

# PINAL COUNTY, ARIZONA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### FOR THE FISCAL YEAR ENDED JUNE 30, 2016



*Pinal County government protects and enhances its citizens' quality of life by driving economic development and providing efficient, effective, needed services through talented, motivated employees.*

*Pinal County government leads through innovation and collaboration which results in vibrant, safe, sustainable communities.*

**Pinal County, Arizona**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2016**

Prepared by:

The Pinal County Finance Department

Levi D. Gibson, CPA, M. Acc., CFIP  
Finance Director

**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

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# Introductory Section



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PINAL COUNTY  
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PINAL COUNTY, ARIZONA

2015-2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

LETTER OF TRANSMITTAL

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October 2, 2017

The Honorable Board of Supervisors  
and the Citizens of Pinal County, Arizona:

Arizona Revised Statute (A.R.S.) § 41-1279.21 requires the Office of the Auditor General or a firm of licensed certified public accountants contracted by the Auditor General to conduct financial audits of the accounts and records of County governments. Pursuant to the statute, the Office of the Auditor General contracted with Walker & Armstrong LLP to audit the Pinal County (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. The independent audit involved examining, on a test basis, evidence supporting the 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, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the County's basic financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of 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 presented in this report. To provide a reasonable basis for making these representations, the 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 GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of the County was part of a broader, 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 not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 County's MD&A can be found immediately following the report of the independent auditors.

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### **Pinal County Profile**

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The County was founded in 1875 and is located in the south-central part of the State of Arizona, bordered on the north by Maricopa County and on the south by Pima County. Florence, established in 1866 was designated and has remained the county seat. This location, approximately halfway between Phoenix to the north and Tucson to the south, the two largest cities in Arizona, presents some unique problems to the County. Generally rural in nature, the County has a smaller tax base than either Maricopa or Pima counties, yet proximity to these major metropolitan areas keeps labor and supply costs high.

The County encompasses approximately 5,400 square miles. The principal geographic features consist of mountains with elevations to 6,000 feet in the eastern portion and low desert valleys in the western portion of the County. All of Pinal County is considered part of the Phoenix-Mesa-Glendale, AZ MSA.

The June 30, 2016 population of the County was estimated to be 407,000. The communities of Mammoth, Oracle, San Manuel, and Kearny have traditionally been active in copper mining, smelting, milling and refining, and tourism. Arizona City, Eloy, Maricopa, Picacho, Red Rock, and Stanfield have agriculture based economies. Apache Junction, Maricopa, Coolidge, Eloy, and particularly Casa Grande have diversified their economic base to include manufacturing, trade and services.

This expansion and diversification has been facilitated by their location in the major growth corridor between Phoenix and Tucson near the junction of I-10 and I-8, except for Apache Junction, which is to the east of Mesa. Most of the southern  $\frac{3}{4}$  of Pinal County and a small area in Apache Junction are designated as Enterprise Zones.

The governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors is comprised of five board members that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors. The County has several elected officials including the Assessor, Clerk of the Superior Court, Constables, County Attorney, Recorder, Sheriff, Superintendent of Schools, and the Treasurer.

The County provides a full range of services, including law enforcement and public safety, health care, sanitation, welfare programs, construction and maintenance of highways, streets and related infrastructure, recreational services and cultural activities, and education.

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

The annual budget serves as the foundation for Pinal County's financial planning and control. The County maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the General Fund, certain Special Revenue Funds, Debt Service Funds, and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department level. Management further controls budgets by not allowing personnel savings to be reprogrammed to supplies and services within a department. Budgets for the Enterprise Funds are set for management purposes only. Pinal County's annual budget is available on the internet at the following address: <http://pinalcountyyaz.gov/BUDGETOFFICE/Pages/home.aspx>

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### **Information Useful in Assessing Pinal County's Economic Condition**

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The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Local economy - The major economic activities within Pinal County include mining, farming, food manufacturing, tourism, transportation and logistics, aerospace and defense, and health services. Copper mining is the chief economic activity in the eastern portion of Pinal County. BHP Copper Inc., headquartered in Tucson, has mines located in Miami and Pinto Valley (Gila County). BHP is scheduled to open a mine within the next several years in Copper Creek (in Pinal County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters.

Irrigated farming is prevalent in the low desert valleys of the western portion of Pinal County. Principal crops grown in the area include cotton, alfalfa and grain while plantings of specialty crops, including pecans, almonds, pistachio nuts, and vineyards, have been increasing. Cattle comprise the major livestock population, with sheep being the second largest part of that population. In addition, horses and horse-related events are popular activities in the western-oriented life style of the County.

Tourism also impacts the local economy as a mild climate and several points of interest attract tourists and winter visitors. Attractions include the Casa Grande Valley Historical Museum, the Biosphere II (largest living laboratory in the world), the Lost Dutchman State Park, the Casa Grande Ruins National Monument near Coolidge, and the Boyce Thompson Arboretum, located just outside Superior. Additional tourist spots include the Superstition Mountains Wilderness Area, which offers hiking and exploring for visitors in search of the Lost Dutchman's gold mine; Picacho Peak State Park, offering hiking, camping and picnic areas; and the Pinal Pioneer Parkway and the Apache Trail, two scenic drives with a variety of desert vegetation. For those tourists with a desire for more action, Eloy is an international location for skydiving.

A major factor in employment in the County is the prisons, both governmental and private. The State of Arizona operates prisons in Pinal County, including the State's maximum-security prison in Florence. Corrections Corporation of America (CCA) operates several private prisons, in Florence, Eloy, and La Palma, which is the largest CCA facility in the country. Also, there is a Federal Immigration Services facility in Florence.

Arizona's economy has been following suit with the national and most other state economies. Similar to the National and State economies, Pinal County follows the pattern of moderate growth. Stabilization in the residential home market and modest growth in retail sales across the state resulted in greater sales tax revenue, both County and State shared.

**Long – Term Financial Planning** - The County's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Pinal County's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2015-2016.

**Relevant Financial Policies** - Pinal County financial policies include the following:

- **Fiscal Conservatism:** Ensure the County is in a solid financial condition at all times, current revenues will be sufficient to support current operating expenditures. The County performs monthly reviews of operating budgets for all funds regardless of funding source.
- **Flexibility:** Ensure the County is in a position to respond to changes in the economy or new service challenges without undue amounts of financial stress.
- **Adherence to the Highest Accounting and Management Practices:** Comply with the Government Finance Officers Association (GFOA) standards for reporting and budgeting, the Governmental Accounting Standards Board (GASB) and State reporting requirements.
- **Maintain Reserve:** Fund Balance coverage for the General Fund will be maintained at a minimum of 10% of adopted General Fund expenditures.

**Major Initiatives.** During FY 2015-2016 Pinal County continued to invest in basic government service programs and amenities. The planning parameters were Regional Leadership, Growth, Public Safety, Healthcare, Transportation, Jobs and Economic Development, and Accountability.

Initiatives to shape and maintain Pinal County as a sustainable community include:

- Focus on maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing. Standard & Poor's rated several of Pinal County's Excise Tax Revenue Bonds as follows: Series 2010 at AA, Series 2014 at AA-, and Series 2015 at AA-, all with a stable outlook.
- Cost containment and improving efficiencies continue to be a top priority to help ensure the financial well-being of the County, while maintaining an adequate level of reserves.

- Seeking support at state and federal level for necessary approvals for the following:
  - efforts to plan and engineer ways to reduce flooding in the Lower Santa Cruz River Watershed, Tangerine Basin and along Hunt Highway/Gantzel Road.
  - funding to widen Hunt Highway to reduce congestion, improve commute times and attract more businesses to the area while also reducing dust and vehicle emission in the San Tan Valley area. The County completed construction for the first and second phase of the improvement project and has started the design and property acquisition for the third and fourth phase of this project.
  - funding to pave dirt roads to reduce the amount of particulate matter (dust & dirt) in the air.
  - design and construction for improvements to the San Manuel Airport and Pinal Air Park infrastructure.
- A Corridor Study, in conjunction with the cities of Casa Grande and Maricopa, to define and obtain environmental approvals for an east-west parkway that will connect State Route 347 (in Maricopa) to Interstate 10 (in Casa Grande).

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### **Awards and Acknowledgements**

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pinal County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 20<sup>th</sup> consecutive year that Pinal County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, Pinal County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only.

#### Acknowledgments

The preparation of this report would not have been possible without the efficient, effective and dedicated services of the entire staff of the Finance Department, the assistance of administrative personnel in the various departments, and through the competent services of Walker & Armstrong LLP, Certified Public Accountants and the Arizona State Auditor General's Office. I appreciate all of those who assisted in and contributed to the preparation of this report. I also wish to express my sincere appreciation to the members of the Board of Supervisors, the County Manager, and the Assistant County Manager for Administrative Services for their unfailing support in maintaining the highest standards of professionalism in the management of Pinal County's finances.

