



**Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2013**



Coconino County Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2013

COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott
District 1

Elizabeth C. Archuleta
Vice Chairperson
District 2

Matthew G. Ryan
Chairman
District 3

Mandy Metzger
District 4

Lena Fowler
District 5

Cynthia Seelhammer
County Manager

Michael Townsend
Deputy County Manager

Larry Dannenfeldt
Deputy County Manager

Finance Team

Michael Townsend, Interim Chief Financial Officer
Holly Lindfors, CPA, Contract Accountant
Thomas Johnson, CPA, Interim Accounting Manager
Marsha Westling, Accountant

www.coconino.az.gov

**COCONINO COUNTY
TABLE OF CONTENTS
YEAR ENDED JUNE 30,
2013**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
CERTIFICATE OF ACHIEVEMENT	9
ORGANIZATION CHART	10
COCONINO COUNTY OFFICIALS	11

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	12
REQUIRED SUPPLEMENTARY INFORMATION - MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	15

GOVERNMENT-WIDE STATEMENTS

STATEMENT OF NET POSITION	25
STATEMENT OF ACTIVITIES	26

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BALANCE SHEET	27
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	29
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	30
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	32

PROPRIETARY FUNDS

STATEMENT OF NET POSITION-PROPRIETARY FUND	33
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION-PROPRIETARY FUND	34
STATEMENT OF CASH FLOWS-PROPRIETARY FUND	35

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION	36
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	37

NOTES TO FINANCIAL STATEMENTS	38
-------------------------------	----

**COCONINO COUNTY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2013**

FINANCIAL SECTION (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF AGENT RETIREMENT PLAN'S AND COCONINO COUNTY POSTEMPLOYMENT HEALTHCARE PLAN'S FUNDING PROGRESS	70
--	----

BUDGETARY COMPARISON SCHEDULES

GENERAL FUND	71
PUBLIC WORKS/HURF FUND	73
JAIL DISTRICT FUND	74
PUBLIC HEALTH SERVICES DISTRICT FUND	75
FLOOD CONTROL DISTRICT FUND	76
NOTES TO BUDGETARY COMPARISON SCHEDULES	77

LISTING OF NONMAJOR GOVERNMENTAL FUNDS	79
--	----

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	82
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	90

*SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL*

ADULT PROBATION GRANTS AND FEES	98
ASSESSOR STORAGE AND RETRIEVAL	99
CAREER CENTER GRANTS	100
CLERK OF THE SUPERIOR COURT GRANTS AND FEES	101
COMMUNITY SERVICES GRANTS AND FEES	102
CONCILIATION COURT	103
COUNTY ATTORNEY GRANTS AND FEES	104
COUNTY IMPROVEMENT DISTRICTS-SPECIAL REVENUE	105
COUNTY LIBRARY DISTRICT	106
EMERGENCY SERVICES GRANTS	107
INMATE WELFARE	108
JAIL ENHANCEMENT	109
JUSTICE COURTS GRANTS AND FEES	110
JUVENILE COURT GRANTS AND FEES	111
LEGAL DEFENDER GRANTS AND FEES	112
NATIONAL FOREST FEES	113
PARKS AND RECREATION GRANTS AND FEES	114

**COCONINO COUNTY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2013**

FINANCIAL SECTION (CONTINUED)

PUBLIC DEFENDER GRANTS AND FEES	115
RECORDER STORAGE AND RETRIEVAL	116
SCHOOL SUPERINTENDENT GRANTS AND FEES	117
SHERIFF GRANTS AND FEES	118
SOLID WASTE	119
SUPERIOR COURT GRANTS AND FEES	120
TAXPAYER INFORMATION FUND	121
OTHER SPECIAL REVENUE FUNDS	122
COUNTY IMPROVEMENT DISTRICTS – DEBT SERVICE	123
PARKS AND OPEN SPACES TAX PROJECTS FUND	124
ACCOMMODATION SCHOOL	125
COUNTY IMPROVEMENT DISTRICTS - CAPITAL PROJECTS	126
OTHER CAPITAL PROJECTS FUNDS	127
COMBINING STATEMENT OF FIDUCIARY NET POSITION – INVESTMENT TRUST FUNDS	128
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – INVESTMENT TRUST FUNDS	129
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUND	130

**COCONINO COUNTY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2013**

STATISTICAL SECTION

FINANCIAL TRENDS

NET POSITION BY COMPONENT	131
CHANGES IN NET POSITION	132
FUND BALANCES - GOVERNMENTAL FUNDS	134
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	135

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY	136
DIRECT AND OVERLAPPING PROPERTY TAX RATES	137
PRINCIPAL PROPERTY TAX PAYERS	138
PROPERTY TAX LEVIES AND COLLECTIONS	139

DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE	140
LEGAL DEBT MARGIN	141
PLEDGED REVENUE COVERAGE	142

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS	143
PRINCIPAL EMPLOYERS	144

OPERATING INFORMATION

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	145
OPERATING INDICATORS BY FUNCTION/PROGRAM	147
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION	149

INTRODUCTORY SECTION

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, 2013. The CAFR provides additional information to the Board and the citizens on the County's financial position and results of operations. Pursuant to Arizona Revised Statute (A.R.S.) 41-1279.21 the Coconino County CAFR was audited in accordance with generally accepted auditing standards for the year ended June 30, 2013 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 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, 2013, 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, 2013, are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

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

Coconino County Profile

Coconino County was established on February 19, 1891 by the 16th Territorial Assembly with an initial population count of 4,000. The County encompasses approximately 18,617 square miles – is the largest county in Arizona and the second largest in the United States. Despite its size, Coconino County is one of the most sparsely populated counties in Arizona with a population of 6.2 per square mile. Only 12% of the County's total square miles are private property. The remainder is a combination of state, federal and reservation land.

The estimated 2013 population of Coconino County is 135,695. 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.

Local economy. The economy of Coconino County is based primarily on public administration, the service industry, wholesale and retail trade, and tourism. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. Major employers include Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, City of Flagstaff, Walmart, Wallgreens Distribution Center, SCA Tissue, Dell Systems, Coconino Community College, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, and Nestle-Purina.

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

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year (FY) 2007. In FY12 the County expanded on the Strategic Budget Process begun in FY10. The goal of the process is to provide consistent delivery of essential services to its residents in times of economic growth or recession and to identify opportunities for cost containment through prevention efforts. Keys to this process are a ten-year financial plan, aligning high probability revenue types with mission critical expenditures, balancing recurring expenditures that plan for how to maintain operations at recessionary revenue levels, building prudent reserves, planning for compensation, facilities and IT, continued development of the Strategic Budgeting Process and development of new revenue sources.

Impact of State Economic Condition. Although the County's sound long-term financial planning considered and included a recessionary growth model based on prior recessions, the depth and breadth of the most recent economic downturn to both the State and local economies continues to impact County revenues. The State has a balanced budget, however, future projected cost increases and planned tax cuts are expected to result in a deficit in FY16. As a result, the County anticipates potential reduced and reallocated State and Federal Highways and Streets revenues, shifts in mandated 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 the state budget

shortfall, projected for FY16, that have the least impact to counties. In addition to these efforts, the County is actively pursuing solutions to decrease reliance on state controlled revenues and to increase locally controlled sources. Additional details are included in Management's Discussion and Analysis (MD&A) under "Economic Factors and Next Year's Budget" which can be found in the Financial section of the CAFR.

Economic Outlook. The economy continues to improve at a sluggish pace and governmental revenues are not growing at the rate of private sectors. This will challenge local governments in planning for compensation levels to compete for experienced staff and to plan for implementing deferred capital needs in the areas of technology and facilities capital repair and replacement. In addition, retirement contributions have continued to grow at an accelerated rate prior to, and after the recent recession. The changes implemented over many years to the Arizona State Retirement System resulted in slowing the growth of contribution requirements and in the next few years rates may begin to decline. The legislature approved closing the Elected Officials Retirement System to new members, taking effect in FY14, to address concerns of growing unfunded liabilities beyond a sustainable level. The next area of concern needing to be addressed that has had the largest growth of unfunded liabilities and contribution requirements is the Public Safety Personnel Retirement System. The County, as a member of the Northern Arizona Public Employee Benefit Trust (NAPEBT), has been successful for many of lower than average growth in health insurance costs. Through becoming a self-funded trust and implementing a wellness program, claims experience has grown well below national averages.

Arizona was among the states hardest hit by the recession and economists predict that the economic recovery in Arizona will be stronger than most of the nation over the next few years in terms of increased housing values and job growth. Additional considerations are the impacts of the federal deficit and global economic conditions. The County will continue to address this outlook through the Strategic Budget Process, adjustments to its recessionary growth model, potential revenue sources and the ongoing long-term financial planning process.

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 put together and evaluate a line item budget for both revenues and expenditures and present program performance measures and outcomes. Funding for all County programs will be submitted to the Budget Team, County Manager, and Board of Supervisors for recommended funding. 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.
- All requested funding increases should be tied to the outcomes of the adopted Strategic Priority Areas and will be evaluated for funding based on criteria adopted by the Board of Supervisors.

Coconino County's fiscal policies insulates itself from fiscal crisis, promotes long-term stability, provides perspective to the financial picture of the entire County rather than single issues, links long-run financial planning to day-to-day operations and provides a framework for the Board of Supervisors and the citizens for measuring the fiscal impact of government services against established fiscal parameter. The fiscal policies include:

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

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

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

Reserve Policies. Responsible reserve policies will provide adequate resources for cash flow and contingency purposes, while maintaining reasonable tax rates. The County maintains a contingency for cash liquidity and as an emergency contingency in the County General Fund equal to at least 10% of its annual revenue budget. The County also maintains a revenue smoothing reserve of 5% of its annual revenue budget. These funds should only be utilized to cover short-term drops in County revenues to maintain service levels in difficult economic times.

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

Major Initiatives/Impacts

Schultz Fire and Flood

In late June 2010, the Schultz Fire burned approximately 15,000 acres on steep mountain slopes in the County. The annual monsoon season started one week later and the County began to experience catastrophic flooding in an unincorporated residential area east of Flagstaff. Significant risk to public safety and health existed with over 1,500 properties affected and by the end of FY11 over \$5 million was spent on response and mitigation efforts. Full-time staff identified and applied for funding and managed the mitigation efforts. These efforts have secured over \$16 million in Federal and State funding to date. We estimate there will be flooding concerns for the next 10 years. The mitigation investments constructed and future projects planned will protect life and property in the area and reduce the costs of County staff to maintain and repair infrastructure in the flood area.

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

The County maintains a Facilities Repair and Replacement Fund for the routine maintenance of County facilities. This fund is used for carpet replacement, HVAC repairs and replacements, painting, window replacements, and many other projects. Facilities staff have a planned ten-year schedule of projects and the financial plan includes maintaining funding for a minimum of four years of projects. Four years of funding will allow the County to continue investing in our assets during the average two-year economic downturn and through a two-

year recovery period. This four-year funding target was funded as part of the FY14 budget. The Facilities Master Plan that was completed prior to the most recent recession is programmed to be updated based on changing assumptions coming out of the recession and should be ready for adoption in FY14. The County also has a strategic plan for our Information Technology department that we hope to begin implementing in the near future.

Legislative Solutions

Legislation was introduced and passed at the State level that reestablished the County Assistance Fund that provide lottery revenues to the counties. Although for Coconino County this additional revenue will be about \$500,000 in FY14, the funding is a positive increase during a sluggish recovery and demonstrates the stability of the State's current financial position.

Community Development assessment

Coconino County is beginning to implement recommendations that were the result of an organizational assessment of the Community Development Department. The plan will result in reorganization of the department to achieve greater transparency and efficiencies, and consolidation of County permitting functions. In addition, in FY13 the Community Development Department managed the implementation of a modified planning process to ensure compliance with Senate Bill 1598. SB 1598 is known as the "Regulatory Bill of Rights" and instituted new processes for planning efforts within local government.

Compensation plan

The Board of Supervisors approved a tenure based compensation increase for County staff in FY13. This is the first permanent adjustments to base pay since FY08. The tenure based adjust was targeted to address compression as multiple years of frozen pay compressed new employees rates of pay close to, or the same as, the rates of pay of experienced staff. Prior to FY13 Coconino County developed innovative one-time monetary and non-monetary compensation programs during the economic downturn such as, the Personal Day Purchase Program (a type of voluntary furlough), as well as mid-year one-time payments, and Vacation Sell Back Program.

Wellness program

Coconino County, as a partner of the Northern Arizona Public Employees Benefit Trust, implemented the Wellness Incentive Program. The program provides a monetary incentive to encourage employees to participation in a proactive health screening assessment and to live healthy lifestyles. The results are healthy employees that lead more fulfilling lives and a reduction in targeted catastrophic illnesses that drive health claims experience, which keep overall health care costs lower. The next major initiative for NAPEBT is to pursue an Onsite Clinic, which will provide more efficient health care for NAPEBT employees, reduce time away from work, provide access to primary care at reduced co-pays with extended hours and incorporates wellness and chronic disease management

Criminal Justice Coordinating Council (CJCC)

The purpose of the CJCC is to study the criminal justice systems in the region, review opportunities to collaborate, identify areas for improvement and formulate policy, plans and programs for change to create efficiencies within our criminal justice system. Its mission is to communicate and present planning, financial, operational, managerial, and programmatic

recommendations to the agencies represented on the Council. The Council is committed to providing the coordinated leadership necessary to establish cohesive public policies which are based on research, evaluation and monitoring of policy decisions and program implementations. There are currently nineteen members of the council from multiple jurisdictions within the region. The consensus of these members is required for decisions and recommendations. The direction and mission of the CJCC has been clear and the partners are motivated to make improvements to the system, however the CJCC has been staffed with part-time help of existing staff and committee members. In FY13 the Board of Supervisors approved a limited-term full-time position to staff the CJCC, provide research into opportunities based on best practices and facilitate data analysis previously not available due to limited resources. This position is expected to continue in FY14 and result in efficiencies and improved resource allocation within the Criminal Justice System.

Solid Waste Transfer Stations

For over twenty years Coconino County has operated solid waste transfer stations on the Navajo Nation through a Joint Powers Agreement with the Navajo Tribe. For the benefit of all parties and citizens the two agencies agreed to a transition of the transfer stations to the sole management and operation by the Navajo Nation. The transition was staged over several months and operations continued uninterrupted.

Other Initiatives

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

Coconino County Parks and Recreation has implemented two creative and successful public/private partnerships located at Fort Tuthill County Park. The Flagstaff Extreme Adventure Course and North Pole Experience have provided capital improvements in the park for the benefit of and future ownership of county residents and through revenue sharing agreements, provide needed recurring revenues to increase funding available for maintenance needs within the park.

Other

Single Audit

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

Expenditure Limitation

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

Awards

Coconino County has received The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for fiscal years 2009, 2010, 2011 and 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, Coconino County has received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2014. In order to qualify for the award the County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

Acknowledgments

Preparation of this report could not be accomplished without the dedicated service of the staff of the County's Finance Department, the assistance of personnel in the various departments, and the assistance of Arizona Office of the Auditor General. We also wish to recognize that preparation of this report could not be accomplished without the interest and support of the Board of Supervisors and their continued commitment to professional and fiscally responsible financial management and planning.

Respectfully submitted,

Cynthia Seelhammer
County Manager

Michael Townsend
Chief Fiscal Officer



Government Finance Officers Association

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

Presented to

**Coconino County
Arizona**

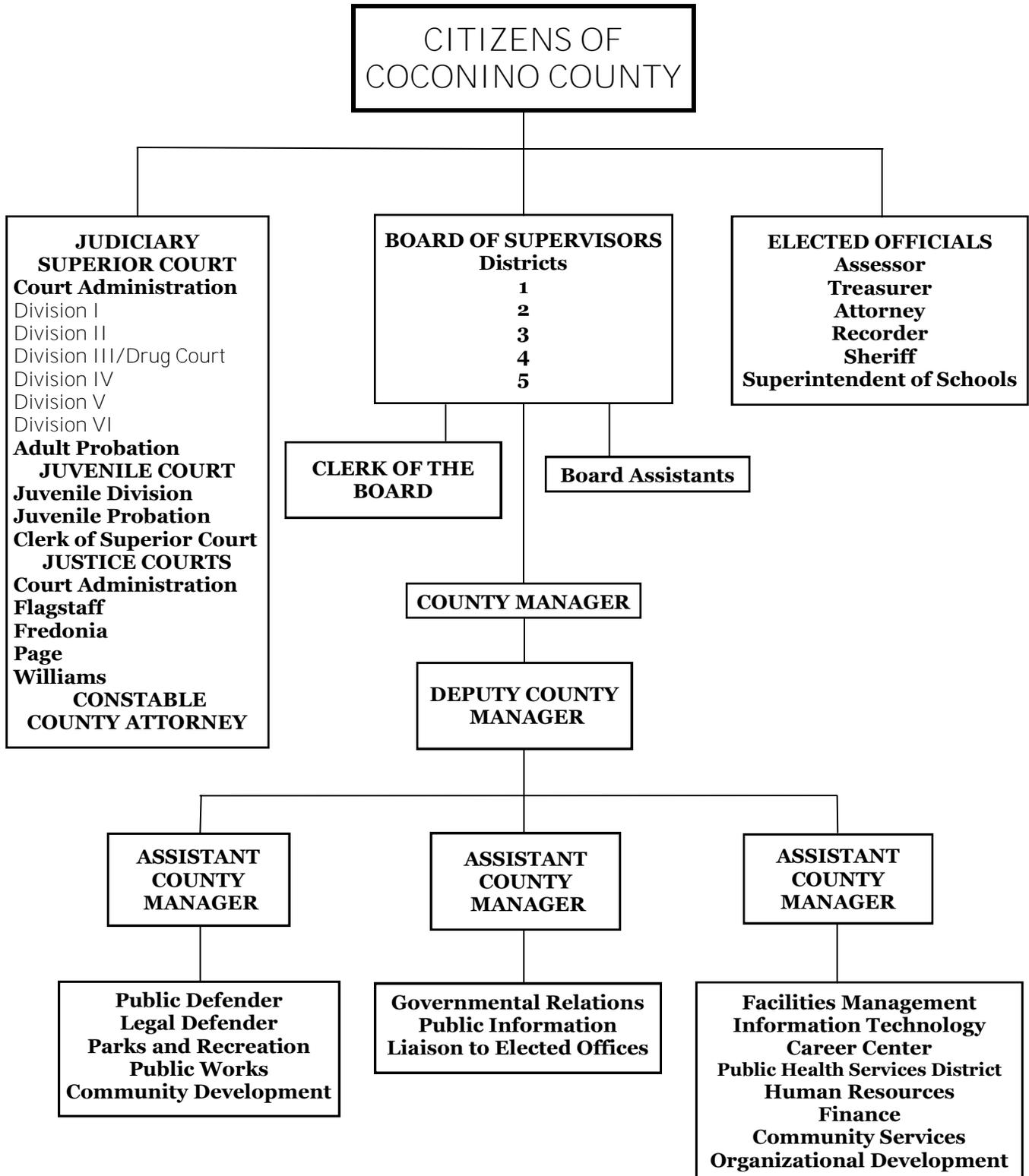
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

COCONINO COUNTY

Organizational Chart



COCONINO COUNTY

County Officials

BOARD OF SUPERVISORS

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

ELECTED OFFICIALS

Clerk of the Superior Court Debbie Young
Constable Linda Kuczynski
County Assessor Chris Mazon
County Attorney David Rozema
County Recorder Patty Hansen
County Sheriff William Pribil
County Superintendent of Schools Robert Kely
County Treasurer Bonny Lynn
Justice of the Peace Flagstaff Howard Grodman
 Fredonia Mark R. Baron
 Page Donald G. Roberts
 Williams Robert Krombeen
Superior Court Division I Jacqueline Hatch
 Division II Dan Slayton
 Division III/Drug Court Mark Moran, Presiding Judge
 Division IV Elaine Fridlund-Horne
 Division V Joseph Lodge
 Division VI Ted Reed, Judge Pro Tempore

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer) Cindy Winn
Career Center Carol Curtis
Community Development Jay Christelman
Community Services Janet Regner
Court Administrator Gary Krcmarik
Facilities Management Susan Brown
Public Health Services District Marie Peoples
Human Resources Allison Eckert
Finance (Interim) Michael Townsend
Information Technology Kristopher Estes
Juvenile Court Services Bryon Matsuda
Legal Defender Gary Pearlmutter
Parks and Recreation Judy Weiss
Public Defender H. Allen Gerhardt
Public Works Andrew Bertelsen
Superior Court Juvenile Court Judge/Commissioner Margaret McCullough

FINANCIAL SECTION



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Coconino County, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 15 through 24, the Schedule of Agent Retirement Plan's and Coconino County Postemployment Healthcare Plan's Funding Progress on page 70, and the Budgetary Comparison Schedules on pages 71 through 77 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 the responsibility of management 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, based on our audit and the procedures performed as described above, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to use highway user revenue fund monies received by the County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the County solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

March 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

(REQUIRED SUPPLEMENTARY INFORMATION)

Coconino County
Management's Discussion and Analysis
June 30, 2013

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2013. Please read it in conjunction with the transmittal letter on pages 1-8 and the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2013

- The assets of the County exceeded its liabilities at the close of fiscal year 2013 by \$231.87 million (net position). Of these \$22.75 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The decrease in the County's net position was \$0.50 million in fiscal year 2013.
- At the close of fiscal year 2013, the County's governmental funds reported combined ending fund balances of \$92.73 million, an increase of \$1.60 million.
- The General Fund reported an unassigned fund balance of \$29.18 million at the close of fiscal year 2013, an increase of \$0.73 million. The primary reason for this increase was the excess of revenues over expenditures.
- The County continued to expend significant resources for response and mitigation efforts as a result of the flooding caused by the fiscal year 2010 Schultz fire. Over \$7.7 million was expended in fiscal year 2013. In fiscal year 2013 \$4.7 million in state and federal grants were received.
- The original 1998 issue of \$21.13 million in Jail District Revenue Bonds were retired in fiscal year 2013 with the final principal payment of \$1.97 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

Coconino County
Management's Discussion and Analysis
June 30, 2013

way that helps answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting.

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

The Statement of Activities presents information showing how the County's net 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 flows. Therefore, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

All of the County's basic services are considered to be governmental activities, including general government, health, welfare, public safety, highways and streets, culture and recreation, education and sanitation. Sales taxes, property taxes, intergovernmental revenues and user fees finance most of these activities. *The government-wide financial statements can be found on pages 25-26 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.

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

Coconino County
Management's Discussion and Analysis
June 30, 2013

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works/HURF Fund, Jail District Fund, Parks and Open Spaces Tax Projects Fund, Public Health Services District Fund and Flood Control District Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregate presentation. *The basic governmental fund financial statements can be found on pages 27-32 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 33-35 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 36-37 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 38-69 of this report.*

Required supplementary information—In addition to the basic statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. *Required supplementary information can be found on pages 70-77 of this report.*

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net Position may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Position of the County for June 30, 2013 compared to the prior year.

