,679,042	(6,571)
Recorder	2,234,944	3,440,444	2,837,832	602,612
Superior Courts	3,862,618	4,640,618	4,542,569	98,049
Treasurer	788,529	812,690	776,246	36,444
Williams Justice Court	460,458	460,458	582,313	(121,855)

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

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (Continued)  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	1,921,034	1,922,634	1,863,907	58,727
Constable	104,878	132,866	126,767	6,099
Juvenile Probation	3,747,071	3,747,071	3,530,850	216,221
Sheriff	11,752,178	12,672,073	22,561,939	(9,889,866)
Highways and streets				
Information Technology	609,578	609,578	517,592	91,986
Health				
Information Technology	13,007	13,007	12,391	616
Welfare				
Community Services	546,318	606,030	416,832	189,198
Career Center	34,532	13,494	13,494	-
Public Fiduciary	813,976	813,976	768,778	45,198
Culture and recreation				
Parks and Recreation	2,336,499	2,780,947	2,440,448	340,499
Education				
School Superintendent	508,424	532,477	525,545	6,932
Total expenditures	<u>78,259,755</u>	<u>77,585,577</u>	<u>69,566,904</u>	<u>8,018,673</u>
Excess (deficiency) of revenues over expenditures	<u>(8,183,167)</u>	<u>(7,187,160)</u>	<u>(2,425,783)</u>	<u>4,761,377</u>
 OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	11,300	11,300
Transfers in	673,436	10,749,436	10,606,967	(142,469)
Transfers out	<u>(14,752,390)</u>	<u>(14,891,020)</u>	<u>(13,961,767)</u>	<u>929,253</u>
Total other financing sources (uses)	<u>(14,078,954)</u>	<u>(4,141,584)</u>	<u>(3,343,500)</u>	<u>798,084</u>
Net change in fund balances	(22,262,121)	(11,328,744)	(5,769,283)	5,559,461
Fund balances - beginning	26,972,952	26,972,952	26,972,952	-
Fund balances - ending	<u>\$ 4,710,831</u>	<u>\$ 15,644,208</u>	<u>\$ 21,203,669</u>	<u>\$ 5,559,461</u>

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

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Public Works/HURF Fund  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
County sales tax	\$ 9,261,622	\$ 9,261,622	\$ 10,085,924	\$ 824,302
Licenses and permits	10,000	10,000	87,487	77,487
Intergovernmental	12,720,952	12,720,952	13,837,318	1,116,366
Charges for services	-	-	17,349	17,349
Investment earnings	55,482	55,482	764,649	709,167
Miscellaneous	-	-	25,843	25,843
Total revenues	<u>22,048,056</u>	<u>22,048,056</u>	<u>24,818,570</u>	<u>2,770,514</u>
<b>EXPENDITURES</b>				
Highways and streets				
Public Works	25,768,197	26,239,110	21,243,475	4,995,635
Total expenditures	<u>25,768,197</u>	<u>26,239,110</u>	<u>21,243,475</u>	<u>4,995,635</u>
Excess (deficiency) of revenues over expenditures	<u>(3,720,141)</u>	<u>(4,191,054)</u>	<u>3,575,095</u>	<u>7,766,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	300,000	300,000	436,005	136,005
Transfers in	109,000	109,000	83,722	(25,278)
Transfers out	(201,679)	(201,679)	(200,555)	1,124
Total other financing sources (uses)	<u>207,321</u>	<u>207,321</u>	<u>319,172</u>	<u>111,851</u>
Net change in fund balances	(3,512,820)	(3,983,733)	3,894,267	7,878,000
Fund balances - beginning	26,511,774	26,511,774	26,511,774	-
Fund balances - ending	<u>\$ 22,998,954</u>	<u>\$ 22,528,041</u>	<u>\$ 30,406,041</u>	<u>\$ 7,878,000</u>

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

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Jail District Fund  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
County sales tax	\$ 17,267,346	\$ 17,267,346	\$ 16,441,531	\$ (825,815)
Intergovernmental	10,000	10,000	-	(10,000)
Charges for services	557,700	557,700	903,464	345,764
Investment earnings	185,000	185,000	334,019	149,019
Contributions	-	17,900	17,900	-
Miscellaneous	-	-	435	435
Total revenues	<u>18,020,046</u>	<u>18,037,946</u>	<u>17,697,349</u>	<u>(340,597)</u>
<b>EXPENDITURES</b>				
Public safety				
Sheriff	24,099,161	26,199,693	22,214,704	3,984,989
Total expenditures	<u>24,099,161</u>	<u>26,199,693</u>	<u>22,214,704</u>	<u>3,984,989</u>
Excess (deficiency) of revenues over expenditures	<u>(6,079,115)</u>	<u>(8,161,747)</u>	<u>(4,517,355)</u>	<u>3,644,392</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,754,821	2,754,821	2,568,918	(185,903)
Transfers out	(102,078)	(102,078)	(98,070)	4,008
Total other financing sources (uses)	<u>2,652,743</u>	<u>2,652,743</u>	<u>2,470,848</u>	<u>(181,895)</u>
Net change in fund balances	(3,426,372)	(5,509,004)	(2,046,507)	3,462,497
Fund balances - beginning	19,580,033	19,580,033	19,580,033	-
Fund balances - ending	<u>\$ 16,153,661</u>	<u>\$ 14,071,029</u>	<u>\$ 17,533,526</u>	<u>\$ 3,462,497</u>

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

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Public Health Services District Fund  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,368,608	\$ 4,368,608	\$ 4,322,253	\$ (46,355)
County sales tax	-	-	2,522	2,522
Licenses and permits	606,500	606,500	622,760	16,260
Intergovernmental	4,007,117	4,988,064	3,937,901	(1,050,163)
Charges for services	435,300	435,300	689,663	254,363
Investment earnings	4,900	4,900	75,661	70,761
Contributions	27,100	27,100	183,368	156,268
Miscellaneous	-	-	8,680	8,680
Total revenues	<u>9,449,525</u>	<u>10,430,472</u>	<u>9,842,808</u>	<u>(587,664)</u>
<b>EXPENDITURES</b>				
Public safety				
Medical Examiner	1,480,552	1,542,369	1,214,944	327,425
Health				
Health Department	15,402,203	15,977,989	13,547,699	2,430,290
Total expenditures	<u>16,882,755</u>	<u>17,520,358</u>	<u>14,762,643</u>	<u>2,757,715</u>
Excess (deficiency) of revenues over expenditures	<u>(7,433,230)</u>	<u>(7,089,886)</u>	<u>(4,919,835)</u>	<u>2,170,051</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	830	830
Transfers in	5,001,605	5,056,260	5,056,260	-
Transfers out	(215,741)	(244,552)	(101,202)	143,350
Total other financing sources (uses)	<u>4,785,864</u>	<u>4,811,708</u>	<u>4,955,888</u>	<u>144,180</u>
Net change in fund balances	(2,647,366)	(2,278,178)	36,053	2,314,231
Fund balances - beginning	2,211,840	2,211,840	2,211,840	-
Fund balances - ending	<u>\$ (435,526)</u>	<u>\$ (66,338)</u>	<u>\$ 2,247,893</u>	<u>\$ 2,314,231</u>

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

Coconino County  
Required Supplementary Information  
Notes to Budgetary Comparison Schedules  
June 30, 2019

**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, 2019, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<b>Fund/Department</b>	<b>Excess</b>
General Fund	
Sheriff	\$ 9,889,866
Williams Justice Court	121,855
County Attorney	8,393
Public Defender	6,571

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, 2019

	Reporting Fiscal Year (Measurement Date)					2014 through 2010
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	0.42%	0.40%	0.40%	0.39%	0.40%	Information
County's proportionate share of the net pension liability	\$ 58,614,269	\$ 64,845,194	\$ 64,388,081	\$ 61,051,275	\$ 58,741,596	not available
County's covered payroll	\$ 41,705,479	\$ 39,261,016	\$ 37,520,908	\$ 36,081,751	\$ 35,786,206	
County's proportionate share of the net pension liability as a percentage of its covered payroll	140.54%	165.16%	171.61%	169.20%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%	

	Reporting Fiscal Year (Measurement Date)					2014 through 2010
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	2.87%	2.04%	2.04%	1.87%	1.89%	Information
County's proportionate share of the net pension liability	\$ 18,107,080	\$ 25,670,755	\$ 19,237,196	\$ 14,583,025	\$ 12,687,065	not available
State's proportionate share of the net pension liability associated with the County	3,102,531	5,327,843	3,971,984	4,546,380	3,889,972	
Total	<u>\$ 21,209,611</u>	<u>\$ 30,998,598</u>	<u>\$ 23,209,180</u>	<u>\$ 19,129,405</u>	<u>\$ 16,577,037</u>	
County's covered payroll	\$ 1,608,717	\$ 1,652,059	\$ 1,677,173	\$ 1,695,740	\$ 1,740,635	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1125.56%	1553.86%	1147.00%	859.98%	728.88%	
Plan fiduciary net position as a percentage of the total pension liability	30.36%	19.66%	23.42%	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, 2019

**Public Safety Personnel Retirement System - Sheriff**

	Reporting Fiscal Year (Measurement Date)					2014 through 2010  Information not available
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability						
Service cost	\$ 643,353	\$ 695,574	\$ 530,394	\$ 542,285	\$ 526,940	
Interest on the total pension liability	3,366,709	3,104,578	3,072,697	3,045,276	2,499,646	
Changes of benefit terms	-	557,123	(136,624)	-	1,149,553	
Differences between expected and actual experience in the measurement of the pension liability	647,389	832,928	(158,582)	(519,453)	40,499	
Changes of assumptions or other inputs	-	1,779,880	1,542,086	-	5,497,276	
Benefit payments, including refunds of employee contributions	(3,007,952)	(2,676,590)	(2,685,077)	(2,740,615)	(2,801,153)	
Net change in total pension liability	1,649,499	4,293,493	2,164,894	327,493	6,912,761	
Total pension liability—beginning	46,678,370	42,384,877	40,219,983	39,892,490	32,979,729	
Total pension liability—ending (a)	<u>\$ 48,327,869</u>	<u>\$ 46,678,370</u>	<u>\$ 42,384,877</u>	<u>\$ 40,219,983</u>	<u>\$ 39,892,490</u>	
Plan fiduciary net position						
Contributions—employer	\$ 2,212,139	\$ 2,479,462	\$ 12,388,778	\$ 1,798,480	\$ 1,717,418	
Contributions—employee	328,432	370,548	366,754	451,605	342,096	
Net investment income	1,488,239	2,349,854	59,803	360,105	1,251,743	
Benefit payments, including refunds of employee contributions	(3,007,952)	(2,676,590)	(2,685,077)	(2,740,615)	(2,801,153)	
Administrative expense	(23,351)	(21,192)	(9,005)	(9,163)	(10,081)	
Other changes	31,431	295	(79,223)	37,644	24,720	
Net change in plan fiduciary net position	1,028,938	2,502,377	10,042,030	(101,944)	524,743	
Plan fiduciary net position—beginning	22,375,834	19,873,457	9,831,427	9,933,371	9,408,628	
Plan fiduciary net position—ending (b)	<u>\$ 23,404,772</u>	<u>\$ 22,375,834</u>	<u>\$ 19,873,457</u>	<u>\$ 9,831,427</u>	<u>\$ 9,933,371</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 24,923,097</u>	<u>\$ 24,302,536</u>	<u>\$ 22,511,420</u>	<u>\$ 30,388,556</u>	<u>\$ 29,959,119</u>	
Plan fiduciary net position as a percentage of the total pension liability	48.43%	47.94%	46.89%	24.44%	24.90%	
Covered payroll	\$ 4,021,680	\$ 3,268,096	\$ 3,198,513	\$ 3,241,732	\$ 3,069,559	
County's net pension liability as a percentage of covered payroll	619.72%	743.63%	703.81%	937.42%	976.01%	

See accompanying notes to pension plan schedules.

Coconino County  
Required Supplementary Information  
Schedule of County Pension Contributions  
June 30, 2019

**Arizona State Retirement System**

	Reporting Fiscal Year						2013 through 2010
	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 5,001,952	\$ 4,545,898	\$ 4,232,338	\$ 4,071,019	\$ 3,929,303	\$ 3,829,124	Information
County's contributions in relation to the statutorily required contribution	5,001,952	4,545,898	4,232,338	4,071,019	3,929,303	3,829,124	not available
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 44,740,183	\$ 41,705,479	\$ 39,261,016	\$ 37,520,908	\$ 36,081,751	\$ 35,786,206	
County's contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%	10.70%	

**Elected Officials Retirement Plan**

	Reporting Fiscal Year						2013 through 2010
	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 717,859	\$ 378,048	\$ 388,234	\$ 394,136	\$ 398,499	\$ 403,131	Information
County's contributions in relation to the actuarially determined contribution	717,859	47,148	388,234	394,136	398,499	403,131	not available
County's contribution deficiency (excess)	<u>\$</u>	<u>\$ 330,900</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 1,167,250	\$ 1,608,717	\$ 1,652,059	\$ 1,677,173	\$ 1,695,740	\$ 1,740,635	
County's contributions as a percentage of covered payroll	61.50%	2.93%	23.50%	23.50%	23.50%	23.16%	

**Public Safety Personnel Retirement  
System - Sheriff**

	Reporting Fiscal Year						2013 through 2010
	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 2,631,788	\$ 2,179,438	\$ 2,380,481	\$ 2,403,682	\$ 1,819,260	\$ 1,717,418	Information
County's contributions in relation to the actuarially determined contribution	12,631,788	2,229,486	2,380,481	12,403,682	1,819,260	1,717,418	not available
County's contribution deficiency (excess)	<u>\$ (10,000,000)</u>	<u>\$ (50,048)</u>	<u>\$</u>	<u>\$ (10,000,000)</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	\$ 4,021,680	\$ 3,523,747	\$ 3,268,096	\$ 3,198,513	\$ 3,241,732	\$ 3,069,559	
County's contributions as a percentage of covered payroll	314.09%	63.27%	72.84%	387.80%	56.12%	55.95%	

See accompanying notes to pension plan schedules.