Respectfully submitted,

Levi D. Gibson, CPA, M. Acc., CFIP  
Finance Director



Government Finance Officers Association

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

Presented to

**Pinal County  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**



Executive Director/CEO

# PINAL COUNTY

PINAL COUNTY VOTERS

ELECTED OFFICIALS  
 Douglas Wolf, Assessor  
 Lando Voyles, Attorney  
 Amanda Stanford, Clerk of the Court  
 Virginia Ross, Recorder/Elections  
 Jill Broussard, School Superintendent  
 Paul Babeu, Sheriff  
 Dolores J. Doolittle, Treasurer  
 Superior Court Justices (10)  
     Adult Probation  
     Juvenile Court Services  
 Justices of the Peace (8)

Clerk Of the Board  
 Sheri Cluff

Board of Supervisors  
 Pete Rios, District 1  
 Cheryl Chase, District 2  
 Steve Miller, District 3  
 Anthony Smith, District 4  
 Todd House, District 5

Internal Audit Officer  
 Vacant

County Manager  
 Greg Stanley

Economic Development  
 Timothy Kanavel

Communications & Public Affairs  
 Joe Pyritz

Assistant County Manager  
 Leo Lew

Strategic Planning  
 Kent Taylor

Levi D. Gibson, **Finance Director**  
 Patrick Camunez, **Human Resources Director**  
 Steven Frazier, **Chief Information Officer**  
 Vacant, **Public Health Director**  
 Chris Reimus, **Environmental Health Assistant Director**  
 James E. Mannato, **Public Defender**  
 Denise Keller, **Library District Director**  
 Elizabeth Kizer, **Correctional Health Director**  
 Adeline Allen, **Housing Director**  
 Geraldine Roll, **Behavioral Health, Public Fiduciary Director**  
 Vacant, **Budget & Research Director**

Michael Sundblom, **Air Quality Director**  
 Tony Guasp, **Building Safety Director**  
 Himanshu Patel, **Planning & Development Director**  
 Louis Andersen, **Public Works Director**  
 Jack Flindt, **Fleet Services/Risk Management Director**  
 Archie R. Carreon, **Facilities Management Director**  
 Audra Michael, **Animal Care & Control Director**

**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**  
**County Officials**

**Elected Officials**

Supervisor, District 1	Pete Rios
Supervisor, District 2	Cheryl Chase
Supervisor, District 3	Steve Miller
Supervisor, District 4	Anthony Smith
Supervisor, District 5	Todd House
Assessor	Douglas Wolf
Attorney	Lando Voyles
Clerk of Superior Court	Amanda Stanford
Recorder/Elections	Virginia Ross
School Superintendent	Jill Broussard
Sheriff	Paul Babeu
Superior Court Judge, Division 16	Honorable Gilberto V. Figueroa
Superior Court Judge, Division 17	Honorable Stephen F. McCarville
Superior Court Judge, Division 19	Honorable Kevin D. White
Superior Court Judge, Division 20	Honorable Joseph R. Georgini
Superior Court Judge, Division 21	Honorable Brenda E. Oldham
Superior Court Judge, Division 23	Honorable Steven J. Fuller
Superior Court Judge, Division 24	Honorable Daniel A. Washburn
Superior Court Judge, Division 25	Honorable Jason R. Holmberg
Superior Court Judge, Division 26	Honorable Henry G. Gooday
Superior Court Judge, Division 27	Honorable Karl C. Eppich
Treasurer	Dolores J. Doolittle
Justices of the Peace (8) and Constables (8)	Various

**Appointed Officials**

County Manager	Greg Stanley
Internal Audit Officer	Vacant
Clerk of the Board	Sheri Cluff
Assistant County Manager	Leo Lew
Finance Director	Levi D. Gibson
Public Works Director	Louis Andersen
Community Development	Himanshu Patel
Public Defender	James E. Mannato
Library District Director	Denise Keller
Budget & Research Director	Vacant
Facilities Management Director	Archie R. Carreon
Fleet Services/Risk Management Director	Jack Flindt
Human Resources Director	Patrick Camunez
Chief Information Officer	Steven Frazier
Air Quality Director	Michael Sundblom
Animal Care & Control Director	Audra Michael
Housing Director	Adeline Allen
Behavioral Health, Public Fiduciary Director	Geraldine Roll
Public Health Director	Vacant
Correctional Health Director	Elizabeth Kizer
Environmental Health Director	Chris Reimus

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# Financial Section



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## Independent Auditors' Report

The Auditor General of the State of Arizona

Honorable Board of Supervisors of  
Pinal County, Arizona

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Pinal County, Arizona ("Pinal County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Pinal 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 accounting principles generally accepted in the United States of America; 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 did not audit the following financial statements:

- Housing and community development fund, which represents 1.13 percent, 1.96 percent and 1.90 percent of the total assets, net position, and revenues, respectively, of the governmental activities opinion unit and 3.71 percent, 2.94 percent and .70 percent, respectively, of the total assets, fund balances/net position and revenues and additions of the aggregate remaining fund information opinion unit;
- Employee benefit trust fund, which represents .41 percent, .97 percent and .09 percent of the total assets, net position, and revenues, respectively, of the governmental activities opinion unit and 1.34 percent, 1.45 percent and .03 percent, respectively, of the total assets, fund balances/net position and revenues and additions of the aggregate remaining fund information opinion unit.

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the housing and community development and employee benefit trust funds are based solely on the other auditors' reports. 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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2016, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and *Amendments to Certain provisions of GASB Statements 67 and 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Our opinions are not modified with respect to this matter.

As described in Note 4 to the financial statements, the County restated beginning net position/fund balances of its financial statements for the year ended June 30, 2016, to correct misstatements in its previously issued financial statements. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 20, the Budgetary Comparison Schedules on pages 85 through 90, and the pension and other post-employment benefits related schedules on pages 91 through 100 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 Pinal County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, 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 Pinal County failed to use highway user revenue fund monies Pinal County received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues Pinal County received solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Pinal 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 Auditor General of the State of Arizona, 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 October 5, 2017 on our consideration of Pinal 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.

*Walker & Armstrong, LLP*

Phoenix, Arizona  
October 5, 2017

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## PINAL COUNTY Management's Discussion and Analysis

As management of Pinal County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages viii – xi of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year 2016 by \$293,467 (net position). Of this amount, \$349,257 is invested in capital assets, \$88,587 is subject to external restrictions, and (\$144,377) is unrestricted. The negative balance in the unrestricted portion of net position is due to the County recognizing net pension liabilities for all plans to which it contributes.
- The County's total net position increased by \$831 from the prior year. The County's primary sources of revenue are from taxes, grants and contributions, and charges for services.
- As of June 30, 2016, the County's governmental funds reported combined fund balances of \$163,174, a decrease of \$15,626 in comparison with the prior year. Approximately 14% of the combined fund balances, or \$23,505 is available for spending at the County's discretion (assigned & unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,438, or 15% of total General Fund expenditures.
- The County's total long-term liabilities as of June 30, 2016, were \$382,187. Revenue bonds and loans payable, including unamortized premiums, and net pension liabilities, represent 97% of the total. The final payments on the loans payable are due in fiscal years 2019. The final payments for the 2010 revenue bonds are due in fiscal years 2021 and 2036, the final payments for the 2014 revenue bonds are due in fiscal years 2026 and 2035, and the final payments for the 2015 revenue bonds are due in fiscal years 2020 and 2030.

### 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 consist of three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

## PINAL COUNTY Management's Discussion and Analysis

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 event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The business-type activities of the County include Sheriff Inmate Services and Airport Economic Development.

**The government-wide financial statements can be found on pages 23-24 of this report.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances include a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County uses 194 individual governmental funds to satisfy legal and operating requirements. Some of these funds are combined according to their functional basis for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road Tax Districts, Public Works Highway, Development Impact Fee, Bond Funded Capital Projects, and Kelvin Road Bridge Construction. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and other governmental funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. These statements can be found on pages 85-90.

**The basic governmental fund financial statements can be found on pages 25-28 of this report.**

**Proprietary funds** are maintained in two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Sheriff Inmate Services and Airport Economic Development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the AZ Merit Employee Benefits and Fleet Maintenance. Because the services of internal service funds predominantly benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

## PINAL COUNTY Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Fund data for non-major enterprise funds are combined into a single, aggregated presentation provided in the form of *combining statements* elsewhere in this report. The County's internal service fund is presented separately in the proprietary fund financial statements.

**The proprietary fund financial statements can be found on pages 29-32 of this report.**

**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 because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**The fiduciary fund financial statements can be found on pages 33-34 of this report.**

**Notes to the Financial Statements** provide additional information that is essential to a 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 35-81 of this report.

**Required Supplementary Information** is presented in addition to the basic financial statements and accompanying notes, concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budgetary comparison schedules previously discussed are also included in this section. Required supplementary information can be found on pages 91-100 of this report.

**Combining Statements and Other Schedules** referred to earlier in connection with non-major governmental funds and enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules including statistical information can be found on pages 103-195 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. County assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$293,467 at the close of the most recent fiscal year.

#### **Governmental Activities – Statement of Net Position**

The largest portion of the net position, \$346,012, reflects net investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less accumulated depreciation and any related debt used to acquire these assets that is still outstanding. Net position invested in capital assets increased by \$65,532 mainly due to an increase in construction in progress relating to multiple on-going construction projects. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. As part of the County's net investment in capital assets, the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$88,587 represents resources that are subject to external restrictions on how they may be used. A majority of restrictions are imposed by grantor agencies and creditors. The remaining balance of unrestricted net position of (\$87,284) in fiscal year 2014-15 decreased in the current year by \$57,086, to a deficit of (\$144,370). The majority of this decrease is due to the addition of net pension liabilities.

Overall, the net position increased by \$309 from net position reported at June 30, 2015.

Current and other assets decreased by \$13,019. Notable changes included a decrease in cash and investments and cash and investments held by trustees in the major fund Bond Funded Capital Projects and Other Governmental funds.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

The decreases in deferred outflows of resources from \$34,933 to \$32,945 and deferred inflows of resources from \$27,898 to \$19,976 consist mainly of the contributions to the pension plans after the measurement date and the changes in estimates and assumptions used to calculate the net pension liabilities. Additional information on the County's pension plan activity can be found in Note 11 of the notes to the financial statements on pages 57-77 of this report.

Long-term liabilities increased in the current year by \$2,672. Notable changes included the addition of net pension liabilities and the reduction of loans and bonds payable with the associated unamortized premiums/discounts.