Coconino County
Management's Discussion and Analysis
June 30, 2013

	Governmental Activities (in millions)	
	2013	2012
Current and other assets	\$ 105.73	\$ 106.58
Capital assets	146.43	146.20
Total assets	252.16	252.78
Current liabilities	9.58	8.59
Long-term liabilities outstanding	10.71	11.82
Total liabilities	20.29	20.41
Net position:		
Net investment in capital assets	145.56	142.96
Restricted	63.56	65.86 *
Unrestricted	22.75	23.55 *
Total net position	\$ 231.87	\$ 232.37

* The fiscal year 2012 net position amounts have been reclassified for comparison with fiscal year 2013 amounts

The County's net position from governmental activities at the end of the fiscal year was \$231.87 million. The net position was relatively flat with a small decrease of \$0.50 million as recorded in the Statement of Activities.

Net investment in capital assets

62.78% of the County net position (\$145.56 million) is invested in capital assets (e.g. land, buildings, equipment, and infrastructure), net of related debt. These assets are used to provide services to citizens, but are not available for future spending. The County's net investment in capital assets increased by 1.82% (\$2.60 million) in the current fiscal year.

Restricted Net Position

27.41% of the County's net position (\$63.56 million) is subject to external restrictions on how they may be used. The County's restricted net position decreased by 3.49% (\$2.30 million) in the current fiscal year due to the retirement of the revenue bonds payable in the Jail District and reduced fund balance in the Public Works/HURF fund.

Unrestricted Net Position

The remaining balance of the County's net position, 9.81% (\$22.75 million), is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements. Unrestricted net position decreased by 3.40% (\$0.80 million) in the current fiscal year.

Coconino County
Management's Discussion and Analysis
June 30, 2013

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 2013 compared to the prior year.

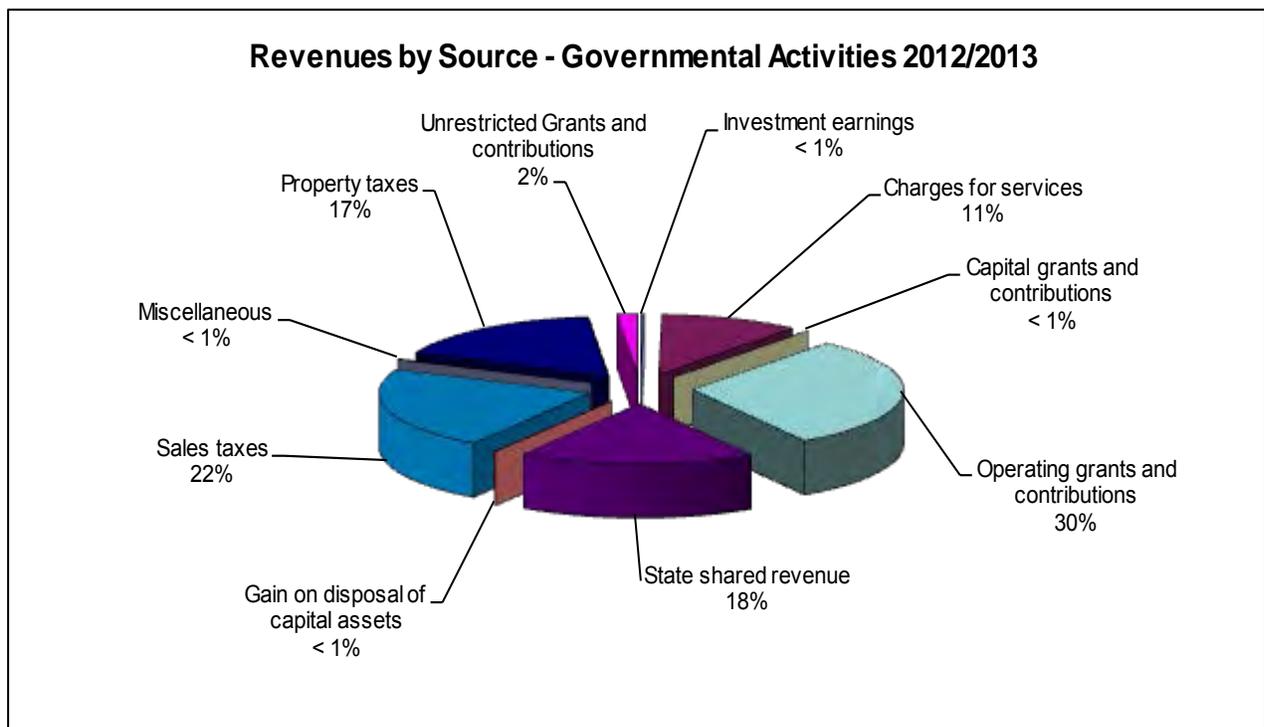
	Governmental Activities (in millions)	
	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 12.81	\$ 13.62
Operating grants and contributions	36.15	33.96 *
Capital grants and contributions	-	0.01
Total program revenue	48.96	47.59
General revenues:		
State shared revenue	21.67	20.26 *
Sales taxes	26.45	25.72
Property taxes	20.24	21.10
Grants and contributions not restricted to specific programs	1.90	1.93
Investment earnings	(0.31)	1.16
Gain on disposal of capital assets	0.04	-
Miscellaneous	0.18	0.16
Total general revenue	70.17	70.33
Total revenues	119.13	117.92
 Program Expenses		
General government	32.05	32.47
Public safety	37.61	33.76
Highways and streets	15.96	15.96
Sanitation	2.10	3.09
Health	12.20	11.55
Welfare	6.64	6.91
Culture and recreation	7.06	7.24
Education	5.94	5.23
Interest on long-term debt	0.07	0.18
Total program expenses	119.63	116.39
Change in net position	(0.50)	1.53
Net position, beginning	232.37	230.84
Net position, ending	\$ 231.87	\$ 232.37

* The fiscal year 2012 revenue amounts have been reclassified for comparison with fiscal year 2013 amounts

Overall program revenues increased by 2.88% (\$1.37 million) in the current fiscal year. This increase was from a combination of reimbursements and grants received in response to the catastrophic flooding events. Charges for services decreased by 5.95% (\$0.81 million) due to a decrease in the number of prisoners being housed for other governments in the County Jail. Program expenses increased 2.78% (\$3.24 million) in the current fiscal year.

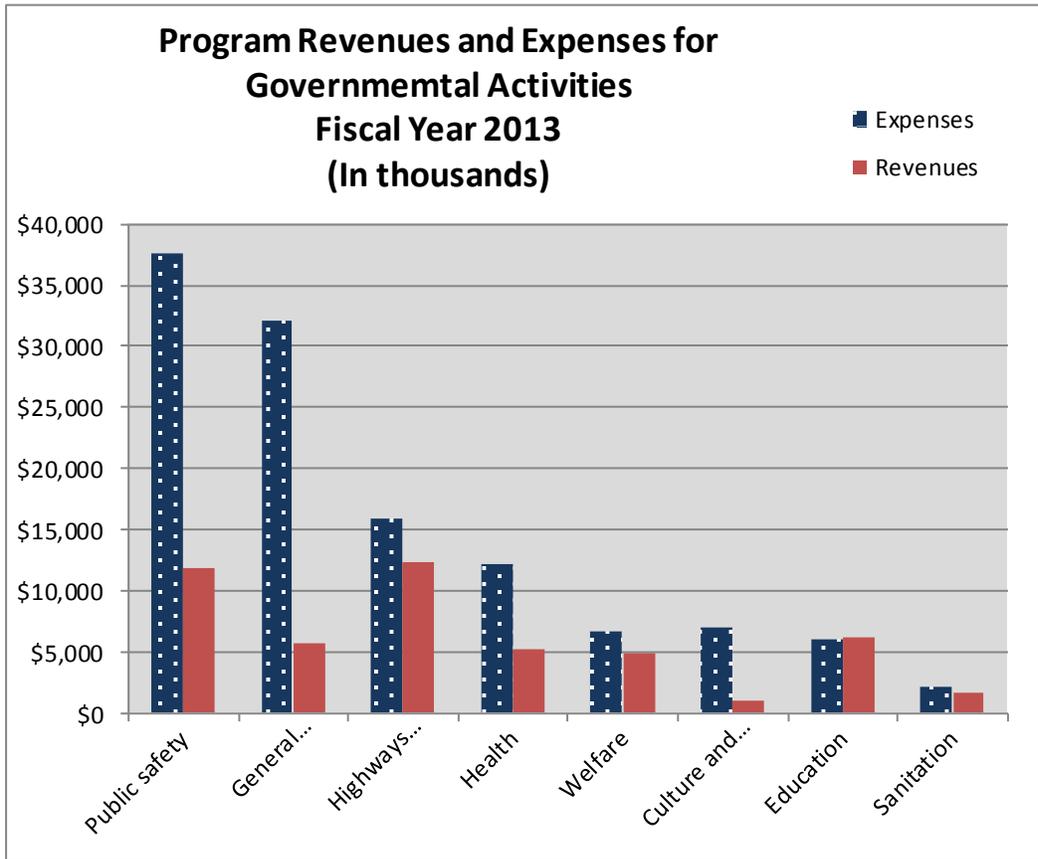
Coconino County
 Management's Discussion and Analysis
 June 30, 2013

Property taxes decreased by 4.08% (\$0.86 million) as a result of decreased assessed valuations similar to decreasing market values across the state and southwestern United States. State shared revenue increased 6.96% (\$1.41 million) due in part to the moderate rebound in taxable sales at the state level and, to a greater extent, due to an additional “hold harmless” allocation based on assessed values in Coconino County representing a larger percentage of the total state assessed values that is greater than Coconino County’s percentage of the total state population. The 6.45% (\$2.19 million) increase in operating grants was from an increase in funding received to cover the mitigation efforts in response to catastrophic flooding disasters caused by the fiscal year 2010 Schultz fire. The current fiscal year investment earnings decrease of 126.72% was from unrecognized capital losses in the current fiscal year. An analysis of investment earnings and unrecognized losses is presented in Note 2 of the financial statements.



Public Safety expenses increased 11.40% in the current fiscal year due to increased expenditures for the flooding mitigation projects. Health expenses increased 5.63% due to increased costs related to the contracted services to provide Title 36 assessments and related court ordered behavioral health treatment. Education expenses increased 13.58% as a result of increased grant funding.

Coconino County
 Management's Discussion and Analysis
 June 30, 2013



As shown in the “Revenues by Source for Governmental Activities” chart and “Program Revenues and Expenses for Governmental Activities” chart, for governmental activities overall, without regard to program, operating grants and contributions are the largest single source of funds (30.35%), followed by sales tax (22.20%), and state shared revenue (18.20%). Public safety is the largest function in expense (\$37.61 million), followed by general government (\$32.05 million), and highways and streets (\$15.96 million).

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

The County reported six major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, Parks and Open Spaces Tax Projects and Flood Control District. At year-end the County’s governmental funds reported combined fund balances of \$92.73 million, which is an increase of \$1.60 million from last year, or an increase 1.76%. Of the total, \$90.96 million (98.09%) constitutes spendable fund balance.

Revenues and expenditures for governmental functions overall increased by 1.31% and 5.29%, respectively. These increases were the result of revenues and expenditures related to mitigation projects for catastrophic flooding events. Governmental fund revenues exceeded governmental fund expenditures by \$1.53 million in the current fiscal year and the fund balance increased by \$1.60 million.

Coconino County
Management's Discussion and Analysis
June 30, 2013

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 \$29.18 million. Spendable fund balance represents 94.98% of the General Fund's total fund balance. The General Fund's fund balance increased by \$0.77 million.

The Public Works/HURF Fund's fund balance decreased by \$1.74 million in the current fiscal year. The decrease was from expenditures exceeding revenues, including the withholding of \$0.88 million of County HURF revenues by the state legislature in order to fund State of Arizona programs.

The Jail District Fund's fund balance increased by \$2.58 million in the current fiscal year. The fund balance was budgeted to increase by \$1.71 million. It increased primarily due to operating expenditures below budget, including vacancy savings.

The Parks and Open Spaces Tax Projects Fund's fund balance increased by \$0.69 million in the current fiscal year. This increase was due to a significant decrease in the use of funds for parks and open space projects in the current year.

The Public Health Services District Fund's fund balance decreased by 0.14 million in the current fiscal year. The change in fund balance was primarily from salary savings due to vacancies and an additional General Fund transfer to offset the increased cost of the Title 36 services contract and the decreased property taxes from the previous fiscal year.

The Flood Control District Fund's fund balance decreased by \$0.14 million due to decreased property taxes as a result of decreased assessed values within the district.

General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund at year-end were \$362 thousand more than the original adopted budget. This change was primarily due to budget adjustments for construction programs (\$83 thousand), various data processing projects (\$40 thousand), the 2013 elections (\$30 thousand), community initiatives (\$41 thousand), and safety and other projects (\$146 thousand).
- For the General Fund, actual expenditures were \$23 million less than the final budget. The expenditures variance was primarily unexpended contingency funds and fiscal reserves.
- The final budgeted revenues for the General Fund at year-end were only \$43 thousand more than the original adopted budget. For the General Fund, actual revenues exceeded the final budget by \$1.82 million. The increase was primarily due to significant increases in intergovernmental revenues, including a \$1.41 million increase in State shared revenue.

Coconino County
Management's Discussion and Analysis
June 30, 2013

Capital Assets and Debt Administration

Capital Assets

During the current fiscal year, the County added \$689 thousand to the County's buildings inventory, reduced the County's machinery and equipment inventory by \$138 thousand, and added \$3.02 million to the County's infrastructure inventory. The County's overall estimated value of capital asset inventory increased \$0.22 million net of increases in depreciation. *See Note 4 to the financial statements found on page 52 of this report.*

The following table reflects the changes in capital assets for the County for the fiscal year 2013 compared to fiscal year 2012.

	Governmental Activities (net of depreciation) (in millions)	
	2013	2012
Land	\$ 39.27	\$ 39.22
Buildings	54.33	55.98
Machinery and Equipment	5.32	6.16
Infrastructure	43.20	43.21
Construction in Progress	4.30	1.63
Total	\$ 146.42	\$ 146.20

Long-term Debt

At the end of the current fiscal year the County has \$0.87 million in special assessment debt outstanding and has retired all outstanding revenue bonds with the final payment in fiscal year 2013. There were no new bond issues in the current year. The long-term liability for future postemployment health benefit liability has increased by \$1.08 million to \$4.61 million in the current year. This change is the result of \$1.13 million in additional annual OPEB cost and only \$0.05 million in actual contributions made during fiscal year 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The County utilizes a Ten-Year Financial Plan, which is updated quarterly, to forecast the County's financial future. The largest single revenue source is State shared sales taxes. Local and State shared sales taxes constitute approximately 40% of the County's government-wide general revenues and approximately 60% of General Fund revenues. This makes the County's revenues sensitive to downturns in the economy. County staff incorporated historical trends, local economic trends and national and global economic trends into the County's fiscal 2013 budget. State shared sales tax and county sales tax revenues stabilized in fiscal year 2012 but are still more than 6% lower than their high in the fiscal year ended in 2007.

Coconino County
Management's Discussion and Analysis
June 30, 2013

The key elements of the fiscal year 2014 budget are based on the assumption that economic recovery began in fiscal year 2011, but total revenues will not return to our fiscal year 2007 and fiscal year 2008 levels for many years to come. Many major revenues are down by double digit percentages from where they had been. The new level of revenue is referred to as our new normal.

We established the following Financial Planning Milestones in the fiscal year 2014 budget:

- Align high probability of receipt revenue types with recurring expenditures.
- Budgeted amounts above recessionary revenue levels are allocated to one-time or non-mission-critical expenditures.
- Adequate reserves for revenue smoothing and an emergency reserve need to be in place to allow for unknown or unplanned events.
- To efficiently deliver services local governments need to provide adequate compensation to retain trained and experienced staff.
- To be efficient in providing services the County needs to strategically plan for long-term facility and technology resources to have appropriate work space and tools available for staff.

The major areas of concern considered in developing the fiscal year 2014 budget are:

- Impacts from the State shifting costs to the County while reducing County revenue allocations to subsidize the State budget deficit.
- Potential reductions in Federal funding, particularly the loss of Secure Rural Schools funding (previously known as Forest Fees), a major source of funding for schools and roads.
- The commitment to our employees in the form of consistent pay increases to the extent possible and avoiding increased turnover that would decrease efficiency.
- Continuing increases in pension costs that further constrict limited resources.
- Continuing to hold health insurance costs well below national averages by expanding participation in the successful wellness program for employees, while considering other best practices.

The County's financial planning is based on realistic revenue estimates and the use of a strategic planning process to focus the expenditure of limited resources on meeting the current and future needs of its citizens, including the level of recurring costs that may be maintained during a recession.

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.

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

Coconino County
Statement of Net Position
June 30, 2013

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 84,778,605
Investments	562,707
Cash and investments held by trustee	24,429
Receivables (net of allowances for uncollectibles):	
Property taxes	638,222
Accounts	904,802
Special assessments	508,070
Jail district sales tax	2,233,548
Accrued interest	159,330
Due from other governments	15,295,734
Inventories	294,633
Prepaid items	330,782
Capital assets, not being depreciated	43,567,669
Capital assets, being depreciated, net	102,857,674
Total assets	252,156,205
 Liabilities	
Accounts payable	6,697,198
Accrued payroll and employee benefits	1,781,989
Due to other governments	981,148
Deposits held for others	111,359
Unearned revenues	7,300
Noncurrent liabilities	
Due within 1 year	3,802,661
Due in more than 1 year	6,903,102
Total liabilities	20,284,757
 Net Position	
Net investment in capital assets	145,559,259
Restricted for:	
General government	3,395,946
Public safety	18,581,860
Highways and streets	23,081,852
Sanitation	1,267,496
Health	2,338,384
Welfare	612,555
Culture and recreation	752,952
Education	1,180,014
Debt service	966,470
Capital projects	11,386,908
Unrestricted	22,747,752
Total net position	\$ 231,871,448

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

Coconino County
Statement of Activities
Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$ 32,049,113	\$ 4,465,482	\$ 1,311,742	\$ (26,271,889)
Public safety	37,609,509	3,107,973	8,738,055	(25,763,481)
Highways and streets	15,961,841	99,728	12,216,903	(3,645,210)
Sanitation	2,102,071	1,346,328	388,075	\$ 1,719 (365,949)
Health	12,199,793	1,301,249	3,906,368	(6,992,176)
Welfare	6,642,756	1,467,637	3,355,071	(1,820,048)
Culture and recreation	7,063,893	850,519	149,850	(6,063,524)
Education	5,941,255	171,298	6,090,044	320,087
Interest on long-term debt	69,723			(69,723)
Total governmental activities	<u>\$ 119,639,954</u>	<u>\$ 12,810,214</u>	<u>\$ 36,156,108</u>	<u>\$ 1,719</u> <u>\$ (70,671,913)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				8,744,783
Property taxes, levied for library				4,157,084
Property taxes, levied for flood control				2,943,787
Property taxes, levied for accommodation school				33
Property taxes, levied for health services				4,390,334
General county sales tax				11,705,643
Jail district sales tax				11,699,874
Parks and open spaces sales tax				2,923,093
Excise tax				74,510
Franchise tax				47,198
Shared revenue - state sales tax				18,592,227
Shared revenue - state vehicle license tax				3,082,023
Grants and contributions not restricted to specific programs				1,902,703
Investment earnings				(316,192)
Gain on disposal of capital assets				42,869
Miscellaneous				182,451
Total general revenues				<u>70,172,420</u>
Change in net position				(499,493)
Net position, July 1, 2012				232,370,941
Net position, June 30, 2013				<u>\$ 231,871,448</u>

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

Coconino County
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Public Works/HURF Fund	Jail District Fund
Assets			
Cash and cash equivalents	\$ 25,532,635	\$ 18,388,585	\$ 11,592,927
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes	257,255		
Accounts	109,682	1,258	221,340
Special assessments			
Jail district sales tax			2,233,548
Accrued interest	49,832	31,862	20,509
Advances to other funds	1,442,062		
Due from:			
Other funds	1,871,717	143,195	89,015
Other governments	6,351,783	1,857,792	212,144
Inventories	343		
Prepaid items	98,978	618	11,784
Total assets	<u>\$ 35,714,287</u>	<u>\$ 20,423,310</u>	<u>\$ 14,381,267</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,149,210	\$ 1,274,215	\$ 279,027
Accrued payroll and employee benefits	988,092	117,182	191,925
Advances from other funds			
Due to:			
Other funds	2,021,102	391,378	284,306
Other governments	596,077	64,237	148,595
Deposits held for others	39,813	33,302	
Deferred revenue	193,703	44,625	
Total liabilities	<u>4,987,997</u>	<u>1,924,939</u>	<u>903,853</u>
Fund balances:			
Nonspendable	1,541,383	618	11,784
Restricted		18,497,753	13,465,630
Unassigned	29,184,907		
Total fund balances	<u>30,726,290</u>	<u>18,498,371</u>	<u>13,477,414</u>
Total liabilities and fund balances	<u>\$ 35,714,287</u>	<u>\$ 20,423,310</u>	<u>\$ 14,381,267</u>

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

Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,153,529	\$ 2,293,501	\$ 10,457,446	\$ 14,094,523	\$ 83,513,146
			562,707	562,707
			24,429	24,429
140,376	100,561		140,030	638,222
49,896	4,856	1,963	478,966	867,961
			508,070	508,070
				2,233,548
2,732	6,149	18,790	27,366	157,240
			139,953	1,582,015
572,357	14,459		2,001,199	4,691,942
1,069,190	3,439,720	557,199	1,807,906	15,295,734
				343
183,005		154	36,243	330,782
<u>\$ 3,171,085</u>	<u>\$ 5,859,246</u>	<u>\$ 11,035,552</u>	<u>\$ 19,821,392</u>	<u>\$ 110,406,139</u>
\$ 572,390	\$ 2,567,703	\$ 11,965	\$ 722,090	\$ 6,576,600
132,567	5,724	2,828	228,374	1,666,692
	1,000,000		582,015	1,582,015
123,844	913	1,101	2,173,951	4,996,595
3,900			168,339	981,148
			38,244	111,359
397,410	508,103		613,542	1,757,383
<u>1,230,111</u>	<u>4,082,443</u>	<u>15,894</u>	<u>4,526,555</u>	<u>17,671,792</u>
183,005		154	36,243	1,773,187
1,757,969	1,776,803	11,019,504	15,258,594	61,776,253
				29,184,907
<u>1,940,974</u>	<u>1,776,803</u>	<u>11,019,658</u>	<u>15,294,837</u>	<u>92,734,347</u>
<u>\$ 3,171,085</u>	<u>\$ 5,859,246</u>	<u>\$ 11,035,552</u>	<u>\$ 19,821,392</u>	<u>\$ 110,406,139</u>

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

Coconino County
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2013

Fund balances – total governmental funds	\$ 92,734,347
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.	145,790,899
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,750,083
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position	2,301,882
Some liabilities, including bonds payable, compensated absences payable, and claims and judgments payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,705,763)</u>
Net position of governmental activities	<u><u>\$ 231,871,448</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