Coconino County  
 Required Supplementary Information  
 Notes to Pension Plan Schedules  
 June 30, 2019

**Note 1 – Actuarially Determined Contribution Rates**

Actuarial determined contribution rates for PSPRS 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-of-pay, closed
Remaining amortization period as of the 2017 actuarial valuation	19 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 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
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	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Coconino County  
Required Supplementary Information  
Notes to Pension Plan Schedules  
June 30, 2019

**Note 2 - Factors That Affect Trends**

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

In fiscal year 2019, the County made a \$10,000,000 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 65.44% for the 2019 fiscal year.

Coconino County  
 Required Supplementary Information  
 Schedule of Changes in the County's  
 Total OPEB Liability  
 June 30, 2019

**Northern Arizona Public Employees Benefit Trust**

	Reporting Fiscal Year (Measurement Date)		
	2019 (2018)	2018 (2017)	2017 through 2010
Total OPEB Liability			Information not available
Service cost	\$ 821,651	\$ 582,667	
Interest	393,741	269,575	
Changes of benefit terms	-	-	
Differences between expected and actual experience	-	(515,811)	
Changes of assumptions	(855,833)	1,458,740	
Benefit payments	(419,409)	(569,744)	
Net change in total OPEB liability	(59,850)	1,225,427	
Total OPEB liability - beginning	10,386,406	9,160,979	
Total OPEB liability - ending	<u>\$ 10,326,556</u>	<u>\$ 10,386,406</u>	
Covered payroll <sup>(1)</sup>	\$ 49,068,073	\$ 47,871,291	
County's total OPEB liability as a percentage of covered payroll	21.05%	21.70%	

<sup>(1)</sup> Covered-employee payroll represents the payroll of employees that are provided with OPEB through the OPEB plan.

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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, 2019

**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, 2019  
(Continued)

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, 2019  
(Continued)

**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.

Parks and Open Spaces Tax Projects Fund – accounts 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.

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants
<b>ASSETS</b>			
Cash and cash equivalents	\$ 353,765	\$ -	\$ -
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	322	-	-
Special assessments	-	-	-
Accrued interest	2,015	-	-
Due from other funds	345,937	18,965	10,026
Due from other governments	1,567	-	349,295
Prepaid items	-	-	-
Total assets	<u>\$ 703,606</u>	<u>\$ 18,965</u>	<u>\$ 359,321</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 89,785	\$ -	\$ 54,749
Accrued payroll and employee benefits	128,395	-	29,117
Due to other funds	20,167	15,710	292,840
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>238,347</u>	<u>15,710</u>	<u>376,706</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	37,954
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>37,954</u>
Total liabilities and deferred inflows of resources	<u>238,347</u>	<u>15,710</u>	<u>414,660</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	465,259	3,255	-
Committed	-	-	-
Unassigned	-	-	(55,339)
Total fund balances (deficits)	<u>\$ 465,259</u>	<u>\$ 3,255</u>	<u>\$ (55,339)</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 703,606</u>	<u>\$ 18,965</u>	<u>\$ 359,321</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Clerk of the Superior Court Grants and Fees	Community Services Grants and Fees	Conciliation Court
<b>ASSETS</b>			
Cash and cash equivalents	\$ 115,059	\$ -	\$ 45,695
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	-	6,106	-
Special assessments	-	-	-
Accrued interest	456	546	163
Due from other funds	2,845	1,067,599	-
Due from other governments	3,753	166,598	1,562
Prepaid items	-	10,355	-
Total assets	<u>\$ 122,113</u>	<u>\$ 1,251,204</u>	<u>\$ 47,420</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 431	\$ 64,462	\$ 250
Accrued payroll and employee benefits	5,471	41,226	1,670
Due to other funds	-	950,300	-
Deposits held for others	-	82,903	-
Unearned revenues	-	-	-
Total liabilities	<u>5,902</u>	<u>1,138,891</u>	<u>1,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>5,902</u>	<u>1,138,891</u>	<u>1,920</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	10,355	-
Restricted	116,211	101,958	45,500
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 116,211</u>	<u>\$ 112,313</u>	<u>\$ 45,500</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 122,113</u>	<u>\$ 1,251,204</u>	<u>\$ 47,420</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	County Attorney Grants and Fees	County Improvement Districts-Special Revenue	County Library District
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,140,958	\$ 1,585,825	\$ 305,219
Investments	469,835	-	-
Cash and investments held by trustee	38,524	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	125,644
Accounts	-	130,724	-
Special assessments	-	-	-
Accrued interest	4,483	5,750	1,073
Due from other funds	106,256	552	-
Due from other governments	70,937	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 1,830,993</u>	<u>\$ 1,722,851</u>	<u>\$ 431,936</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 36,730	\$ 51,107	\$ 2
Accrued payroll and employee benefits	15,398	51,879	-
Due to other funds	144,104	4,402	-
Deposits held for others	-	22,660	-
Unearned revenues	-	115,000	-
Total liabilities	<u>196,232</u>	<u>245,048</u>	<u>2</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	101,211
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>101,211</u>
Total liabilities and deferred inflows of resources	<u>196,232</u>	<u>245,048</u>	<u>101,213</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	1,634,761	1,477,803	330,723
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 1,634,761</u>	<u>\$ 1,477,803</u>	<u>\$ 330,723</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,830,993</u>	<u>\$ 1,722,851</u>	<u>\$ 431,936</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Emergency Services Grants	Facilities Grants and Fees	Flood Control District Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 26,626	\$ 1,451,922
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	78,401
Accounts	-	-	-
Special assessments	-	-	-
Accrued interest	-	-	6,310
Due from other funds	386,858	-	-
Due from other governments	300,434	-	49,152
Prepaid items	-	-	-
Total assets	<u>\$ 687,292</u>	<u>\$ 26,626</u>	<u>\$ 1,585,785</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,792	\$ -	\$ 570,638
Accrued payroll and employee benefits	10,675	-	15,472
Due to other funds	488,963	-	2,902
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>507,430</u>	<u>-</u>	<u>589,012</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	61,941
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	204,191	-	-
Total deferred inflow of resources	<u>204,191</u>	<u>-</u>	<u>61,941</u>
Total liabilities and deferred inflows of resources	<u>711,621</u>	<u>-</u>	<u>650,953</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	-	26,626	934,832
Committed	-	-	-
Unassigned	(24,329)	-	-
Total fund balances (deficits)	<u>\$ (24,329)</u>	<u>\$ 26,626</u>	<u>\$ 934,832</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 687,292</u>	<u>\$ 26,626</u>	<u>\$ 1,585,785</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Inmate Welfare	Jail Enhancement	Justice Courts Grants and Fees
<b>ASSETS</b>			
Cash and cash equivalents	\$ 360,191	\$ 306,407	\$ 1,294,837
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	-	490	-
Special assessments	-	-	-
Accrued interest	974	1,159	3,986
Due from other funds	-	322	-
Due from other governments	-	16,392	11,607
Prepaid items	-	3,970	-
Total assets	<u>\$ 361,165</u>	<u>\$ 328,740</u>	<u>\$ 1,310,430</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 138	\$ 23,592	\$ 44,718
Accrued payroll and employee benefits	5,484	-	10,317
Due to other funds	-	-	335,822
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>5,622</u>	<u>23,592</u>	<u>390,857</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>5,622</u>	<u>23,592</u>	<u>390,857</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	3,970	-
Restricted	355,543	301,178	919,573
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 355,543</u>	<u>\$ 305,148</u>	<u>\$ 919,573</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 361,165</u>	<u>\$ 328,740</u>	<u>\$ 1,310,430</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
<b>ASSETS</b>			
Cash and cash equivalents	\$ 929,944	\$ 9,069	\$ 2,603,732
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	648	-	-
Special assessments	-	-	-
Accrued interest	4,351	37	11,613
Due from other funds	30,376	6,928	1,041,005
Due from other governments	34,348	658	-
Prepaid items	-	-	-
Total assets	<u>\$ 999,667</u>	<u>\$ 16,692</u>	<u>\$ 3,656,350</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 129,941	\$ -	\$ 2
Accrued payroll and employee benefits	91,830	-	-
Due to other funds	15,483	6,758	583,722
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>237,254</u>	<u>6,758</u>	<u>583,724</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>237,254</u>	<u>6,758</u>	<u>583,724</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	762,413	9,934	3,072,626
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 762,413</u>	<u>\$ 9,934</u>	<u>\$ 3,072,626</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 999,667</u>	<u>\$ 16,692</u>	<u>\$ 3,656,350</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval
<b>ASSETS</b>			
Cash and cash equivalents	\$ 403,426	\$ 60,631	\$ 630,639
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	-	-	-
Special assessments	-	-	-
Accrued interest	1,724	233	2,307
Due from other funds	45,765	62,408	-
Due from other governments	-	-	-
Prepaid items	2,851	-	-
Total assets	<u>\$ 453,766</u>	<u>\$ 123,272</u>	<u>\$ 632,946</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 14,828	\$ 7,133	\$ 68,203
Accrued payroll and employee benefits	6,388	440	344
Due to other funds	-	71,624	-
Deposits held for others	111	-	-
Unearned revenues	3,859	-	-
Total liabilities	<u>25,186</u>	<u>79,197</u>	<u>68,547</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>25,186</u>	<u>79,197</u>	<u>68,547</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	2,851	-	-
Restricted	425,729	44,075	564,399
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 428,580</u>	<u>\$ 44,075</u>	<u>\$ 564,399</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 453,766</u>	<u>\$ 123,272</u>	<u>\$ 632,946</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,615,574	\$ 134,297	\$ -
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	8,312	-	3,476
Special assessments	-	-	-
Accrued interest	4,964	951	-
Due from other funds	500,000	77,909	236,123
Due from other governments	278,014	184,145	87,327
Prepaid items	-	-	-
Total assets	<u>\$ 5,406,864</u>	<u>\$ 397,302</u>	<u>\$ 326,926</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 29,497	\$ 73,753	\$ 49,966
Accrued payroll and employee benefits	19,152	40,494	3,123
Due to other funds	-	33,857	267,398
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>48,649</u>	<u>148,104</u>	<u>320,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	26,303	17,591	6,426
Total deferred inflow of resources	<u>26,303</u>	<u>17,591</u>	<u>6,426</u>
Total liabilities and deferred inflows of resources	<u>74,952</u>	<u>165,695</u>	<u>326,913</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	5,331,912	231,607	13
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 5,331,912</u>	<u>\$ 231,607</u>	<u>\$ 13</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,406,864</u>	<u>\$ 397,302</u>	<u>\$ 326,926</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		
	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 259,695	\$ 101,664	\$ -
Investments	-	-	-
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	1,173	-	23
Special assessments	-	-	-
Accrued interest	1,285	378	-
Due from other funds	441,670	-	133,929
Due from other governments	39,313	-	-
Prepaid items	800	-	-
Total assets	<u>\$ 743,936</u>	<u>\$ 102,042</u>	<u>\$ 133,952</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 58,483	\$ 2	\$ (24)
Accrued payroll and employee benefits	19,300	-	4,992
Due to other funds	11,575	-	128,961
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>89,358</u>	<u>2</u>	<u>133,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>89,358</u>	<u>2</u>	<u>133,929</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	800	-	-
Restricted	653,778	102,040	23
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 654,578</u>	<u>\$ 102,040</u>	<u>\$ 23</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 743,936</u>	<u>\$ 102,042</u>	<u>\$ 133,952</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Debt Service	Capital Projects	
	County Improvement Districts-Debt Service	Accommodation School	County Improvement Districts-Capital Projects
<b>ASSETS</b>			
Cash and cash equivalents	\$ 100,382	\$ 144,140	\$ 325,634
Investments	-	-	73,004
Cash and investments held by trustee	-	-	-
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	833	-	-
Special assessments	14,513	-	-
Accrued interest	798	-	1,592
Due from other funds	-	-	-
Due from other governments	-	14,647	-
Prepaid items	-	-	-
Total assets	<u>\$ 116,526</u>	<u>\$ 158,787</u>	<u>\$ 400,230</u>
<b>LIABILITIES</b>			
Accounts payable	\$ (1)	\$ 8,541	\$ 2
Accrued payroll and employee benefits	-	-	-
Due to other funds	-	-	-
Deposits held for others	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>(1)</u>	<u>8,541</u>	<u>2</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - special assessments	14,513	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflow of resources	<u>14,513</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>14,512</u>	<u>8,541</u>	<u>2</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Restricted	102,014	150,246	400,228
Committed	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	<u>\$ 102,014</u>	<u>\$ 150,246</u>	<u>\$ 400,228</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 116,526</u>	<u>\$ 158,787</u>	<u>\$ 400,230</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Capital Projects		Total Nonmajor Governmental Funds
	Other Capital Projects Funds	Parks and Open Spaces Tax Projects Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,700,007	\$ 19,005,338
Investments	72,014	-	614,853
Cash and investments held by trustee	-	-	38,524
Receivables (net of allowances for uncollectibles)			
Property taxes	-	-	204,045
Accounts	-	-	152,107
Special assessments	-	-	14,513
Accrued interest	6	6,059	63,213
Due from other funds	4,042,276	63	8,557,812
Due from other governments	-	475	1,610,224
Prepaid items	-	-	17,976
Total assets	<u>\$ 4,114,296</u>	<u>\$ 1,706,604</u>	<u>\$ 30,278,605</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 38,136	\$ 950	\$ 1,423,806
Accrued payroll and employee benefits	-	-	501,167
Due to other funds	878,744	-	4,253,332
Deposits held for others	-	-	105,674
Unearned revenues	-	-	118,859
Total liabilities	<u>916,880</u>	<u>950</u>	<u>6,402,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	163,152
Unavailable revenue - special assessments	-	-	14,513
Unavailable revenue - intergovernmental	-	-	292,465
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>470,130</u>
Total liabilities and deferred inflows of resources	<u>916,880</u>	<u>950</u>	<u>6,872,968</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			17,976
Restricted	3,197,416	1,705,654	23,467,329
Committed	-	-	-
Unassigned	-	-	(79,668)
Total fund balances (deficits)	<u>\$ 3,197,416</u>	<u>\$ 1,705,654</u>	<u>\$ 23,405,637</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,114,296</u>	<u>\$ 1,706,604</u>	<u>\$ 30,278,605</u>