**Business-type Activities – Statement of Net Position**

A majority portion of the net position, \$3,245 reflects investment in capital assets (e.g., buildings, infrastructure, and machinery and equipment).

None of the net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net deficit (\$7) makes up less than 1% of net position.

The net position increased by \$554 from net position reported at June 30, 2015. The increase in net position is due to an interfund transfer of \$1,000 from other governmental funds to the Enterprise fund.

Current and other assets increased by \$805. This increase is due to the increase in operating grants and contributions revenues.

Capital assets decreased by \$257. This decrease is due to depreciation expense recognized in the period.

Long-term liabilities increased by \$99. Notable changes included the addition of net pension liabilities and compensated absences.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

<b>Condensed Statement of Net Position</b>						
<b>June 30, 2016 and 2015</b>						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 201,676	\$ 214,695	\$ 510	\$ (295)	\$ 202,186	\$ 214,400
Capital assets	482,137	465,100	3,245	3,502	485,382	468,602
<b>Total assets</b>	<b>683,813</b>	<b>679,795</b>	<b>3,755</b>	<b>3,207</b>	<b>687,568</b>	<b>683,002</b>
Deferred outflows of resources						
Pension	32,621	34,487	64	50	32,685	34,537
Deferred charge on debt refunding	324	446	-	-	324	446
<b>Total deferred     outflows of resources</b>	<b>32,945</b>	<b>34,933</b>	<b>64</b>	<b>50</b>	<b>33,009</b>	<b>34,983</b>
Other liabilities	24,812	18,233	54	156	24,866	18,389
Long-term liabilities	381,743	379,071	444	345	382,187	379,416
<b>Total liabilities</b>	<b>406,555</b>	<b>397,304</b>	<b>498</b>	<b>501</b>	<b>407,053</b>	<b>397,805</b>
Deferred inflows of resources						
Pension	19,976	27,898	83	72	20,059	27,970
<b>Total deferred     inflows of resources</b>	<b>19,976</b>	<b>27,898</b>	<b>83</b>	<b>72</b>	<b>20,059</b>	<b>27,970</b>
Net position:						
Net investment in capital assets	346,012	280,480	3,245	3,502	349,257	283,982
Restricted	88,587	96,330	-	-	88,587	96,330
Unrestricted (deficit)	(144,370)	(87,284)	(7)	(818)	(144,377)	(88,102)
<b>Total net position</b>	<b>\$ 290,229</b>	<b>\$ 289,526</b>	<b>\$ 3,238</b>	<b>\$ 2,684</b>	<b>\$ 293,467</b>	<b>\$ 292,210</b>

**PINAL COUNTY**  
**Management's Discussion and Analysis**

**Governmental Activities – Statement of Activities**

- General revenue property taxes increased by \$6,583 during the year. The increase is primarily due to an increases in property taxes levied in the current year as well as increases in assessed property values.
- Charges for services increased by \$10,243 primarily due to additional revenues received for emergency housing of Arizona Department of Corrections inmates.
- Operating grants and contributions increased by \$3,929 primarily due to increases in revenues for federal operational grants including Housing Workforce Innovation-WIOA, Public Works Emergency Preparedness Plan, and Public Health grants.
- Capital grants and contributions are lower by \$12,861 from the prior year primarily due to a decrease in donated assets received by the county.
- Expenses increased by \$1,205 primarily due to increases in expenditures related to highways and streets and welfare offset by decreases in interest on long-term debt. Specifically there were increases in expenses for HURF, the Kelvin Bridge project and Housing Workforce Innovation-WIOA grant. Decreases in expenditures related to interest on long-term debt is attributed to the refunding of debt.

**Business-type activities – Statement of Activities**

Business-type activities increased the County's net position by \$522.

- Total revenue increased by \$2,020 primarily due to a increase in intergovernmental revenues in the Airport Economic Development Fund and expenses increased by \$1,585 due to an increase in professional services for Airport Economic Development Fund.

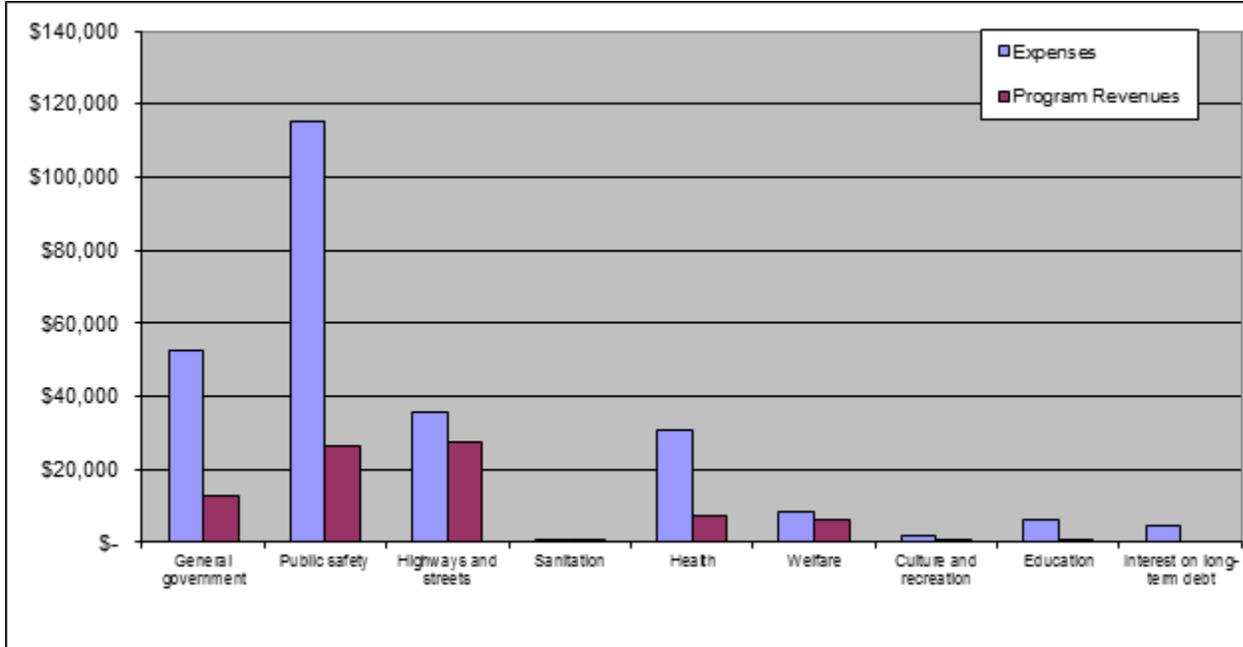
The following table summarizes the changes in net position for governmental and business-type activities.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

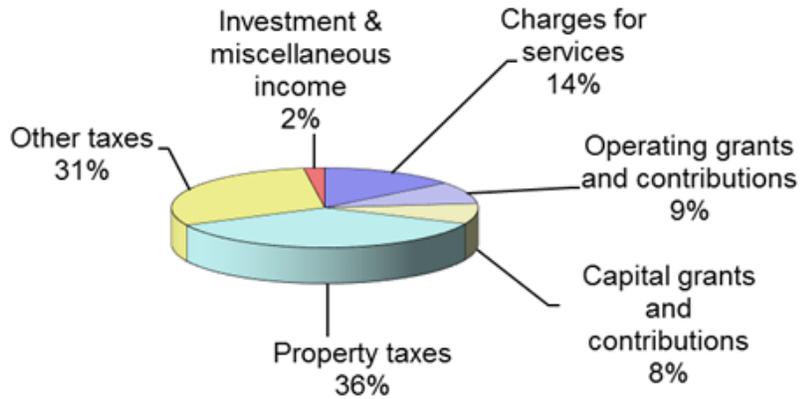
<b>Condensed Statement of Activities</b>						
<b>Years Ended June 30, 2016 and 2015</b>						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 38,341	\$ 28,098	\$ 250	\$ 298	\$ 38,591	\$ 28,396
Operating grants and contributions	22,795	18,866	2,227	211	25,022	19,077
Capital grants and contributions	21,301	34,162	-	-	21,301	34,162
General revenues:						
Property taxes	90,678	84,095	-	-	90,678	84,095
Other taxes	76,733	76,611	-	-	76,733	76,611
Investment earnings	957	574	-	-	957	574
Other general revenues	1,200	1,962	525	473	1,725	2,435
<b>Total revenues</b>	<b>252,005</b>	<b>244,368</b>	<b>3,002</b>	<b>982</b>	<b>255,007</b>	<b>245,350</b>
<b>Expenses:</b>						
General government	48,025	50,653	-	-	48,025	50,653
Public safety	115,375	114,103	-	-	115,375	114,103
Highways and streets	35,533	30,896	-	-	35,533	30,896
Sanitation	416	303	-	-	416	303
Health	30,694	30,820	-	-	30,694	30,820
Welfare	8,545	5,900	-	-	8,545	5,900
Culture and recreation	1,653	1,498	-	-	1,653	1,498
Education	5,952	6,076	-	-	5,952	6,076
Interest on long-term debt	4,503	12,742	-	-	4,503	12,742
Sheriff Inmate Services	-	-	394	975	394	975
Airport Economic Development	-	-	3,086	920	3,086	920
<b>Total expenses</b>	<b>250,696</b>	<b>252,991</b>	<b>3,480</b>	<b>1,895</b>	<b>254,176</b>	<b>254,886</b>
Excess (deficiency) before transfers	1,309	(8,623)	(478)	(913)	831	(9,536)
Transfers	(1,000)	-	1,000	-	-	-
Change in net position	309	(8,623)	522	(913)	831	(9,536)
Net position - beginning, as restated *	289,920	298,149	2,716	3,597	292,636	301,746
<b>Net position - ending</b>	<b>\$ 290,229</b>	<b>\$ 289,526</b>	<b>\$ 3,238</b>	<b>\$ 2,684</b>	<b>\$ 293,467</b>	<b>\$ 292,210</b>