	General Fund	Public Works/HURF Fund	Jail District Fund
Revenues:			
Property taxes	\$ 8,768,956		
Other taxes	11,830,598		\$ 11,699,874
Special assessments			
Licenses and permits	674,468	\$ 12,885	
Fees, fines, and forfeits	1,125,686		
Intergovernmental	24,607,064	10,394,996	6,936
Charges for services	1,749,253	12,145	1,425,757
Investment earnings	(132,118)	(68,707)	(57,986)
Contributions	249,799		
Miscellaneous	204,636	18,764	2,894
Total revenues	<u>49,078,342</u>	<u>10,370,083</u>	<u>13,077,475</u>
Expenditures:			
Current:			
General government	28,198,760		
Public safety	12,526,795		12,078,544
Highways and streets	457,151	12,787,343	
Sanitation			
Health			
Welfare	895,900		
Culture and recreation	1,479,891		
Education	462,350		
Capital outlay			
Debt service:			
Principal			
Interest and other charges			1,500
Total expenditures	<u>44,020,847</u>	<u>12,787,343</u>	<u>12,080,044</u>
Excess (deficiency) of revenues over expenditures	<u>5,057,495</u>	<u>(2,417,260)</u>	<u>997,431</u>
Other financing sources (uses):			
Sale of capital assets	4,625	11,992	
Transfers in	3,860,918	1,605,077	2,457,240
Transfers out	(8,157,137)	(943,066)	(876,413)
Total other financing sources (uses)	<u>(4,291,594)</u>	<u>674,003</u>	<u>1,580,827</u>
Net change in fund balances	765,901	(1,743,257)	2,578,258
Fund balances, July 1, 2012	<u>29,960,389</u>	<u>20,241,628</u>	<u>10,899,156</u>
Fund balances, June 30, 2013	<u>\$ 30,726,290</u>	<u>\$ 18,498,371</u>	<u>\$ 13,477,414</u>

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

Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,407,951	\$ 2,966,931		\$ 4,176,406	\$ 20,320,244
2,093		\$ 2,923,093		26,455,658
			454,223	454,223
729,585	11,500			1,428,438
26			308,564	1,434,276
3,782,116	4,696,442		16,900,544	60,388,098
552,135			5,025,412	8,764,702
(7,867)	(18,067)	(50,514)	(25,433)	(360,692)
131,096	10,997		282,828	674,720
4,785		3,376	378,593	613,048
<u>9,601,920</u>	<u>7,667,803</u>	<u>2,875,955</u>	<u>27,501,137</u>	<u>120,172,715</u>
			2,850,873	31,049,633
740,074	7,730,708		6,297,169	39,373,290
			68,021	13,312,515
			1,820,482	1,820,482
12,036,240				12,036,240
151,225			5,417,507	6,464,632
			4,642,912	6,122,803
			5,321,294	5,783,644
		2,144,500	69,366	2,213,866
			396,669	396,669
			68,223	69,723
<u>12,927,539</u>	<u>7,730,708</u>	<u>2,144,500</u>	<u>26,952,516</u>	<u>118,643,497</u>
<u>(3,325,619)</u>	<u>(62,905)</u>	<u>731,455</u>	<u>548,621</u>	<u>1,529,218</u>
			3,577	20,194
4,583,892		400	1,947,166	14,454,693
(1,397,255)	(76,255)	(38,629)	(2,912,404)	(14,401,159)
<u>3,186,637</u>	<u>(76,255)</u>	<u>(38,229)</u>	<u>(961,661)</u>	<u>73,728</u>
(138,982)	(139,160)	693,226	(413,040)	1,602,946
2,079,956	1,915,963	10,326,432	15,707,877	91,131,401
<u>\$ 1,940,974</u>	<u>\$ 1,776,803</u>	<u>\$ 11,019,658</u>	<u>\$ 15,294,837</u>	<u>\$ 92,734,347</u>

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

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, 2013

Net change in fund balances – total governmental funds		\$ 1,602,946
 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	6,962,553	
Depreciation expense	<u>(6,891,269)</u>	71,284
 Governmental funds do not report income from the donation of capital assets. However, in the Statement of Activities income from the donation of capital assets is reported.		
Donated capital assets		110,601
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Increase in compensated absences	(91,831)	
Increase in claims and judgments	(87,197)	
Increase in future postemployment health benefits	<u>(1,077,198)</u>	(1,256,226)
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repaid		396,669
 The sale of capital assets in the governmental funds reflects proceeds. However, in the Statement of Activities the sale of capital assets reflect the net gain (loss).		
Sale of capital assets		(11,861)
 Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.		
		(1,184,746)
 Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The activities of the internal service fund is reported with governmental activities.		
		<u>(228,160)</u>
Change in net position of governmental activities		<u>\$ (499,493)</u>

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

Coconino County
Statement of Net Position
Proprietary Fund
June 30, 2013

	Governmental Activities - Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,265,459
Receivables (net of allowances for uncollectibles):	
Accounts	36,841
Accrued interest	2,090
Due from other funds	359,958
Inventories	294,290
Total current assets	1,958,638
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	53,147
Equipment, net	581,297
Capital assets, net	634,444
Total noncurrent assets	634,444
Total assets	2,593,082
Liabilities	
Current liabilities:	
Accounts payable	120,598
Accrued payroll and employee benefits	115,297
Due to other funds	55,305
Total current liabilities	291,200
Total liabilities	291,200
Net Position	
Net investment in capital assets	634,444
Unrestricted	1,667,438
Total net position	\$ 2,301,882

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

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2013

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 3,270,586
Total operating revenues	3,270,586
Operating expenses:	
Personal services	721,024
Supplies	2,326,044
Utilities	18,489
Repairs and maintenance	170,159
Travel	3,166
Depreciation	224,416
Total operating expenses	3,463,298
Operating loss	(192,712)
Nonoperating revenues:	
Investment earnings	(4,589)
Gain on disposal of capital assets	22,675
Total nonoperating revenues	18,086
Loss before transfers	(174,626)
Transfers out	(53,534)
Decrease in net position	(228,160)
Total net position, July 1, 2012	2,530,042
Total net position, June 30, 2013	\$ 2,301,882

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

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2013

	Governmental Activities- Internal Service Fund
	Fund
Cash flows from operating activities:	
Receipts from other funds for services provided	\$ 3,272,981
Payments to suppliers and providers of goods and services	(2,547,330)
Payments to employees	(716,627)
Net cash provided by operating activities	9,024
Cash flows from noncapital financing activities:	
Cash transfers to other funds	(53,534)
Net cash used for noncapital financing activities	(53,534)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	26,433
Purchases of capital assets	(285,897)
Net cash used for capital and related financing activities	(259,464)
Cash flows from investing activities:	
Interest on investments	(2,841)
Net cash used for investing activities	(2,841)
Net decrease in cash and cash equivalents	(306,815)
Cash and cash equivalents, July 1, 2012	1,572,274
Cash and cash equivalents, June 30, 2013	\$ 1,265,459
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (192,712)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	224,416
Changes in assets and liabilities:	
Increase in:	
Accounts receivable	(15,539)
Inventories	(5,558)
Due from other funds	(36,537)
Accrued payroll and employee benefits	7,563
Due to other funds	54,471
Decrease in:	
Accounts payable	(27,080)
Net cash provided by operating activities	\$ 9,024

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

Coconino County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Investment Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 114,820,798	\$ 3,423,173
Cash and investments held by trustee	-	1,090,873
Interest and dividends receivable	201,141	-
Total assets	115,021,939	4,514,046
Liabilities		
Deposits held for others	-	4,320,414
Due to other governments	-	193,632
Total liabilities	-	4,514,046
Net Position		
Held in trust for investment trust participants	\$ 115,021,939	\$ -

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, 2013

	Investment Trust Funds
Additions:	
Contribution from participants	\$ 486,435,105
Investment earnings:	
Interest and dividends	974,549
Net decrease in fair value of investments	(1,650,822)
Total investment earnings	(676,273)
Total additions	485,758,832
Deductions:	
Distributions to participants	468,416,533
Total deductions	468,416,533
Change in net position	17,342,299
Net position, July 1, 2012	97,679,640
Net position, June 30, 2013	\$ 115,021,939

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

Note 1 – Summary of Significant Accounting Policies

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

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.

Coconino County
Notes to Financial Statements
June 30, 2013

The following table describes the County's component units:

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

B. Basis of Presentation

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

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net 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. The County does not allocate indirect expenses to programs or functions. Program revenues include:

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

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes imposed by the County, 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.

Coconino County
Notes to Financial Statements
June 30, 2013

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

The County reports the following major governmental funds:

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

The *Public Works/HURF Fund* is a special revenue 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.

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

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

The *Flood Control District Fund* is a special revenue fund used to account for flood control service that are funded by a \$0.4000 per \$100 of assessed valuation property tax.

Coconino County
Notes to Financial Statements
June 30, 2013

The *Parks and Open Spaces Tax Projects Fund* is a capital projects fund (previously reported as a special revenue fund) used to account for parks and open space acquisitions and improvements that are funded by collections from a one-eighth cent sales tax and grants.

The County reports the following fund types:

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

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

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

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, with the exception of agency funds, and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus 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 is both restricted and unrestricted net position resources available to finance the program. The County applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this

Coconino County
Notes to Financial Statements
June 30, 2013

method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Tax revenues collected within 60 days after year-end are accrued as the County had a claim to those revenues at year-end. Other revenues, including grants from federal and state governments, are considered available if collected within 90 days if the County has a claim to the revenues, and the amount is measurable and available to pay liabilities of the current period. The County's major revenue sources that are subject to accrual are state-shared sales taxes and fuel taxes, county sales tax, property taxes, and grants from the federal and state governments. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Investments

For purposes of its statement of cash flows, the County considers cash on hand, demand deposits, cash on deposit with the County Treasurer, 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 to be cash equivalents.

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

E. Inventories

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

Coconino County
Notes to Financial Statements
June 30, 2013

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

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 for informational purposes only and as nonspendable fund balance to indicate that they do not constitute “available spendable resources.”

G. Property Tax Calendar

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

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

H. Capital Assets

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

Coconino County
Notes to Financial Statements
June 30, 2013

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

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

I. Fund Balance Classifications

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

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

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

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

Coconino County
Notes to Financial Statements
June 30, 2013

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

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

J. Investment Earnings

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

K. Compensated Absences

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

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

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

Employees may accumulate up to 1,040 of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, for employees who terminate with a minimum of 20 years of

continuous service, sick leave benefits do vest. Such eligible terminating employees are compensated at the rate of one day for each four sick days accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary funds' financial statements.

Note 2 – Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States; 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. Corporate bonds, debentures, and notes must be rated within the top three ratings by a nationally recognized rating agency.
3. Fixed income securities must carry one of the two highest ratings by Moody's investor's service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

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

Concentration of credit risk

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

Coconino County
Notes to Financial Statements
June 30, 2013

Interest rate risk

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

Foreign currency risk

Statutes do not allow for foreign investments.

Deposits — At June 30, 2013, the carrying amount of the County's deposits was \$26,858,913 and the bank balance was \$33,054,010. The County does not have a formal policy with respect to custodial credit risk.

At June 30, 2013, \$3,795,740 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured with collateral held by the pledging financial institution	\$ 3,795,740
Total	<u>\$ 3,795,740</u>

Investments — The County's investments at June 30, 2013, were as follows:

Investment Type	Amount
U.S. agency securities	\$ 124,600,979
State Treasurer's investment pools #7	10,437,703
Corporate bonds	34,991,826
Municipal bonds	7,144,303
Mutual funds-debt	474,979
Subtotal, debt securities	<u>177,649,790</u>
Mutual funds-equity	127,579
Total	<u>\$ 177,777,369</u>

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

Coconino County
Notes to Financial Statements
June 30, 2013

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2013, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$124,600,979
Corporate bonds	A1	Moody's	11,497,508
State Treasurer's investment pools #7	Unrated	Not applicable	10,437,703
Corporate bonds	A2	Moody's	6,362,929
Corporate bonds	A3	Moody's	4,994,074
Corporate bonds	Aa3	Moody's	4,933,284
Corporate bonds	Aaa	Moody's	3,157,588
Corporate bonds	Baa2	Moody's	2,154,868
Municipal bonds	Aa2	Moody's	1,974,986
Corporate bonds	Aa2	Moody's	1,159,197
Municipal bonds	Aaa	Moody's	1,150,797
Municipal bonds	A1	Moody's	704,576
Municipal bonds	Aa3	Moody's	621,431
Municipal bonds	Unrated	Not Applicable	545,000
Corporate bonds	Baa1	Moody's	540,318
Mutual funds-debt	Unrated	Not Applicable	474,979
Municipal bonds	AA-	Standard and Poor's	435,086
Municipal bonds	A	Standard and Poor's	399,172
Municipal bonds	A2	Moody's	398,558
Municipal bonds	Aa1	Moody's	319,288
Municipal bonds	AA	Standard and Poor's	200,728
Corporate bonds	Aa1	Moody's	192,060
Municipal bonds	A3	Moody's	156,557
Municipal bonds	AA+	Standard and Poor's	141,834
Municipal bonds	AAA	Standard and Poor's	96,290
			\$ 177,649,790

Custodial credit risk— For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy with respect to custodial credit risk. At June 30, 2013, the County had \$124,600,979 of U.S. agency securities, \$7,144,303 of municipal bonds, and \$34,991,826 of corporate bonds uninsured and held by the counterparty.

Concentration of credit risk— The County does not have a formal policy with respect to concentration of credit risk. The County had investments at June 30, 2013, of five percent or

Coconino County
Notes to Financial Statements
June 30, 2013

more in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments were 23.17%, 12.79%, 22.63%, and 7.95%, respectively, of the County's total investments.

Interest rate risk— The County does not have a formal policy with respect to interest rate risk.

At June 30, 2013, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	\$124,600,979	4.057
Corporate bonds	11,497,508	1.048
State Treasurer's investment pools #7	10,437,703	0.050
Corporate bonds	6,362,929	0.652
Corporate bonds	4,994,074	0.609
Corporate bonds	4,933,284	0.551
Corporate bonds	3,157,588	0.257
Corporate bonds	2,154,868	0.134
Municipal bonds	1,974,986	0.442
Corporate bonds	1,159,197	0.007
Municipal bonds	1,150,797	0.292
Municipal bonds	704,576	0.260
Municipal bonds	621,431	0.204
Municipal bonds	545,000	0.070
Corporate bonds	540,318	0.031
Municipal bonds	435,086	0.118
Municipal bonds	399,172	0.131
Municipal bonds	398,558	0.125
Municipal bonds	319,288	0.130
Mutual funds-debt	244,048	6.180
Municipal bonds	200,728	0.023
Corporate bonds	192,060	0.027
Mutual funds-debt	174,008	4.600
Municipal bonds	156,557	0.033
Municipal bonds	141,834	0.021
Municipal bonds	96,290	0.029
Mutual funds-debt	56,923	4.600
	<u>\$ 177,649,790</u>	

Coconino County
Notes to Financial Statements
June 30, 2013

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

Cash, deposits, and investments:

Cash on hand	\$ 64,303
Amount of deposits	26,858,913
Amount of investments	<u>177,777,369</u>
Total	<u>\$204,700,585</u>

Statement of Net Position:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 84,778,605	\$ 114,820,798	\$ 3,423,173	\$203,022,576
Investments	562,707			562,707
Cash and investments held by trustee(s)	24,429		1,090,873	1,115,302
Total	<u>\$ 85,365,741</u>	<u>\$114,820,798</u>	<u>\$ 4,514,046</u>	<u>\$204,700,585</u>

Investment Earnings as shown in the Statement of Revenues, Expenditures, and Changes in Fund Balance for Governmental Funds reflect a loss of \$360,692. This is the result of Unrealized Losses recorded due to the decrease in market value on the securities held by the County Treasurer as of June 30, 2013.

Governmental Funds:	Interest Distributed	Interest Accrued	Total Interest	Unrealized Loss	Investment Earnings
General Fund	\$ 201,221	\$ 49,831	\$ 251,052	\$ (383,170)	\$ (132,118)
Public Works/HURF Fund	144,430	31,862	176,292	(244,999)	(68,707)
Jail District Fund	79,210	20,509	99,719	(157,705)	(57,986)
Park and Open Spaces Tax Projects	75,177	18,789	93,966	(144,480)	(50,514)
Public Health Services District Fund	10,405	2,730	13,135	(21,002)	(7,867)
Flood Control District Fund	23,068	6,149	29,217	(47,284)	(18,067)
Other Governmental Funds	<u>157,627</u>	<u>27,365</u>	<u>184,992</u>	<u>(210,425)</u>	<u>(25,433)</u>
Total	<u>\$ 691,138</u>	<u>\$ 157,235</u>	<u>\$ 848,373</u>	<u>\$ (1,209,065)</u>	<u>\$ (360,692)</u>

It is currently projected that none of the debt securities will be redeemed until the maturity date of the individual security. Therefore, it is expected that all securities will be redeemed at face value plus any accrued interest.

Coconino County
Notes to Financial Statements
June 30, 2013

Note 3– Receivables

Due from other governments—Amounts due from other governments at June 30, 2013, include \$3,101,953 and \$1,491,140 in state-shared revenue from sales taxes and fuel taxes, respectively; \$197,640 from the State of Arizona for state vehicle license tax; \$2,233,686 in county sales tax; \$557,199 in parks and open space sales tax; \$4,065,086 in grants from the federal government; \$574,945 in grants from various state agencies; \$815,419 in reimbursements from the Federal Emergency Management Agency, and \$914,832 in reimbursements from the Arizona Department of Emergency Management. The balance of \$1,343,834 is composed of miscellaneous receivables from federal, state, and local government.

Note 4– Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

<u>Governmental activities:</u>	Balance 7/1/2012	Increases	Decreases	Balance 6/30/2013
Capital assets not being depreciated:				
Land	\$ 39,221,284	\$ 47,127	\$ -	\$ 39,268,411
Construction in progress	1,625,952	3,715,625	1,042,319	4,299,258
Total capital assets not being depreciated	40,847,236	3,762,752	1,042,319	43,567,669
Capital assets being depreciated:				
Buildings	87,430,200	688,943	-	88,119,143
Machinery and equipment	36,533,142	919,243	1,056,945	36,395,440
Infrastructure	92,744,186	3,018,571	-	95,762,757
Total capital assets being depreciated	216,707,528	4,626,757	1,056,945	220,277,340
Less accumulated depreciation for:				
Buildings	31,447,048	2,338,854	-	33,785,902
Machinery and equipment	30,372,326	1,751,973	1,053,187	31,071,112
Infrastructure	49,537,794	3,024,858	-	52,562,652
Total accumulated depreciation	111,357,168	7,115,685	1,053,187	117,419,666
Total capital assets being depreciated, net	105,350,360	(2,488,928)	3,758	102,857,674
Total	<u>\$ 146,197,596</u>	<u>\$ 1,273,824</u>	<u>\$ 1,046,077</u>	<u>\$ 146,425,343</u>

Coconino County
Notes to Financial Statements
June 30, 2013

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 901,663
Public safety	1,011,315
Highways and streets	3,775,930
Sanitation	231,021
Health	123,002
Welfare	90,439
Culture and recreation	656,109
Education	101,790
Internal service fund	224,416
Total governmental activities depreciation expense	<u>\$ 7,115,685</u>

Construction and Other Significant Commitments—The County had major contractual commitments related to various capital projects at June 30, 2013, for the repair and construction of a major flood control project and facilities upgrades. At June 30, 2013, the County had spent \$5,067,144 on these projects and had remaining contractual commitments with contractors totaling \$2,067,359. Flood Control property tax, highway user revenues, and federal and state emergency management reimbursements, and state grants will fund these projects.

Note 5 – Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2013:

Governmental Activities	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due within 1 year
Bonds payable:					
Revenue bonds	\$ 1,970,000	-	\$ 1,970,000	\$ -	\$ -
Special assessment bonds with governmental commitment	1,262,753	-	396,669	866,084	415,552
Total bonds payable	<u>3,232,753</u>	<u>-</u>	<u>2,366,669</u>	<u>866,084</u>	<u>415,552</u>
Compensated absences payable	4,687,621	3,290,540	3,198,709	4,779,452	3,267,588
Claims and judgments payable	361,152	164,063	76,866	448,349	119,521
Future postemployment health benefit liability (Note 8)	3,534,680	1,128,014	50,817	4,611,878	-
Governmental activities long-term liabilities	<u>\$ 11,816,206</u>	<u>\$ 4,582,617</u>	<u>\$ 5,693,061</u>	<u>\$ 10,705,763</u>	<u>\$ 3,802,661</u>

Coconino County
Notes to Financial Statements
June 30, 2013

Revenue Bonds—The County’s revenue bonds were issued specifically to finance a jail and related facilities. Future revenues from a voter-approved sales tax are pledged to repay \$21,130,000 in revenue bonds issued in 1998. The revenue bonds are payable from Jail District sales tax revenues through 2013. At June 30, 2013, \$0 in principal remains outstanding, along with no future interest payments.

Revenue bonds outstanding at June 30, 2013, were as follows:

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

Special Assessment Bonds—Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. Payment made by the assessed property owners are 100 percent pledged to pay the scheduled principal and interest payments on special assessment bonds. In the event of default by the property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the default assessment. At June 30, 2013, \$866,084 in principal remains outstanding, along with future interest payments totaling \$110,993 to be paid by special assessment revenues.

Special assessment bonds outstanding at June 30, 2013, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Special assessment bonds with governmental commitment	\$ 5,186,217	7/1/2006-19	2.47-7.50%	\$ 866,084

Coconino County
Notes to Financial Statements
June 30, 2013

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2013:

Year Ending June 30	Governmental Activities	
	Assessment Bonds	
	Principal	Interest
2014	\$ 415,552	\$ 43,132
2015	105,532	22,948
2016	85,000	18,128
2017	89,000	13,678
2018	94,000	9,017
2019	77,000	4,090
Total	\$ 866,084	\$ 110,993

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 2013, the County paid for compensated absences as follows: 49.17 percent from the General Fund, 33.50 percent from major funds, and 17.33 percent from other funds. The County paid for claims and judgments from the General Fund.

Coconino County
Notes to Financial Statements
June 30, 2013

Note 6 – Fund Balance Classifications of Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2013, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Nonspendable:								
Advances	\$ 1,442,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,442,062
Inventories	343	-	-	-	-	-	-	\$ 343
Prepaid items	98,978	618	11,784	183,005	-	154	36,243	330,782
Total nonspendable	<u>1,541,383</u>	<u>618</u>	<u>11,784</u>	<u>183,005</u>	<u>-</u>	<u>154</u>	<u>36,243</u>	<u>1,773,187</u>
Restricted for:								
Debt Service	-	-	-	-	-	-	466,488	466,488
Highways and Streets	-	18,497,753	-	-	-	-	4,538,856	23,036,609
Jail and Sheriff	-	-	13,465,630	-	-	-	1,306,819	14,772,449
Flood Control	-	-	-	-	1,776,803	-	-	1,776,803
Culture and Recreation	-	-	-	-	-	-	646,567	646,567
Health	-	-	-	1,757,969	-	-	-	1,757,969
Capital Projects	-	-	-	-	-	11,019,504	367,250	11,386,754
Education	-	-	-	-	-	-	1,159,014	1,159,014
Sanitation	-	-	-	-	-	-	1,267,496	1,267,496
Emergency Services	-	-	-	-	-	-	51,437	51,437
Welfare	-	-	-	-	-	-	608,169	608,169
Probation	-	-	-	-	-	-	1,453,665	1,453,665
Superior Court	-	-	-	-	-	-	641,699	641,699
Justice Courts	-	-	-	-	-	-	474,794	474,794
Public and Legal Defenders	-	-	-	-	-	-	87,942	87,942
County Attorney	-	-	-	-	-	-	1,213,820	1,213,820
General Govt Services	-	-	-	-	-	-	974,578	974,578
Total restricted	<u>-</u>	<u>18,497,753</u>	<u>13,465,630</u>	<u>1,757,969</u>	<u>1,776,803</u>	<u>11,019,504</u>	<u>15,258,594</u>	<u>61,776,253</u>
Unassigned	29,184,907	-	-	-	-	-	-	29,184,907
Total fund balances	<u>\$ 30,726,290</u>	<u>\$ 18,498,371</u>	<u>\$ 13,477,414</u>	<u>\$ 1,940,974</u>	<u>\$ 1,776,803</u>	<u>\$ 11,019,658</u>	<u>\$ 15,294,837</u>	<u>\$ 92,734,347</u>

Note 7 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and 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 the State Compensation Fund of Arizona to provide workers compensation coverage for employees. There is no deductible associated with this coverage and no loss limit per claim. In 2013, one claim resulting from a car accident was reserved for \$120,000. Employer liability coverage has been endorsed onto our commercial general liability coverage up to \$1,000,000 in coverage.