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Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	2,295,504	-	1,053,371
Charges for services	742,754	-	-
Investment earnings	29,512	-	217
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>3,067,770</u>	<u>-</u>	<u>1,053,588</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	19,392	-
Public safety	3,565,180	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	1,034,801
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>3,565,180</u>	<u>19,392</u>	<u>1,034,801</u>
Excess (deficiency) of revenues over expenditures	<u>(497,410)</u>	<u>(19,392)</u>	<u>18,787</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Transfers in	342,994	18,965	10,000
Transfers out	-	-	-
Total other financing sources (uses)	<u>342,994</u>	<u>18,965</u>	<u>10,000</u>
Net change in fund balances	(154,416)	(427)	28,787
Fund balances - beginning	619,675	3,682	(84,126)
Fund balances - ending	<u>\$ 465,259</u>	<u>\$ 3,255</u>	<u>\$ (55,339)</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Clerk of the Superior Court Grants and Fees	Community Services Grants and Fees	Conciliation Court
REVENUES			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	14,915	-	-
Intergovernmental	17,595	1,082,775	11,084
Charges for services	60,477	19,291	49,455
Investment earnings	5,447	3,934	1,281
Contributions	-	129,345	-
Miscellaneous	-	24,174	5,900
Total revenues	<u>98,434</u>	<u>1,259,519</u>	<u>67,720</u>
EXPENDITURES			
Current:			
General government	197,462	-	62,604
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	2,345,370	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>197,462</u>	<u>2,345,370</u>	<u>62,604</u>
Excess (deficiency) of revenues over expenditures	<u>(99,028)</u>	<u>(1,085,851)</u>	<u>5,116</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	2,845	1,062,546	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>2,845</u>	<u>1,062,546</u>	<u>-</u>
Net change in fund balances	(96,183)	(23,305)	5,116
Fund balances - beginning	212,394	135,618	40,384
Fund balances - ending	<u>\$ 116,211</u>	<u>\$ 112,313</u>	<u>\$ 45,500</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	County Attorney Grants and Fees	County Improvement Districts-Special Revenue	County Library District
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 4,421,769
County sales tax	-	-	-
Special assessments	-	11,400	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	539,186	-	-
Intergovernmental	547,760	36,486	-
Charges for services	17,288	1,487,317	-
Investment earnings	57,888	41,511	17,846
Contributions	-	-	154,306
Miscellaneous	-	21,098	-
Total revenues	<u>1,162,122</u>	<u>1,597,812</u>	<u>4,593,921</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,094,708	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	1,400,161	-
Welfare	-	-	-
Culture and recreation	-	-	4,308,398
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>1,094,708</u>	<u>1,400,161</u>	<u>4,308,398</u>
Excess (deficiency) of revenues over expenditures	<u>67,414</u>	<u>197,651</u>	<u>285,523</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Transfers in	97,705	-	-
Transfers out	(90,112)	-	(104,739)
Total other financing sources (uses)	<u>7,593</u>	<u>-</u>	<u>(104,739)</u>
Net change in fund balances	75,007	197,651	180,784
Fund balances - beginning	1,559,754	1,280,152	149,939
Fund balances - ending	<u>\$ 1,634,761</u>	<u>\$ 1,477,803</u>	<u>\$ 330,723</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Emergency Services Grants	Facilities Grants and Fees	Flood Control District Fund
REVENUES			
Property taxes	\$ -	\$ -	\$ 2,713,677
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	7,158
Fees, fines, and forfeits	-	-	-
Intergovernmental	265,767	-	49,152
Charges for services	-	-	-
Investment earnings	-	-	40,881
Contributions	250,000	-	8,290
Miscellaneous	-	-	-
Total revenues	<u>515,767</u>	<u>-</u>	<u>2,819,158</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	803,719	-	2,664,971
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>803,719</u>	<u>-</u>	<u>2,664,971</u>
Excess (deficiency) of revenues over expenditures	<u>(287,952)</u>	<u>-</u>	<u>154,187</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	3,550	-	2,375
Transfers in	362,770	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>366,320</u>	<u>-</u>	<u>2,375</u>
Net change in fund balances	78,368	-	156,562
Fund balances - beginning	(102,697)	26,626	778,270
Fund balances - ending	<u>\$ (24,329)</u>	<u>\$ 26,626</u>	<u>\$ 934,832</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Inmate Welfare	Jail Enhancement	Justice Courts Grants and Fees
REVENUES			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	22,613
Intergovernmental	-	191,531	96,934
Charges for services	142,492	-	702,186
Investment earnings	5,109	11,391	28,744
Contributions	-	-	-
Miscellaneous	226,887	-	-
Total revenues	<u>374,488</u>	<u>202,922</u>	<u>850,477</u>
EXPENDITURES			
Current:			
General government	-	-	389,123
Public safety	194,513	366,273	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>194,513</u>	<u>366,273</u>	<u>389,123</u>
Excess (deficiency) of revenues over expenditures	<u>179,975</u>	<u>(163,351)</u>	<u>461,354</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(335,822)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(335,822)</u>
Net change in fund balances	179,975	(163,351)	125,532
Fund balances - beginning	175,568	468,499	794,041
Fund balances - ending	<u>\$ 355,543</u>	<u>\$ 305,148</u>	<u>\$ 919,573</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
REVENUES			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	2,383,760	2,161	1,826,840
Charges for services	54,924	-	-
Investment earnings	37,482	267	105,822
Contributions	-	-	-
Miscellaneous	191	-	-
Total revenues	<u>2,476,357</u>	<u>2,428</u>	<u>1,932,662</u>
EXPENDITURES			
Current:			
General government	-	1,470	-
Public safety	2,553,766	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	1,192,824
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>2,553,766</u>	<u>1,470</u>	<u>1,192,824</u>
Excess (deficiency) of revenues over expenditures	<u>(77,409)</u>	<u>958</u>	<u>739,838</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	17,398	6,928	-
Transfers out	-	(6,758)	(804,449)
Total other financing sources (uses)	<u>17,398</u>	<u>170</u>	<u>(804,449)</u>
Net change in fund balances	(60,011)	1,128	(64,611)
Fund balances - beginning	822,424	8,806	3,137,237
Fund balances - ending	<u>\$ 762,413</u>	<u>\$ 9,934</u>	<u>\$ 3,072,626</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval
REVENUES			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	142,645	14,919	107,623
Charges for services	441,987	-	106,805
Investment earnings	13,010	1,610	16,958
Contributions	1,471	-	-
Miscellaneous	-	-	-
Total revenues	<u>599,113</u>	<u>16,529</u>	<u>231,386</u>
EXPENDITURES			
Current:			
General government	-	32,616	259,827
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	563,562	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>563,562</u>	<u>32,616</u>	<u>259,827</u>
Excess (deficiency) of revenues over expenditures	<u>35,551</u>	<u>(16,087)</u>	<u>(28,441)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	45,765	62,355	-
Transfers out	(46,150)	(62,355)	-
Total other financing sources (uses)	<u>(385)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	35,166	(16,087)	(28,441)
Fund balances - beginning	393,414	60,162	592,840
Fund balances - ending	<u>\$ 428,580</u>	<u>\$ 44,075</u>	<u>\$ 564,399</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste
REVENUES			
Property taxes	\$ 2	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	3,295,251	499,645	247,773
Charges for services	165,532	61,355	67,884
Investment earnings	93,814	7,798	-
Contributions	38,842	10	-
Miscellaneous	288,491	-	-
Total revenues	<u>3,881,932</u>	<u>568,808</u>	<u>315,657</u>
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	681,490	-
Highways and streets	-	-	-
Sanitation	-	-	543,679
Welfare	-	-	-
Culture and recreation	-	-	-
Education	3,158,118	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>3,158,118</u>	<u>681,490</u>	<u>543,679</u>
Excess (deficiency) of revenues over expenditures	<u>723,814</u>	<u>(112,682)</u>	<u>(228,022)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	305
Transfers in	500,000	57,890	227,717
Transfers out	-	-	-
Total other financing sources (uses)	<u>500,000</u>	<u>57,890</u>	<u>228,022</u>
Net change in fund balances	1,223,814	(54,792)	-
Fund balances - beginning	4,108,098	286,399	13
Fund balances - ending	<u>\$ 5,331,912</u>	<u>\$ 231,607</u>	<u>\$ 13</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		
	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds
REVENUES			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	-	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	191,164	-	-
Charges for services	208,950	13,582	874
Investment earnings	10,947	2,601	-
Contributions	3,000	-	-
Miscellaneous	1,798	-	-
Total revenues	<u>415,859</u>	<u>16,183</u>	<u>874</u>
EXPENDITURES			
Current:			
General government	898,512	1,096	60,269
Public safety	-	-	-
Highways and streets	-	-	74,534
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>898,512</u>	<u>1,096</u>	<u>134,803</u>
Excess (deficiency) of revenues over expenditures	<u>(482,653)</u>	<u>15,087</u>	<u>(133,929)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	-
Transfers in	529,320	-	133,929
Transfers out	(2,845)	-	-
Total other financing sources (uses)	<u>526,475</u>	<u>-</u>	<u>133,929</u>
Net change in fund balances	43,822	15,087	-
Fund balances - beginning	610,756	86,953	23
Fund balances - ending	<u>\$ 654,578</u>	<u>\$ 102,040</u>	<u>\$ 23</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Debt Service	Capital Projects	
	County Improvement Districts-Debt Service	Accommodation School	County Improvement Districts-Capital Projects
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
County sales tax	-	-	-
Special assessments	28,816	-	-
Licenses and permits	-	-	-
Fees, fines, and forfeits	-	-	-
Intergovernmental	-	87,882	-
Charges for services	-	-	-
Investment earnings	5,388	3,690	11,332
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>34,204</u>	<u>91,572</u>	<u>11,332</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Capital outlay	-	87,153	-
Debt service:	-	-	-
Principal	11,560	-	-
Interest and other charges	303	-	-
Total expenditures	<u>11,863</u>	<u>87,153</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>22,341</u>	<u>4,419</u>	<u>11,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,341	4,419	11,332
Fund balances - beginning	79,673	145,827	388,896
Fund balances - ending	<u>\$ 102,014</u>	<u>\$ 150,246</u>	<u>\$ 400,228</u>

Coconino County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	<u>Capital Projects</u>		<u>Total Nonmajor Governmental funds</u>
	<u>Other Capital Projects Funds</u>	<u>Parks and Open Spaces Tax Projects Fund</u>	
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ 7,135,448
County sales tax	-	8,021	8,021
Special assessments	-	-	40,216
Licenses and permits	24,000	-	31,158
Fees, fines, and forfeits	-	-	576,714
Intergovernmental	-	-	14,447,622
Charges for services	-	2	4,343,155
Investment earnings	147,562	69,771	771,813
Contributions	-	-	585,264
Miscellaneous	-	1,095	569,634
Total revenues	<u>171,562</u>	<u>78,889</u>	<u>28,509,045</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	3,017,079
Public safety	-	-	10,829,912
Highways and streets	-	-	74,534
Sanitation	-	-	1,943,840
Welfare	-	-	3,380,171
Culture and recreation	-	-	4,871,960
Education	-	-	4,350,942
Capital outlay	2,122,115	1,711,097	3,920,365
Debt service:	-	-	-
Principal	-	-	11,560
Interest and other charges	-	-	303
Total expenditures	<u>2,122,115</u>	<u>1,711,097</u>	<u>32,400,666</u>
Excess (deficiency) of revenues over expenditures	<u>(1,950,553)</u>	<u>(1,632,208)</u>	<u>(3,891,621)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	375,000	381,230
Transfers in	4,042,276	-	7,521,403
Transfers out	(10,022,446)	-	(11,475,676)
Total other financing sources (uses)	<u>(5,980,170)</u>	<u>375,000</u>	<u>(3,573,043)</u>
Net change in fund balances	(7,930,723)	(1,257,208)	(7,464,664)
Fund balances - beginning	11,128,139	2,962,862	30,870,301
Fund balances - ending	<u>\$ 3,197,416</u>	<u>\$ 1,705,654</u>	<u>\$ 23,405,637</u>

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Coconino County  
 Adult Probation Grants and Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,239,070	\$ 2,353,763	\$ 2,295,504	\$ (58,259)
Charges for services	629,000	629,000	742,754	113,754
Investment earnings	9,450	9,450	29,512	20,062
Total revenues	<u>2,877,520</u>	<u>2,992,213</u>	<u>3,067,770</u>	<u>75,557</u>
<b>EXPENDITURES</b>				
Public safety				
Adult Probation	3,624,720	3,734,355	3,565,180	169,175
Total expenditures	<u>3,624,720</u>	<u>3,734,355</u>	<u>3,565,180</u>	<u>169,175</u>
Excess (deficiency) of revenues over expenditures	<u>(747,200)</u>	<u>(742,142)</u>	<u>(497,410)</u>	<u>244,732</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	388,031	384,666	342,994	(41,672)
Total other financing sources (uses)	<u>388,031</u>	<u>384,666</u>	<u>342,994</u>	<u>(41,672)</u>
Net change in fund balances	(359,169)	(357,476)	(154,416)	203,060
Fund balances - beginning	619,675	619,675	619,675	-
Fund balances - ending	<u>\$ 260,506</u>	<u>\$ 262,199</u>	<u>\$ 465,259</u>	<u>\$ 203,060</u>