**PINAL COUNTY  
Management's Discussion and Analysis**

**Expenses and Program Revenues – Governmental Activities  
Fiscal Year 2016**

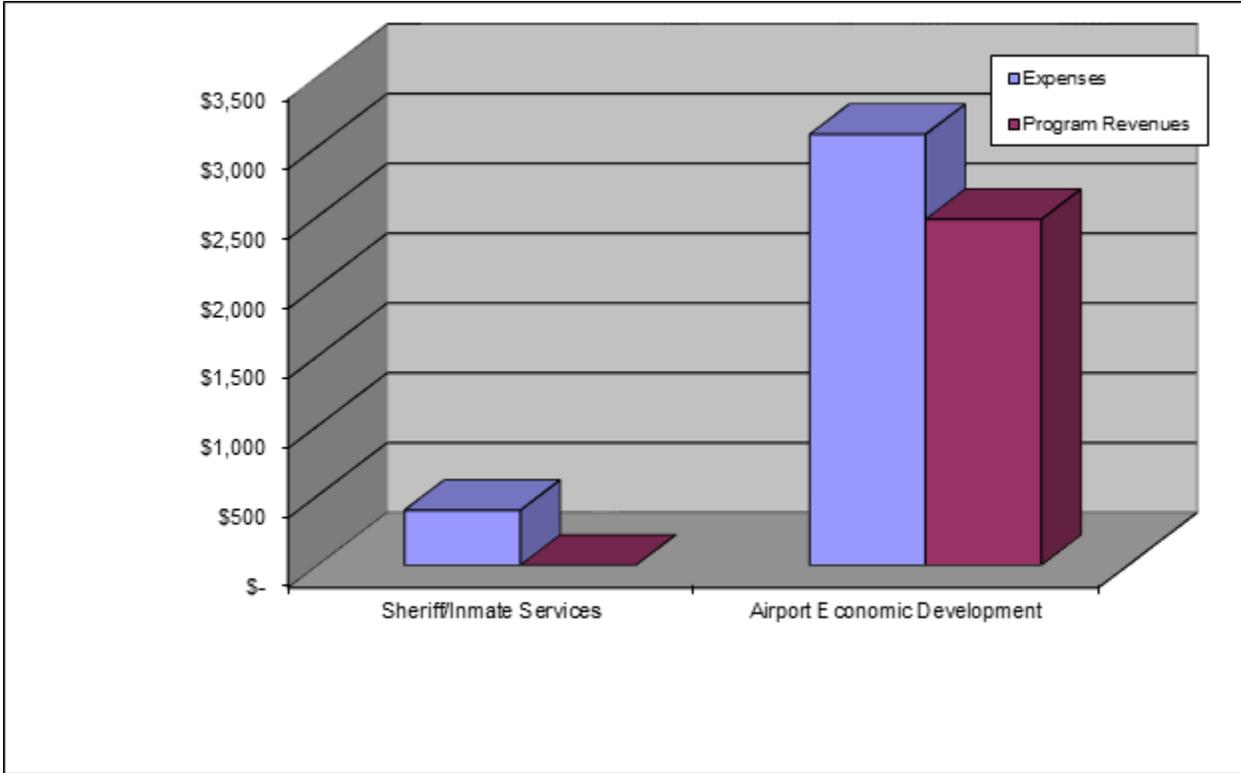


**Revenues by Source - Governmental Activities  
Fiscal Year 2016**

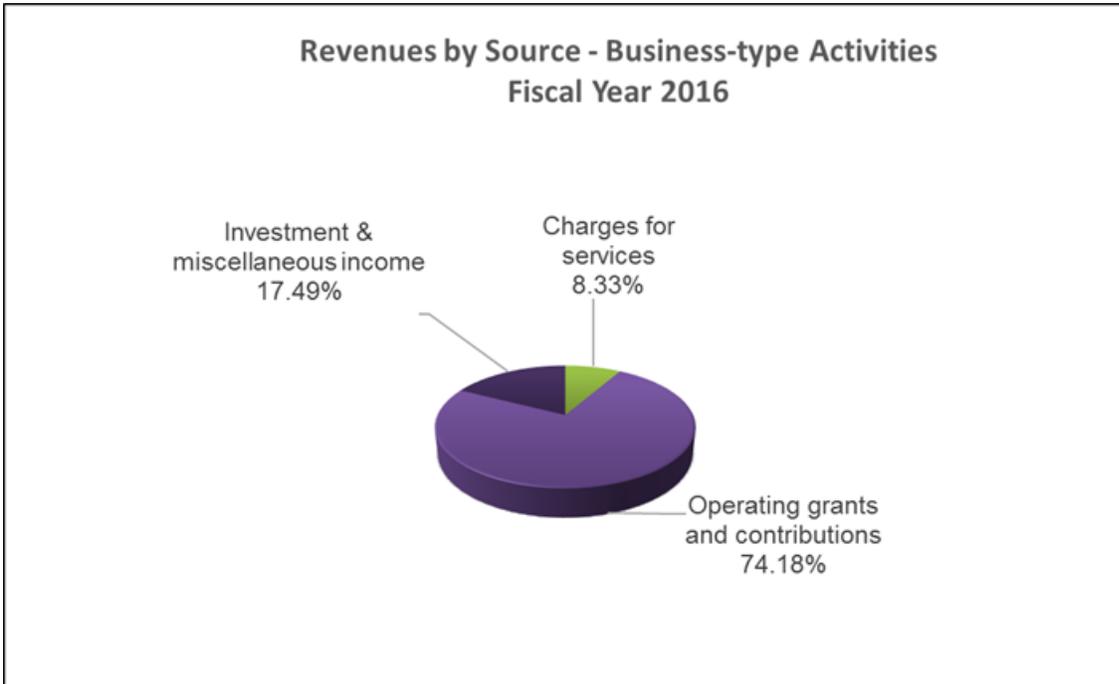


**PINAL COUNTY  
Management's Discussion and Analysis**

**Expenses and Program Revenues – Business-type Activities  
Fiscal Year 2016**



**Revenues by Source - Business-type Activities  
Fiscal Year 2016**



# PINAL COUNTY

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2016, the County's governmental funds reported combined fund balance of \$163,174, a decrease of \$15,324 in comparison with the prior year. Less than 1%, \$100 of the combined fund balance constitutes *nonspendable fund balance*, made up of prepaid items and inventories that do not represent available spendable resources. Approximately 85% of the combined fund balance, \$137,881 constitutes *restricted fund balance* which represents resources that are subject to external restrictions on how they may be used. The remaining 15% of the combined fund balance is comprised of unassigned fund balance of \$22,339 which is available for spending at the County's discretion, while amounts of \$1,688 and \$1,166 of committed and assigned fund balances, respectively, have to be spent under the conditions specified by the Board of Supervisors and County Management.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$22,438. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$22,438 and total fund balance of \$23,153 represent 15% of total General Fund expenditures.

The total fund balance of the County's General Fund increased during the fiscal year by \$3,167. Key factors in the increase to fund balance includes an increase in revenues in comparison to prior year of \$11,744 primarily related to increased taxes, charges for services.

The Road Tax Districts Fund total fund balance increased during the fiscal year by \$80. The increase is primarily attributed to increased taxes and contributions for the Hunt Highway project.

The Public Works Highway Fund total fund balance increased during the year by \$2,110. This increase is mainly attributable to an increase in HURF and VLT revenues.

The Development Impact Fee Fund total fund balance decreased during the fiscal year by \$1,071. The fund decreased due to the amount of transfers out to other governmental funds that accounted for improvements made for parks, public safety, and streets within the impact fee area.

The Bond Funded Capital Projects Fund total fund balance decreased during the fiscal year by \$13,514. The fund decreased primarily due to capital outlay expenditures related to various county construction projects related to highways and roads, and public safety projects.

The Kelvin Bridge Construction Fund has been included as a major fund. The total fund balance decreased \$5,492. This decrease is mainly attributable to capital outlay expenditures for bridge construction.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

**Overview of all governmental funds**

Revenues for governmental funds totaled \$252,171 in fiscal year 2016, which represents an increase of 10% from fiscal year 2015.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds Revenues Classified by Source For the Years Ended June 30, 2016 and 2015							
	<u>2016</u>		<u>2015</u>		<u>Variance</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Taxes	\$ 112,714	44.70%	\$ 108,149	46.64%	\$ 4,565	4.22%	
Licenses and permits	5,525	2.19%	5,128	2.21%	397	7.74%	
Intergovernmental	102,947	40.82%	94,514	40.76%	8,433	8.92%	
Charges for services	24,639	9.77%	18,357	7.92%	6,282	34.22%	
Fines and forfeits	2,871	1.14%	2,034	0.88%	837	41.15%	
Investment earnings	957	0.38%	574	0.25%	383	66.72%	
Contributions	628	0.25%	1,571	0.68%	(943)	-60.03%	
Rentals	450	0.18%	487	0.21%	(37)	-7.60%	
Miscellaneous	1,440	0.57%	1,051	0.45%	389	37.01%	
<b>Total revenues</b>	<b>\$ 252,171</b>	<b>100.00%</b>	<b>\$ 231,865</b>	<b>100.00%</b>	<b>\$ 20,306</b>	<b>8.76%</b>	

The following provides an explanation of revenues by source that changed significantly over the prior year.

- Taxes – the increase of \$4,565 was primarily due to an increase of the Primary Assessed Valuation of 2.61% and an increase in the property tax rate.
- Intergovernmental – the increase of \$8,433 was primarily due to an increase in revenues received for boarding of the Arizona Department of Corrections inmates.
- Charges for services – the increase of \$6,282 was primarily due to an increase in demand for court fees, record fees, planning permits issued, animal care fees, and floodplain permits.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

The following table presents expenditures by function compared to prior year amounts.