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

Note 8 – Pensions and Other Postemployment Benefits

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

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

Coconino County
Notes to Financial Statements
June 30, 2013

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

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

ASRS

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

PSPRS

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

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

Cost-sharing plan—For the year ended June 30, 2013, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.14 percent (10.90 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent retirement, 0.65 percent for health insurance premium benefit, and 0.24 percent long-term disability) of the members' annual covered payroll.

Coconino County
Notes to Financial Statements
June 30, 2013

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

Years ended June 30,	Retirement Fund	Health Benefit Supplemental Fund	Long-Term Disability Fund
2013	\$3,587,945	\$ 227,528	\$ 84,010
2012	3,411,576	217,760	82,956
2011	3,124,217	204,582	86,687

Agent plan—For the year ended June 30, 2013, active PSPRS members were required by statute to contribute 9.55 percent of the members' annual covered payroll and the County was required to contribute at the actuarially determined rate of 52.78 percent, the aggregate of which is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at 2.35 percent of covered payroll.

Actuarial Methods and Assumptions—The contribution requirements for the year ended June 30, 2013 were established by the June 30, 2011 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

Coconino County
Notes to Financial Statements
June 30, 2013

Projections of benefits are based on 1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2013 contribution requirements are as follows:

Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry age Normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	25 years for unfunded actuarial liability 20 years for overfunded actuarial liability
Asset valuation	7- year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.25%
Projected salary increases	5.0% - 8.0%
Payroll growth	5%
Cost-of-living adjustments	None

Annual Pension /OPEB Cost—The County's pension cost for the agent plan for the year ended June 30, 2013, and related information follows. This is an estimate based on what was actually paid.

	PSPRS Pension	PSPRS Health Insurance Premium Benefit
Annual pension cost	\$ 1,314,970	\$ 36,223
Contributions made	\$ 1,314,970	\$ 36,223

Coconino County
Notes to Financial Statements
June 30, 2013

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

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension/ OPEB Obligation</u>
Pension			
2013	\$ 1,314,970	100%	\$ -
2012	949,301	100%	-
2011	857,576	100%	-
Health Insurance Premium Benefit			
2013	36,223	100%	-
2012	38,569	100%	-
2011	35,060	100%	-

Funded Status— The funded status of the plan as of the most recent valuation date, June 30, 2013, along with the actuarial assumptions and methods used in that valuation follows.

	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
Actuarial accrued liability	\$ 32,979,729	\$ 830,335
Actuarial value of assets	11,083,591	-
Unfunded actuarial accrued liability (funding excess)	21,896,138	830,335
Funded ratio	33.6%	-
Covered payroll	2,805,923	2,805,923
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	780.40%	29.59%

Coconino County
Notes to Financial Statements
June 30, 2013

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

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age Normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	23 years for underfunded 20 years for overfunded
Asset valuation	7-year smoothed market value 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5% - 8.5%
Payroll growth	4.5%
Cost-of-living adjustments	None

Postemployment Healthcare Plan

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

Coconino County
Notes to Financial Statements
June 30, 2013

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

Annual OPEB Cost and Net OPEB Obligation—The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 1,128,014	\$ 50,817	4.50%	\$ 1,077,197
6/30/2012	\$ 1,137,417	\$ 517,162	45.47%	\$ 620,255
6/30/2011	1,047,505	176,809	16.88%	870,696

Components of Annual OPEB Costs and Net OPEB Obligation—The annual components of OPEB cost and net OPEB obligation as of June 30, 2013 follows:

Annual required contribution (ARC)	Interest on existing net OPEB obligation	ARC adjustment	Increase in OPEB	Net OPEB
\$ 1,185,839	\$ 158,748	\$ (216,573)	\$ 1,077,197	\$ 4,611,878

Funding Status and Funding Progress—The latest actuarial valuation done was as of July 1, 2013. The funded status of the plan as of June 30, 2013, was as follows:

Actuarial Valuation Date	(1) Actuarial value of plan assets	(2) Actuarial accrued liability (AAL)	(3) Funded ratio (1) / (2)	(4) Unfunded AAL (2) - (1)	(5) Covered payroll	(6) Unfunded AAL as a percentage of covered payroll (4) / (5)
7/1/2013	-	8,472,061	0.00%	8,472,061	49,547,980	17.10%

Coconino County
Notes to Financial Statements
June 30, 2013

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

Valuation date	July 1, 2013
Actuarial cost method	Entry Age, level dollar
Amortization method	30-Year Amortization, level dollar, Open
Remaining amortization period	30
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	Based on the assumptions for the ASRS actuarial valuation as of June 30, 2012
Active members	945
Retirees, beneficiaries, and dependents	81
Asset valuation method	N/A. No assets in an OPEB trust
Inflation rate	N/A
Projected salary increase	N/A
Post-retirement benefits increase	N/A
Healthcare cost trend rate	7.50% graded down to ultimate rate of 5.0% over 5 years

Coconino County
Notes to Financial Statements
June 30, 2013

Note 9 – Interfund Balances and Activity

Interfund Receivables and Payables—Interfund balances at June 30, 2013, were as follows:

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

	Payable to							Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Flood Control District Fund	Nonmajor Governmental Funds	Internal Service Fund	
Payable from								
General Fund	\$ -	\$ -	\$ 78,370	\$ 571,467		\$ 1,252,576	\$ 118,689	\$ 2,021,102
Public Works/HURF Fund	84,160	-	-	-	14,459	96,645	196,114	391,378
Jail District Fund	215,344	-	-	54	-	53,460	15,448	284,306
Public Health Services District Fund	99,490	-	10,405	-	-	-	13,949	123,844
Flood Control District Fund	-	-	-	-	-	-	913	913
Parks and Open Spaces Tax Fund	413	-	-	-	-	688	-	1,101
Nonmajor Governmental Funds	1,472,310	87,890	240	836	-	597,830	14,845	2,173,951
Internal Service Fund	-	55,305	-	-	-	-	-	55,305
Total	\$ 1,871,717	\$ 143,195	\$ 89,015	\$ 572,357	\$ 14,459	\$ 2,001,199	\$ 359,958	\$ 5,051,900

Interfund Transfers—Interfund transfers for the year ended June 30, 2013, were as follows:

	Transfer to						Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Parks and Open Spaces Fund	Nonmajor Governmental Funds	
Transfer from							
General Fund	\$ -	\$ 25,000	\$ 2,457,240	\$ 4,583,892	\$ 400	\$ 1,090,605	\$ 8,157,137
Public Works/HURF Fund	870,070	-	-	-	-	72,996	943,066
Jail District Fund	824,878	-	-	-	-	51,535	876,413
Public Health Services District Fund	1,397,255	-	-	-	-	-	1,397,255
Flood Control District Fund	76,255	-	-	-	-	-	76,255
Parks and Open Spaces Tax Fund	38,629	-	-	-	-	-	38,629
Nonmajor Governmental Funds	600,297	1,580,077	-	-	-	732,030	2,912,404
Internal Service Fund	53,534	-	-	-	-	-	53,534
Total	\$ 3,860,918	\$ 1,605,077	\$ 2,457,240	\$ 4,583,892	\$ 400	\$ 1,947,166	\$ 14,454,693

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

Coconino County
Notes to Financial Statements
June 30, 2013

Advances From/To Other Funds

Advances from/to other funds represent monies owed from various County Road Improvement Districts (nonmajor governmental funds) to the Forest Fee Revolving Fund (nonmajor governmental fund) for bonds issued by the Road Districts to fund road improvements. The outstanding amount of these advances as of June 30, 2013 was \$89,953. The County Road Improvement Districts are paying interest on the advances. The interest rates range from 2.470% to 4.030%.

The General Fund has advanced \$435,320 to the Toho Tolani Improvement District to assist with attorney fees, \$6,742 to cover debt service payments and \$1 million to the Flood Control District to provide cash to cover expenditures made for the catastrophic flooding. The Forest Fees Fund has advanced funds to the Toho Tolani Improvement District to assist with attorney fees.

The \$1 million advance to the Flood Control District is expected to be paid back in fiscal years 2016 through 2018. The advances to Toho Tolani are expected to be awarded by the Arizona Court of Appeals in fiscal 2014.

Advances To	Advances from			Total
	Forest Fees Revolving Fund	General Fund	Forest Fees Fund	
Kiowa Commanche	\$ 26,974	\$ -	\$ -	\$ 26,974
Lupine	22,332	2,100	-	24,432
Oakwood Pines	-	1,783	-	1,783
Pawnee	18,494	-	-	18,494
Pinon Improvement	8,912	2,859	-	11,771
Shoshone	4,808	-	-	4,808
Tonowanda	8,433	-	-	8,433
Flood Control	-	1,000,000	-	1,000,000
Toho Tolani	-	435,320	50,000	485,320
Total Advances From	\$ 89,953	\$ 1,442,062	\$ 50,000	\$ 1,582,015

Coconino County
Notes to Financial Statements
June 30, 2013

Note 10– County Treasurer’s Investment Pool

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

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

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

Substantially all deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$1,084,998 of deposits, \$474,979 of investments in mutual funds-debt, \$10,437,703 in the State Treasurer’s Investment Pool, and \$127,579 of investments in equities; therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 2 for the disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow.

Investment Type	Principal	Rates	Maturities	Amount
U.S. agency securities	126,758,866	0.000-3.050%	9/15/2013-6/27/2018	\$ 124,600,979
Municipal bonds	7,197,755	0.000-5.020%	7/12/2013-12/1/2017	7,144,303
Corporate securities	35,640,323	0.744-5.000%	7/15/2013-5/3/2018	34,991,826

Coconino County
Notes to Financial Statements
June 30, 2013

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

Statement of Net Position

Assets	\$ 192,871,492
Net position	<u>\$ 192,871,492</u>

Net position held in trust for:

Internal participants	\$ 88,148,155
External participants	104,723,337
Total net position held in trust	<u>\$ 192,871,492</u>

Statement of Changes in Net Position

Total additions	\$ 631,925,114
Total deletions	613,692,381
Net increase	18,232,733
Net position held in trust	
July 1, 2012	174,638,759
June 30, 2013	<u>\$ 192,871,492</u>

Note 11 – Maintenance of Efforts

Coconino County is required to maintain statutory levels of support for the Coconino County Jail District and the Coconino County Public Health Services District. In accordance with A.R.S. Section 48-4024, Coconino County is required to make annual maintenance of effort payments (MOE) to the Coconino County Jail District, a special revenue fund type. The payments will be made through fiscal year 2027, and are determined by first establishing a base expenditure which was used as the initial fiscal year 1998 MOE payment. Subsequent payments are determined by adjusting the base expenditure by the annual change in the gross domestic product price deflator, obtained from the State of Arizona Economic Estimates Commission. These payments are recorded by the jail district as transfers. The MOE payment for fiscal year 2013 was \$2,457,240. 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 2013 was \$4,583,892.

Note 12 – Loss Contingency

Loss contingencies that are assessed to be at least reasonably possible are disclosed in this note. Loss contingencies involve situations where there is an uncertainty of a possible loss. The reporting of loss contingencies depends on the likelihood that a future event or events will confirm the loss or impairment of an asset or the incurrence of a liability. Terms used to assess the range for the likelihood of loss are probable, reasonably possible, and remote. Loss contingencies that are assessed as probable and measurable are accrued in the financial statements. Loss contingencies that are assessed as remote are not reported in the financial statements, nor disclosed in the notes. All other material loss contingencies are disclosed in this note.

There is an administrative claim and legal action pending where an adverse decision is considered by management and legal counsel as “probable” but where an estimated potential loss cannot be determined.

The Department of Justice (DOJ) has audited the Southwest Border Prosecution Initiative (SWBPI) grant reimbursements made to Coconino County. The claim is based on the interpretation as to which cases are considered federally-initiated cases.

As of June 30, 2013, and to date, the claimed SWBPI grant reimbursement is a contingent charge against Coconino County and the likelihood of the federal government’s success on the merits is “probable”. It should be noted that SWBPI audits of other jurisdictions have a varied settlement history and the DOJ has verbally suggested to Coconino County that a settlement offer from Coconino County, though not made, would be considered. Therefore, although the federal government’s success on the merits is “probable”, an accurate estimate of the final amount is difficult to determine.

REQUIRED SUPPLEMENTARY INFORMATION

Coconino County
 Required Supplementary Information
 Schedule of Agent Retirement Plan's and Coconino County
 Postemployment Healthcare Plan's Funding Progress
 June 30, 2013

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
Public Safety Personnel Retirement System							
Pension	6/30/2013	11,083,591	32,979,729	(21,896,138)	33.6%	\$ 2,805,923	780.4%
	6/30/2012	11,595,499	32,936,516	(21,341,017)	35.2%	2,598,786	821.2%
	6/30/2011	12,134,096	29,578,824	(17,444,728)	41.0%	2,430,243	717.8%
Health Insurance	6/30/2013		830,335	(830,335)		2,805,923	29.59%
	6/30/2012		863,222	(863,222)		2,598,786	33.22%
	6/30/2011		822,910	(822,910)		2,430,243	33.86%
Coconino County Postemployment Healthcare Plan							
Insurance	7/1/2013	-	8,472,061	(8,472,061)	0.0%	49,547,980	17.10%
	7/1/2011	-	9,911,098	(9,911,098)	0.0%	48,579,979	20.40%
	7/1/2009	-	7,887,569	(7,887,569)	0.0%	51,641,941	15.27%

Note 1: Actuarial Information Available

New actuarial measurements are required by GASB Statement 45 to be made biennially for the Coconino County Postemployment Healthcare Plan.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 8,585,781	\$ 8,585,781	\$ 8,768,956	\$ 183,175
Other taxes	11,916,000	11,916,000	11,830,598	(85,402)
Licenses and permits	892,500	892,500	674,468	(218,032)
Fees, fines, and forfeits	1,110,850	1,110,850	1,125,686	14,836
Intergovernmental	22,858,098	22,901,302	24,607,064	1,705,762
Charges for services	1,354,463	1,354,463	1,749,253	394,790
Investment earnings	263,851	263,851	(132,118)	(395,969)
Contributions	130,150	130,150	249,799	119,649
Miscellaneous	104,810	104,810	204,636	99,826
Total revenues	47,216,503	47,259,707	49,078,342	1,818,635
Expenditures:				
General government				
Assessor	1,687,817	1,721,706	1,668,161	53,545
Board of Supervisors	1,082,060	1,090,055	1,133,350	(43,295)
Clerk of the Superior Court	1,095,567	1,095,567	1,089,377	6,190
Community Development	1,463,868	1,477,868	1,287,778	190,090
Community Initiatives	318,913	344,545	144,284	200,261
County Attorney	2,848,895	2,848,895	2,862,278	(13,383)
County Manager	1,144,247	1,144,247	1,042,687	101,560
Facilities	3,725,545	3,840,321	2,792,551	1,047,770
Finance/Budget	1,548,318	1,548,975	1,452,912	96,063
Flagstaff Justice Court	1,236,570	1,236,570	1,130,696	105,874
Fredonia Justice Court	156,426	156,426	160,841	(4,415)
Human Resources	1,328,835	1,379,236	1,197,407	181,829
Information Technology	2,540,355	2,540,232	2,258,127	282,105
Legal Defender	794,051	794,051	820,590	(26,539)
Non-departmental	22,061,460	22,067,238	1,099,776	20,967,462
Page Justice Court	328,538	328,538	345,954	(17,416)
Public Defender	2,187,722	2,187,722	2,120,670	67,052
Recorder	1,756,360	1,756,360	1,768,916	(12,556)
Superior Courts	2,845,976	2,845,976	2,921,523	(75,547)
Treasurer	606,196	606,196	582,015	24,181
Williams Justice Court	325,609	325,609	318,867	6,742
Total general government	51,083,328	51,336,333	28,198,760	23,137,573

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	1,432,642	1,432,642	1,424,208	8,434
Constable	87,145	87,145	96,440	(9,295)
Juvenile Probation	2,579,298	2,579,298	2,555,109	24,189
Sheriff	7,975,741	8,084,651	8,451,038	(366,387)
Total public safety	<u>12,074,826</u>	<u>12,183,736</u>	<u>12,526,795</u>	<u>(343,059)</u>
Highways and streets				
Information Technology	592,688	592,688	457,151	135,537
Welfare				
Community Services	1,020,074	1,020,074	895,900	124,174
Culture and recreation				
Parks and Recreation	1,421,703	1,421,703	1,479,891	(58,188)
Education				
School Superintendent	465,680	465,680	462,350	3,330
Total expenditures	<u>66,658,299</u>	<u>67,020,214</u>	<u>44,020,847</u>	<u>22,999,367</u>
Excess (deficiency) of revenues over expenditures	(19,441,796)	(19,760,507)	5,057,495	24,818,002
Other financing sources (uses):				
Sale of capital assets			4,625	4,625
Transfers in	3,807,063	3,890,350	3,860,918	(29,432)
Transfers out	(9,369,041)	(9,792,864)	(8,157,137)	1,635,727
Total other financing sources and (uses)	<u>(5,561,978)</u>	<u>(5,902,514)</u>	<u>(4,291,594)</u>	<u>1,610,920</u>
Net change in fund balances	(25,003,774)	(25,663,021)	765,901	26,428,922
Fund balance, July 1, 2012	25,659,329	25,659,329	29,960,389	4,301,060
Fund balance, June 30, 2013	<u>\$ 655,555</u>	<u>\$ (3,692)</u>	<u>\$ 30,726,290</u>	<u>\$ 30,729,982</u>

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	8,500	8,500	12,885	4,385
Intergovernmental	11,468,060	11,468,060	10,394,996	(1,073,064)
Charges for services	15,025	15,025	12,145	(2,880)
Investment earnings	180,000	180,000	(68,707)	(248,707)
Miscellaneous			18,764	18,764
Total revenues	<u>11,671,585</u>	<u>11,671,585</u>	<u>10,370,083</u>	<u>(1,301,502)</u>
Expenditures:				
Highways and streets				
Public Works	<u>21,705,450</u>	<u>21,705,450</u>	<u>12,787,343</u>	<u>8,918,107</u>
Total expenditures	<u>21,705,450</u>	<u>21,705,450</u>	<u>12,787,343</u>	<u>8,918,107</u>
Excess (deficiency) of revenues over expenditures	(10,033,865)	(10,033,865)	(2,417,260)	7,616,605
Other financing sources (uses):				
Sale of capital assets			11,992	11,992
Transfers in	3,020,000	3,020,000	1,605,077	(1,414,923)
Transfers out	(949,773)	(949,773)	(943,066)	6,707
Total other financing sources (uses)	<u>2,070,227</u>	<u>2,070,227</u>	<u>674,003</u>	<u>(1,396,224)</u>
Net changes in fund balances	(7,963,638)	(7,963,638)	(1,743,257)	6,220,381
Fund balance, July 1, 2012	20,105,029	20,105,029	20,241,628	136,599
Fund balance, June 30, 2013	<u>\$ 12,141,391</u>	<u>\$ 12,141,391</u>	<u>\$ 18,498,371</u>	<u>\$ 6,356,980</u>

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Other taxes	\$ 11,862,999	\$ 11,862,999	\$ 11,699,874	\$ (163,125)
Intergovernmental	20,000	20,000	6,936	(13,064)
Charges for services	1,883,983	1,883,983	1,425,757	(458,226)
Investment earnings	193,057	193,057	(57,986)	(251,043)
Miscellaneous	-	-	2,894	2,894
Total revenues	<u>13,960,039</u>	<u>13,960,039</u>	<u>13,077,475</u>	<u>(882,564)</u>
Expenditures:				
Public safety				
Sheriff	13,826,157	13,898,793	12,078,544	1,820,249
Debt service:				
Interest and other charges	-	-	1,500	(1,500)
Total expenditures	<u>13,826,157</u>	<u>13,898,793</u>	<u>12,080,044</u>	<u>1,818,749</u>
Excess (deficiency) of revenues over expenditures	133,882	61,246	997,431	936,185
Other financing sources (uses):				
Transfers in	2,455,695	2,455,695	2,457,240	1,545
Transfers out	(881,695)	(911,129)	(876,413)	34,716
Total other financing sources (uses)	<u>1,574,000</u>	<u>1,544,566</u>	<u>1,580,827</u>	<u>36,261</u>
Net changes in fund balances	1,707,882	1,605,812	2,578,258	972,446
Fund balance, July 1, 2012	<u>11,131,578</u>	<u>11,131,578</u>	<u>10,899,156</u>	<u>(232,422)</u>
Fund balance, June 30, 2013	<u><u>\$ 12,839,460</u></u>	<u><u>\$ 12,737,390</u></u>	<u><u>\$ 13,477,414</u></u>	<u><u>\$ 740,024</u></u>

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Services District Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,399,025	\$ 4,399,025	\$ 4,407,951	\$ 8,926
Other taxes			2,093	2,093
Licenses and permits	687,946	687,946	729,585	41,639
Fees, fines, and forfeits			26	26
Intergovernmental	3,763,127	4,294,385	3,782,116	(512,269)
Charges for services	518,700	518,700	552,135	33,435
Investment earnings	24,046	23,480	(7,867)	(31,347)
Contributions	31,264	43,815	131,096	87,281
Miscellaneous	1,516	970	4,785	3,815
Total revenues	9,425,624	9,968,321	9,601,920	(366,401)
Expenditures:				
Public safety				
Medical Examiner	571,918	571,918	740,074	(168,156)
Health				
Health Department	11,726,074	12,854,526	12,036,240	818,286
Welfare				
Community Services	161,417	161,417	151,225	10,192
Education				
Total expenditures	12,459,409	13,587,861	12,927,539	660,322
Excess (deficiency) of revenues over expenditures	(3,033,785)	(3,619,540)	(3,325,619)	293,921
Other financing sources (uses):				
Transfers in	4,038,348	4,621,175	4,583,892	(37,283)
Transfers out	(1,411,755)	(1,411,755)	(1,397,255)	14,500
Total other financing sources and (uses)	2,626,593	3,209,420	3,186,637	(22,783)
Net change in fund balances	(407,192)	(410,120)	(138,982)	271,138
Fund balance, July 1, 2012	2,056,377	2,056,377	2,079,956	23,579
Fund balance, June 30, 2013	\$ 1,649,185	\$ 1,646,257	\$ 1,940,974	\$ 294,717

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Flood Control District Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 2,977,549	\$ 2,977,549	\$ 2,966,931	\$ (10,618)
Licenses and permits	8,000	8,000	11,500	3,500
Intergovernmental	12,355,617	12,575,617	4,696,442	(7,879,175)
Charges for services	1,950	1,950		(1,950)
Investment earnings	40,000	40,000	(18,067)	(58,067)
Contributions	10,914	10,914	10,997	83
Total revenues	<u>15,394,030</u>	<u>15,614,030</u>	<u>7,667,803</u>	<u>(7,946,227)</u>
Expenditures:				
Public Safety				
Flood Control	<u>17,092,151</u>	<u>17,312,151</u>	<u>7,730,708</u>	<u>9,581,443</u>
Total expenditures	<u>17,092,151</u>	<u>17,312,151</u>	<u>7,730,708</u>	<u>9,581,443</u>
Excess (deficiency) of revenues over expenditures	(1,698,121)	(1,698,121)	(62,905)	1,635,216
Other financing sources (uses):				
Transfers out	<u>(1,471,255)</u>	<u>(1,471,255)</u>	<u>(76,255)</u>	<u>1,395,000</u>
Total other financing sources (uses)	<u>(1,471,255)</u>	<u>(1,471,255)</u>	<u>(76,255)</u>	<u>1,395,000</u>
Net changes in fund balances	(3,169,376)	(3,169,376)	(139,160)	3,030,216
Fund balance, July 1, 2012	<u>3,176,277</u>	<u>3,176,277</u>	<u>1,915,963</u>	<u>(1,260,314)</u>
Fund balance, June 30, 2013	<u>\$ 6,901</u>	<u>\$ 6,901</u>	<u>\$ 1,776,803</u>	<u>\$ 1,769,902</u>

The notes to the budgetary comparison schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2013

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, 2013, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Sheriff	\$ 366,387
Superior Courts	75,547
Parks and Recreation	58,188
Board of Supervisors	43,295
Legal Defender	26,539
Page Justice Court	17,416
County Attorney	13,383
Recorder	12,556
Constable	9,295
Fredonia Justice Court	4,415
Public Health Services District Fund	
Medical Examiner	168,156

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.