Coconino County  
Assessor Storage and Retrieval  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
General government				
Assessor	\$ 2,453	\$ 22,647	\$ 19,392	\$ 3,255
Total expenditures	2,453	22,647	19,392	3,255
Excess (deficiency) of revenues over expenditures	(2,453)	(22,647)	(19,392)	3,255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	18,965	18,965	-
Total other financing sources (uses)	-	18,965	18,965	-
Net change in fund balances	(2,453)	(3,682)	(427)	3,255
Fund balances - beginning	3,682	3,682	3,682	-
Fund balances - ending	\$ 1,229	\$ -	\$ 3,255	\$ 3,255

Coconino County  
Career Center Grants  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,254,155	\$ 1,901,777	\$ 1,053,371	\$ (848,406)
Investment earnings	-	-	217	217
Total revenues	<u>1,254,155</u>	<u>1,901,777</u>	<u>1,053,588</u>	<u>(848,189)</u>
<b>EXPENDITURES</b>				
Welfare				
Career Center	1,264,155	1,911,777	1,034,801	876,976
Total expenditures	<u>1,264,155</u>	<u>1,911,777</u>	<u>1,034,801</u>	<u>876,976</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>18,787</u>	<u>28,787</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,000	10,000	10,000	-
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	-	-	28,787	28,787
Fund balances - beginning	(84,126)	(84,126)	(84,126)	-
Fund balances - ending	<u>\$ (84,126)</u>	<u>\$ (84,126)</u>	<u>\$ (55,339)</u>	<u>\$ 28,787</u>

Coconino County  
Clerk of the Superior Court Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees, fines, and forfeits	\$ 15,000	\$ 15,000	\$ 14,915	\$ (85)
Intergovernmental	69,396	69,396	17,595	(51,801)
Charges for services	60,300	60,300	60,477	177
Investment earnings	2,000	2,000	5,447	3,447
Total revenues	<u>146,696</u>	<u>146,696</u>	<u>98,434</u>	<u>(48,262)</u>
<b>EXPENDITURES</b>				
General government				
Clerk of the Superior Court	288,321	288,321	197,462	90,859
Total expenditures	<u>288,321</u>	<u>288,321</u>	<u>197,462</u>	<u>90,859</u>
Excess (deficiency) of revenues over expenditures	<u>(141,625)</u>	<u>(141,625)</u>	<u>(99,028)</u>	<u>42,597</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,639	19,639	2,845	(16,794)
Total other financing sources (uses)	<u>19,639</u>	<u>19,639</u>	<u>2,845</u>	<u>(16,794)</u>
Net change in fund balances	(121,986)	(121,986)	(96,183)	25,803
Fund balances - beginning	212,394	212,394	212,394	-
Fund balances - ending	<u>\$ 90,408</u>	<u>\$ 90,408</u>	<u>\$ 116,211</u>	<u>\$ 25,803</u>

Coconino County  
Community Services Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,182,528	\$ 1,440,246	\$ 1,082,775	\$ (357,471)
Charges for services	9,000	9,000	19,291	10,291
Investment earnings	2,000	2,000	3,934	1,934
Contributions	187,935	193,930	129,345	(64,585)
Miscellaneous	65,000	65,000	24,174	(40,826)
Total revenues	<u>1,446,463</u>	<u>1,710,176</u>	<u>1,259,519</u>	<u>(450,657)</u>
<b>EXPENDITURES</b>				
Welfare				
Community Services	2,751,466	3,015,179	2,345,370	669,809
Total expenditures	<u>2,751,466</u>	<u>3,015,179</u>	<u>2,345,370</u>	<u>669,809</u>
Excess (deficiency) of revenues over expenditures	<u>(1,305,003)</u>	<u>(1,305,003)</u>	<u>(1,085,851)</u>	<u>219,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,302,523	1,302,523	1,062,546	(239,977)
Total other financing sources (uses)	<u>1,302,523</u>	<u>1,302,523</u>	<u>1,062,546</u>	<u>(239,977)</u>
Net change in fund balances	(2,480)	(2,480)	(23,305)	(20,825)
Fund balances - beginning	135,618	135,618	135,618	-
Fund balances - ending	<u>\$ 133,138</u>	<u>\$ 133,138</u>	<u>\$ 112,313</u>	<u>\$ (20,825)</u>

Coconino County  
 Conciliation Court  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 11,084	\$ 2,084
Charges for services	45,000	45,000	49,455	4,455
Investment earnings	250	250	1,281	1,031
Miscellaneous	7,000	7,000	5,900	(1,100)
Total revenues	<u>61,250</u>	<u>61,250</u>	<u>67,720</u>	<u>6,470</u>
<b>EXPENDITURES</b>				
General government				
Superior Courts	69,443	69,443	62,604	6,839
Total expenditures	<u>69,443</u>	<u>69,443</u>	<u>62,604</u>	<u>6,839</u>
Excess (deficiency) of revenues over expenditures	<u>(8,193)</u>	<u>(8,193)</u>	<u>5,116</u>	<u>13,309</u>
Net change in fund balances	(8,193)	(8,193)	5,116	13,309
Fund balances - beginning	40,384	40,384	40,384	-
Fund balances - ending	<u>\$ 32,191</u>	<u>\$ 32,191</u>	<u>\$ 45,500</u>	<u>\$ 13,309</u>

Coconino County  
County Attorney Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees, fines, and forfeits	\$ 450,000	\$ 450,000	\$ 539,186	\$ 89,186
Intergovernmental	613,525	689,738	547,760	(141,978)
Charges for services	29,000	29,000	17,288	(11,712)
Investment earnings	7,100	7,100	57,888	50,788
Total revenues	<u>1,099,625</u>	<u>1,175,838</u>	<u>1,162,122</u>	<u>(13,716)</u>
<b>EXPENDITURES</b>				
General government				
County Attorney	1,362,098	1,516,760	1,094,708	422,052
Total expenditures	<u>1,362,098</u>	<u>1,516,760</u>	<u>1,094,708</u>	<u>422,052</u>
Excess (deficiency) of revenues over expenditures	<u>(262,473)</u>	<u>(340,922)</u>	<u>67,414</u>	<u>408,336</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	98,549	91,935	97,705	5,770
Transfers out	-	(78,551)	(90,112)	(11,561)
Total other financing sources (uses)	<u>98,549</u>	<u>13,384</u>	<u>7,593</u>	<u>(5,791)</u>
Net change in fund balances	(163,924)	(327,538)	75,007	402,545
Fund balances - beginning	1,559,754	1,559,754	1,559,754	-
Fund balances - ending	<u>\$ 1,395,830</u>	<u>\$ 1,232,216</u>	<u>\$ 1,634,761</u>	<u>\$ 402,545</u>

Coconino County  
County Improvement Districts-Special Revenue  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 11,400	\$ 11,400	\$ 11,400	\$ -
Intergovernmental	37,860	37,860	36,486	(1,374)
Charges for services	1,410,600	1,410,600	1,487,317	76,717
Investment earnings	9,400	9,400	41,511	32,111
Miscellaneous	20,000	20,000	21,098	1,098
Total revenues	<u>1,489,260</u>	<u>1,489,260</u>	<u>1,597,812</u>	<u>108,552</u>
<b>EXPENDITURES</b>				
Sanitation				
Kachina Village ID	1,692,086	1,692,086	1,389,643	302,443
Tusayan ID	11,400	11,400	10,518	882
Total expenditures	<u>1,703,486</u>	<u>1,703,486</u>	<u>1,400,161</u>	<u>303,325</u>
Excess (deficiency) of revenues over expenditures	<u>(214,226)</u>	<u>(214,226)</u>	<u>197,651</u>	<u>411,877</u>
Net change in fund balances	(214,226)	(214,226)	197,651	411,877
Fund balances - beginning	1,280,152	1,280,152	1,280,152	-
Fund balances - ending	<u><u>\$ 1,065,926</u></u>	<u><u>\$ 1,065,926</u></u>	<u><u>\$ 1,477,803</u></u>	<u><u>\$ 411,877</u></u>

Coconino County  
County Library District  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 4,413,138	\$ 4,413,138	\$ 4,421,769	\$ 8,631
Investment earnings	4,679	4,679	17,846	13,167
Contributions	85,000	85,000	154,306	69,306
Total revenues	<u>4,502,817</u>	<u>4,502,817</u>	<u>4,593,921</u>	<u>91,104</u>
<b>EXPENDITURES</b>				
Culture and recreation				
Library District	<u>4,308,398</u>	<u>4,308,398</u>	<u>4,308,398</u>	<u>-</u>
Total expenditures	<u>4,308,398</u>	<u>4,308,398</u>	<u>4,308,398</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>194,419</u>	<u>194,419</u>	<u>285,523</u>	<u>91,104</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(104,739)</u>	<u>(104,739)</u>	<u>(104,739)</u>	<u>-</u>
Total other financing sources (uses)	<u>(104,739)</u>	<u>(104,739)</u>	<u>(104,739)</u>	<u>-</u>
Net change in fund balances	89,680	89,680	180,784	91,104
Fund balances - beginning	149,939	149,939	149,939	-
Fund balances - ending	<u>\$ 239,619</u>	<u>\$ 239,619</u>	<u>\$ 330,723</u>	<u>\$ 91,104</u>

Coconino County  
Emergency Services Grants  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 277,193	\$ 329,035	\$ 265,767	\$ (63,268)
Contributions	-	250,000	250,000	-
Total revenues	<u>277,193</u>	<u>579,035</u>	<u>515,767</u>	<u>(63,268)</u>
<b>EXPENDITURES</b>				
Public safety				
Emergency Services	468,541	974,599	803,719	170,880
Total expenditures	<u>468,541</u>	<u>974,599</u>	<u>803,719</u>	<u>170,880</u>
Excess (deficiency) of revenues over expenditures	<u>(191,348)</u>	<u>(395,564)</u>	<u>(287,952)</u>	<u>107,612</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	3,550	3,550
Transfers in	191,348	362,771	362,770	(1)
Total other financing sources (uses)	<u>191,348</u>	<u>362,771</u>	<u>366,320</u>	<u>3,549</u>
Net change in fund balances	-	(32,793)	78,368	111,161
Fund balances - beginning	(102,697)	(102,697)	(102,697)	-
Fund balances - ending	<u>\$ (102,697)</u>	<u>\$ (135,490)</u>	<u>\$ (24,329)</u>	<u>\$ 111,161</u>

Coconino County  
Facilities Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
General government				
Facilities	\$ 12,233	\$ 16,286	\$ -	\$ 16,286
Total expenditures	12,233	16,286	-	16,286
Excess (deficiency) of revenues over expenditures	(12,233)	(16,286)	-	16,286
Net change in fund balances	(12,233)	(16,286)	-	16,286
Fund balances - beginning	26,626	26,626	26,626	-
Fund balances - ending	\$ 14,393	\$ 10,340	\$ 26,626	\$ 16,286

Coconino County  
Flood Control District Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,710,873	\$ 2,710,873	\$ 2,713,677	\$ 2,804
Licenses and permits	-	-	7,158	7,158
Intergovernmental	-	58,454	49,152	(9,302)
Investment earnings	-	-	40,881	40,881
Contributions	15,100	15,100	8,290	(6,810)
Total revenues	<u>2,725,973</u>	<u>2,784,427</u>	<u>2,819,158</u>	<u>34,731</u>
<b>EXPENDITURES</b>				
Public safety				
Flood Control	3,101,547	3,660,001	2,664,971	995,030
Total expenditures	<u>3,101,547</u>	<u>3,660,001</u>	<u>2,664,971</u>	<u>995,030</u>
Excess (deficiency) of revenues over expenditures	<u>(375,574)</u>	<u>(875,574)</u>	<u>154,187</u>	<u>1,029,761</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	2,375	2,375
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,375</u>	<u>2,375</u>
Net change in fund balances	(375,574)	(875,574)	156,562	1,032,136
Fund balances - beginning	778,270	778,270	778,270	-
Fund balances - ending	<u>\$ 402,696</u>	<u>\$ (97,304)</u>	<u>\$ 934,832</u>	<u>\$ 1,032,136</u>

Coconino County  
 Inmate Welfare  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 97,289	\$ 97,289	\$ 142,492	\$ 45,203
Investment earnings	2,000	2,000	5,109	3,109
Miscellaneous	108,250	108,250	226,887	118,637
Total revenues	<u>207,539</u>	<u>207,539</u>	<u>374,488</u>	<u>166,949</u>
<b>EXPENDITURES</b>				
Public safety				
Sheriff	399,039	399,039	194,513	204,526
Total expenditures	<u>399,039</u>	<u>399,039</u>	<u>194,513</u>	<u>204,526</u>
Excess (deficiency) of revenues over expenditures	<u>(191,500)</u>	<u>(191,500)</u>	<u>179,975</u>	<u>371,475</u>
Net change in fund balances	(191,500)	(191,500)	179,975	371,475
Fund balances - beginning	175,568	175,568	175,568	-
Fund balances - ending	<u>\$ (15,932)</u>	<u>\$ (15,932)</u>	<u>\$ 355,543</u>	<u>\$ 371,475</u>