<b>Governmental Funds                      Expenditures by Function                      For the Years Ended June 30, 2016 and 2015</b>						
Governmental Function	<u>2016</u>		<u>2015</u>		<u>Variance</u>	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 34,820	12.88%	\$ 35,638	11.77%	\$ (818)	-2.30%
Public safety	116,161	42.97%	115,220	38.06%	941	0.82%
Highways and streets	36,474	13.49%	29,532	9.76%	6,942	23.51%
Sanitation	416	0.15%	303	0.10%	113	37.29%
Health	30,694	11.37%	30,715	10.15%	(21)	-0.07%
Welfare	8,186	3.03%	5,727	1.89%	2,459	42.94%
Culture and recreation	1,653	0.61%	1,433	0.47%	220	15.35%
Education	5,952	2.20%	6,076	2.01%	(124)	-2.04%
Capital outlay	20,644	7.64%	6,230	2.06%	14,414	231.36%
Debt service:						
Principal retirement	7,822	2.89%	59,158	19.54%	(51,336)	-86.78%
Interest	7,481	2.77%	11,097	3.67%	(3,616)	-32.59%
Costs of issuance	-	0.00%	440	0.15%	(440)	-100.00%
Miscellaneous	-	0.00%	1,159	0.37%	(1,159)	-100.00%
<b>Total expenditures</b>	<b>\$ 270,303</b>	<b>100%</b>	<b>\$ 302,728</b>	<b>100%</b>	<b>\$ (32,425)</b>	<b>-10.71%</b>

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- Highways and streets – expenditures for highways and streets increased \$6,942 primarily due to an increase in construction and engineering services for construction on the Kelvin Bridge project and other various maintenance projects.
- Welfare – expenditures for welfare increased \$2,459 primarily due to the expenditures related to the Housing Workforce Innovation-WIOA grant which was new to the county in this fiscal year.
- Capital outlay – expenditures for capital outlay increased \$14,414 primarily due to bond funded capital projects (Hunt Highway, P25 Radio Project, and Superior Court Expansion).
- Principal retirement and interest – expenditures decreased \$51,336 and \$3,616, respectively, primarily due to a decrease in new debt issuances and debt refunding in the previous fiscal year. Principal and interest is being paid on current debt issuances only.

**PINAL COUNTY  
Management's Discussion and Analysis**

**Proprietary funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net deficit for the enterprise funds totaled (\$7). Investment in capital assets totaled \$3,245.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

The following table shows actual revenues, expenses, and changes in net assets for the enterprise funds for the current fiscal year:

Enterprise Funds Schedule of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2016			
	Sheriff Inmate Services	Airport Economic Develop- ment	Total
Operating revenues	\$ 503	\$ 272	\$ 775
Operating expenses	394	3,086	3,480
Operating loss	109	(2,814)	(2,705)
Nonoperating revenues	-	2,227	2,227
Transfers	-	1,000	1,000
Changes in net position	<u>\$ 109</u>	<u>\$ 413</u>	<u>\$ 522</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

- General Fund revenues exceeded the final budget by \$927 or less than 1%, due to an increase in Intergovernmental revenues received from other governments and Charges for Services revenues, specifically in court fees, record fees, planning permits issued, animal care fees, and floodplain permits.

General Fund expenditures were less than the budget by \$19,152 or 11%, due to the following reasons:

- The Assistant County Manager-Admin spent \$16,029 less than budgeted in the general government function and \$639 in the welfare function, primarily due to unspent funds, including the Board established Financial Stability Reserve and contingency funds not being used.
- The County Manager and Recorder spent \$5,539 and \$1,095, respectively, less than budgeted in the general government function primarily due to unspent funds and contingency funds not being used.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The County's capital assets for its governmental and business-type activities as of June 30, 2016, amounted to \$485,382 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, software, and construction in progress.

Major capital asset events during the current fiscal year included the following:

Governmental activities:

- Construction in progress increased due to multiple on-going construction projects including the Hunt Highway widening project and construction on the addition to the County Superior Court building.

Governmental and Business-type Activities Capital Assets (net of accumulated depreciation) June 30, 2016 and 2015						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 191,732	\$ 189,269	\$ -	\$ -	\$ 191,732	\$ 189,269
Buildings and improvements	99,655	104,802	101	106	99,756	104,908
Machinery and equipment	14,146	12,910	268	398	14,414	13,308
Intangible - Software	1,494	1,733	-	-	1,494	1,733
Infrastructure	144,297	144,948	2,876	2,998	147,173	147,946
Construction in progress	30,813	11,438	-	-	30,813	11,438
Total	<u>\$ 482,137</u>	<u>\$ 465,100</u>	<u>\$ 3,245</u>	<u>\$ 3,502</u>	<u>\$ 485,382</u>	<u>\$ 468,602</u>

The County's infrastructure assets are recorded at actual cost when available or estimated historical cost when actual cost is not available, with donations being reported at acquisition value in the government-wide financial statements as required by GASB Statement No. 72. The acquisition of new infrastructure assets is reported as Highways and Streets expenditures within the Public Works Highway, Road Tax Districts, and Flood Control Funds.

Additional information on the County's capital assets can be found in Note 6 on pages 49-50 of this report.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

**Long-term Debt**

At the end of the current fiscal year, the County had total long-term debt outstanding of \$180,640 for governmental activities as compared to \$187,765 in the prior year. This amount was comprised of \$174,608 of bonds payable, including unamortized discount on the 2010 revenue bonds and unamortized premium on the 2010 refunding revenue bonds, for the construction of two health clinics, the renovation of the County's historic courthouse and to refund the certificates of participation, Series 2001, respectively. This amount of bonds payable including unamortized premium on the 2014 revenue bond for road and highway improvements and improvements to public safety radio upgrades and unamortized premium on the 2014 refunding bonds related to the GADA 2006 loan, respectively. This amount of bonds payable including unamortized premium on the 2015 bonds payable to refund the certificates of participation, Series 2004; and \$6,032 of loans payable, including unamortized premium, for the animal shelter expansion project and several County building renovation projects.

<b>Long-Term Debt</b>			
<b>June 30, 2016 and 2015</b>			
	<b>Outstanding Debt</b>		<b>Percent Change</b>
	<b>2016</b>	<b>2015</b>	
Governmental Activities			
Loans payable	\$ 6,032	\$ 7,904	76.32%
Obligations under capital leases	-	416	0.00%
Bonds payable	<u>174,608</u>	<u>179,445</u>	97.30%
Total	<u>\$ 180,640</u>	<u>\$ 187,765</u>	

Additional information on the County's long-term debt can be found in Note 9 on pages 51-56 of this report.

**Economic Factors and Next Year's Budgets**

- The current 2016, preliminary, seasonally adjusted, unemployment rate for the State of Arizona as of September was 5.1%.<sup>1</sup> The national rate as of September was 4.9%.<sup>1</sup> The unemployment rate for Pinal County as of September was 5.5%.<sup>1</sup> The State of Arizona seasonally adjusted unemployment decreased 1.2% from one year ago and the average unemployment rate for Pinal County decreased 1.1% from the prior year. The largest job increase exists in Government with marginal increases in Leisure and Hospitality, Construction, and Education and Health Services, Financial Activities, Information, Manufacturing, and Natural Resources and Mining remained flat%.<sup>1</sup>
- The housing industry, which is stabilizing, continues to be one of the largest factors affecting the State of Arizona. Although property tax receivables have slightly decreased, we also expect revenues from permits to slightly decrease as new home construction remains steady.
- The County has projected that revenues from the Local Sales Taxes will increase in fiscal year 2017.

<sup>1</sup> [www.laborstats.az.gov/](http://www.laborstats.az.gov/) ADOA – EPS – Employment and Population Statistics September 2017.

**PINAL COUNTY**  
**Management's Discussion and Analysis**

- The County has projected \$32,603 of transaction privilege taxes to be received from the State of Arizona in fiscal year 2017 (an increase of about \$1,291 from fiscal year 2016).
- In fiscal year 2017, the Board of Supervisors decreased the property tax rate at 3.8699 cents. Decreasing the primary tax rate combined with a slow increase in net assessed valuations has resulted in \$267 less in primary property levied as compared to that levied in during fiscal year 2016.

The County continues to monitor the local, state and national economy in order to identify opportunities and threats to budgeted revenues. Slight improvement in the residential home market and retail sales across the State of Arizona resulted in more sales tax revenue, both County and State-Shared. The County has chosen to keep some positions vacant and an overall 4% budget reductions from most County departments were implemented. The County continues to place great emphasis on control over expenditures.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Pinal County Finance Department, P.O. Box 1348, Florence, AZ, 85132.