THIS PAGE INTENTIONALLY LEFT BLANK

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2013

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2013
(Continued)

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

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

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

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

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

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

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

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

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

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

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

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, 2013
(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.

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 720,202	\$ 27,555	\$ -	\$ 445,126
Investments	-	-	-	-
Cash and investments held by trustee	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	1,078	-	97	-
Special assessments	-	-	-	-
Accrued interest	1,347	1	4	771
Advances to other funds	-	-	-	-
Due from:				
Other funds	32,905	-	1,450	5,991
Other governments	-	-	329,453	-
Prepaid items	-	-	3,993	738
Total assets	<u>\$ 755,532</u>	<u>\$ 27,556</u>	<u>\$ 334,997</u>	<u>\$ 452,626</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 15,769	\$ -	\$ 83,141	\$ 375
Accrued payroll and employee benefits	48,706	-	13,642	2,170
Advances from other funds	-	-	-	-
Due to:				
Other funds	8,085	-	229,750	-
Other governments	22,286	-	-	-
Deposits held for others	-	-	-	-
Deferred revenue	-	-	600	-
Total liabilities	<u>94,846</u>	<u>-</u>	<u>327,133</u>	<u>2,545</u>
Fund balances:				
Nonspendable	-	-	3,993	738
Restricted	660,686	27,556	3,871	449,343
Total fund balances	<u>660,686</u>	<u>27,556</u>	<u>7,864</u>	<u>450,081</u>
Total liabilities and fund balances	<u>\$ 755,532</u>	<u>\$ 27,556</u>	<u>\$ 334,997</u>	<u>\$ 452,626</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Assets				
Cash and cash equivalents	\$ -	\$ 95,545	\$ 688,877	\$ 1,220,352
Investments	-	-	418,056	-
Cash and investments held by trustee	-	-	24,429	-
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	331,139	-	-	117,087
Special assessments	-	-	-	-
Accrued interest	242	163	1,514	2,000
Advances to other funds	-	-	-	-
Due from:				
Other funds	627,369	-	151,271	22,393
Other governments	509,271	1,850	55,588	-
Prepaid items	393	-	300	-
Total assets	<u>\$ 1,468,414</u>	<u>\$ 97,558</u>	<u>\$ 1,340,035</u>	<u>\$ 1,361,832</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 71,863	\$ 3,088	\$ 5,091	\$ 56,410
Accrued payroll and employee benefits	53,725	654	14,408	8,473
Advances from other funds	-	-	-	-
Due to:				
Other funds	722,711	-	106,416	6,648
Other governments	-	-	-	-
Deposits held for others	15,424	-	-	22,820
Deferred revenue	-	-	-	-
Total liabilities	<u>863,723</u>	<u>3,742</u>	<u>125,915</u>	<u>94,351</u>
Fund balances:				
Nonspendable	393	-	300	-
Restricted	604,298	93,816	1,213,820	1,267,481
Total fund balances	<u>604,691</u>	<u>93,816</u>	<u>1,214,120</u>	<u>1,267,481</u>
Total liabilities and fund balances	<u>\$ 1,468,414</u>	<u>\$ 97,558</u>	<u>\$ 1,340,035</u>	<u>\$ 1,361,832</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

Special Revenue

	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Assets				
Cash and cash equivalents	\$ 251,556	\$ -	\$ 254,260	\$ 687,331
Investments	-	-	-	-
Cash and investments held by trustee	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Property taxes	140,030	-	-	-
Accounts	-	-	20,679	-
Special assessments	-	-	-	-
Accrued interest	421	-	284	1,186
Advances to other funds	-	-	-	-
Due from:				
Other funds	-	140,222	58	-
Other governments	-	29,625	-	22,745
Prepaid items	-	-	-	6,869
Total assets	<u>\$ 392,007</u>	<u>\$ 169,847</u>	<u>\$ 275,281</u>	<u>\$ 718,131</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 1,031	\$ 15,813	\$ 33,783
Accrued payroll and employee benefits	-	3,147	2,396	-
Advances from other funds	-	-	-	-
Due to:				
Other funds	-	114,232	531	240
Other governments	92,681	-	-	-
Deposits held for others	-	-	-	-
Deferred revenue	106,260	-	-	-
Total liabilities	<u>198,941</u>	<u>118,410</u>	<u>18,740</u>	<u>34,023</u>
Fund balances:				
Nonspendable	-	-	-	6,869
Restricted	193,066	51,437	256,541	677,239
Total fund balances	<u>193,066</u>	<u>51,437</u>	<u>256,541</u>	<u>684,108</u>
Total liabilities and fund balances	<u>\$ 392,007</u>	<u>\$ 169,847</u>	<u>\$ 275,281</u>	<u>\$ 718,131</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
Assets				
Cash and cash equivalents	\$ 734,832	\$ 853,817	\$ 9,493	\$ 4,420,893
Investments	-	-	-	-
Cash and investments held by trustee	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	1,207			
Special assessments	-	-	-	-
Accrued interest	1,212	1,710	17	7,795
Advances to other funds	-	-	-	139,953
Due from:				
Other funds		7,215	5,253	162,746
Other governments	12,694	48,636	397	-
Prepaid items	322	750	-	-
Total assets	\$ 750,267	\$ 912,128	\$ 15,160	\$ 4,731,387
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 11,288	\$ 19,211	\$ 2,735	\$ 1
Accrued payroll and employee benefits	3,279	36,084		
Advances from other funds	-	-	-	-
Due to:				
Other funds	260,584	14,452	5,604	192,541
Other governments		48,652		
Deposits held for others	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	275,151	118,399	8,339	192,542
Fund balances:				
Nonspendable	322	750	-	-
Restricted	474,794	792,979	6,821	4,538,845
Total fund balances	475,116	793,729	6,821	4,538,845
Total liabilities and fund balances	\$ 750,267	\$ 912,128	\$ 15,160	\$ 4,731,387

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Assets				
Cash and cash equivalents	\$ 474,348	\$ 86,484	\$ 327,781	\$ 813,931
Investments	-	-	-	-
Cash and investments held by trustee	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	2,962	11	-	3,230
Special assessments	-	-	-	-
Accrued interest	793	151	594	2,623
Advances to other funds	-	-	-	-
Due from:				
Other funds	-	47,334	-	130
Other governments	-	3,600	-	602,783
Prepaid items	125	-	1,431	21,000
Total assets	\$ 478,228	\$ 137,580	\$ 329,806	\$ 1,443,697
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 7,766	\$ 9,178	\$ 711	\$ 252,789
Accrued payroll and employee benefits	2,905	-	-	6,174
Advances from other funds	-	-	-	-
Due to:				
Other funds	7,231	47,281	-	-
Other governments	-	-	-	4,720
Deposits held for others	-	-	-	-
Deferred revenue	6,700	-	-	-
Total liabilities	24,602	56,459	711	263,683
Fund balances:				
Nonspendable	125	-	1,431	21,000
Restricted	453,501	81,121	327,664	1,159,014
Total fund balances	453,626	81,121	329,095	1,180,014
Total liabilities and fund balances	\$ 478,228	\$ 137,580	\$ 329,806	\$ 1,443,697

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

Special Revenue

	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
Assets				
Cash and cash equivalents	\$ 249,605	\$ -	\$ 394,098	\$ 80,699
Investments	-	-	-	-
Cash and investments held by trustee	-	-	-	-
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	-
Accounts	300	120	1,056	-
Special assessments	-	-	-	-
Accrued interest	426	-	806	137
Advances to other funds	-	-	-	-
Due from:				
Other funds	54,486	337,179	304,852	-
Other governments	94,151	85,487	7,376	-
Prepaid items	-	-	322	-
Total assets	<u>\$ 398,968</u>	<u>\$ 422,786</u>	<u>\$ 708,510</u>	<u>\$ 80,836</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 10,198	\$ 83,057	\$ 28,586	\$ 4,637
Accrued payroll and employee benefits	12,278	10,072	8,290	-
Advances from other funds	-	-	-	-
Due to:				
Other funds	3,453	329,642	29,613	-
Other governments	-	-	-	-
Deposits held for others	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>25,929</u>	<u>422,771</u>	<u>66,489</u>	<u>4,637</u>
Fund balances:				
Nonspendable	-	-	322	-
Restricted	373,039	15	641,699	76,199
Total fund balances	<u>373,039</u>	<u>15</u>	<u>642,021</u>	<u>76,199</u>
Total liabilities and fund balances	<u>\$ 398,968</u>	<u>\$ 422,786</u>	<u>\$ 708,510</u>	<u>\$ 80,836</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue	Debt Service
	Other Special	County
	Revenue Funds	Improvement
		Districts-Debt
		Service
Assets		
Cash and cash equivalents	\$ -	\$ 552,292
Investments	-	-
Cash and investments held by trustee	-	-
Receivables (net of allowances for uncollectibles):		
Property taxes	-	-
Accounts		
Special assessments	-	508,070
Accrued interest		1,706
Advances to other funds	-	-
Due from:		
Other funds	97,487	1,100
Other governments	-	-
Prepaid items	-	-
Total assets	\$ 97,487	\$ 1,063,168
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 568	\$ 3
Accrued payroll and employee benefits	1,971	
Advances from other funds	-	96,695
Due to:		
Other funds	94,937	
Other governments		
Deposits held for others	-	-
Deferred revenue	-	499,982
Total liabilities	97,476	596,680
Fund balances:		
Nonspendable	-	-
Restricted	11	466,488
Total fund balances	11	466,488
Total liabilities and fund balances	\$ 97,487	\$ 1,063,168

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Capital Projects			Total Nonmajor Governmental Funds
	Accommodation School	County Improvement Districts-Capital Projects	Other Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ 53,234	\$ 602,949	\$ 49,263	\$ 14,094,523
Investments	-	72,889	71,762	562,707
Cash and investments held by trustee	-	-	-	24,429
Receivables (net of allowances for uncollectibles):				
Property taxes	-	-	-	140,030
Accounts	-	-	-	478,966
Special assessments	-	-	-	508,070
Accrued interest	93	1,337	33	27,366
Advances to other funds	-	-	-	139,953
Due from:				
Other funds	-	-	1,758	2,001,199
Other governments	4,250	-	-	1,807,906
Prepaid items	-	-	-	36,243
Total assets	<u>\$ 57,577</u>	<u>\$ 677,175</u>	<u>\$ 122,816</u>	<u>\$ 19,821,392</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 3	\$ 4,995	\$ 722,090
Accrued payroll and employee benefits	-	-	-	228,374
Advances from other funds	-	485,320	-	582,015
Due to:				
Other funds	-	-	-	2,173,951
Other governments	-	-	-	168,339
Deposits held for others	-	-	-	38,244
Deferred revenue	-	-	-	613,542
Total liabilities	<u>-</u>	<u>485,323</u>	<u>4,995</u>	<u>4,526,555</u>
Fund balances:				
Nonspendable	-	-	-	36,243
Restricted	57,577	191,852	117,821	15,258,594
Total fund balances	<u>57,577</u>	<u>191,852</u>	<u>117,821</u>	<u>15,294,837</u>
Total liabilities and fund balances	<u>\$ 57,577</u>	<u>\$ 677,175</u>	<u>\$ 122,816</u>	<u>\$ 19,821,392</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	-	62,700
Intergovernmental	2,008,260	-	1,062,710	-
Charges for services	569,257	-	900	55,380
Investment earnings	(3,518)	-	(59)	(1,850)
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,573,999</u>	<u>-</u>	<u>1,063,551</u>	<u>116,230</u>
Expenditures:				
Current:				
General government	-	22,159	-	125,663
Public safety	2,717,447	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	1,084,160	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>2,717,447</u>	<u>22,159</u>	<u>1,084,160</u>	<u>125,663</u>
Excess (deficiency) of revenues over expenditures	<u>(143,448)</u>	<u>(22,159)</u>	<u>(20,609)</u>	<u>(9,433)</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	25,809	-	1,450	5,991
Transfers out	(429)	-	-	-
Total other financing sources and (uses)	<u>25,380</u>	<u>-</u>	<u>1,450</u>	<u>5,991</u>
Net changes in fund balances	(118,068)	(22,159)	(19,159)	(3,442)
Fund balances, July 1, 2012	778,754	49,715	27,023	453,523
Fund balances, June 30, 2013	<u>\$ 660,686</u>	<u>\$ 27,556</u>	<u>\$ 7,864</u>	<u>\$ 450,081</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	15,600
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	226,639	-
Intergovernmental	2,148,601	8,174	449,469	-
Charges for services	1,402,435	44,733	47,629	1,199,492
Investment earnings	(498)	(362)	(6,175)	(4,780)
Contributions	147,423	-	-	-
Miscellaneous	-	-	86,971	34,985
Total revenues	<u>3,697,961</u>	<u>52,545</u>	<u>804,533</u>	<u>1,245,297</u>
Expenditures:				
Current:				
General government	20,208	79,921	1,372,149	-
Public safety	-	-	-	-
Highways and streets	-	-	-	7,271
Sanitation	-	-	-	1,030,034
Health	-	-	-	-
Welfare	4,333,347	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>4,353,555</u>	<u>79,921</u>	<u>1,372,149</u>	<u>1,037,305</u>
Excess (deficiency) of revenues over expenditures	<u>(655,594)</u>	<u>(27,376)</u>	<u>(567,616)</u>	<u>207,992</u>
Other financing sources (uses):				
Sale of capital assets	-	-	3,150	-
Transfers in	594,370	-	101,010	-
Transfers out	(99,517)	-	(190,561)	(55,447)
Total other financing sources and (uses)	<u>494,853</u>	<u>-</u>	<u>(86,401)</u>	<u>(55,447)</u>
Net changes in fund balances	(160,741)	(27,376)	(654,017)	152,545
Fund balances, July 1, 2012	765,432	121,192	1,868,137	1,114,936
Fund balances, June 30, 2013	<u>\$ 604,691</u>	<u>\$ 93,816</u>	<u>\$ 1,214,120</u>	<u>\$ 1,267,481</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Revenues:				
Property taxes	\$ 4,175,760	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	-	-
Intergovernmental		76,103		234,524
Charges for services			92,147	
Investment earnings	3,246	2	(532)	(2,994)
Contributions	79,534	-	-	-
Miscellaneous	-	-	182,357	-
Total revenues	<u>4,258,540</u>	<u>76,105</u>	<u>273,972</u>	<u>231,530</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety		221,966	216,507	170,316
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	4,170,337	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>4,170,337</u>	<u>221,966</u>	<u>216,507</u>	<u>170,316</u>
Excess (deficiency) of revenues over expenditures	<u>88,203</u>	<u>(145,861)</u>	<u>57,465</u>	<u>61,214</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	427
Transfers in		144,531		
Transfers out	(89,153)			
Total other financing sources and (uses)	<u>(89,153)</u>	<u>144,531</u>		<u>427</u>
Net changes in fund balances	(950)	(1,330)	57,465	61,641
Fund balances, July 1, 2012	194,016	52,767	199,076	622,467
Fund balances, June 30, 2013	<u>\$ 193,066</u>	<u>\$ 51,437</u>	<u>\$ 256,541</u>	<u>\$ 684,108</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	19,225	-	-	-
Intergovernmental	32,866	2,128,950	1,791	3,203,648
Charges for services	425,777	106,869	-	-
Investment earnings	(3,296)	(4,612)	(21)	(7,896)
Contributions	-	-	-	-
Miscellaneous	-	798	-	-
Total revenues	474,572	2,232,005	1,770	3,195,752
Expenditures:				
Current:				
General government	268,144	-	3,432	-
Public safety	-	2,255,921	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	1,383,175
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	268,144	2,255,921	3,432	1,383,175
Excess (deficiency) of revenues over expenditures	206,428	(23,916)	(1,662)	1,812,577
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	5,294	5,253	-
Transfers out	(261,709)	-	(5,604)	(1,929,543)
Total other financing sources and (uses)	(261,709)	5,294	(351)	(1,929,543)
Net changes in fund balances	(55,281)	(18,622)	(2,013)	(116,966)
Fund balances, July 1, 2012	530,397	812,351	8,834	4,655,811
Fund balances, June 30, 2013	\$ 475,116	\$ 793,729	\$ 6,821	\$ 4,538,845

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 33
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	-	-
Intergovernmental	141,462	16,239	115,583	4,149,655
Charges for services	438,351		141,142	112,898
Investment earnings	(2,118)	(352)	(1,433)	(8,354)
Contributions	-	-	-	49,611
Miscellaneous	13,596	-	-	58,400
Total revenues	<u>591,291</u>	<u>15,887</u>	<u>255,292</u>	<u>4,362,243</u>
Expenditures:				
Current:				
General government	-	28,686	78,688	-
Public safety				
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	472,575	-	-	-
Education	-	-	-	3,938,119
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>472,575</u>	<u>28,686</u>	<u>78,688</u>	<u>3,938,119</u>
Excess (deficiency) of revenues over expenditures	<u>118,716</u>	<u>(12,799)</u>	<u>176,604</u>	<u>424,124</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	17,016	47,281		
Transfers out	(123,166)	(47,281)	(49,344)	
Total other financing sources and (uses)	<u>(106,150)</u>		<u>(49,344)</u>	
Net changes in fund balances	12,566	(12,799)	127,260	424,124
Fund balances, July 1, 2012	441,060	93,920	201,835	755,890
Fund balances, June 30, 2013	<u>\$ 453,626</u>	<u>\$ 81,121</u>	<u>\$ 329,095</u>	<u>\$ 1,180,014</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	-	-
Intergovernmental	508,058	388,075	172,647	
Charges for services	66,543	116,284	170,696	18,591
Investment earnings	(1,304)	301	(1,673)	(438)
Contributions	3,260	-	3,000	-
Miscellaneous	-	-	1,486	-
Total revenues	<u>576,557</u>	<u>504,660</u>	<u>346,156</u>	<u>18,153</u>
Expenditures:				
Current:				
General government	-	-	791,279	7,522
Public safety	715,012			
Highways and streets	-	-	-	-
Sanitation	-	790,448	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>715,012</u>	<u>790,448</u>	<u>791,279</u>	<u>7,522</u>
Excess (deficiency) of revenues over expenditures	<u>(138,455)</u>	<u>(285,788)</u>	<u>(445,123)</u>	<u>10,631</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	196,858	334,844	368,214	
Transfers out	-	(54,659)	(5,991)	
Total other financing sources and (uses)	<u>196,858</u>	<u>280,185</u>	<u>362,223</u>	
Net changes in fund balances	58,403	(5,603)	(82,900)	10,631
Fund balances, July 1, 2012	314,636	5,618	724,921	65,568
Fund balances, June 30, 2013	<u>\$ 373,039</u>	<u>\$ 15</u>	<u>\$ 642,021</u>	<u>\$ 76,199</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue	Debt Service
	Other Special Revenue Funds	County Improvement Districts-Debt Service
Revenues:		
Property taxes	\$ -	\$ 613
Other taxes	-	-
Special assessments	-	438,623
Licenses and permits	-	-
Fees, fines, and forfeits	-	-
Intergovernmental		
Charges for services	16,288	
Investment earnings		(6,976)
Contributions	-	-
Miscellaneous	-	-
Total revenues	16,288	432,260
Expenditures:		
Current:		
General government	53,022	-
Public safety		
Highways and streets	60,750	-
Sanitation	-	-
Health	-	-
Welfare	-	-
Culture and recreation	-	-
Education	-	-
Capital outlay	-	-
Debt service:		
Principal	-	396,669
Interest and other charges	-	68,223
Total expenditures	113,772	464,892
Excess (deficiency) of revenues over expenditures	(97,484)	(32,632)
Other financing sources (uses):		
Sale of capital assets	-	-
Transfers in	97,487	
Transfers out		
Total other financing sources and (uses)	97,487	
Net changes in fund balances	3	(32,632)
Fund balances, July 1, 2012	8	499,120
Fund balances, June 30, 2013	\$ 11	\$ 466,488

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2013

	Capital Projects			Total Nonmajor Governmental Funds
	County Accommodation School	County Improvement Districts-Capital Projects	County Other Capital Projects Funds	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 4,176,406
Other taxes	-	-	-	-
Special assessments	-	-	-	454,223
Licenses and permits	-	-	-	-
Fees, fines, and forfeits	-	-	-	308,564
Intergovernmental	53,729			16,900,544
Charges for services				5,025,412
Investment earnings	(124)	(3,872)	34,255	(25,433)
Contributions	-	-	-	282,828
Miscellaneous	-	-	-	378,593
Total revenues	53,605	(3,872)	34,255	27,501,137
Expenditures:				
Current:				
General government	-	-	-	2,850,873
Public safety	-	-	-	6,297,169
Highways and streets	-	-	-	68,021
Sanitation	-	-	-	1,820,482
Health	-	-	-	-
Welfare	-	-	-	5,417,507
Culture and recreation	-	-	-	4,642,912
Education	-	-	-	5,321,294
Capital outlay	62,000	-	7,366	69,366
Debt service:				
Principal	-	-	-	396,669
Interest and other charges	-	-	-	68,223
Total expenditures	62,000	-	7,366	26,952,516
Excess (deficiency) of revenues over expenditures	(8,395)	(3,872)	26,889	548,621
Other financing sources (uses):				
Sale of capital assets	-	-	-	3,577
Transfers in	-	-	1,758	1,947,166
Transfers out	-	-	-	(2,912,404)
Total other financing sources and (uses)	-	-	1,758	(961,661)
Net changes in fund balances	(8,395)	(3,872)	28,647	(413,040)
Fund balances, July 1, 2012	65,972	195,724	89,174	15,707,877
Fund balances, June 30, 2013	\$ 57,577	\$ 191,852	\$ 117,821	\$ 15,294,837