Coconino County  
Jail Enhancement  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 191,531	\$ (21,987)
Investment earnings	2,500	2,500	11,391	8,891
Total revenues	<u>216,018</u>	<u>216,018</u>	<u>202,922</u>	<u>(13,096)</u>
<b>EXPENDITURES</b>				
Public safety				
Sheriff	648,042	658,042	366,273	291,769
Total expenditures	<u>648,042</u>	<u>658,042</u>	<u>366,273</u>	<u>291,769</u>
Excess (deficiency) of revenues over expenditures	<u>(432,024)</u>	<u>(442,024)</u>	<u>(163,351)</u>	<u>278,673</u>
Net change in fund balances	(432,024)	(442,024)	(163,351)	278,673
Fund balances - beginning	468,499	468,499	468,499	-
Fund balances - ending	<u>\$ 36,475</u>	<u>\$ 26,475</u>	<u>\$ 305,148</u>	<u>\$ 278,673</u>

Coconino County  
Justice Courts Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees, fines, and forfeits	\$ 22,850	\$ 22,850	\$ 22,613	\$ (237)
Intergovernmental	-	105,987	96,934	(9,053)
Charges for services	628,730	628,730	702,186	73,456
Investment earnings	5,450	5,450	28,744	23,294
Total revenues	<u>657,030</u>	<u>763,017</u>	<u>850,477</u>	<u>87,460</u>
<b>EXPENDITURES</b>				
General government				
Flagstaff Justice Court	243,440	303,836	289,940	13,896
Fredonia Justice Court	27,680	29,778	15,742	14,036
Page Justice Court	106,482	167,809	38,458	129,351
Williams Justice Court	102,515	105,662	44,983	60,679
Total expenditures	<u>480,117</u>	<u>607,085</u>	<u>389,123</u>	<u>217,962</u>
Excess (deficiency) of revenues over expenditures	<u>176,913</u>	<u>155,932</u>	<u>461,354</u>	<u>305,422</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(285,159)	(285,159)	(335,822)	(50,663)
Total other financing sources (uses)	<u>(285,159)</u>	<u>(285,159)</u>	<u>(335,822)</u>	<u>(50,663)</u>
Net change in fund balances	(108,246)	(129,227)	125,532	254,759
Fund balances - beginning	794,041	794,041	794,041	-
Fund balances - ending	<u>\$ 685,795</u>	<u>\$ 664,814</u>	<u>\$ 919,573</u>	<u>\$ 254,759</u>

Coconino County  
 Juvenile Court Grants and Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,241,637	\$ 2,531,176	\$ 2,383,760	\$ (147,416)
Charges for services	51,310	51,310	54,924	3,614
Investment earnings	3,000	3,000	37,482	34,482
Miscellaneous	-	-	191	191
Total revenues	<u>2,295,947</u>	<u>2,585,486</u>	<u>2,476,357</u>	<u>(109,129)</u>
<b>EXPENDITURES</b>				
Public safety				
Juvenile Probation	3,306,741	3,276,419	2,553,766	722,653
Total expenditures	<u>3,306,741</u>	<u>3,276,419</u>	<u>2,553,766</u>	<u>722,653</u>
Excess (deficiency) of revenues over expenditures	<u>(1,010,794)</u>	<u>(690,933)</u>	<u>(77,409)</u>	<u>613,524</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	309,390	22,178	17,398	(4,780)
Total other financing sources (uses)	<u>309,390</u>	<u>22,178</u>	<u>17,398</u>	<u>(4,780)</u>
Net change in fund balances	(701,404)	(668,755)	(60,011)	608,744
Fund balances - beginning	822,424	822,424	822,424	-
Fund balances - ending	<u>\$ 121,020</u>	<u>\$ 153,669</u>	<u>\$ 762,413</u>	<u>\$ 608,744</u>

Coconino County  
 Legal Defender Grants and Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,161	\$ 161
Investment earnings	91	91	267	176
Total revenues	<u>2,091</u>	<u>2,091</u>	<u>2,428</u>	<u>337</u>
<b>EXPENDITURES</b>				
General government				
Legal Defender	2,455	2,455	1,470	985
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>1,470</u>	<u>985</u>
Excess (deficiency) of revenues over expenditures	<u>(364)</u>	<u>(364)</u>	<u>958</u>	<u>1,322</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,159	6,159	6,928	769
Transfers out	(6,133)	(6,133)	(6,758)	(625)
Total other financing sources (uses)	<u>26</u>	<u>26</u>	<u>170</u>	<u>144</u>
Net change in fund balances	(338)	(338)	1,128	1,466
Fund balances - beginning	8,806	8,806	8,806	-
Fund balances - ending	<u>\$ 8,468</u>	<u>\$ 8,468</u>	<u>\$ 9,934</u>	<u>\$ 1,466</u>

Coconino County  
National Forest Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 220,727	\$ 220,727	\$ 1,826,840	\$ 1,606,113
Investment earnings	15,000	15,000	105,822	90,822
Total revenues	<u>235,727</u>	<u>235,727</u>	<u>1,932,662</u>	<u>1,696,935</u>
<b>EXPENDITURES</b>				
Education				
School Superintendent	-	-	1,192,824	(1,192,824)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,192,824</u>	<u>(1,192,824)</u>
Excess (deficiency) of revenues over expenditures	<u>235,727</u>	<u>235,727</u>	<u>739,838</u>	<u>504,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(820,727)</u>	<u>(820,727)</u>	<u>(804,449)</u>	<u>16,278</u>
Total other financing sources (uses)	<u>(820,727)</u>	<u>(820,727)</u>	<u>(804,449)</u>	<u>16,278</u>
Net change in fund balances	(585,000)	(585,000)	(64,611)	520,389
Fund balances - beginning	3,137,237	3,137,237	3,137,237	-
Fund balances - ending	<u>\$ 2,552,237</u>	<u>\$ 2,552,237</u>	<u>\$ 3,072,626</u>	<u>\$ 520,389</u>

Coconino County  
Parks and Recreation Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 128,994	\$ 279,615	\$ 142,645	\$ (136,970)
Charges for services	446,200	446,200	441,987	(4,213)
Investment earnings	-	-	13,010	13,010
Contributions	-	-	1,471	1,471
Total revenues	<u>575,194</u>	<u>725,815</u>	<u>599,113</u>	<u>(126,702)</u>
<b>EXPENDITURES</b>				
Culture and recreation				
Parks and Recreation	474,956	769,130	563,562	205,568
Total expenditures	<u>474,956</u>	<u>769,130</u>	<u>563,562</u>	<u>205,568</u>
Excess (deficiency) of revenues over expenditures	<u>100,238</u>	<u>(43,315)</u>	<u>35,551</u>	<u>78,866</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	128,553	45,765	(82,788)
Transfers out	(46,150)	(46,150)	(46,150)	-
Total other financing sources (uses)	<u>(46,150)</u>	<u>82,403</u>	<u>(385)</u>	<u>(82,788)</u>
Net change in fund balances	54,088	39,088	35,166	(3,922)
Fund balances - beginning	393,414	393,414	393,414	-
Fund balances - ending	<u>\$ 447,502</u>	<u>\$ 432,502</u>	<u>\$ 428,580</u>	<u>\$ (3,922)</u>

Coconino County  
Public Defender Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 19,620	\$ 19,620	\$ 14,919	\$ (4,701)
Investment earnings	600	600	1,610	1,010
Total revenues	<u>20,220</u>	<u>20,220</u>	<u>16,529</u>	<u>(3,691)</u>
<b>EXPENDITURES</b>				
General government				
Public Defender	41,967	41,967	32,616	9,351
Total expenditures	<u>41,967</u>	<u>41,967</u>	<u>32,616</u>	<u>9,351</u>
Excess (deficiency) of revenues over expenditures	<u>(21,747)</u>	<u>(21,747)</u>	<u>(16,087)</u>	<u>5,660</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	55,431	55,431	62,355	6,924
Transfers out	(55,431)	(55,431)	(62,355)	(6,924)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(21,747)	(21,747)	(16,087)	5,660
Fund balances - beginning	60,162	60,162	60,162	-
Fund balances - ending	<u>\$ 38,415</u>	<u>\$ 38,415</u>	<u>\$ 44,075</u>	<u>\$ 5,660</u>

Coconino County  
Recorder Storage and Retrieval  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 107,623	\$ 75,623
Charges for services	130,000	130,000	106,805	(23,195)
Investment earnings	900	900	16,958	16,058
Total revenues	<u>162,900</u>	<u>162,900</u>	<u>231,386</u>	<u>68,486</u>
<b>EXPENDITURES</b>				
General government				
Recorder	<u>190,553</u>	<u>358,171</u>	<u>259,827</u>	<u>98,344</u>
Total expenditures	<u>190,553</u>	<u>358,171</u>	<u>259,827</u>	<u>98,344</u>
Excess (deficiency) of revenues over expenditures	<u>(27,653)</u>	<u>(195,271)</u>	<u>(28,441)</u>	<u>166,830</u>
Net change in fund balances	(27,653)	(195,271)	(28,441)	166,830
Fund balances - beginning	<u>592,840</u>	<u>592,840</u>	<u>592,840</u>	<u>-</u>
Fund balances - ending	<u>\$ 565,187</u>	<u>\$ 397,569</u>	<u>\$ 564,399</u>	<u>\$ 166,830</u>

Coconino County  
School Superintendent Grants and Fees  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental	3,673,911	3,792,303	3,295,251	(497,052)
Charges for services	167,000	190,586	165,532	(25,054)
Investment earnings	4,000	4,000	93,814	89,814
Contributions	45,300	49,250	38,842	(10,408)
Miscellaneous	28,000	33,000	288,491	255,491
Total revenues	<u>3,918,211</u>	<u>4,069,139</u>	<u>3,881,932</u>	<u>(187,207)</u>
<b>EXPENDITURES</b>				
Education				
School Superintendent	3,885,841	4,074,652	3,158,118	916,534
Total expenditures	<u>3,885,841</u>	<u>4,074,652</u>	<u>3,158,118</u>	<u>916,534</u>
Excess (deficiency) of revenues over expenditures	<u>32,370</u>	<u>(5,513)</u>	<u>723,814</u>	<u>729,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	532,370	494,487	1,223,814	729,327
Fund balances - beginning	4,108,098	4,108,098	4,108,098	-
Fund balances - ending	<u>\$ 4,640,468</u>	<u>\$ 4,602,585</u>	<u>\$ 5,331,912</u>	<u>\$ 729,327</u>

Coconino County  
 Sheriff Grants and Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 849,699	\$ 908,965	\$ 499,645	\$ (409,320)
Charges for services	82,168	82,168	61,355	(20,813)
Investment earnings	1,400	1,400	7,798	6,398
Contributions	5,000	5,000	10	(4,990)
Total revenues	<u>938,267</u>	<u>997,533</u>	<u>568,808</u>	<u>(428,725)</u>
<b>EXPENDITURES</b>				
Public safety				
Sheriff	1,214,938	1,276,755	681,490	595,265
Total expenditures	<u>1,214,938</u>	<u>1,276,755</u>	<u>681,490</u>	<u>595,265</u>
Excess (deficiency) of revenues over expenditures	<u>(276,671)</u>	<u>(279,222)</u>	<u>(112,682)</u>	<u>166,540</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	110,763	113,314	57,890	(55,424)
Total other financing sources (uses)	<u>110,763</u>	<u>113,314</u>	<u>57,890</u>	<u>(55,424)</u>
Net change in fund balances	(165,908)	(165,908)	(54,792)	111,116
Fund balances - beginning	286,399	286,399	286,399	-
Fund balances - ending	<u>\$ 120,491</u>	<u>\$ 120,491</u>	<u>\$ 231,607</u>	<u>\$ 111,116</u>

Coconino County  
Solid Waste  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 230,000	\$ 263,614	\$ 247,773	\$ (15,841)
Charges for services	135,200	135,200	67,884	(67,316)
Total revenues	<u>365,200</u>	<u>398,814</u>	<u>315,657</u>	<u>(83,157)</u>
<b>EXPENDITURES</b>				
Sanitation				
Public Works	536,767	632,606	543,679	88,927
Total expenditures	<u>536,767</u>	<u>632,606</u>	<u>543,679</u>	<u>88,927</u>
Excess (deficiency) of revenues over expenditures	<u>(171,567)</u>	<u>(233,792)</u>	<u>(228,022)</u>	<u>5,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	305	305
Transfers in	180,567	242,792	227,717	(15,075)
Transfers out	(9,000)	(9,000)	-	9,000
Total other financing sources (uses)	<u>171,567</u>	<u>233,792</u>	<u>228,022</u>	<u>(5,770)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	13	13	13	-
Fund balances - ending	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ -</u>

Coconino County  
 Superior Court Grants and Fees  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balances – Budget and Actual  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 224,879	\$ 219,879	\$ 191,164	\$ (28,715)
Charges for services	192,500	192,500	208,950	16,450
Investment earnings	1,000	1,000	10,947	9,947
Contributions	9,000	9,000	3,000	(6,000)
Miscellaneous	1,500	1,500	1,798	298
Total revenues	<u>428,879</u>	<u>423,879</u>	<u>415,859</u>	<u>(8,020)</u>
<b>EXPENDITURES</b>				
General government				
Superior Courts	1,075,950	1,091,932	898,512	193,420
Total expenditures	<u>1,075,950</u>	<u>1,091,932</u>	<u>898,512</u>	<u>193,420</u>
Excess (deficiency) of revenues over expenditures	<u>(647,071)</u>	<u>(668,053)</u>	<u>(482,653)</u>	<u>185,400</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	526,383	526,383	529,320	2,937
Transfers out	(19,639)	(19,639)	(2,845)	16,794
Total other financing sources (uses)	<u>506,744</u>	<u>506,744</u>	<u>526,475</u>	<u>19,731</u>
Net change in fund balances	(140,327)	(161,309)	43,822	205,131
Fund balances - beginning	610,756	610,756	610,756	-
Fund balances - ending	<u>\$ 470,429</u>	<u>\$ 449,447</u>	<u>\$ 654,578</u>	<u>\$ 205,131</u>