# Basic Financial Statements



**P I N A L • C O U N T Y**  
*wide open opportunity*

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**PINAL COUNTY**  
**Statement of Net Position**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 114,145	\$ 474	\$ 114,619
Cash and investments held by trustees	56,464	-	56,464
Receivables (net of allowances for uncollectibles):			
Property taxes	2,396	-	2,396
Accounts	1,580	1	1,581
Due from other governments	26,348	35	26,383
Inventories	62	-	62
Prepaid items	38	-	38
Cash, cash equivalents and investments - restricted	643	-	643
Capital assets, not being depreciated	222,545	-	222,545
Capital assets, being depreciated, net	259,592	3,245	262,837
Total assets	<u>683,813</u>	<u>3,755</u>	<u>687,568</u>
<b>Deferred Outflows of Resources</b>			
Pension	32,621	64	32,685
Deferred charge on debt refunding	324	-	324
Total deferred outflows of resources	<u>32,945</u>	<u>64</u>	<u>33,009</u>
<b>Liabilities</b>			
Accounts payable	12,655	36	12,691
Accrued payroll and employee benefits	4,297	18	4,315
Retainage payable	341	-	341
Contracts payable	89	-	89
Due to other governments	177	-	177
Deposits held for others	716	-	716
Unearned revenue	317	-	317
Interest payable	6,218	-	6,218
Noncurrent liabilities:			
Due within one year	14,865	28	14,893
Due in more than one year	366,878	416	367,294
Total liabilities	<u>406,553</u>	<u>498</u>	<u>407,051</u>
<b>Deferred Inflows of Resources</b>			
Pension	19,976	83	20,059
Total deferred inflows of resources	<u>19,976</u>	<u>83</u>	<u>20,059</u>
<b>Net Position</b>			
Net investment in capital assets	346,012	3,245	349,257
Public safety	14,982	-	14,982
Highways and streets	61,474	-	61,474
Health	5,733	-	5,733
Culture and recreation	2,505	-	2,505
Education	2,080	-	2,080
Other purposes	1,813	-	1,813
Unrestricted (deficit)	<u>(144,370)</u>	<u>(7)</u>	<u>(144,377)</u>
Total net position	<u>\$ 290,229</u>	<u>\$ 3,238</u>	<u>\$ 293,467</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Activities**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>							
General government	\$ 48,025	\$ 10,960	\$ 1,503	\$ -	\$ (35,562)	\$ -	\$ (35,562)
Public safety	115,375	16,621	9,822	57	(88,875)	-	(88,875)
Highways and streets	35,533	5,900	544	20,938	(8,151)	-	(8,151)
Sanitation	416	26	488	-	98	-	98
Health	30,694	2,404	4,350	306	(23,634)	-	(23,634)
Welfare	8,545	436	5,780	-	(2,329)	-	(2,329)
Culture and recreation	1,653	350	68	-	(1,235)	-	(1,235)
Education	5,952	1,644	240	-	(4,068)	-	(4,068)
Interest on long-term debt	4,503	-	-	-	(4,503)	-	(4,503)
<b>Total governmental activities</b>	<b>250,696</b>	<b>38,341</b>	<b>22,795</b>	<b>21,301</b>	<b>(168,259)</b>	<b>-</b>	<b>(168,259)</b>
<b>Business-type activities</b>							
Sheriff Inmate Services	394	-	-	-	-	(394)	(394)
Airport Economic Development	3,086	250	2,227	-	-	(609)	(609)
<b>Total business-type activities</b>	<b>3,480</b>	<b>250</b>	<b>2,227</b>	<b>-</b>	<b>-</b>	<b>(1,003)</b>	<b>(1,003)</b>
<b>Total primary government</b>	<b>\$ 254,176</b>	<b>\$ 38,591</b>	<b>\$ 25,022</b>	<b>\$ 21,301</b>	<b>(168,259)</b>	<b>(1,003)</b>	<b>(169,262)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					78,225	-	78,225
Property taxes, levied for educational purposes					4,603	-	4,603
Property taxes, levied for flood control					2,978	-	2,978
Property taxes, levied for library district					1,976	-	1,976
Transaction privilege taxes, levied for health district					2,896	-	2,896
General county sales tax					14,561	-	14,561
Road improvement tax					7,550	-	7,550
Share of state sales taxes					31,633	-	31,633
Unrestricted share of vehicle license tax					17,358	-	17,358
Payments in lieu of taxes					4,795	-	4,795
Franchises taxes					836	-	836
Investment earnings					957	-	957
Miscellaneous					1,200	525	1,725
Transfers					(1,000)	1,000	-
<b>Total general revenues and transfers</b>					<b>168,568</b>	<b>1,525</b>	<b>170,093</b>
Changes in net position					309	522	831
<b>Net position - beginning, as restated</b>					<b>289,920</b>	<b>2,716</b>	<b>292,636</b>
<b>Net position - ending</b>					<b>\$ 290,229</b>	<b>\$ 3,238</b>	<b>\$ 293,467</b>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Major Funds							Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Bond Funded Capital Projects Fund	Kelvin Road Bridge Construction Fund	Other Governmental Funds	
<b>Assets</b>								
Cash, cash equivalents and investments	\$ 18,213	\$ 19,379	\$ 22,502	\$ 14,297	\$ (4,484)	\$ 5,747	\$ 35,581	\$ 111,235
Cash and investments held by trustees	-	-	-	-	50,115	-	6,349	56,464
Receivables (net of allowances for uncollectibles):								
Property taxes	2,221	-	-	-	-	-	174	2,395
Accounts	933	36	49	86	-	9	466	1,579
Due from other funds	363	-	-	-	-	-	40	403
Due from other governments	18,197	1,198	4,290	-	-	-	2,663	26,348
Inventories	-	-	-	-	-	-	62	62
Prepaid items	-	-	-	-	-	-	38	38
Restricted assets:								
Cash, cash equivalents and investments	7	-	157	-	-	-	479	643
<b>Total assets</b>	<b>\$ 39,934</b>	<b>\$ 20,613</b>	<b>\$ 26,998</b>	<b>\$ 14,383</b>	<b>\$ 45,631</b>	<b>\$ 5,756</b>	<b>\$ 45,852</b>	<b>\$ 199,167</b>
<b>Liabilities</b>								
Accounts payable	\$ 3,118	\$ 189	\$ 774	\$ 26	\$ 1,075	\$ 5,532	\$ 1,889	\$ 12,603
Accrued payroll and employee benefits	3,207	1	364	-	1	-	720	4,293
Retainage payable	-	198	-	-	40	-	103	341
Contracts payable	89	-	-	-	-	-	-	89
Due to other funds	29	-	1	-	-	-	373	403
Due to other governments	-	-	-	-	-	-	175	175
Deposits held for others	56	-	-	558	-	-	101	715
Bonds payable	-	-	-	-	-	-	3,230	3,230
Interest payable	-	-	-	-	-	-	3,119	3,119
Unearned revenue	47	-	-	-	-	-	270	317
<b>Total liabilities</b>	<b>6,546</b>	<b>388</b>	<b>1,139</b>	<b>584</b>	<b>1,116</b>	<b>5,532</b>	<b>9,980</b>	<b>25,285</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue - property taxes	1,549	-	-	-	-	-	128	1,677
Unavailable revenue - intergovernmental	8,686	-	-	-	-	-	345	9,031
<b>Total deferred inflows of resources</b>	<b>10,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>473</b>	<b>10,708</b>
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Inventories	-	-	-	-	-	-	62	62
Prepaid items	-	-	-	-	-	-	38	38
<b>Total nonspendable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>100</b>
Restricted	715	20,225	25,859	13,799	44,515	224	32,670	138,007
Committed	-	-	-	-	-	-	1,688	1,688
Assigned	-	-	-	-	-	-	1,166	1,166
Unassigned	22,438	-	-	-	-	-	(225)	22,213
<b>Total fund balances</b>	<b>23,153</b>	<b>20,225</b>	<b>25,859</b>	<b>13,799</b>	<b>44,515</b>	<b>224</b>	<b>35,399</b>	<b>163,174</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 39,934</b>	<b>\$ 20,613</b>	<b>\$ 26,998</b>	<b>\$ 14,383</b>	<b>\$ 45,631</b>	<b>\$ 5,756</b>	<b>\$ 45,852</b>	<b>\$ 199,167</b>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-wide Statement of Net Position**  
**June 30, 2016**

(Amounts expressed in thousands)

**Fund balances - total governmental funds (page 25)** \$ 163,174

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 governmental funds.

Governmental capital assets	\$ 702,128	
Less accumulated depreciation	<u>(219,991)</u>	482,137

Some receivables are not available to pay for current period expenditures, and, therefore, are reported as unavailable revenue in the governmental funds.		10,708
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Some interest payable on long-term debt is not reported in the governmental funds because it is not due and payable.		(3,099)
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Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.

Loans payable	\$ (6,015)	
Premium on loans	(17)	
Bonds payable	(153,715)	
Net premium on bonds	(17,663)	
Compensated absences	(11,558)	
Estimated liabilities for claims and judgments	(700)	
Net pension liability	<u>(188,845)</u>	\$ (378,513)

Deferred outflows and inflows of resources related to pensions and deferred charges on debt refunding are applicable to future periods and, therefore, are not reported in governmental funds.

Deferred outflows of resources related to pensions	32,621	
Deferred inflows of resources related to pensions	(19,976)	
Deferred outflows for bond refunding	<u>324</u>	12,969

Internal service funds are used by management to charge the costs of certain activities, including insurance and automotive services and operation. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