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,848,677	\$ 2,030,546	\$ 2,008,260	\$ (22,286)
Charges for services	614,700	614,700	569,257	(45,443)
Investment earnings	18,100	18,100	(3,518)	(21,618)
Total revenues	<u>2,481,477</u>	<u>2,663,346</u>	<u>2,573,999</u>	<u>(89,347)</u>
Expenditures:				
Public safety				
Adult Probation	2,899,468	2,944,467	2,717,447	227,020
Total expenditures	<u>2,899,468</u>	<u>2,944,467</u>	<u>2,717,447</u>	<u>227,020</u>
Excess (deficiency) of revenues over expenditures	(417,991)	(281,121)	(143,448)	137,673
Other financing sources (uses):				
Transfers in	158,603	23,718	25,809	2,091
Transfers out	(600)	(600)	(429)	171
Total other financing sources (uses)	<u>158,003</u>	<u>23,118</u>	<u>25,380</u>	<u>2,262</u>
Net changes in fund balances	(259,988)	(258,003)	(118,068)	139,935
Fund balance, July 1, 2012	634,127	634,127	778,754	144,627
Fund balance, June 30, 2013	<u>\$ 374,139</u>	<u>\$ 376,124</u>	<u>\$ 660,686</u>	<u>\$ 284,562</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government				
Assessor	31,933	49,715	22,159	27,556
Total expenditures	31,933	49,715	22,159	27,556
Excess (deficiency) of revenues over expenditures	(31,933)	(49,715)	(22,159)	27,556
Net changes in fund balances	(31,933)	(49,715)	(22,159)	27,556
Fund balance, July 1, 2012	31,933	31,933	49,715	17,782
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ (17,782)</u>	<u>\$ 27,556</u>	<u>\$ 45,338</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,515,015	\$ 1,623,555	\$ 1,062,710	\$ (560,845)
Charges for services	-	450	900	450
Investment earnings	-	-	(59)	(59)
Total revenues	<u>1,515,015</u>	<u>1,624,005</u>	<u>1,063,551</u>	<u>(560,454)</u>
Expenditures:				
Welfare				
Career Center	<u>1,515,013</u>	<u>1,624,005</u>	<u>1,084,160</u>	<u>539,845</u>
Total expenditures	<u>1,515,013</u>	<u>1,624,005</u>	<u>1,084,160</u>	<u>539,845</u>
Excess (deficiency) of revenues over expenditures	2	-	(20,609)	(20,609)
Other financing sources (uses):				
Transfers in	-	-	<u>1,450</u>	<u>1,450</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>1,450</u>
Net changes in fund balances	2	-	(19,159)	(19,159)
Fund balance, July 1, 2012	<u>27,105</u>	<u>27,105</u>	<u>27,023</u>	<u>(82)</u>
Fund balance, June 30, 2013	<u>\$ 27,107</u>	<u>\$ 27,105</u>	<u>\$ 7,864</u>	<u>\$ (19,241)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of the Superior Court Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 165,000	\$ 165,000	\$ 62,700	\$ (102,300)
Charges for services	49,800	49,800	55,380	5,580
Investment earnings	5,050	5,050	(1,850)	(6,900)
Total revenues	219,850	219,850	116,230	(103,620)
Expenditures:				
General government				
Clerk of the Superior Court	176,701	176,701	125,663	51,038
Total expenditures	176,701	176,701	125,663	51,038
Excess (deficiency) of revenues over expenditures	43,149	43,149	(9,433)	(52,582)
Other financing sources (uses):				
Transfers in	10,000	10,000	5,991	(4,009)
Total other financing sources (uses)	10,000	10,000	5,991	(4,009)
Net changes in fund balances	53,149	53,149	(3,442)	(56,591)
Fund balance, July 1, 2012	404,455	404,455	453,523	49,068
Fund balance, June 30, 2013	\$ 457,604	\$ 457,604	\$ 450,081	\$ (7,523)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,900,392	\$ 3,217,559	\$ 2,148,601	\$ (1,068,958)
Charges for services	1,875,088	1,875,088	1,402,435	(472,653)
Investment earnings	2,000	2,000	(498)	(2,498)
Contributions	145,334	131,971	147,423	15,452
Miscellaneous	1,800	1,800	-	(1,800)
Total revenues	5,924,614	5,228,418	3,697,961	(1,530,457)
Expenditures:				
General government				
Facilities	10,000	30,480	20,208	10,272
Welfare				
Community Services	6,745,420	5,853,694	4,333,347	1,520,347
Total expenditures	6,755,420	5,884,174	4,353,555	1,530,619
Excess (deficiency) of revenues over expenditures	(830,806)	(655,756)	(655,594)	162
Other financing sources (uses):				
Transfers in	572,549	637,888	594,370	(43,518)
Transfers out	(83,708)	(99,517)	(99,517)	-
Total other financing sources (uses)	488,841	538,371	494,853	(43,518)
Net changes in fund balances	(341,965)	(117,385)	(160,741)	(43,356)
Fund balance, July 1, 2012	479,660	479,660	765,432	285,772
Fund balance, June 30, 2013	\$ 137,695	\$ 362,275	\$ 604,691	\$ 242,416

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,174	\$ (826)
Charges for services	44,400	44,400	44,733	333
Investment earnings	1,000	1,000	(362)	(1,362)
Total revenues	54,400	54,400	52,545	(1,855)
Expenditures:				
General government				
Superior Courts	82,118	82,118	79,921	2,197
Total expenditures	82,118	82,118	79,921	2,197
Excess (deficiency) of revenues over expenditures	(27,718)	(27,718)	(27,376)	342
Net changes in fund balances	(27,718)	(27,718)	(27,376)	342
Fund balance, July 1, 2012	104,908	104,908	121,192	16,284
Fund balance, June 30, 2013	\$ 77,190	\$ 77,190	\$ 93,816	\$ 16,626

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 600,000	\$ 600,000	\$ 226,639	\$ (373,361)
Intergovernmental	561,144	561,644	449,469	(112,175)
Charges for services	37,500	37,500	47,629	10,129
Investment earnings	46,700	46,700	(6,175)	(52,875)
Miscellaneous	-	-	86,971	86,971
Total revenues	1,245,344	1,245,844	804,533	(441,311)
Expenditures:				
General government				
County Attorney	2,094,027	2,134,609	1,372,149	762,460
Total expenditures	2,094,027	2,134,609	1,372,149	762,460
Excess (deficiency) of revenues over expenditures	(848,683)	(888,765)	(567,616)	321,149
Other financing sources (uses):				
Sale of capital assets	-	-	3,150	3,150
Transfers in	236,799	236,799	101,010	(135,789)
Transfers out	(193,831)	(253,154)	(190,561)	62,593
Total other financing sources (uses)	42,968	(16,355)	(86,401)	(70,046)
Net changes in fund balances	(805,715)	(905,120)	(654,017)	251,103
Fund balance, July 1, 2012	1,692,735	1,692,735	1,868,137	175,402
Fund balance, June 30, 2013	\$ 887,020	\$ 787,615	\$ 1,214,120	\$ 426,505

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 15,600	\$ 15,600	\$ 15,600	\$ -
Charges for services	1,170,000	1,170,000	1,199,492	29,492
Investment earnings	10,050	10,050	(4,780)	(14,830)
Miscellaneous	20,000	20,000	34,985	14,985
Total revenues	<u>1,215,650</u>	<u>1,215,650</u>	<u>1,245,297</u>	<u>29,647</u>
Expenditures:				
Highways and streets				
Improvement Districts	16,804	16,804	7,271	9,533
Sanitation				
KVID	<u>1,799,197</u>	<u>1,601,006</u>	<u>1,030,034</u>	<u>570,972</u>
Total expenditures	<u>1,816,001</u>	<u>1,617,810</u>	<u>1,037,305</u>	<u>580,505</u>
Excess (deficiency) of revenues over expenditures	(600,351)	(402,160)	207,992	610,152
Other financing sources (uses):				
Transfers out	<u>(55,447)</u>	<u>(55,447)</u>	<u>(55,447)</u>	<u>-</u>
Total other financing sources (uses)	<u>(55,447)</u>	<u>(55,447)</u>	<u>(55,447)</u>	<u>-</u>
Net changes in fund balances	(655,798)	(457,607)	152,545	610,152
Fund balance, July 1, 2012	<u>1,078,806</u>	<u>1,078,806</u>	<u>1,114,936</u>	<u>36,130</u>
Fund balance, June 30, 2013	<u>\$ 423,008</u>	<u>\$ 621,199</u>	<u>\$ 1,267,481</u>	<u>\$ 646,282</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 4,164,997	\$ 4,164,997	\$ 4,175,760	\$ 10,763
Investment earnings	10,000	10,000	3,246	(6,754)
Contributions	78,935	78,935	79,534	599
Total revenues	4,253,932	4,253,932	4,258,540	4,608
Expenditures:				
Culture and recreation				
Library District	4,427,083	4,427,083	4,170,337	256,746
Total expenditures	4,427,083	4,427,083	4,170,337	256,746
Excess (deficiency) of revenues over expenditures	(173,151)	(173,151)	88,203	261,354
Other financing sources (uses):				
Transfers out	(89,153)	(89,153)	(89,153)	-
Total other financing sources (uses)	(89,153)	(89,153)	(89,153)	-
Net changes in fund balances	(262,304)	(262,304)	(950)	261,354
Fund balance, July 1, 2012	262,304	262,304	194,016	(68,288)
Fund balance, June 30, 2013	\$ -	\$ -	\$ 193,066	\$ 193,066

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,391,930	\$ 84,659	\$ 76,103	\$ (8,556)
Investment earnings	-	-	2	2
Total revenues	<u>2,391,930</u>	<u>84,659</u>	<u>76,105</u>	<u>(8,554)</u>
Expenditures:				
Public safety				
County Manager	651,184	278,296	221,966	56,330
Public Works	<u>1,896,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,547,455</u>	<u>278,296</u>	<u>221,966</u>	<u>56,330</u>
Excess (deficiency) of revenues over expenditures	(155,525)	(193,637)	(145,861)	47,776
Other financing sources (uses):				
Transfers in	<u>131,582</u>	<u>169,706</u>	<u>144,531</u>	<u>(25,175)</u>
Total other financing sources (uses)	<u>131,582</u>	<u>169,706</u>	<u>144,531</u>	<u>(25,175)</u>
Net changes in fund balances	(23,943)	(23,931)	(1,330)	22,601
Fund balance, July 1, 2012	53,593	53,593	52,767	(826)
Fund balance, June 30, 2013	<u>\$ 29,650</u>	<u>\$ 29,662</u>	<u>\$ 51,437</u>	<u>\$ 21,775</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 70,000	\$ 70,000	\$ 92,147	\$ 22,147
Investment earnings	8,000	8,000	(532)	(8,532)
Miscellaneous	160,250	160,250	182,357	22,107
Total revenues	238,250	238,250	273,972	35,722
Expenditures:				
Public safety				
Sheriff	297,480	324,480	216,507	107,973
Total expenditures	297,480	324,480	216,507	107,973
Excess (deficiency) of revenues over expenditures	(59,230)	(86,230)	57,465	143,695
Net changes in fund balances	(59,230)	(86,230)	57,465	143,695
Fund balance, July 1, 2012	159,538	159,538	199,076	39,538
Fund balance, June 30, 2013	\$ 100,308	\$ 73,308	\$ 256,541	\$ 183,233

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 234,524	\$ 21,006
Investment earnings	5,374	5,374	(2,994)	(8,368)
Total revenues	218,892	218,892	231,530	12,638
Expenditures:				
Public safety				
Sheriff	554,100	501,100	170,316	330,784
Total expenditures	554,100	501,100	170,316	330,784
Excess (deficiency) of revenues over expenditures	(335,208)	(282,208)	61,214	343,422
Other financing sources (uses):				
Sale of capital assets	-	-	427	427
Total other financing sources (uses)	-	-	427	427
Net changes in fund balances	(335,208)	(282,208)	61,641	343,849
Fund balance, July 1, 2012	606,600	606,600	622,467	15,867
Fund balance, June 30, 2013	\$ 271,392	\$ 324,392	\$ 684,108	\$ 359,716

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 9,000	\$ 9,000	\$ 19,225	\$ 10,225
Intergovernmental	-	51,878	32,866	(19,012)
Charges for services	404,725	404,725	425,777	21,052
Investment earnings	14,500	14,500	(3,296)	(17,796)
Total revenues	428,225	480,103	474,572	(5,531)
Expenditures:				
General government				
Flagstaff Justice Court	220,837	272,715	205,679	67,036
Fredonia Justice Court	37,350	37,350	8,900	28,450
Page Justice Court	28,605	28,605	13,746	14,859
Williams Justice Court	67,518	67,518	39,819	27,699
Total expenditures	354,310	406,188	268,144	138,044
Excess (deficiency) of revenues over expenditures	73,915	73,915	206,428	132,513
Other financing sources (uses):				
Transfers out	(248,073)	(248,073)	(261,709)	(13,636)
Total other financing sources (uses)	(248,073)	(248,073)	(261,709)	(13,636)
Net changes in fund balances	(174,158)	(174,158)	(55,281)	118,877
Fund balance, July 1, 2012	522,642	522,642	530,397	7,755
Fund balance, June 30, 2013	\$ 348,484	\$ 348,484	\$ 475,116	\$ 126,632

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,196,369	\$ 2,242,547	\$ 2,128,950	\$ (113,597)
Charges for services	58,950	58,950	106,869	47,919
Investment earnings	4,000	4,000	(4,612)	(8,612)
Miscellaneous	-	-	798	798
Total revenues	2,259,319	2,305,497	2,232,005	(73,492)
Expenditures:				
Public safety				
Juvenile Probation	2,994,413	2,971,434	2,255,921	715,513
Total expenditures	2,994,413	2,971,434	2,255,921	715,513
Excess (deficiency) of revenues over expenditures	(735,094)	(665,937)	(23,916)	642,021
Other financing sources (uses):				
Transfers in	148,813	66,959	5,294	(61,665)
Transfers out	(82,636)	(13,725)	-	13,725
Total other financing sources (uses)	66,177	53,234	5,294	(47,940)
Net changes in fund balances	(668,917)	(612,703)	(18,622)	594,081
Fund balance, July 1, 2012	868,381	868,381	812,351	(56,030)
Fund balance, June 30, 2013	\$ 199,464	\$ 255,678	\$ 793,729	\$ 538,051

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 1,791	\$ (209)
Investment earnings	230	230	(21)	(251)
Total revenues	<u>2,230</u>	<u>2,230</u>	<u>1,770</u>	<u>(460)</u>
Expenditures:				
General government				
Legal Defender	2,455	2,455	3,432	(977)
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>3,432</u>	<u>(977)</u>
Excess (deficiency) of revenues over expenditures	(225)	(225)	(1,662)	(1,437)
Other financing sources (uses):				
Transfers in	5,000	5,000	5,253	253
Transfers out	(5,105)	(5,105)	(5,604)	(499)
Total other financing sources (uses)	<u>(105)</u>	<u>(105)</u>	<u>(351)</u>	<u>(246)</u>
Net changes in fund balances	(330)	(330)	(2,013)	(1,683)
Fund balance, July 1, 2012	9,063	9,063	8,834	(229)
Fund balance, June 30, 2013	<u>\$ 8,733</u>	<u>\$ 8,733</u>	<u>\$ 6,821</u>	<u>\$ (1,912)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 267,353	\$ 3,203,648	\$ 2,936,295
Investment earnings	50,902	50,902	(7,896)	(58,798)
Total revenues	<u>50,902</u>	<u>318,255</u>	<u>3,195,752</u>	<u>2,877,497</u>
Expenditures:				
Education				
School Superintendent	-	-	1,383,175	(1,383,175)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,383,175</u>	<u>(1,383,175)</u>
Excess (deficiency) of revenues over expenditures	50,902	318,255	1,812,577	1,494,322
Other financing sources (uses):				
Transfers out	(1,754,815)	(1,997,164)	(1,929,543)	67,621
Total other financing sources (uses)	<u>(1,754,815)</u>	<u>(1,997,164)</u>	<u>(1,929,543)</u>	<u>67,621</u>
Net changes in fund balances	(1,703,913)	(1,678,909)	(116,966)	1,561,943
Fund balance, July 1, 2012	4,708,760	4,708,760	4,655,811	(52,949)
Fund balance, June 30, 2013	<u>\$ 3,004,847</u>	<u>\$ 3,029,851</u>	<u>\$ 4,538,845</u>	<u>\$ 1,508,994</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Recreation Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 145,000	\$ 143,623	\$ 141,462	\$ (2,161)
Charges for services	390,300	390,300	438,351	48,051
Investment earnings	-	-	(2,118)	(2,118)
Miscellaneous	-	-	13,596	13,596
Total revenues	535,300	533,923	591,291	57,368
Expenditures:				
Culture and recreation				
Parks and Recreation	572,165	555,246	472,575	82,671
Total expenditures	572,165	555,246	472,575	82,671
Excess (deficiency) of revenues over expenditures	(36,865)	(21,323)	118,716	140,039
Other financing sources (uses):				
Transfers in	-	17,016	17,016	-
Transfers out	(106,150)	(123,166)	(123,166)	-
Total other financing sources (uses)	(106,150)	(106,150)	(106,150)	-
Net changes in fund balances	(143,015)	(127,473)	12,566	140,039
Fund balance, July 1, 2012	399,962	399,962	441,060	41,098
Fund balance, June 30, 2013	\$ 256,947	\$ 272,489	\$ 453,626	\$ 181,137

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 16,239	\$ (3,761)
Investment earnings	1,700	1,700	(352)	(2,052)
Total revenues	<u>21,700</u>	<u>21,700</u>	<u>15,887</u>	<u>(5,813)</u>
Expenditures:				
General government				
Public Defender	30,000	30,000	28,686	1,314
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,686</u>	<u>1,314</u>
Excess (deficiency) of revenues over expenditures	(8,300)	(8,300)	(12,799)	(4,499)
Other financing sources (uses):				
Transfers in	34,000	34,000	47,281	13,281
Transfers out	<u>(34,000)</u>	<u>(34,000)</u>	<u>(47,281)</u>	<u>(13,281)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(8,300)	(8,300)	(12,799)	(4,499)
Fund balance, July 1, 2012	73,718	73,718	93,920	20,202
Fund balance, June 30, 2013	<u>\$ 65,418</u>	<u>\$ 65,418</u>	<u>\$ 81,121</u>	<u>\$ 15,703</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 19,695	\$ 115,583	\$ 95,888
Charges for services	130,000	130,000	141,142	11,142
Investment earnings	2,400	2,400	(1,433)	(3,833)
Total revenues	<u>132,400</u>	<u>152,095</u>	<u>255,292</u>	<u>103,197</u>
Expenditures:				
General government				
Recorder	<u>110,196</u>	<u>131,676</u>	<u>78,688</u>	<u>52,988</u>
Total expenditures	<u>110,196</u>	<u>131,676</u>	<u>78,688</u>	<u>52,988</u>
Excess (deficiency) of revenues over expenditures	22,204	20,419	176,604	156,185
Other financing sources (uses):				
Transfers out	<u>(49,344)</u>	<u>(49,344)</u>	<u>(49,344)</u>	<u>-</u>
Total other financing sources (uses)	<u>(49,344)</u>	<u>(49,344)</u>	<u>(49,344)</u>	<u>-</u>
Net changes in fund balances	(27,140)	(28,925)	127,260	156,185
Fund balance, July 1, 2012	197,450	197,450	201,835	4,385
Fund balance, June 30, 2013	<u>\$ 170,310</u>	<u>\$ 168,525</u>	<u>\$ 329,095</u>	<u>\$ 160,570</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ 33	\$ 33
Intergovernmental	2,712,083	4,045,294	4,149,655	104,361
Charges for services	99,256	99,256	112,898	13,642
Investment earnings	2,598	2,598	(8,354)	(10,952)
Contributions	20,000	40,147	49,611	9,464
Miscellaneous	400	126,696	58,400	(68,296)
Total revenues	2,834,337	4,313,991	4,362,243	48,252
Expenditures:				
Education				
School Superintendent	3,045,754	4,525,408	3,938,119	587,289
Total expenditures	3,045,754	4,525,408	3,938,119	587,289
Excess (deficiency) of revenues over expenditures	(211,417)	(211,417)	424,124	635,541
Net changes in fund balances	(211,417)	(211,417)	424,124	635,541
Fund balance, July 1, 2012	927,440	927,440	755,890	(171,550)
Fund balance, June 30, 2013	\$ 716,023	\$ 716,023	\$ 1,180,014	\$ 463,991

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,297,557	\$ 795,838	\$ 508,058	\$ (287,780)
Charges for services	41,439	41,439	66,543	25,104
Investment earnings	1,704	1,704	(1,304)	(3,008)
Contributions	5,000	5,000	3,260	(1,740)
Total revenues	1,345,700	843,981	576,557	(267,424)
Expenditures:				
Public safety				
Sheriff	1,545,500	927,959	715,012	212,947
Total expenditures	1,545,500	927,959	715,012	212,947
Excess (deficiency) of revenues over expenditures	(199,800)	(83,978)	(138,455)	(54,477)
Other financing sources (uses):				
Transfers in	97,888	189,577	196,858	7,281
Total other financing sources (uses)	97,888	189,577	196,858	7,281
Net changes in fund balances	(101,912)	105,599	58,403	(47,196)
Fund balance, July 1, 2012	302,574	302,574	314,636	12,062
Fund balance, June 30, 2013	\$ 200,662	\$ 408,173	\$ 373,039	\$ (35,134)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,394,787	\$ 1,044,787	\$ 388,075	\$ (656,712)
Charges for services	131,470	131,470	116,284	(15,186)
Investment earnings	-	-	301	301
Total revenues	<u>1,526,257</u>	<u>1,176,257</u>	<u>504,660</u>	<u>(671,597)</u>
Expenditures:				
Sanitation				
Public Works	<u>1,634,725</u>	<u>1,697,225</u>	<u>790,448</u>	<u>906,777</u>
Total expenditures	<u>1,634,725</u>	<u>1,697,225</u>	<u>790,448</u>	<u>906,777</u>
Excess (deficiency) of revenues over expenditures	(108,468)	(520,968)	(285,788)	235,180
Other financing sources (uses):				
Transfers in	513,127	570,027	334,844	(235,183)
Transfers out	<u>(54,659)</u>	<u>(54,659)</u>	<u>(54,659)</u>	<u>-</u>
Total other financing sources (uses)	<u>458,468</u>	<u>515,368</u>	<u>280,185</u>	<u>(235,183)</u>
Net changes in fund balances	350,000	(5,600)	(5,603)	(3)
Fund balance, July 1, 2012	-	-	5,618	5,618
Fund balance, June 30, 2013	<u>\$ 350,000</u>	<u>\$ (5,600)</u>	<u>\$ 15</u>	<u>\$ 5,615</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 189,096	\$ 189,096	\$ 172,647	\$ (16,449)
Charges for services	161,500	161,500	170,696	9,196
Investment earnings	4,040	4,040	(1,673)	(5,713)
Contributions	13,000	10,000	3,000	(7,000)
Miscellaneous	1,000	1,000	1,486	486
Total revenues	368,636	365,636	346,156	(19,480)
Expenditures:				
General government				
Superior Courts	902,430	903,986	791,279	112,707
Total expenditures	902,430	903,986	791,279	112,707
Excess (deficiency) of revenues over expenditures	(533,794)	(538,350)	(445,123)	93,227
Other financing sources (uses):				
Transfers in	311,431	311,431	368,214	56,783
Transfers out	(10,000)	(10,000)	(5,991)	4,009
Total other financing sources (uses)	301,431	301,431	362,223	60,792
Net changes in fund balances	(232,363)	(236,919)	(82,900)	154,019
Fund balance, July 1, 2012	704,730	704,730	724,921	20,191
Fund balance, June 30, 2013	\$ 472,367	\$ 467,811	\$ 642,021	\$ 174,210