Coconino County  
Taxpayer Information Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 16,500	\$ 16,500	\$ 13,582	\$ (2,918)
Investment earnings	1,250	1,250	2,601	1,351
Total revenues	<u>17,750</u>	<u>17,750</u>	<u>16,183</u>	<u>(1,567)</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Treasurer	31,000	31,000	1,096	29,904
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>1,096</u>	<u>29,904</u>
Excess (deficiency) of revenues over expenditures	<u>(13,250)</u>	<u>(13,250)</u>	<u>15,087</u>	<u>28,337</u>
Net change in fund balances	(13,250)	(13,250)	15,087	28,337
Fund balances - beginning	86,953	86,953	86,953	-
Fund balances - ending	<u>\$ 73,703</u>	<u>\$ 73,703</u>	<u>\$ 102,040</u>	<u>\$ 28,337</u>

Coconino County  
Other Special Revenue Funds  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,200	\$ 1,200	\$ 874	\$ (326)
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>874</u>	<u>(326)</u>
<b>EXPENDITURES</b>				
General government				
Finance/Budget	61,869	61,869	60,269	1,600
Highways and streets				
Public Works	75,532	75,532	74,534	998
Total expenditures	<u>137,401</u>	<u>137,401</u>	<u>134,803</u>	<u>2,598</u>
Excess (deficiency) of revenues over expenditures	<u>(136,201)</u>	<u>(136,201)</u>	<u>(133,929)</u>	<u>2,272</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	136,201	136,201	133,929	(2,272)
Total other financing sources (uses)	<u>136,201</u>	<u>136,201</u>	<u>133,929</u>	<u>(2,272)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	23	23	23	-
Fund balances - ending	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ -</u>

Coconino County  
County Improvement Districts-Debt Service  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 19,007	\$ 19,007	\$ 28,816	\$ 9,809
Investment earnings	-	-	5,388	5,388
Total revenues	<u>19,007</u>	<u>19,007</u>	<u>34,204</u>	<u>15,197</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	18,000	18,000	11,560	6,440
Interest and other charges	1,007	1,007	303	704
Total expenditures	<u>19,007</u>	<u>19,007</u>	<u>11,863</u>	<u>7,144</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>22,341</u>	<u>22,341</u>
Net change in fund balances	-	-	22,341	22,341
Fund balances - beginning	79,673	79,673	79,673	-
Fund balances - ending	<u>\$ 79,673</u>	<u>\$ 79,673</u>	<u>\$ 102,014</u>	<u>\$ 22,341</u>

Coconino County  
Accommodation School  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 87,882	\$ 47,882
Investment earnings	700	700	3,690	2,990
Total revenues	<u>40,700</u>	<u>40,700</u>	<u>91,572</u>	<u>50,872</u>
<b>EXPENDITURES</b>				
Capital outlay				
School Superintendent	<u>60,000</u>	<u>60,000</u>	<u>87,153</u>	<u>(27,153)</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>87,153</u>	<u>(27,153)</u>
Excess (deficiency) of revenues over expenditures	<u>(19,300)</u>	<u>(19,300)</u>	<u>4,419</u>	<u>23,719</u>
Net change in fund balances	(19,300)	(19,300)	4,419	23,719
Fund balances - beginning	145,827	145,827	145,827	-
Fund balances - ending	<u>\$ 126,527</u>	<u>\$ 126,527</u>	<u>\$ 150,246</u>	<u>\$ 23,719</u>

Coconino County  
County Improvement Districts-Capital Projects  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 11,332	\$ 11,332
Total revenues	-	-	11,332	11,332
<b>EXPENDITURES</b>				
Capital outlay				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	11,332	11,332
Net change in fund balances	-	-	11,332	11,332
Fund balances - beginning	388,896	388,896	388,896	-
Fund balances - ending	\$ 388,896	\$ 388,896	\$ 400,228	\$ 11,332

Coconino County  
Other Capital Projects Funds  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ 24,000	\$ 24,000	\$ -
Investment earnings	30,000	30,000	147,562	117,562
Total revenues	<u>30,000</u>	<u>54,000</u>	<u>171,562</u>	<u>117,562</u>
<b>EXPENDITURES</b>				
Capital outlay				
Facilities	2,483,189	3,566,332	2,122,115	1,444,217
Total expenditures	<u>2,483,189</u>	<u>3,566,332</u>	<u>2,122,115</u>	<u>1,444,217</u>
Excess (deficiency) of revenues over expenditures	<u>(2,453,189)</u>	<u>(3,512,332)</u>	<u>(1,950,553)</u>	<u>1,561,779</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,267,466	4,321,771	4,042,276	(279,495)
Transfers out	(22,446)	(10,022,446)	(10,022,446)	-
Total other financing sources (uses)	<u>4,245,020</u>	<u>(5,700,675)</u>	<u>(5,980,170)</u>	<u>(279,495)</u>
Net change in fund balances	1,791,831	(9,213,007)	(7,930,723)	1,282,284
Fund balances - beginning	11,128,139	11,128,139	11,128,139	-
Fund balances - ending	<u>\$ 12,919,970</u>	<u>\$ 1,915,132</u>	<u>\$ 3,197,416</u>	<u>\$ 1,282,284</u>

Coconino County  
Parks and Open Spaces Tax Projects Fund  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
County sales tax	\$ -	\$ -	\$ 8,021	\$ 8,021
Charges for services	-	-	2	2
Investment earnings	24,000	24,000	69,771	45,771
Miscellaneous	1,972	1,972	1,095	(877)
Total revenues	<u>25,972</u>	<u>25,972</u>	<u>78,889</u>	<u>52,917</u>
<b>EXPENDITURES</b>				
Capital outlay				
Parks and Recreation	3,085,839	2,968,487	1,711,097	1,257,390
Total expenditures	<u>3,085,839</u>	<u>2,968,487</u>	<u>1,711,097</u>	<u>1,257,390</u>
Excess (deficiency) of revenues over expenditures	<u>(3,059,867)</u>	<u>(2,942,515)</u>	<u>(1,632,208)</u>	<u>1,310,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	375,000	375,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>375,000</u>
Net change in fund balances	(3,059,867)	(2,942,515)	(1,257,208)	1,685,307
Fund balances - beginning	2,962,862	2,962,862	2,962,862	-
Fund balances - ending	<u>\$ (97,005)</u>	<u>\$ 20,347</u>	<u>\$ 1,705,654</u>	<u>\$ 1,685,307</u>

Coconino County  
Combining Statement of Fiduciary Net Position  
Investment Trust Funds  
June 30, 2019

	<u>Treasurer's Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 140,376,602	\$ 25,652,703	\$ 166,029,305
Interest and dividends receivable	608,074		608,074
Due from other funds	6,808		6,808
Total assets	<u>140,991,484</u>	<u>25,652,703</u>	<u>166,644,187</u>
Liabilities			
Total liabilities	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net position			
Held in trust for investment trust participants	<u>\$ 140,991,484</u>	<u>\$ 25,652,703</u>	<u>\$ 166,644,187</u>

Coconino County  
Combining Statement of Changes in Fiduciary Net Position  
Investment Trust Funds  
Year Ended June 30, 2019

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 264,879,735	\$ 21,516,030	\$ 286,395,765
Investment earnings	4,237,241		4,237,241
Total additions	<u>269,116,976</u>	<u>21,516,030</u>	<u>290,633,006</u>
Deductions:			
Distributions to participants	251,200,738	526,302	251,727,040
Total deductions	<u>251,200,738</u>	<u>526,302</u>	<u>251,727,040</u>
Change in net position	17,916,238	20,989,728	38,905,966
Net position, July 1, 2018	123,075,246	4,662,975	127,738,221
Net position, June 30, 2019	<u><u>\$ 140,991,484</u></u>	<u><u>\$ 25,652,703</u></u>	<u><u>\$ 166,644,187</u></u>

Coconino County  
Statement of Changes in Assets and Liabilities  
Agency Fund  
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Assets</b>				
Cash and cash equivalents	\$ 4,309,200	\$ 104,834,135	\$ 105,150,966	\$ 3,992,369
Cash and investments held by trustee				
Total assets	<u>\$ 4,309,200</u>	<u>\$ 104,834,135</u>	<u>\$ 105,150,966</u>	<u>\$ 3,992,369</u>
<b>Liabilities</b>				
Deposits held for others	\$ 3,947,402	\$ 99,958,229	\$ 100,711,570	\$ 3,194,061
Due to other governments	361,798	4,875,906	4,439,396	798,308
Total liabilities	<u>\$ 4,309,200</u>	<u>\$ 104,834,135</u>	<u>\$ 105,150,966</u>	<u>\$ 3,992,369</u>

## STATISTICAL SECTION

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Coconino County  
Statistical Section  
Year Ended June 30, 2019

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. .... 177-181

**Revenue Capacity**

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax. .... 182-185

**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..... 186-188

**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. .... 189-191

**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. .... 192-196

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government:										
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 128,372,030	\$ 145,814,515	\$ 142,964,843	\$ 145,559,259	\$ 145,480,845	\$ 149,872,339	\$ 150,901,461	\$ 169,224,399	\$ 169,978,898	\$ 177,765,298
Restricted	28,386,829	63,914,015	65,858,399	63,564,437	69,537,246	74,284,443	67,370,287	64,169,360	79,738,737	72,690,339
Unrestricted	53,636,533	22,113,670	23,547,699	22,747,752	18,591,785	(86,379,130)	(77,733,568)	(81,582,757)	(104,744,999)	(89,056,269)
Total governmental activities net position	<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>	<u>\$ 151,811,002</u>	<u>\$ 144,972,636</u>	<u>\$ 161,399,368</u>

Source: Coconino County Single Audit Reporting Package

Note 1: 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.

Note 2: Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2018, net position for the year ended June 30, 2017 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			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities:				
General government	\$ 31,501,241	\$ 30,768,963	\$ 31,590,773	\$ 32,049,113
Public safety	31,592,406	36,552,608	33,763,301	37,609,509
Highways and streets	15,639,291	13,811,657	15,955,413	15,958,230
Sanitation	3,138,985	3,151,415	3,088,446	2,102,071
Health	11,216,546	11,045,264	11,550,850	12,199,793
Welfare	8,273,139	8,284,852	6,907,365	6,642,756
Culture and recreation	7,725,556	7,286,373	7,243,089	7,063,893
Education	5,278,556	4,767,625	5,232,363	5,941,255
Interest on long term debt	414,902		178,025	69,723
Defeasance of long-term debt				
<b>Total expenses</b>	<b>\$ 114,780,622</b>	<b>\$ 115,668,757</b>	<b>\$ 115,509,625</b>	<b>\$ 119,636,343</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	7,169,300	6,022,842	4,995,911	4,465,482
Public safety	3,679,918	3,821,300	3,272,289	3,107,973
Highways and streets	69,689	93,370	93,636	99,728
Sanitation	1,321,418	1,386,848	1,402,290	1,346,328
Health	1,247,031	1,151,680	1,181,490	1,301,249
Welfare	2,101,024	1,905,924	1,802,447	1,467,637
Culture and recreation	794,306	865,254	760,863	850,519
Education	116,020	130,681	113,749	171,298
Operating grants and contributions	34,922,841	39,900,147	32,332,327	36,156,108
Capital grants and contributions	84,811	6,320,016	13,130	(1,892)
<b>Total governmental activities program revenues</b>	<b>\$ 51,506,358</b>	<b>\$ 61,598,062</b>	<b>\$ 45,968,132</b>	<b>\$ 48,964,430</b>
<b>Net (expenses) revenues</b>	<b>\$ (63,274,264)</b>	<b>\$ (54,070,695)</b>	<b>\$ (69,541,493)</b>	<b>\$ (70,671,913)</b>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes, levied for general purposes	8,185,332	8,405,307	8,807,267	8,744,783
Property taxes, levied for library	5,107,399	4,879,638	4,313,244	4,157,084
Property taxes, levied for flood control	1,959,193	1,849,054	3,179,252	2,943,787
Property taxes, levied for accommodation school	4,310	275	142	33
Property taxes, levied for health services		4,923,145	4,801,721	4,390,334
General county sales tax	10,774,208	11,118,458	11,369,591	11,705,643
Road sales tax				
Jail District sales tax	10,791,078	11,109,910	11,368,185	11,699,874
Parks and open spaces sales tax	2,689,346	2,775,886	2,832,704	2,923,093
Excise tax	68,688	118,795	107,980	74,510
Franchise tax	39,207	36,969	36,788	47,198
Shared revenue - state sales tax	14,353,390	15,670,801	17,208,420	18,592,227
Shared revenue - state vehicle license tax	4,971,307	4,932,200	4,676,609	3,082,023
Grants and contributions not restricted to specific programs	2,139,437	1,974,042	1,930,854	1,902,703
Investment earnings	2,090,720	684,904	1,162,458	(316,192)
Gain (loss) on disposal of capital assets	130,889	1,037,009	(882,441)	42,869
Miscellaneous	73,066	111,114	55,430	182,451
Donated capital		5,169,268		
<b>Total general revenues</b>	<b>\$ 63,377,570</b>	<b>\$ 74,796,775</b>	<b>\$ 70,968,204</b>	<b>\$ 70,172,420</b>
<b>Change in net position</b>	<b>\$ 103,306</b>	<b>\$ 20,726,080</b>	<b>\$ 1,426,711</b>	<b>\$ (499,493)</b>