2,853

**Net position of governmental activities (page 23)** \$ 290,229

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

Major Funds								
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Bond Funded Capital Projects Fund	Kelvin Road Bridge Construction Fund	Other Governmental Funds	Total
<b>Revenues:</b>								
Taxes	\$ 94,333	\$ 7,550	\$ -	\$ -	\$ -	\$ -	\$ 10,831	\$ 112,714
Licenses and permits	3,457	-	-	-	-	-	2,068	5,525
Intergovernmental	47,993	-	27,647	-	-	-	27,307	102,947
Charges for services	12,621	-	-	7,179	-	-	4,839	24,639
Fines and forfeits	773	-	-	-	-	-	2,098	2,871
Investment earnings	215	143	186	121	4	43	245	957
Contributions	60	25	6	-	-	-	537	628
Rentals	172	-	10	-	-	-	268	450
Miscellaneous	463	1	31	-	1	-	944	1,440
Total revenues	<u>160,087</u>	<u>7,719</u>	<u>27,880</u>	<u>7,300</u>	<u>5</u>	<u>43</u>	<u>49,137</u>	<u>252,171</u>
<b>Expenditures:</b>								
Current:								
General government	34,347	-	-	-	30	-	443	34,820
Public safety	97,141	-	-	1	-	-	19,019	116,161
Highways and streets	23	5,976	23,462	6	2,209	-	4,798	36,474
Sanitation	1	-	-	-	-	-	415	416
Health	19,582	-	-	-	-	-	11,112	30,694
Welfare	1,300	-	-	-	-	-	6,886	8,186
Culture and recreation	-	-	-	97	-	-	1,556	1,653
Education	982	-	-	-	-	-	4,970	5,952
Debt service:								
Principal retirement	-	-	332	-	-	-	7,490	7,822
Interest	-	-	18	-	-	-	7,463	7,481
Capital outlay	-	-	-	-	11,280	5,620	3,744	20,644
Total expenditures	<u>153,376</u>	<u>5,976</u>	<u>23,812</u>	<u>104</u>	<u>13,519</u>	<u>5,620</u>	<u>67,896</u>	<u>270,303</u>
Excess (deficiency) of revenues over expenditures	6,711	1,743	4,068	7,196	(13,514)	(5,577)	(18,759)	(18,132)
<b>Other financing sources (uses):</b>								
Transfers in	9,479	250	1,756	-	-	85	23,913	35,483
Transfers out	(13,129)	(1,913)	(3,847)	(8,267)	-	-	(6,076)	(33,232)
Sale of capital assets	7	-	133	-	-	-	16	156
Insurance reimbursement	99	-	-	-	-	-	-	99
Total other financing sources (uses)	<u>(3,544)</u>	<u>(1,663)</u>	<u>(1,958)</u>	<u>(8,267)</u>	<u>-</u>	<u>85</u>	<u>17,853</u>	<u>2,506</u>
Net change in fund balances	3,167	80	2,110	(1,071)	(13,514)	(5,492)	(906)	(15,626)
Fund balances - beginning, as restated	19,986	20,145	23,749	14,870	58,029	5,716	36,289	178,784
Changes in nonspendable resources:								
Increase in inventories	-	-	-	-	-	-	12	12
Increase in prepaid items	-	-	-	-	-	-	4	4
Fund balances - ending	<u>\$ 23,153</u>	<u>\$ 20,225</u>	<u>\$ 25,859</u>	<u>\$ 13,799</u>	<u>\$ 44,515</u>	<u>\$ 224</u>	<u>\$ 35,399</u>	<u>\$ 163,174</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Government-wide Statement of Activities**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

**Net change in fund balances - total governmental funds (page 27)** \$ (15,626)

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 depreciated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets	\$ 31,081	
Less current year depreciation	<u>(16,908)</u>	14,173

In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.

Net book value of capital asset disposals		(187)
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Some revenues reported in the Statement of Activities do not represent the collection of current financial resources and therefore are not reported as revenues in the governmental funds. In addition collections of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

Donations of capital assets	3,360	
Intergovernmental	(419)	
Property tax revenues	(5,095)	
Other	<u>(801)</u>	(2,955)

County pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the County's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

County pension contributions	13,157	
Pension expense	<u>(18,764)</u>	(5,607)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of the debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Debt service - principal payments	7,821	
Amortization of bond discount/premium	2,522	
Amortization of loan premium	12	
Amortization of deferred charge/credit on bond refunding	<u>-</u>	10,355

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.

Change in compensated absences	2,406	
Change in estimated liabilities for claims and judgments	(258)	
Change in accrued interest	<u>562</u>	2,710

Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.

Increase in inventories	12	
Increase in prepaid items	<u>4</u>	16

Internal service funds are used by management to charge the costs of certain activities, including insurance and automotive maintenance and operation, to individual funds. The net expense, excluding pension related expenses, of certain internal service funds is reported with governmental activities in the Statement of Activities.

(2,570)

**Change in net position of governmental activities (page 24)** \$ 309

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and investments	\$ 474	\$ 2,910
Receivables (net of allowances for uncollectibles):		
Accounts	1	1
Due from other governments	<u>35</u>	<u>-</u>
Total current assets	<u>510</u>	<u>2,911</u>
Noncurrent assets:		
Capital assets:		
Buildings and improvements	163	-
Machinery and equipment	1,189	-
Infrastructure	4,540	-
Less accumulated depreciation	<u>(2,647)</u>	<u>-</u>
Net capital assets	<u>3,245</u>	<u>-</u>
Total noncurrent assets	<u>3,245</u>	<u>-</u>
Total assets	<u>3,755</u>	<u>2,911</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	<u>64</u>	<u>16</u>
Total deferred outflows of resources	<u>64</u>	<u>16</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	36	54
Accrued payroll and employee benefits	18	4
Compensated absences	<u>28</u>	<u>-</u>
Total current liabilities	<u>82</u>	<u>58</u>
Noncurrent liabilities:		
Net pension liability	397	154
Compensated absences	<u>19</u>	<u>-</u>
Total noncurrent liabilities	<u>416</u>	<u>154</u>
Total liabilities	<u>498</u>	<u>212</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	<u>83</u>	<u>16</u>
Total deferred inflows of resources	<u>83</u>	<u>16</u>
<b>Net Position</b>		
Investment in capital assets	3,245	-
Unrestricted (deficit)	<u>(7)</u>	<u>2,699</u>
Total net position	<u>3,238</u>	<u>2,699</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<b>Operating revenues:</b>		
Charges for services	\$ -	\$ 18,990
Rentals	250	-
Miscellaneous	<u>525</u>	<u>21</u>
Total operating revenues	<u>775</u>	<u>19,011</u>
<b>Operating expenses:</b>		
Personal services	464	44
Unrecognized IBNR	-	(642)
Supplies	16	51
Depreciation	257	-
Repairs and maintenance	23	26
Communication	4	-
Professional services	2,699	-
Medical claims and services	-	18,880
Public utility service	12	-
Miscellaneous	<u>5</u>	<u>4</u>
Total operating expenses	<u>3,480</u>	<u>18,363</u>
Operating income (loss)	<u>(2,705)</u>	<u>648</u>
<b>Nonoperating revenues:</b>		
Intergovernmental	2,227	-
Investment earnings	<u>-</u>	<u>37</u>
Total nonoperating revenues	<u>2,227</u>	<u>37</u>
Net position (deficit) before transfers	(478)	685
Transfers in	1,000	249
Transfers out	<u>-</u>	<u>(3,500)</u>
Changes in net position	522	(2,566)
Net position - beginning, as restated	<u>2,716</u>	<u>5,265</u>
Net position - ending	<u>\$ 3,238</u>	<u>\$ 2,699</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities:</b>		
Other receipts from operations	\$ 775	\$ 21
Receipts from employee contributions	-	18,989
Payments to suppliers and providers of goods and services	(3,107)	(154)
Payments for employee wages and benefits	(421)	(224)
Payments for claims	-	(20,886)
	(2,753)	(2,254)
Net cash (used for) operating activities		
<b>Cash flows from noncapital financing activities:</b>		
Receipts from federal and local agencies	2,227	-
Cash transfers from other funds	1,000	249
Cash transfers to other funds	-	(3,500)
	3,227	(3,251)
Net cash provided by (used for) noncapital financing activities		
<b>Cash flows from investing activities:</b>		
Interest received on investments	-	37
	-	37
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	474	(5,468)
Cash and cash equivalents - beginning	-	8,378
Cash and cash equivalents - ending	\$ 474	\$ 2,910

(Continued)

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2016**  
(Concluded)  
(Amounts expressed in thousands)

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
Reconciliation of operating income (loss) to net cash (used for) operating activities:		
Operating income (loss)	\$ (2,705)	\$ 648
Adjustments to reconcile operating income (loss) to net cash (used for) operating activities:		
Depreciation expense	257	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Decrease (increase) in assets and deferred outflows of resources:		
Accounts receivable	20	(1)
Due from other funds	27	-
Due from other governments	13	-
Deferred outflows related to pensions	(14)	52
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(105)	(73)
Claims payable	-	(2,648)
Accrued payroll and employee benefits	3	1
Due to other funds	(391)	-
Compensated absences	11	-
Net pension liability	88	(194)
Deferred inflows related to pensions	11	(39)
Prior year adjustment to beginning balance - see Note 4	32	-
Total adjustments and changes	(48)	(2,902)
Net cash (used for) operating activities	\$ (2,753)	\$ (2,254)

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash, cash equivalents and investments	\$ 151,899	\$ 7,129
Interest receivable	148	-
Total assets	152,047	7,129
<b>Liabilities</b>		
Deposits held for others	-	7,129
Total liabilities	-	\$ 7,129
<b>Net Position</b>		
Held in trust for investment trust participants	\$ 152,047	

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Investment Trust Funds
<b>Additions:</b>	
Contributions by participants	\$ 620,368
Investment earnings	721
Total additions	621,089
<b>Deductions:</b>	
Distributions to participants	608,144
Total deductions	608,144
Change in net position	12,945
Net position - beginning	139,102
Net position - ending	\$ 152,047

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Note 1 - Summary of Significant Accounting Policies**

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

For the year ended June 30, 2016, the County implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain provisions of GASB Statements 67 and 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB Statement No. 72 establish standards for measuring fair value measurements. GASB Statement No. 73 amended GASB Statement No. 68 requirements related to note disclosures for pension related required supplementary information and payables to defined benefit plans. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare the financial statements of state and local entities in conformity with generally accepted accounting principles.

A. Reporting Entity

The County is a general purpose local government that a separately elected board of supervisors governs. 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.