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 20,500	\$ 20,500	\$ 18,591	\$ (1,909)
Investment earnings	2,500	2,500	(438)	(2,938)
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>18,153</u>	<u>(4,847)</u>
Expenditures:				
General government				
Treasurer	29,000	29,000	7,522	21,478
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>7,522</u>	<u>21,478</u>
Excess (deficiency) of revenues over expenditures	(6,000)	(6,000)	10,631	16,631
Net changes in fund balances	(6,000)	(6,000)	10,631	16,631
Fund balance, July 1, 2012	45,173	45,173	65,568	20,395
Fund balance, June 30, 2013	<u>\$ 39,173</u>	<u>\$ 39,173</u>	<u>\$ 76,199</u>	<u>\$ 37,026</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 20,200	\$ 20,200	\$ 16,288	\$ (3,912)
Total revenues	<u>20,200</u>	<u>20,200</u>	<u>16,288</u>	<u>(3,912)</u>
Expenditures:				
General government				
Finance/Budget	53,900	53,900	53,022	878
Highways and streets				
Public Works	<u>54,628</u>	<u>54,628</u>	<u>60,750</u>	<u>(6,122)</u>
Total expenditures	<u>108,528</u>	<u>108,528</u>	<u>113,772</u>	<u>(5,244)</u>
Excess (deficiency) of revenues over expenditures	(88,328)	(88,328)	(97,484)	(9,156)
Other financing sources (uses):				
Transfers in	<u>88,328</u>	<u>88,328</u>	<u>97,487</u>	<u>9,159</u>
Total other financing sources (uses)	<u>88,328</u>	<u>88,328</u>	<u>97,487</u>	<u>9,159</u>
Net changes in fund balances	-	-	3	3
Fund balance, July 1, 2012	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ -	\$ -	\$ 613	\$ 613
Special assessments	465,690	465,690	438,623	(27,067)
Investment earnings	3,875	3,875	(6,976)	(10,851)
Total revenues	<u>469,565</u>	<u>469,565</u>	<u>432,260</u>	<u>(37,305)</u>
Expenditures:				
Debt service:				
Principal	396,953	396,953	396,669	284
Interest and other charges	68,737	68,737	68,223	514
Total expenditures	<u>465,690</u>	<u>465,690</u>	<u>464,892</u>	<u>798</u>
Excess (deficiency) of revenues over expenditures	3,875	3,875	(32,632)	(36,507)
Net changes in fund balances	3,875	3,875	(32,632)	(36,507)
Fund balance, July 1, 2012	495,312	495,312	499,120	3,808
Fund balance, June 30, 2013	<u>\$ 499,187</u>	<u>\$ 499,187</u>	<u>\$ 466,488</u>	<u>\$ (32,699)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Open Spaces Tax Projects Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Other taxes	\$ 2,964,806	\$ 2,964,806	\$ 2,923,093	\$ (41,713)
Investment earnings	51,000	51,000	(50,514)	(101,514)
Contributions	2,100	2,100	-	(2,100)
Miscellaneous	1,972	1,972	3,376	1,404
Total revenues	3,019,878	3,019,878	2,875,955	(143,923)
Expenditures:				
Capital outlay	10,326,866	10,922,123	2,144,500	8,777,623
Total expenditures	10,326,866	10,922,123	2,144,500	8,777,623
Excess (deficiency) of revenues over expenditures	(7,306,988)	(7,902,245)	731,455	8,633,700
Other financing sources (uses):				
Transfers in	-	400	400	-
Transfers out	(38,629)	(38,629)	(38,629)	-
Total other financing sources (uses)	(38,629)	(38,229)	(38,229)	-
Net changes in fund balances	(7,345,617)	(7,940,474)	693,226	8,633,700
Fund balance, July 1, 2012	8,033,623	8,033,623	10,326,432	2,292,809
Fund balance, June 30, 2013	\$ 688,006	\$ 93,149	\$ 11,019,658	\$ 10,926,509

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, fines, and forfeits				
Intergovernmental	\$ 25,822	\$ 25,822	\$ 53,729	\$ 27,907
Investment earnings	500	500	(124)	(624)
Total revenues	<u>26,322</u>	<u>26,322</u>	<u>53,605</u>	<u>27,283</u>
Expenditures:				
Capital outlay	25,822	25,822	62,000	(36,178)
Total expenditures	<u>25,822</u>	<u>25,822</u>	<u>62,000</u>	<u>(36,178)</u>
Excess (deficiency) of revenues over expenditures	500	500	(8,395)	(8,895)
Net changes in fund balances	500	500	(8,395)	(8,895)
Fund balance, July 1, 2012	27,300	27,300	65,972	38,672
Fund balance, June 30, 2013	<u>\$ 27,800</u>	<u>\$ 27,800</u>	<u>\$ 57,577</u>	<u>\$ 29,777</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 5,670	\$ 5,670	\$ (3,872)	\$ (9,542)
Total revenues	<u>5,670</u>	<u>5,670</u>	<u>(3,872)</u>	<u>(9,542)</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	5,670	5,670	(3,872)	(9,542)
Net changes in fund balances	5,670	5,670	(3,872)	(9,542)
Fund balance, July 1, 2012	146,901	146,901	195,724	48,823
Fund balance, June 30, 2013	<u>\$ 152,571</u>	<u>\$ 152,571</u>	<u>\$ 191,852</u>	<u>\$ 39,281</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 250	\$ 250	\$ 34,255	\$ 34,005
Total revenues	<u>250</u>	<u>250</u>	<u>34,255</u>	<u>34,005</u>
Expenditures:				
Capital outlay	1,313,977	1,313,977	7,366	1,306,611
Total expenditures	<u>1,313,977</u>	<u>1,313,977</u>	<u>7,366</u>	<u>1,306,611</u>
Excess (deficiency) of revenues over expenditures	(1,313,727)	(1,313,727)	26,889	1,340,616
Other financing sources (uses):				
Transfers in	1,313,977	1,313,977	1,758	(1,312,219)
Total other financing sources (uses)	<u>1,313,977</u>	<u>1,313,977</u>	<u>1,758</u>	<u>(1,312,219)</u>
Net changes in fund balances	250	250	28,647	28,397
Fund balance, July 1, 2012	88,510	88,510	89,174	664
Fund balance, June 30, 2013	<u>\$ 88,760</u>	<u>\$ 88,760</u>	<u>\$ 117,821</u>	<u>\$ 29,061</u>

Coconino County
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2013

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Assets			
Cash and cash equivalents	\$ 104,527,745	\$ 10,293,053	\$ 114,820,798
Interest receivable	201,141	-	201,141
Total Assets	<u>104,728,886</u>	<u>10,293,053</u>	<u>115,021,939</u>
Liabilities			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Held in trust for pool participants	<u>\$ 104,728,886</u>	<u>\$ 10,293,053</u>	<u>\$ 115,021,939</u>

Coconino County
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
Year Ended June 30, 2013

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 472,762,757	\$ 13,672,348	\$ 486,435,105
Investment income	(676,273)	-	(676,273)
Total additions	<u>472,086,484</u>	<u>13,672,348</u>	<u>485,758,832</u>
Deductions:			
Distributions to participants	459,853,236	8,563,297	468,416,533
Total deductions	<u>459,853,236</u>	<u>8,563,297</u>	<u>468,416,533</u>
Change in net position	12,233,248	5,109,051	17,342,299
Net position, July 1, 2012	92,495,638	5,184,002	97,679,640
Net position, June 30, 2013	<u>\$ 104,728,886</u>	<u>\$ 10,293,053</u>	<u>\$ 115,021,939</u>

Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Assets				
Cash and cash equivalents	\$ 2,103,463	\$ 61,375,515	\$ 60,055,805	\$ 3,423,173
Cash and investments held by trustee	907,253	1,306,632	1,123,012	\$ 1,090,873
Total assets	<u>\$ 3,010,716</u>	<u>\$ 62,682,147</u>	<u>\$ 61,178,817</u>	<u>\$ 4,514,046</u>
Liabilities				
Deposits held for others	\$ 2,763,736	\$ 59,994,619	\$ 58,437,941	\$ 4,320,414
Due to other governments	246,980	2,687,528	2,740,876	\$ 193,632
Total liabilities	<u>\$ 3,010,716</u>	<u>\$ 62,682,147</u>	<u>\$ 61,178,817</u>	<u>\$ 4,514,046</u>

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

Coconino County
Statistical Section
Year Ended June 30, 2013

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. 131-135

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. 136-139

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. 140-142

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. 143-144

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. 145-149

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

	<u>2004 as restated</u>	<u>2005</u>	<u>2006 as restated</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Primary government:										
Governmental activities										
Net investment in capital assets	\$ 51,758,593	\$ 59,709,325	\$ 109,735,410	\$ 106,913,167	\$ 128,198,350	\$ 129,694,889	\$ 128,372,030	\$ 145,814,515	\$ 142,964,843	\$ 145,559,259
Restricted	38,233,250	42,603,789	39,761,272	36,994,894	29,929,358	28,345,559	28,386,829	63,914,015	65,858,399	63,564,437
Unrestricted	<u>53,687,535</u>	<u>54,000,965</u>	<u>57,199,373</u>	<u>64,103,998</u>	<u>52,345,917</u>	<u>52,251,638</u>	<u>53,636,533</u>	<u>22,113,670</u>	<u>23,547,699</u>	<u>22,747,752</u>
Total governmental activities net position	<u>\$ 143,679,378</u>	<u>\$ 156,314,079</u>	<u>\$ 206,696,055</u>	<u>\$ 208,012,059</u>	<u>\$ 210,473,625</u>	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>	<u>\$ 231,842,200</u>	<u>\$ 232,370,941</u>	<u>\$ 231,871,448</u>

Source: Coconino County Single Audit Reporting Package

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$ 24,038,681	\$ 25,093,451	\$ 26,858,863	\$ 30,137,861
Public safety	23,546,410	25,408,377	27,583,478	29,170,427
Highways and streets	14,276,404	11,814,903	9,551,859	18,699,298
Sanitation	2,743,348	2,710,356	3,014,199	3,138,878
Health	9,631,470	10,518,140	11,160,577	11,575,909
Welfare	3,967,458	4,519,831	5,590,510	5,902,878
Culture and recreation	4,298,993	4,580,555	4,933,059	5,628,042
Education	2,228,618	2,920,657	3,730,202	3,816,081
Transportation	2,708,420	3,012,154	4,163,891	-
Interest on long term debt	1,998,810	1,928,292	1,761,726	1,602,303
Defeasance of long-term debt				
Total expenses	\$ 89,438,612	\$ 92,506,716	\$ 98,348,364	\$ 109,671,677
Program Revenues				
Governmental activities:				
Charges for services:				
General government	6,874,262	7,322,776	8,387,583	4,322,299
Public safety	3,787,242	3,671,837	3,643,195	4,132,207
Highways and streets	158,596	967,377	298,492	3,459,682
Sanitation	1,072,675	1,033,289	1,138,057	1,437,621
Health	1,289,677	1,318,990	1,403,315	1,520,902
Welfare	768,396	921,571	1,455,946	1,599,249
Culture and recreation	907,000	995,382	1,031,838	1,188,201
Education	5,925	8,309	71,232	107,301
Transportation	266,099	286,090	542,003	-
Operating grants and contributions	32,101,547	31,800,725	39,359,052	33,695,469
Capital grants and contributions	6,019,139	4,310,727	1,937,161	134,120
Total governmental activities program revenues	\$ 53,250,558	\$ 52,637,073	\$ 59,267,874	\$ 51,597,051
Net (expenses) revenues	\$ (36,188,054)	\$ (39,869,643)	\$ (39,080,490)	\$ (58,074,626)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes, levied for general purposes	5,914,008	6,159,732	6,806,423	7,011,847
Property taxes, levied for library	2,242,657	2,408,492	2,539,393	1,263,035
Property taxes, levied for flood control	366,766	411,622	1,077,540	2,860,021
Property taxes, levied for accommodation school	-	-	-	-
Property taxes, levied for health services	-	-	-	-
General county sales tax	10,153,344	10,304,992	11,580,757	12,384,595
Jail district sales tax	6,086,834	6,183,905	6,946,353	9,691,689
Parks and open spaces sales tax	2,470,248	2,573,730	2,894,657	3,076,949
Excise tax	-	93,516	100,295	111,593
Franchise tax	102,781	115,300	141,758	134,640
Shared revenue - state sales tax	14,439,695	15,283,056	16,684,292	18,125,003
Shared revenue - state vehicle license tax	4,850,913	5,073,200	5,547,275	5,695,838
Grants and contributions not restricted to specific programs	1,688,999	1,720,959	1,809,330	1,646,585
Investment earnings	61,822	1,888,242	745,407	4,489,537
Gain (loss) on disposal of capital assets	1,269,042	206,469	749,146	158,415
Miscellaneous	17,606	81,129	47,325	23,279
Donated capital				(7,282,396)
Total general revenues	\$ 49,664,715	\$ 52,504,344	\$ 57,669,951	\$ 59,390,630
Change in net position	\$ 13,476,661	\$ 12,634,701	\$ 18,589,461	\$ 1,316,004

Source: Coconino County Single Audit Reporting Package

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

Fiscal Year						
	2008	2009	2010	2011	2012	2013
\$	32,252,372	\$ 32,364,030	\$ 31,501,241	\$ 30,768,963	\$ 31,590,773	\$ 32,049,113
	32,282,534	33,164,905	31,592,406	36,552,608	33,763,301	37,609,509
	17,990,951	16,655,737	15,639,291	13,811,657	15,955,413	15,958,230
	3,216,176	3,274,456	3,138,985	3,151,415	3,088,446	2,102,071
	12,192,703	12,692,864	11,216,546	11,045,264	11,550,850	12,199,793
	6,666,186	7,615,522	8,273,139	8,284,852	6,907,365	6,642,756
	6,957,602	7,814,879	7,725,556	7,286,373	7,243,089	7,063,893
	4,437,125	4,892,986	5,278,556	4,767,625	5,232,363	5,941,255
	-	-	-	287,272	-	-
	603,969	512,256	414,902	-	178,025	69,723
	832,030	-	-	-	-	-
\$	117,431,648	\$ 118,987,635	\$ 114,780,622	\$ 115,956,029	\$ 115,509,625	\$ 119,636,343
	8,273,916	7,316,495	7,169,300	6,022,842	4,995,911	4,465,482
	2,986,695	3,421,790	3,679,918	3,821,300	3,272,289	3,107,973
	74,556	1,152,294	69,689	93,370	93,636	99,728
	1,375,478	1,375,437	1,321,418	1,386,848	1,402,290	1,346,328
	1,340,236	1,316,870	1,247,031	1,151,680	1,181,490	1,301,249
	1,337,392	1,262,876	2,101,024	1,905,924	1,802,447	1,467,637
	1,159,535	1,170,109	794,306	865,254	760,863	850,519
	115,216	95,016	116,020	130,681	113,749	171,298
	-	-	-	-	-	-
	34,185,253	34,581,839	34,922,841	39,900,147	33,961,212 *	36,156,108
	898,314	118,520	84,811	6,320,016	13,130	(1,892)
\$	51,746,591	\$ 51,811,246	\$ 51,506,358	\$ 61,598,062	\$ 47,597,017	\$ 48,964,430
\$	(65,685,057)	\$ (67,176,389)	\$ (63,274,264)	\$ (54,357,967)	\$ (67,912,608)	\$ (70,671,913)
	7,180,218	7,935,524	8,185,332	8,405,307	8,807,267	8,744,783
	3,847,035	4,708,037	5,107,399	4,879,638	4,313,244	4,157,084
	1,510,077	2,011,055	1,959,193	1,849,054	3,179,252	2,943,787
	-	189,318	4,310	275	142	33
	-	-	-	4,923,145	4,801,721	4,390,334
	12,445,915	11,497,627	10,774,208	11,118,458	11,369,591	11,705,643
	12,395,931	11,486,443	10,791,078	11,109,910	11,368,185	11,699,874
	3,105,737	2,871,495	2,689,346	2,775,886	2,832,704	2,923,093
	102,863	92,118	68,688	118,795	107,980	74,510
	46,966	41,944	39,207	36,969	36,788	47,198
	17,000,598	15,287,328	14,353,390	15,670,801	17,208,420	18,592,227
	5,622,049	5,240,676	4,971,307	4,932,200	3,047,724 *	3,082,023
	1,727,679	2,866,290	2,139,437	1,974,042	1,930,854	1,902,703
	2,726,375	2,388,053	2,090,720	684,904	1,162,458	(316,192)
	209,636	2,100	130,889	1,037,009	(882,441)	42,869
	225,544	376,842	73,066	111,114	55,430	182,451
	-	-	-	5,169,268	-	-
\$	68,146,623	\$ 66,994,850	\$ 63,377,570	\$ 74,796,775	\$ 69,339,319	\$ 70,172,420
\$	2,461,566	\$ (181,539)	\$ 103,306	\$ 20,438,808	\$ 1,426,711	\$ (499,493)

* The fiscal year 2012 revenue amounts have been reclassified for comparison with fiscal year 2013 amounts.

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

	Fiscal Year									
	2004 as restated	2005	2006	2007	2008	2009	2010	2011 ¹	2012	2013
General Fund										
Reserved		\$ 126,359	\$ 48,359	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720			
Unreserved	\$ 24,114,908	27,492,971	29,626,015	33,986,837	27,495,342	24,956,598	22,206,572			
Nonspendable								\$ 85,029	\$ 1,509,973	\$ 1,541,383
Unassigned								26,368,723	28,450,416	29,184,907
Total general fund	<u>\$ 24,114,908</u>	<u>\$ 27,619,330</u>	<u>\$ 29,674,374</u>	<u>\$ 34,047,460</u>	<u>\$ 27,628,706</u>	<u>\$ 25,130,097</u>	<u>\$ 22,247,292</u>	<u>\$ 26,453,752</u>	<u>\$ 29,960,389</u>	<u>\$ 30,726,290</u>
All other governmental funds										
Reserved	\$ 769,789	\$ 912,739		\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136			
Unreserved, reported in:										
Special revenue funds	39,435,620	38,335,351	\$ 38,946,353	39,555,023	41,731,738	52,444,661	58,066,418			
Capital project funds	2,992,244	4,248,949	2,097,854	1,968,757	10,265,707	1,176,745	842,548			
Debt service fund	22,630,545	18,511,896	19,967,912	12,318,744	15,066	46	-			
Nonspendable								\$ 84,711	\$ 271,992	\$ 231,804
Restricted								58,606,383	60,899,020	61,776,253
Total all other governmental funds	<u>\$ 65,828,198</u>	<u>\$ 62,008,935</u>	<u>\$ 61,012,119</u>	<u>\$ 61,796,917</u>	<u>\$ 52,561,966</u>	<u>\$ 54,006,187</u>	<u>\$ 59,501,102</u>	<u>\$ 58,691,094</u>	<u>\$ 61,171,012</u>	<u>\$ 62,008,057</u>

Source: Coconino County Single Audit Reporting Package

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

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

	Fiscal Year									
	2004 as restated	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Property taxes	\$ 8,545,310	\$ 8,986,089	\$ 10,427,635	\$ 10,944,924	\$ 12,447,359	\$ 14,683,323	\$ 15,286,914	\$ 19,877,174	\$ 21,134,274	\$ 20,320,244
Other taxes	23,665,944	24,344,667	27,211,403	31,096,502	33,726,601	31,235,155	29,334,804	30,092,941	30,395,929	26,455,658
Special assessments	2,513,620	1,176,966	1,055,453	800,422	697,085	533,246	567,822	528,262	443,889	454,223
Licenses and permits	2,875,039	2,552,808	2,794,699	2,412,270	2,028,139	1,596,184	1,531,423	1,544,071	2,080,424	1,428,438
Fees, fines, and forfeits	1,393,864	1,384,704	1,894,884	1,958,043	2,426,546	2,636,342	2,475,047	1,912,702	1,536,208	1,434,276
Intergovernmental	48,840,485	52,202,702	59,239,916	52,924,453	52,807,937	52,131,109	51,035,314	61,706,361	51,173,921	60,388,098
Charges for services	10,072,643	10,504,525	11,811,190	12,413,030	11,059,144	10,616,158	11,421,254	11,176,829	9,280,931	8,764,702
Investment income	249,074	2,421,063	1,316,328	5,076,801	3,426,238	2,941,346	2,547,186	894,731	1,450,443	(360,692)
Contributions	524,882	334,598	285,572	420,695	638,673	498,811	654,529	582,801	629,849	674,720
Miscellaneous	408,090	712,638	888,221	681,321	644,530	1,039,999	411,152	547,255	491,740	613,048
Total revenues	\$ 99,088,951	\$ 104,620,760	\$ 116,925,301	\$ 118,728,461	\$ 119,902,252	\$ 117,911,673	\$ 115,265,445	\$ 128,863,127	\$ 118,617,608	\$ 120,172,715
Expenditures:										
Current:										
General government	\$ 23,584,036	\$ 24,223,774	\$ 26,124,976	\$ 29,462,096	\$ 31,775,048	\$ 31,104,566	\$ 30,537,222	\$ 30,019,684	\$ 30,768,104	\$ 31,049,633
Public safety	22,650,149	23,967,742	26,768,092	28,039,150	31,240,851	31,381,596	30,336,374	36,611,002	34,375,074	39,373,290
Highways and streets	16,863,946	14,155,135	15,738,269	19,756,618	16,548,734	16,992,456	13,181,875	10,912,173	12,105,577	13,312,515
Sanitation	2,563,988	2,468,056	2,769,470	2,880,863	3,154,224	3,146,581	2,978,416	2,919,328	2,874,688	1,820,482
Health	9,489,392	10,322,173	11,029,368	11,403,856	12,077,635	12,361,518	10,956,358	10,795,196	11,338,648	12,036,240
Welfare	3,908,526	4,450,151	5,516,865	5,993,228	6,605,519	7,517,819	8,149,363	8,109,040	6,806,132	6,464,632
Culture and recreation	4,920,230	6,935,242	5,475,603	5,727,983	8,320,721	8,045,985	7,607,898	19,136,103	6,650,038	6,122,803
Education	2,220,609	6,003,942	3,425,244	3,618,428	4,273,975	4,730,288	5,110,500	4,727,587	5,085,903	5,783,644
Transportation	3,224,686	2,927,659	8,351,299	-	-	-	-	-	-	-
Capital outlay	2,304,376	4,004,214	4,940,004	359,940	1,711,967	1,434,116	771,393	1,049,137	148,465	2,213,866
Debt service:										
Principal	3,611,446	4,082,543	4,280,700	4,303,256	18,545,471	2,508,901	2,637,213	2,255,923	2,353,289	396,669
Interest and other charges	1,998,810	1,928,292	1,761,725	1,602,303	1,435,999	512,256	414,902	287,272	178,025	69,723
Total expenditures	\$ 97,340,194	\$ 105,468,923	\$ 116,181,615	\$ 113,147,721	\$ 135,690,144	\$ 119,736,082	\$ 112,681,514	\$ 126,822,445	\$ 112,683,943	\$ 118,643,497
Excess (deficiency) of revenues over expenditures	1,748,757	(848,163)	743,686	5,580,740	(15,787,892)	(1,824,409)	2,583,931	2,040,682	5,933,665	1,529,218
Other financing sources (uses):										
Sale of capital assets	\$ 1,173,160	\$ 150,405	\$ 314,542	\$ 368,694	\$ 22,911	\$ 2,100	\$ 28,179	\$ 1,329,950	-	20,194
Bond proceeds	2,298,623	382,917	-	(791,550)	-	795,000	-	-	-	-
Transfers in	11,349,358	16,765,844	14,112,086	12,934,995	37,093,497	15,481,676	15,042,578	21,912,454	\$ 14,661,648	\$ 14,454,693
Transfers out	(11,349,358)	(16,765,844)	(14,112,086)	(12,934,995)	(36,982,221)	(15,508,755)	(15,042,578)	(21,894,634)	(14,608,758)	(14,401,159)
Total other financing sources and uses	3,471,783	533,322	314,542	(422,856)	134,187	770,021	28,179	1,347,770	52,890	73,728
Net changes in fund balances	\$ 5,220,540	\$ (314,841)	\$ 1,058,228	\$ 5,157,884	\$ (15,653,705)	\$ (1,054,388)	\$ 2,612,110	\$ 3,388,452	\$ 5,986,555	\$ 1,602,946
Debt service as a percentage of noncapital expenditures	6.27%	6.30%	5.74%	5.53%	17.53%	2.62%	2.80%	2.06%	2.25%	0.42%