Source: Coconino County Single Audit Reporting Package

Fiscal year						
2014	2015	2016	2017	2018	2019	
\$ 29,994,545	\$ 34,766,812	\$ 33,869,932	\$ 38,022,439	\$ 41,678,895	\$ 38,571,061	
42,122,131	42,398,679	40,947,920	41,654,185	49,967,549	43,120,801	
14,058,678	14,906,659	21,815,377	13,113,953	23,621,323	24,433,607	
1,611,107	2,007,358	2,235,478	2,520,023	2,195,628	2,249,173	
13,735,528	13,915,744	13,180,529	13,468,758	15,010,305	14,925,100	
4,932,758	4,486,667	4,254,709	4,576,781	5,208,145	4,445,594	
6,594,783	6,682,930	7,172,432	6,755,900	7,751,156	8,083,346	
7,332,953	6,708,189	5,336,344	4,707,587	7,171,546	4,891,709	
46,622	24,582	18,128	8,720	1,448	303	
<u>\$ 120,429,105</u>	<u>\$ 125,897,620</u>	<u>\$ 128,830,849</u>	<u>\$ 124,828,346</u>	<u>\$ 152,605,995</u>	<u>\$ 140,720,694</u>	
4,868,512	4,737,629	5,751,943	7,176,071	6,509,855	6,999,797	
2,937,416	2,538,879	3,159,188	3,265,470	3,506,116	4,094,546	
54,445	114,459	72,866	160,894	103,148	3,048,765	
1,342,276	1,327,150	1,348,145	1,367,001	1,332,133	1,617,164	
1,353,915	1,463,783	1,143,207	1,289,745	1,442,250	1,096,152	
795,045	243,096	123,744	126,427	99,530	103,486	
838,718	879,799	810,926	1,216,327	936,312	1,038,488	
183,275	180,507	373,206	299,328	515,183	449,395	
35,999,361	38,184,459	32,558,181	30,446,823	36,035,022	33,843,742	
14,217	6,821	701,451	612,546	1,085,077	13,070	
<u>\$ 48,387,180</u>	<u>\$ 49,676,582</u>	<u>\$ 46,042,857</u>	<u>\$ 45,960,632</u>	<u>\$ 51,564,626</u>	<u>\$ 52,304,605</u>	
<u>\$ (72,041,925)</u>	<u>\$ (76,221,038)</u>	<u>\$ (82,787,992)</u>	<u>\$ (78,867,714)</u>	<u>\$ (101,041,369)</u>	<u>\$ (88,416,089)</u>	
9,040,033	9,023,305	9,511,567	10,263,558	10,051,064	10,341,927	
3,906,545	3,848,918	3,924,459	4,039,059	4,233,867	4,432,797	
2,462,802	2,425,568	2,444,129	2,491,441	2,608,064	2,710,498	
(18)	8	8		8		
3,816,050	3,761,327	3,847,788	3,948,951	4,139,443	4,332,291	
12,271,635	13,579,820	14,123,077	15,226,954	16,226,059	16,441,153	
	3,778,550	8,426,665	9,253,718	9,953,869	10,085,924	
12,270,130	13,576,136	14,127,110	15,225,145	16,226,626	16,441,531	
3,065,409	997,627	27,012	16,427	6,121	8,021	
83,589	70,356	139,804	129,671	136,045	123,396	
58,608	94,022	97,267	103,255	105,862	130,564	
19,067,396	19,995,985	21,004,646	22,133,708	22,634,786	23,176,245	
3,180,936	3,301,848	3,570,541	3,768,292	4,018,571	4,155,291	
2,616,490	2,484,148	2,822,490	2,688,238	4,237,499	3,904,154	
1,420,929	700,571	1,037,145	353,751	351,064	2,171,381	
453,292	218,749	354,668	397,314	662,876	13,687	
66,527	86,637	90,144	101,054	53,648	2,034,140	
<u>\$ 73,780,353</u>	<u>\$ 77,943,575</u>	<u>\$ 85,548,520</u>	<u>\$ 90,140,536</u>	<u>\$ 95,645,472</u>	<u>\$ 100,503,000</u>	
<u>\$ 1,738,428</u>	<u>\$ 1,722,537</u>	<u>\$ 2,760,528</u>	<u>\$ 11,272,822</u>	<u>\$ (5,395,897)</u>	<u>\$ 12,086,911</u>	

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

	Fiscal Year									
	2010	2011 <sup>1</sup>	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 40,720	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	22,206,572									
Nonspendable		85,029	1,509,973	1,541,383	1,556,369	1,517,238	1,055,053	778,832	391,572	29,161
Restricted					15,000					
Committed									860,000	878,853
Unassigned		26,368,723	28,450,416	29,184,907	26,643,317	26,126,347	28,961,573	31,289,354	25,721,380	20,295,655
Total general fund	<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>	<u>\$ 32,068,186</u>	<u>\$ 26,972,952</u>	<u>\$ 21,203,669</u>
All other governmental funds										
Reserved	\$ 592,136	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	58,066,418									
Capital project funds	842,548									
Debt service fund										
Nonspendable		84,711	271,992	231,804	139,493	104,770	117,597	87,823	104,927	90,255
Restricted		58,606,383	60,899,020	61,776,253	69,921,012	74,212,850	67,763,379	64,054,555	77,666,204	72,079,977
Committed									1,590,000	1,502,533
Unassigned					(2,077,795)	(3,303,500)	(1,238,800)	(395,024)	(187,183)	(79,668)
Total all other governmental funds	<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>	<u>\$ 63,747,354</u>	<u>\$ 79,173,948</u>	<u>\$ 73,593,097</u>

Source: Coconino County Single Audit Reporting Package

<sup>1</sup> 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Property taxes	\$ 15,286,914	\$ 19,877,174	\$ 21,134,274	\$ 20,320,244	\$ 19,255,927	\$ 18,966,331	\$ 19,701,750	\$ 20,870,854	\$ 21,037,434	\$ 21,776,152
County sales taxes	29,334,804	30,092,941	30,395,929	26,455,658	27,750,211	32,096,706	36,952,588	39,961,622	42,661,323	43,238,948
Special assessments	567,822	528,262	443,889	454,223	232,948	137,434	57,851	55,814	81,367	40,216
Licenses and permits	1,531,423	1,544,071	2,080,424	1,428,438	1,585,215	1,520,047	1,721,229	2,147,569	2,355,594	2,140,555
Fees, fines, and forfeits	2,475,047	1,912,702	1,536,208	1,434,276	1,890,338	1,609,332	1,887,642	2,382,906	2,000,460	2,094,885
Intergovernmental	51,035,314	61,706,361	51,173,921	60,388,098	60,348,857	60,921,308	61,905,784	59,453,303	66,266,657	64,029,389
Charges for services	11,421,254	11,176,829	9,280,931	8,764,702	7,751,499	7,004,301	6,923,006	7,898,370	7,773,349	9,957,036
Investment earnings	2,547,186	894,731	1,450,443	(360,692)	1,713,752	1,038,111	1,264,077	398,554	370,130	2,778,215
Contributions	654,529	582,801	629,849	674,720	658,818	600,116	679,203	667,591	601,142	1,142,645
Miscellaneous	411,152	547,255	491,740	613,048	531,987	565,043	1,439,331	477,409	644,825	810,852
<b>Total revenues</b>	<b>\$ 115,265,445</b>	<b>\$ 128,863,127</b>	<b>\$ 118,617,608</b>	<b>\$ 120,172,715</b>	<b>\$ 121,719,552</b>	<b>\$ 124,458,729</b>	<b>\$ 132,532,461</b>	<b>\$ 134,313,992</b>	<b>\$ 143,792,281</b>	<b>148,008,893</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	\$ 30,537,222	\$ 30,019,684	\$ 30,768,104	\$ 31,049,633	\$ 29,107,514	\$ 31,139,164	\$ 31,421,859	\$ 34,369,247	\$ 35,161,664	39,805,440
Public safety	30,336,374	36,611,002	34,375,074	39,373,290	45,050,982	43,662,534	48,707,702	38,950,563	41,091,613	62,343,023
Highways and streets	13,181,875	10,912,173	12,105,577	13,312,515	10,949,715	13,734,826	22,936,771	20,878,220	22,410,804	21,835,601
Sanitation	2,978,416	2,919,328	2,874,688	1,820,482	1,413,555	1,941,069	2,065,123	2,036,484	1,867,750	1,943,840
Health	10,956,358	10,795,196	11,338,648	12,036,240	13,528,580	13,091,067	12,723,241	13,123,911	13,488,351	13,560,090
Welfare	8,149,363	8,109,040	6,806,132	6,464,632	4,936,174	4,091,392	4,024,951	4,412,375	4,467,177	4,579,275
Culture and recreation	7,607,898	19,136,103	6,650,038	6,122,803	5,986,724	6,598,582	5,924,896	6,099,745	6,803,213	7,312,408
Education	5,110,500	4,727,587	5,085,903	5,783,644	7,176,253	6,456,550	5,141,470	4,561,510	6,821,281	4,876,487
Capital outlay	771,393	1,049,137	148,465	2,213,866	147,146	1,281,468	1,872,994	11,025,516	1,696,910	3,920,365
<b>Debt service:</b>										
Principal	2,637,213	2,255,923	2,353,289	396,669	415,808	105,144	85,000	230,000	18,000	11,560
Interest and other charges	414,902	287,272	178,025	69,723	46,622	24,582	18,128	8,720	1,448	303
<b>Total expenditures</b>	<b>\$ 112,681,514</b>	<b>\$ 126,822,445</b>	<b>\$ 112,683,943</b>	<b>\$ 118,643,497</b>	<b>\$ 118,759,073</b>	<b>\$ 122,126,378</b>	<b>\$ 134,922,135</b>	<b>\$ 135,696,291</b>	<b>\$ 133,828,211</b>	<b>160,188,392</b>
Excess (deficiency) of revenues over expenditures	2,583,931	2,040,682	5,933,665	1,529,218	2,960,479	2,332,351	(2,389,674)	(1,382,299)	9,964,070	(12,179,499)
<b>Other financing sources (uses):</b>										
Capital lease agreement	\$	\$	\$	\$	\$	\$	\$ 90,011	\$	\$	\$
Sale of capital assets	28,179	1,329,950		20,194	502,570	127,958	361,335	539,037	567,290	829,365
Bond proceeds										
Special item - loss on closure of activity										
Transfers in	15,042,578	21,912,454	14,661,648	14,454,693	14,188,062	15,427,307	22,706,214	12,333,922	22,024,786	25,837,270
Transfers out	(15,042,578)	(21,894,634)	(14,608,758)	(14,401,159)	(14,188,062)	(15,427,307)	(22,766,789)	(12,333,922)	(22,224,786)	(25,837,270)
<b>Total other financing sources and uses</b>	<b>28,179</b>	<b>1,347,770</b>	<b>52,890</b>	<b>73,728</b>	<b>502,570</b>	<b>127,958</b>	<b>390,771</b>	<b>539,037</b>	<b>367,290</b>	<b>829,365</b>
<b>Net changes in fund balances</b>	<b>\$ 2,612,110</b>	<b>\$ 3,388,452</b>	<b>\$ 5,986,555</b>	<b>\$ 1,602,946</b>	<b>\$ 3,463,049</b>	<b>\$ 2,460,309</b>	<b>\$ (1,998,903)</b>	<b>\$ (843,262)</b>	<b>\$ 10,331,360</b>	<b>\$ (11,350,134)</b>
Debt service as a percentage of noncapital expenditures	2.80%	2.06%	2.30%	0.40%	0.41%	0.11%	0.08%	0.19%	0.02%	0.01%

Source: Coconino County Single Audit Reporting Package

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			
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
2017	1,440,511,578	227,019,238	1,667,530,816	1.4844	14,061,706,204	11.9
2018	1,412,671,518	235,859,535	1,648,531,053	1.4734	16,127,059,905	10.2
2019	1,500,648,676	225,931,080	1,726,579,756	1.2453	17,548,612,842	9.8

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
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
2017	0.5788	0.2556	0.4000	0.2500	1.4844
2018	0.5678	0.2556	0.4000	0.2500	1.4734
2019	0.5589	0.2556	0.1808	0.2500	1.2453

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
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
2017	0.1000	0.4875	0.6142	0 - 1.6599	0.6000 - 3.4950	0 - 1.6273	0.0500 - 13.3731
2018	0.1000	0.4875	0.6142	0 - 1.6599	0.6000 - 3.4950	0 - 1.6273	0.0500 - 13.3731
2019	0.1000	0.4741	0.5959	0 - 1.6700	0.2485 - 3.5000	0 - 1.7043	0.0500 - 13.2834

Source: Coconino County adopted tax rate schedules

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

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

Taxpayer	2019			2010		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 81,950,399	1	4.75%	\$ 75,358,421	1	4.09%
Transwestern Pipeline Company	26,965,207	2	1.56	40,206,947	2	2.18
BNSF Railway Company	23,587,235	3	1.37	16,005,893	7	0.87
W.L. Gore & Associates Inc.	19,321,385	4	1.12	18,348,452	4	1.00
Unisource Energy Corporation	21,161,908	5	1.23	17,638,364	5	0.96
Kinder Morgan (El Paso Natural Gas)	18,139,486	6	1.05	20,254,864	3	1.10
Nevada Power Company	10,087,551	7	0.58	9,123,889	9	0.50
CCC-Flagstaff LLC	6,871,035	8	0.40			
GCR Acquisitions LLC	5,836,602	9	0.34			
Squire Motor Inns Inc	3,056,332	10	0.18			
City of Los Angeles Dept of Wtr & Pwr				17,237,656	6	0.94
Qwest Corporation				9,719,478	8	0.53
HTS-CHC (Sedona) LLC				5,599,898	10	0.30
<b>Total Principal Taxpayers</b>	<b>\$ 216,977,140</b>		<b>12.56%</b>	<b>\$ 229,493,862</b>		<b>12.49%</b>
<b>Total Coconino County Primary Assessed Value</b>	<b>\$ 1,726,579,756</b>			<b>\$ 1,840,775,046</b>		

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
2010	\$ 14,383,909	\$ 13,977,568	97.18	\$ 407,811	\$ 14,385,380	100.01
2011	19,513,519	18,641,220	95.53	748,173	19,389,392	99.36
2012	19,880,920	19,239,142	96.77	550,282	19,789,424	99.54
2013	19,356,876	18,811,741	97.18	447,494	19,259,235	99.50
2014	18,532,923	18,092,321	97.62	349,017	18,441,338	99.51
2015	18,693,720	18,610,772	99.56	35,352	18,646,124	99.75
2016	19,059,353	18,991,321	99.64	12,927	19,004,248	99.71
2017	19,623,017	19,199,980	97.84	406,577	19,606,557	99.92
2018	20,381,313	19,986,063	98.06	352,250	20,338,313	99.79
2019	21,165,069	20,767,395	98.12	0	20,767,395	98.12

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
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
2017	9,142,852	3,949,055	2,493,595	4,037,514	19,623,017
2018	9,401,146	4,139,287	2,608,873	4,232,007	20,381,313
2019	9,688,161	4,333,584	2,712,668	4,430,656	21,165,069

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	Jail District Revenue Bonds	Special Assessments	Total	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
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	0.00%	1.81
2017		30,000	30,000	0.00%	0.21
2018		12,000	12,000	0.00%	0.08
2019				NA <sup>2</sup>	NA <sup>2</sup>

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

<sup>1</sup> Personal income and population information can be found in the Demographics and Economic Statistics schedule.