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Capital Outlay in FY 2004 through 2008

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

Fiscal Year Ended June 30,	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Secured	Unsecured	Total			
2004	963,512,887	210,604,408	1,174,117,295	0.7449	9,238,836,376	12.7
2005	1,049,556,398	214,223,437	1,263,779,835	0.7449	10,034,154,715	12.6
2006	1,144,384,468	223,578,936	1,367,963,404	0.8652	11,396,633,513	12.0
2007	1,288,341,613	225,916,527	1,514,258,140	0.8521	13,799,610,572	11.0
2008	1,458,940,955	229,241,854	1,688,182,809	0.8588	16,687,281,012	10.1
2009	1,605,854,299	234,920,747	1,840,775,046	0.8791	17,790,931,957	10.3
2010	1,694,104,159	224,614,413	1,918,718,572	0.8340	17,143,465,763	11.2
2011	1,607,918,353	232,224,257	1,840,142,610	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

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
2004	0.4753	0.1899	0.0797	-	0.7449
2005	0.4753	0.1899	0.0797	-	0.7449
2006	0.4753	0.1899	0.2000	-	0.8652
2007	0.4622	0.1899	0.2000	-	0.8521
2008	0.4383	0.2205	0.2000	-	0.8588
2009	0.4338	0.2293	0.2160	-	0.8791
2010	0.3973	0.2367	0.2000	-	0.8340
2011	0.3953	0.2367	0.2000	0.2500	1.0820
2012	0.4303	0.2367	0.4000	0.2500	1.3170
2013	0.4480	0.2367	0.4000	0.2500	1.3347

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
2004	0.1000	0.4717	0.5775	0 - 1.7127	.1500 - 3.0000	0 - 1.1730	.0500 - 9.6289
2005	0.1000	0.4560	0.5659	0 - 1.7127	.6500 - 3.0000	0 - 1.1730	.0500 - 8.2761
2006	0.1000	0.4358	0.5525	0 - 1.6627	.6500 - 3.0000	0 - 1.1730	.0500 - 10.4246
2007	0.1000	-	0.5269	0 - 1.5929	.4700 - 3.0000	0 - 1.3500	.0500 - 9.4606
2008	0.1000	-	0.4865	0 - 1.5519	.4100 - 2.7500	0 - 2.2300	.0500 - 9.9025
2009	0.0972	-	0.4643	0 - 1.5169	.4100 - 2.7500	0 - 2.2300	.0500 - 10.9896
2010	0.0904	0.3306	0.4267	0 - 1.4913	.3000 - 3.0000	0 - 2.9705	.0500 - 9.9371
2011	0.0925	0.3564	0.4308	0 - 1.4845	.2742 - 3.0000	0 - 2.6680	.0500 - 8.4520
2012	0.0986	0.4259	0.4734	0 - 1.5283	.0600 - 3.2500	0 - 1.5640	.0500 - 8.5934
2013	0.1000	0.4717	0.4927	0 - 1.5497	.3000 - 3.2500	0 - 1.6919	.500 - 10.7007

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

Source: Coconino County adopted tax rate schedules

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

Taxpayer	2013			2005 ¹		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 76,488,817	1	4.35%	\$ 64,513,120	1	5.10%
Transwestern Pipeline Company	36,988,863	2	2.10	20,226,175	2	1.60
Unisource Energy Corporation	19,104,494	3	1.09	17,368,511	6	1.37
Burlington Northern/Santa Fe Railway Company	18,586,664	4	1.06	18,931,112	5	1.50
El Paso Natural Gas Company	17,799,035	5	1.01	19,085,580	4	1.51
City of Los Angeles Dept of Wtr & Pwr	16,987,661	6	0.97	19,095,834	3	1.51
W.L. Gore & Associates Inc.	15,992,930	7	0.91	10,282,172	8	0.81
Nevada Power Company	9,954,898	8	0.57	11,767,729	7	0.93
Qwest Corporation	6,924,246	9	0.39	5,027,767	10	0.40
Perrin Ranch Wind LLC	6,876,755	10	0.39	-	-	-
Questar Southern Trails Pipeline Company	-	-	0	7,096,504	9	0.56
Total Principal Taxpayers	<u>\$ 225,704,363</u>		<u>12.83%</u>	<u>\$ 193,394,504</u>		<u>15.29%</u>
Total Coconino County Primary Assessed Value	\$ 1,759,609,915			\$ 1,263,779,835		

Source: Coconino County Assessor

¹ Arizona Department of Revenue, Central Information Services

Coconino County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	County Tax Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2004	\$ 7,884,275	\$ 7,684,016	97.46	\$ 182,143	\$ 7,866,159	99.77
2005	8,307,325	8,116,516	97.70	182,162	8,298,678	99.90
2006	9,576,903	9,416,476	98.32	157,605	9,574,081	99.97
2007	10,373,130	10,197,426	98.31	169,354	10,366,780	99.94
2008	11,991,569	11,693,983	97.52	278,254	11,972,237	99.84
2009	14,061,783	13,583,453	96.60	454,062	14,037,515	99.83
2010	14,383,909	13,977,568	97.18	401,018	14,378,586	99.96
2011	19,513,519	18,641,220	95.53	801,119	19,442,339	99.64
2012	19,880,920	19,239,142	96.77	551,819	19,790,961	99.55
2013	19,356,876	18,811,741	97.18	-	18,811,741	97.18

County Tax Levied for the Fiscal Year

Fiscal Year Ended June 30,	County Operating	Public Health Service District	Flood Control District	County Library	Total County
2004	\$ 5,321,882	\$ -	\$ 370,139	\$ 2,192,254	\$ 7,884,275
2005	5,582,027	-	404,882	2,320,417	8,307,325
2006	5,998,653	-	1,081,336	2,496,913	9,576,903
2007	6,332,859	-	1,237,412	2,802,859	10,373,130
2008	6,637,571	-	1,508,651	3,845,347	11,991,569
2009	7,328,876	-	2,014,075	4,718,832	14,061,783
2010	7,320,104	-	1,961,323	5,102,482	14,383,909
2011	7,631,149	5,153,351	1,849,827	4,879,193	19,513,519
2012	7,774,986	4,588,969	3,172,129	4,344,836	19,880,920
2013	7,836,325	4,397,524	2,959,452	4,163,575	19,356,876

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

<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>Jail District Revenue Bonds</u>	<u>Special Assessments</u>	<u>Total</u>	<u>Percentage of Personal Income</u> ¹	<u>Per Capita</u> ¹
2004	\$ 21,940,000	\$ 16,210,000	\$ 3,373,420	\$ 41,523,420	1.21%	\$ 331.88
2005	21,940,000	16,210,000	2,840,377	40,990,377	1.11%	322.70
2006	20,100,000	14,370,000	2,490,948	36,960,948	0.92%	287.20
2007	18,180,000	12,445,000	2,153,550	32,778,550	0.77%	251.29
2008	-	10,435,000	1,885,208	12,320,208	0.28%	93.44
2009	-	8,340,000	2,364,178	10,704,178	0.24%	80.19
2010	-	6,145,000	2,016,964	8,161,964	0.18%	60.64
2011	-	3,855,000	1,646,042	5,501,042	0.12%	40.90
2012	-	1,970,000	1,262,673	3,232,673	0.07%	23.77
2013	-	-	866,084	866,084	NA ²	NA ²

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

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

² Personal and income and population was not available for 2013.

Coconino County
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 1,759,609,915
Debt limit (6% of assessed value)	105,576,595
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 105,576,595</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 70,447,038	\$ 75,826,790	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595
Total net debt applicable to the limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 70,447,038</u>	<u>\$ 75,826,790</u>	<u>\$ 82,077,804</u>	<u>\$ 90,855,488</u>	<u>\$ 101,290,969</u>	<u>\$ 110,446,503</u>	<u>\$ 115,123,114</u>	<u>\$ 110,408,557</u>	<u>\$ 105,576,036</u>	<u>\$ 105,576,595</u>
 Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Coconino County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds							
Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net		Debt Service		Coverage
			Available Revenue	Principal	Interest		
2004	\$ 13,506,384	\$ 10,259,298	\$ 3,247,086	\$ 1,760,000	\$ 816,031	1.26	
2005	13,665,611	8,825,891	4,839,720	1,840,000	735,372	1.88	
2006	13,951,974	9,742,506	4,209,468	1,920,000	956,555	1.46	
2007	17,132,399	10,708,410	6,423,989	2,010,000	566,908	2.49	
2008	20,714,914	12,543,072	8,171,842	2,095,000	477,958	3.18	
2009	22,039,625	12,175,349	9,864,276	2,195,000	383,992	3.82	
2010	23,176,800	12,060,220	11,116,580	2,290,000	284,622	4.32	
2011	24,465,343	12,366,420	12,098,923	1,885,000	177,311	5.87	
2012	25,597,226	12,638,737	12,958,489	1,970,000	89,333	6.29	
2013	26,433,871	12,954,957	13,478,914	-	1,500		

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues ¹	Debt Service		Coverage
		Principal	Interest	
2004	\$ 1,219,980	\$ 133,916	\$ 33,168	7.30
2005	1,419,073	152,297	34,225	7.61
2006	770,745	393,571	155,405	1.40
2007	762,301	293,256	168,330	1.65
2008	1,024,569	270,471	126,011	2.58
2009	1,082,701	313,901	128,264	2.45
2010	938,727	347,213	130,280	1.97
2011	1,001,654	370,923	109,961	2.08
2012	971,522	370,923	109,961	2.02
2013	931,380	396,669	68,223	2.00

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

¹ Revenues included beginning fund balances and transfers in.

² Expenditures include transfers out.

THIS PAGE INTENTIONALLY LEFT BLANK

Coconino County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2004	125,117	\$ 3,477,267	\$ 27,792	5.2%
2005	127,025	3,754,693	29,559	4.9
2006	128,695	4,111,297	31,946	4.2
2007	130,442	4,348,995	33,340	3.7
2008	131,853	4,590,014	34,812	5.1
2009	133,477	4,514,396	33,822	7.1
2010	134,611	4,523,918	33,607	8.4
2011	134,105	4,617,232	34,430	8.2
2012	136,011	4,735,934	34,820	8.3
2013	NA ¹	NA ¹	NA ¹	7.9

Sources: Population and personal income through 2011 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).
Unemployment rate obtained from Arizona Unemployment Statistics Program, Research Administration.

¹ Population and personal income estimates were not yet available for fiscal year 2013.

Coconino County
Principal Employers
Current Year and Seven Years Ago

Employer	2013 ¹			2006 ²		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,571	1	3.86%	3,393	1	5.02%
Flagstaff Medical Center	2,200	2	3.31%	1,999	2	2.95%
W.L. Gore	1,950	3	2.93%	1,300	4	1.92%
Flastaff Unified School District	1,375	4	2.07%	1,700	3	2.51%
Coconino County	1,200	5	1.80%	1,056	5	1.56%
City of Flagstaff	657	6	0.99%	948	6	1.40%
Walmart	630	7	0.95%	-	-	-
Walgreens Distribution Center	407	8	0.61%	400	7	0.59%
SCA Tissue	255	9	0.38%	279	8	0.41%
Nestle Purina	240	10	0.36%	-	-	-
Total Employment in Coconino County As of June 30 ³	66,530			67,652		

Sources: ¹ Flagstaff Chamber of Commerce as of March 2013
² Arizona Department of Economic Security, Worforce Arizona Statistics
³ Arizona Unemployment Statistics Program, Research Administration

Note: Information was not available prior to 2006.

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2004	2005	2006	2007
General Government				
Assessor	24.00	24.00	24.00	26.00
Board of Supervisors	11.00	11.50	13.50	13.50
Clerk of the Superior Court	20.50	20.50	21.50	23.50
Community Development	20.75	19.50	19.50	21.50
County Attorney	42.25	40.75	42.00	42.00
County Manager	4.00	4.00	5.00	5.00
Facilities Management	26.50	27.00	28.00	28.00
Finance	18.00	18.00	17.00	19.00
Human Resources	11.00	10.00	10.00	10.00
Information Technology	18.00	19.00	27.50	28.00
Justice Court - Flagstaff	17.75	18.25	20.50	22.00
Justice Court - Fredonia	2.00	2.00	2.00	2.50
Justice Court - Page	5.00	5.00	5.00	5.00
Justice Court - Williams	4.00	4.75	4.75	5.00
Legal Defender	4.48	4.48	4.48	4.48
Non-Departmental	-	-	-	-
Organizational Development	1.00	1.00	1.00	1.00
Public Defender	21.00	21.00	22.00	22.00
Recorder	16.50	17.00	17.00	17.00
Superintendent of Schools	7.00	7.00	6.85	10.40
Superior Court	28.50	28.50	30.50	31.00
Treasurer	8.00	8.00	8.00	8.50
Public Safety				
Adult Probation	60.00	59.60	58.60	59.60
Constable	1.00	1.00	1.00	1.00
Jail District	166.58	164.33	146.33	146.33
Juvenile Court Services	73.50	74.95	75.28	75.28
Sheriff	86.50	86.00	91.50	93.50
Highways and Streets				
Public Works	134.90	136.40	136.40	136.40
Sanitation				
Kachina Village Imp. Dist.	8.00	9.00	8.00	8.00
Health				
Health	110.76	113.79	121.24	122.50
Welfare				
Career Center	11.00	8.80	10.88	10.88
Community Services	91.87	51.32	58.13	47.92
Culture and Recreation				
Parks and Recreation	16.75	17.25	19.00	19.00
Total	<u>1,072.09</u>	<u>1,033.67</u>	<u>1,056.44</u>	<u>1,065.79</u>

Source: Coconino County Budget Books 2004-2013

Full-time Equivalent Employees as of June 30

2008	2009	2010	2011	2012	2013
27.00	27.08	27.00	25.00	25.00	26.00
13.50	14.50	14.00	13.50	13.50	13.50
23.35	23.35	23.35	23.35	23.35	23.98
23.00	23.50	23.50	22.50	22.50	22.50
42.75	43.00	42.00	42.00	42.00	42.00
10.50	10.50	11.00	12.00	12.40	13.22
28.00	28.00	28.00	26.00	26.00	26.00
19.00	18.00	18.00	17.00	18.25	18.25
11.00	10.00	10.00	10.00	9.73	9.73
28.00	30.00	30.00	31.00	28.00	24.00
24.25	24.50	23.50	22.75	22.75	22.75
2.50	2.50	2.50	2.50	2.50	2.50
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
-	-	-	4.00	3.00	-
1.00	1.00	1.00	-	-	-
22.00	22.00	21.00	21.00	21.00	21.00
19.00	19.00	19.00	17.00	17.00	17.00
11.36	11.36	11.36	9.58	8.88	11.66
34.75	35.00	36.00	35.00	33.50	34.33
8.50	8.00	8.00	8.00	8.00	8.00
60.10	60.10	60.10	59.50	59.50	58.80
1.00	1.00	1.00	1.00	1.00	1.00
165.83	168.83	168.83	166.83	169.63	169.68
75.48	75.28	72.08	71.20	69.58	68.63
94.50	94.50	96.50	97.50	97.50	99.65
136.40	136.40	136.40	121.15	120.50	132.13
8.00	8.00	8.00	8.00	8.00	8.00
129.58	132.53	135.17	111.65	113.71	111.60
10.88	13.88	13.00	13.00	12.00	12.00
49.15	51.65	43.17	48.22	51.22	50.32
20.50	21.00	21.00	19.75	19.75	20.00
<u>1,115.88</u>	<u>1,129.46</u>	<u>1,119.46</u>	<u>1,074.98</u>	<u>1,074.75</u>	<u>1,083.23</u>

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
General Government				
Clerk of the Superior Court				
New Court Cases	3,647	3,611	3,805	3,502
Community Development				
Building Permits Issued	1,923	2,061	1,934	1,794
Building Inspection/Site Visits	10,175	8,512	7,487	6,950
County Attorney				
Adult Felony and Misdemeanor cases	9,034	8,624	8,994	8,334
Victim Restitution Collected for Bad Checks	\$ 65,346	\$ 95,474	\$ 52,846	\$ 49,833
Justice Courts				
Total Cases	27,994	24,514	27,462	26,206
Legal Defender				
Total Cases	705	683	605	512
Public Defender				
Total Cases	4,727	4,567	4,562	4,001
Recorder				
Documents Recorded by Fiscal Year	59,131	61,336	54,356	42,701
Registered Voters	65,006	65,977	62,046	66,000
Superior Court				
Total Number of Criminal Cases Filed	1,275	1,291	1,192	1,108
Total Number of Domestic Relations Cases Filed	595	597	725	619
Total Number of Civil Cases Filed	747	1,030	998	874
Treasurer				
Total Real Property Notices	70,043	71,111	72,518	74,000
Public safety				
Adult Probation				
Monthly Average Probationers Supervised	1,204	1,252	1,343	1,280
Restitution Collected	\$ 241,440	\$ 242,688	\$ 244,527	\$ 220,000
Jail District				
Average Local Population	364	374	365	397
Juvenile Court Services				
Delinquents and Incurable Petitions Filed	904	860	870	878
Contributed to Community Through Restitution Hours	\$ 34,997	\$ 34,569	\$ 34,650	\$ 34,779
Sheriff				
Calls for Service	39,227	40,324	42,344	38,911
Culture and recreation				
Parks and Recreation				
County Fair participants	42,000	40,839	42,536	43,126
Highways and streets				
Public Works				
Number of miles graded	2,350	2,521	1,712	2,114
Number of miles resurfaced	52	104	28	35
Miles of road chip sealed	22	22	24	75
Health				
Health Department				
Patient Vaccination visits	9,939	16,250	10,729	10,783
Restaurant/Public Facility Inspections	4,513	4,481	3,664	4,048
Welfare				
Community Services				
Home Delivered Meals	23,171	21,520	21,227	24,400
Congregate Meals	20,137	21,071	23,612	25,100
Cases Managed	1,840	2,949	3,591	3,042

Source: County Department records and Adopted Budgets

Note: Information was only available for nine years.

Fiscal Year				
2009	2010	2011	2012	2013
3,910	3,950	4,575	4,583	4,343
1,581	1,783	1,880	1,455	1,453
6,295	4,624	5,545	2,629	3,496
7,518	7,009	6,278	7,002	6,915
\$ 35,028	\$ 24,150	\$ 15,231	\$ 16,000	\$ 13,444
27,596	26,801	26,506	27,683	22,819
466	400	370	451	552
3,889	3,393	3,026	3,133	2951
37,929	37,000	37,000	36,500	32,000
71,000	66,000	67,000	68,000	73,000
1,179	1,024	862	943	900
692	766	711	608	625
1,111	1,166	1,077	716	873
77,100	73,796	74,000	74,786	74,000
1,236	1,253	1,252	1,222	1,193
\$ 237,055	\$ 196,824	\$ 189,911	\$ 153,524	\$ 198,079
366	372	372	407	432
817	662	662	619	608
\$ 54,433	\$ 46,906	\$ 30,584	\$ 34,707	\$ 39,814
40,656	50,311	52,815	56,195	60,955
45,049	41,711	45,441	45,095	42,841
2,382	2,303	2,500	2,400	2,088
53	45	70	70	62
21	60	55	80	44
10,512	10,510	4,300	4,693	3,825
3,838	3,662	3,400	3,400	4,923
20,806	20,500	18,395	18,500	14,268
24,366	25,076	26,649	25,076	20,220
3,012	3,180	3,303	3,200	1,404

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

Function	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government									
Facilities square footage managed	682,757	703,135	703,032	684,914	684,914	684,914	684,914	684,914	684,914
Public safety									
Jails	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	8	8	8	8	8
Patrol vehicles	55	52	69	74	74	75	77	79	55
Highways and streets									
Bridges	30	30	30	30	30	30	30	30	38
Miles of paved roads	339	319	319	322	323	323	332	319	319
Miles of unpaved roads	723	710	711	711	711	711	711	611	603.72
Sanitation									
Solid Waste transfer stations	10	10	10	10	10	10	10	8	8
Wastewater treatment facilities	1	1	1	1	1	1	1	1	1
Wells	5	5	5	5	5	5	5	5	5
Health									
Public health facilities	1	1	1	1	1	1	1	1	1
Animal transport vehicles	2	2	3	3	3	3	3	4	4
Culture and recreation									
Parks	5	5	7	9	9	9	9	9	9
Acres protected as open space	589	589	589	589	589	589	2,503	2,600	2,600
Trail miles available for public use	14	14	14	16	17	17	18	18	18
Education									
School building	2	2	2	2	2	2	2	2	2

Source: Coconino County capital asset records and county departments

Note: Information was only available for nine years.