<sup>2</sup> Personal income and population was not available for 2019.

## Coconino County Legal Debt Margin Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 1,726,579,756
Debt limit (6% of assessed value)	103,594,785
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	\$ 103,594,785
Legal debt margin	

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395	\$ 100,051,849	\$ 98,911,863	\$ 103,594,785
Total net debt applicable to the limit										
Legal debt margin	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395	\$ 100,051,849	\$ 98,911,863	\$ 103,594,785
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 <sup>1</sup>	Less: Expenditures <sup>2</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	37,269,564	24,701,782	12,567,782			
2017	31,121,655	14,558,758	16,562,897			
2018	36,148,927	17,428,894	18,720,033			
2019	39,846,303	22,312,774	17,533,529			

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues <sup>1</sup>	Debt Service		Coverage
		Principal	Interest	
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
2017	285,494	230,000	8,720	1.20
2018	99,121	18,000	1,448	5.10
2019	113,876	11,560	303	9.60

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

<sup>1</sup> Revenues included beginning fund balances and transfers in.

<sup>2</sup> 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
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	140,908	5,926,226	41,264	6.5
2017	140,776	6,513,074	46,266	5.6
2018	146,902	6,875,489	48,129	5.1
2019	147,275	NA <sup>1</sup>	NA <sup>1</sup>	6.1

Sources: Population and personal income through 2018 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

Population projection for 2019 obtained from Office of Employment & Population Statistics, Arizona Department of Administration.

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

<sup>1</sup> Personal income estimates were not yet available for fiscal year 2019.

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Coconino County  
Principal Employers  
Current Year and Nine Years Ago

Employer	2019 <sup>1</sup>			2010 <sup>1</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,815	1	3.77%	2,456	1	3.43%
Northern Arizona HealthCare	2,350	2	3.15%	2,042	2	2.85%
W.L. Gore	2,220	3	2.97%	1,950	3	2.72%
Flagstaff Unified School District	1,385	4	1.85%	1,700	4	2.37%
Coconino County	1,200	5	1.61%	1,100	5	1.54%
City of Flagstaff	989	6	1.32%	744	6	1.04%
Walmart	630	7	0.84%	550	7	0.77%
Twin Arrows Navajo Casino Resort	514	8	0.69%			
Walgreens Distribution Center				420	8	0.59%
Grand Canyon Railway	421	9	0.56%	400	9	0.56%
Nestle Purina Pet Care	305	10	0.41%			
Dell/Perot Systems				301	10	0.42%
Total Employment in Coconino County						
As of June 30 <sup>2</sup>	74,714			71,626		

Sources: <sup>1</sup> Flagstaff Chamber of Commerce

<sup>2</sup> US Bureau of Labor Statistics, Local Area Unemployment Statistics

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2010	2011	2012	2013
General Government				
Assessor	27.00	25.00	25.00	26.00
Board of Supervisors	14.00	13.50	13.50	13.50
Clerk of the Superior Court	23.35	23.35	23.35	23.98
Community Development	23.50	22.50	22.50	22.50
County Attorney	42.00	42.00	42.00	42.00
County Manager	11.00	12.00	12.40	13.22
Facilities Management	28.00	26.00	26.00	26.00
Finance	18.00	17.00	18.25	18.25
Human Resources	10.00	10.00	9.73	9.73
Government Relations				
Information Technology	30.00	31.00	28.00	24.00
Justice Court - Flagstaff	23.50	22.75	22.75	22.75
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	5.00	5.00	5.00	5.00
Non-Departmental		4.00	3.00	
Organizational Development	1.00			
Public Defender	21.00	21.00	21.00	21.00
Recorder	19.00	17.00	17.00	17.00
Superintendent of Schools	11.36	9.58	8.88	11.66
Superior Court	36.00	35.00	33.50	34.33
Treasurer	8.00	8.00	8.00	8.00
Public Safety				
Adult Probation	60.10	59.50	59.50	58.80
Constable	1.00	1.00	1.00	1.00
Emergency Management				
Jail District	168.83	166.83	169.63	169.68
Juvenile Court Services	72.08	71.20	69.58	68.63
Sheriff	96.50	97.50	97.50	99.65
Highways and Streets				
Public Works	136.40	121.15	120.50	132.13
Sanitation				
Kachina Village Imp. Dist.	8.00	8.00	8.00	8.00
Health				
Health	135.17	111.65	113.71	111.60
Welfare				
Career Center	13.00	13.00	12.00	12.00
Community Services	43.17	48.22	51.22	50.32
Culture and Recreation				
Parks and Recreation	21.00	19.75	19.75	20.00
<b>Total</b>	<u>1,119.46</u>	<u>1,074.98</u>	<u>1,074.75</u>	<u>1,083.23</u>

Source: Coconino County Budget Books 2010-2019

2014	2015	2016	2017	2018	2019
27.00	27.00	26.00	26.00	26.00	27.00
14.50	14.50	14.50	14.50	13.50	13.50
23.60	23.60	25.60	26.60	26.60	26.60
23.50	30.00	30.00	31.70	31.70	27.43
43.00	43.00	43.00	43.00	44.00	46.00
12.47	7.00	7.00	16.63	21.00	26.50
26.00	26.00	26.00	26.00	26.00	29.00
18.00	18.00	18.00	18.00	18.00	18.00
10.63	10.63	11.75	11.75	12.25	13.75
	4.00	4.00	4.00	4.00	
24.00	24.00	24.25	24.25	25.25	25.25
21.50	21.50	21.50	21.50	21.50	22.50
2.50	2.50	2.75	2.75	2.75	2.75
5.00	5.00	5.00	5.00	5.00	5.63
6.00	6.00	6.00	6.00	6.00	7.30
6.00	6.00	6.25	7.25	6.75	8.23
20.00	20.00	20.00	21.76	22.00	23.00
17.50	17.50	17.50	17.50	18.50	18.25
10.83	10.00	10.71	10.38	10.38	9.88
34.33	36.33	36.33	37.33	37.33	38.08
8.00	8.00	8.00	8.00	8.00	9.00
56.80	56.80	57.81	56.80	60.80	61.80
1.00	1.00	1.00	1.00	1.00	1.00
	3.00	3.00	3.50	4.00	4.00
170.98	172.89	181.50	181.50	182.50	182.60
70.11	69.93	70.55	68.15	69.25	74.58
96.83	98.75	97.13	100.93	98.43	102.33
127.54	125.51	125.51	117.80	117.80	126.57
8.00	8.00	8.00	8.00	8.00	8.00
114.33	102.32	95.43	93.28	97.02	96.24
12.00	13.00	13.00	13.00	13.80	13.80
48.33	34.83	34.42	27.32	27.25	27.82
19.00	19.00	19.00	19.00	19.00	18.50
<u>1,079.28</u>	<u>1,065.59</u>	<u>1,070.49</u>	<u>1,070.18</u>	<u>1,085.36</u>	<u>1,114.89</u>

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

Function/Program	2010	2011	2012	2013
<b>General Government</b>				
Clerk of the Superior Court				
New Court Cases	3,950	4,575	4,583	4,343
Community Development				
Building Permits Issued	1,783	1,880	1,311	1,250
Building Inspection/Site Visits	4,624	5,545	2,629	3,496
County Attorney				
Adult Felony and Misdemeanor cases	7,009	6,278	7,002	6,915
Victim Restitution Collected for Bad Checks	\$ 24,150	\$ 15,231	\$ 16,000	\$ 13,444
Justice Courts				
Total Cases	26,801	26,506	26,833	22,819
Legal Defender				
Total Cases	400	370	451	552
Public Defender				
Total Cases	3,393	3,026	3,133	2,951
Recorder				
Documents Recorded by Fiscal Year	37,000	37,000	36,500	32,000
Registered Voters	66,000	67,000	68,000	73,000
Superior Court				
Total Number of Criminal Cases Filed	1,024	862	943	900
Total Number of Domestic Relations Cases Filed	766	711	608	625
Total Number of Civil Cases Filed	1,166	1,077	716	873
Treasurer				
Total Real Property Notices	73,796	74,000	74,786	74,000
<b>Public safety</b>				
Adult Probation				
Monthly Average Probationers Supervised	1,253	1,252	1,222	1,193
Restitution Collected	\$ 196,824	\$ 189,911	\$ 153,524	\$ 198,079
Jail District				
Average Local Population	372	372	407	432
Juvenile Court Services				
Delinquents and Incurrible Petitions Filed	662	662	619	608
Contributed to Community Through Restitution Hours	\$ 46,906	\$ 30,584	\$ 34,707	\$ 39,814
Sheriff				
Calls for Service	50,311	52,815	56,195	60,955
<b>Culture and recreation</b>				
Parks and Recreation				
County Fair participants	41,711	45,441	45,095	42,841
<b>Highways and streets</b>				
Public Works				
Number of miles graded	2,303	2,500	2,400	2,088
Number of miles resurfaced	45	70	70	62
Miles of road chip sealed	60	55	80	44
<b>Health</b>				
Health Department				
Patient Vaccination visits	10,510	4,300	4,693	4,923
Restaurant/Public Facility Inspections	3,662	3,400	3,400	3,825
<b>Welfare</b>				
Community Services				
Home Delivered Meals	20,500	18,395	18,500	14,268
Congregate Meals	25,076	26,649	25,076	20,220

Source: County Department records and Adopted Budgets

Fiscal Year					
2014	2015	2016	2017	2018	2019
4,296	4,465	5,822	6,180	6,016	6,401
1,280	1,200	1,065	1,228	1,283	1,110
4,100	3,600	2,076	5,337	11,142	9,642
9,552	9,181	8,687	8,776	8,800	7,850
\$ 18,938	\$ 8,045	\$ 9,993	\$ 10,165	\$ 10,200	\$ 352
24,438	23,093	24,673	24,575	32,336	34,440
702	728	755	717	732	1,020
2,830	3,097	3,044	3,296	3,633	4,248
32,000	40,000	35,000	32,500	30,017	26,706
71,000	67,000	70,000	82,000	75,235	85,166
930	929	910	945	1,195	1,360
630	653	700	670	564	620
880	706	750	680	629	630
80,165	70,334	69,305	69,261	69,326	58,461
1,196	1,184	1,230	1,210	1,295	1,372
\$ 190,000	\$ 190,000	\$ 190,000	\$ 241,495	\$ 180,671	\$ 203,831
400	415	395	404	380	465
449	481	467	389	410	386
\$ 43,474	\$ 52,601	\$ 53,929	\$ 39,843	\$ 24,483	\$ 24,542
58,651	63,270	63,291	53,036	59,606	75,322
44,000	45,000	45,000	47,935	40,410	40,410
2,559	2,755	3,408	3,434	2,973	3,334
104	79	58	63	87	34
	54	46	53	50	-
4,323	3,564	3,372	5,173	2,475	2,885
3,737	3,115	3,570	3,509	3,467	3,455
17,304	17,683	17,380	15,177	14,478	15,764
21,346	18,965	15,733	16,587	16,491	16,801

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Facilities square footage managed	684,914	684,914	684,914	684,914	679,914	682,455	682,455	680,365	688,768	693,022
Public safety										
Jails	2	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	7	7	7	6	6	6
Patrol vehicles	75	77	79	55	46	47	56	58	62	51
Medical Examiner	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Bridges	30	30	30	38	39	39	39	39	39	39
Miles of paved roads	323	332	319	319	333	323	322	326	326	325
Miles of unpaved roads	711	711	611	604	590	672	676	687	687	676
Sanitation										
Solid Waste transfer stations	10	10	8	8	2	2	2	1	1	2
Wastewater treatment facilities	1	1	1	1	1	1	1	1	1	1
Wells	5	5	5	5	5	5	5	5	5	5
Health										
Public health facilities	2	2	2	2	2	2	2	2	2	2
Animal transport vehicles	3	3	4	4	4	4	4	4	4	4
Culture and recreation										
Parks	9	9	9	9	9	9	9	9	9	9
Acres protected as open space	589	2,503	2,600	2,600	2,600	2,600	2,600	2,821	2,860	2,860
Trail miles available for public use	17	18	18	18	18	23	23	23	27	27
Education										
School building	2	2	2	2	2	2	2	2	2	2

Source: Coconino County capital asset records and county departments