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Pinal County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available
Pinal County Library District	Provides and maintains library services for County's residents; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available
Desert Vista Sanitary District	Operates and maintains sanitation services in areas outside local city jurisdictions; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available
Queen Creek Domestic Water Improvement District	Formed to construct a domestic water system; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available
Pinal County Municipal Property Corporation (MPC)	Formed to finance the construction of the Apache Junction County Complex, Superior Court Judicial Facility, and the Sheriff's Administration Facility; the County's Board of Supervisors serves as board of directors	Blended	Not available
Central Arizona Public Facility Corporation	Formed to finance the construction of the Pinal County adult detention center	Blended	Not available
Pinal County Employee Benefit Trust	Created to provide and administer a partially self-insured employee benefits trust	Blended	Pinal County Employee Benefit Trust PO Box 827 Florence, AZ 85132
Public Health Services District	Provides and maintains health services for County's residents; the County's Board of Supervisors serves as board of directors and County management has operational responsibility	Blended	Not available

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

The Pinal County Municipal Property Corporation and the Central Arizona Public Facility Corporation were formed to finance various construction projects including the new Superior Court facility and Sheriff's Administration facility. Because the County's Board of Supervisors serves as the Board of Directors of each of these corporations, they are reported as blended component units of the County. These corporations issue certificates of participation that evidence undivided proportionate interests in rent payments to be made under a lease agreement, with an option to purchase, between Pinal County and the corporations. Since this debt is in substance the County's obligations, these liabilities and resulting assets are reported in the government-wide statement of net position.

The Pinal County Employee Benefit Trust was created to provide benefits for County employees, elected officials, and eligible dependents. The Trustees are appointed by the Pinal County Board of Supervisors and may be removed by the Board of Supervisors at any time for cause or no cause. Based on these factors, the Pinal County Employee Benefit Trust is reported as a blended component unit in the accompanying financial statements.

The Public Health Services District was formed under A.R.S. §48-5802(C) as a taxing authority to provide health services to the growing population of Pinal County. The Public Health Services District is reported as a special revenue fund in the financial statements.

Related Organization

The Industrial Development Authority of Pinal County (Authority) is a legally separate entity that was created to promote economic development and the development of affordable housing. The Authority fulfills its function through the issuance of tax-exempt or taxable revenue bonds. The County Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

**B. Basis of Presentation**

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

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the County's governmental and business-type activities and between the County and its discretely presented component units. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type 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 on a government-wide basis. Program revenues include:

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

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

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

Fund financial statements—Provide information about the County’s funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

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

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 Road Tax Districts Fund*—accounts for monies from the Pinal County Transportation Excise Tax which is used to provide continued funding for the construction, reconstruction, maintenance, repair, and roadside development of county roads, streets and bridges.

*The Public Works Highway Fund*—accounts for monies from Highway User Revenue Fund and Vehicle License Tax that are restricted for road maintenance and operations, pavement preservation, and fleet services.

*The Development Impact Fee Fund*—accounts for monies from development impact fees assessed on all new developments within the unincorporated areas of Pinal County. These funds are used for parks, public safety, and streets within the Impact Fee Area collected, as determined by a Pinal County development fee ordinance.

*The Bond Funded Capital Projects Fund* – accounts for bond monies used for financing capital facilities and capital projects related to highways and roads, and public safety projects.

*The Kelvin Road Bridge Construction Fund* – accounts for the accumulation of resources for bridge construction.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

The County also reports the following fund types:

*The internal service funds*—account for the County’s participation in the Arizona Metropolitan Trust for providing health insurance and other benefits to eligible County employees, elected officials and their respective eligible dependents and to account for automotive maintenance and operation of County vehicles.

*The investment trust funds*—account for pooled and nonpooled assets the County Treasurer holds and invests on behalf of County departments and other governmental entities.

*The agency funds*—account for assets the County holds as an agent for the State, various local governments and individuals, and for property taxes collected and distributed to the State, cities, local school districts, community college districts, and special districts.

C. Basis of Accounting

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

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after fiscal year-end. The County’s major revenue sources that are susceptible to accrual are property taxes, sales taxes, licenses and permits, and intergovernmental revenues. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Investments

For the statement of cash flows, the County’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer’s Local Government Investment Pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

E. Inventories

Inventories in the government-wide financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the lower of cost (first-in, first-out method) or market.

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. 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 lower of cost (first-in, first-out method) or market.

F. 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.

G. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Buildings & improvements	\$25	Straight line	10-40 years
Machinery & equipment	\$5	Straight line	3-21 years
Intangibles - software	\$50	Straight line	10 or more years
Infrastructure	\$100	Straight line	20-50 years

The County currently has one network of infrastructure assets comprised of the County's roads and bridges.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
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(Amounts expressed in thousands)

H. Deferred Outflows and Inflows of Resources

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

I. Investment Earnings

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

J. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 360 hours of vacation. Any vacation hours in excess of the maximum amount that are unused at September 30 roll over and are added to an employee's sick leave balance. Upon terminating employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, a certain percentage of sick leave can be converted to vacation leave upon retirement after an employee has worked 5 or more years for the County, and is accrued as a long-term liability.

K. Pensions

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

L. Fund Balance Classifications

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

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

their usage by creditors such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved in a public meeting 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 be removed or changed by only the Board in a public meeting. The formal action to commit fund balance for a particular purpose is by a resolution approved by the Board in a public meeting.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager, Elected Officials, and the Chief Financial Officer to make assignments of resources for a specific purpose by a resolution approved by the Board in a public meeting.

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, it is the County's policy to use restricted fund balance first. It is the County's policy to use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Note 2 - Fund Balance Classifications of the Governmental Funds**

The fund balance categories and classifications for governmental funds as of June 30, 2016, were as follows:

	Major Funds							Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Bond Funded Capital Projects Fund	Kelvin Road Bridge Construction Fund	Other Governmental Funds	
<b>Fund balances:</b>								
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100
Restricted for:								
Air pollution	-	-	-	-	-	-	374	374
Other capital projects	-	-	-	-	44,515	-	-	44,515
Bridge construction	-	-	-	-	-	224	-	224
Drug enforcement	-	-	-	-	-	-	1,310	1,310
Education	-	-	-	-	-	-	2,080	2,080
Emergency management	-	-	-	-	-	-	10	10
Environmental health	-	-	-	-	-	-	123	123
Financial services	-	-	-	-	-	-	89	89
Flood control district	-	-	-	-	-	-	8,106	8,106
Highways and streets	-	-	-	7,096	-	-	-	7,096
Housing rehabilitation	-	-	-	-	-	-	841	841
Judicial activities	-	-	-	-	-	-	601	601
Justice court	-	-	-	-	-	-	1,083	1,083
Law enforcement	-	-	-	-	-	-	616	616
Library services	-	-	-	-	-	-	814	814
Parks and recreation	-	-	-	1,690	-	-	-	1,690
Pinal animal care	-	-	-	-	-	-	409	409
Probation	-	-	-	-	-	-	1,677	1,677
Prosecution	-	-	-	-	-	-	2,301	2,301
Public health	-	-	-	-	-	-	4,819	4,819
Public safety	-	-	-	5,013	-	-	-	5,013
Road maintenance/construct.	-	20,225	25,859	-	-	-	6,197	52,281
Waste tire disposal	-	-	-	-	-	-	868	868
Other purposes	715	-	-	-	-	-	352	1,067
<b>Total restricted</b>	<b>715</b>	<b>20,225</b>	<b>25,859</b>	<b>13,799</b>	<b>44,515</b>	<b>224</b>	<b>32,670</b>	<b>138,007</b>
Committed to:								
Landfill oversight	-	-	-	-	-	-	120	120
Pinal Animal Care	-	-	-	-	-	-	39	39
Prosecution	-	-	-	-	-	-	2	2
Judicial enhancements	-	-	-	-	-	-	1,527	1,527
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,688</b>	<b>1,688</b>
Assigned to:								
Debt service	-	-	-	-	-	-	1,062	1,062
Law enforcement	-	-	-	-	-	-	2	2
Fairgrounds repair and construction	-	-	-	-	-	-	102	102
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,166</b>	<b>1,166</b>
Unassigned	22,438	-	-	-	-	-	(225)	22,213
<b>Total fund balances</b>	<b>\$ 23,153</b>	<b>\$ 20,225</b>	<b>\$ 25,859</b>	<b>\$ 13,799</b>	<b>\$ 44,515</b>	<b>\$ 224</b>	<b>\$ 35,399</b>	<b>\$ 163,174</b>

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Note 3 - Stabilization Arrangements**

The Board of Supervisors established by resolution that the County General Fund maintain a Financial Stability Reserve at no less than 10% of the adopted General Fund expenditures to serve as financial protection for unforeseeable future economic circumstances. Any changes to the reserve must be approved by the Board of Supervisors in a public meeting. For the year ended June 30, 2016, the balance was \$15,676.

**Note 4 – Beginning Balances Restated**

Beginning balances are being restated due to errors in the recording of grant receivables and revenues in the prior fiscal year in the following funds: Sheriff, Housing Grants, and Airport Economic Development. In the Debt Service fund, an adjustment was made to record the cost of issuance for the Pledged Revenue Refunding Bonds Payable, Tax-Exempt and Taxable, Series 2015A and Series 2015B in the prior fiscal year. In the government-wide financial statements, various error adjustments have been made due to the following: certain assets were recorded in the incorrect category and fund type; the valuation of an asset at the time disposal was adjusted; assets that were not recorded were added to the accounting records, and other receivables and payables not recorded correctly. The classification includes buildings and improvements, machinery and equipment, construction in progress, and infrastructure; all net of accumulated depreciation. The reconciliation below summarizes the changes.

	Governmental Activities	Enterprise Funds/ Business-Type Activities	Governmental Funds
Net position/fund balance as previously reported at June 30, 2015	\$ 289,526	\$ 2,684	\$ 178,498
Prior period adjustment			
Restatement due to errors:			
Debt Service	(27)		(27)
Airport Economic Development		32	
Sheriff funds	7		7
Housing Grants	306		306
Buildings and improvements, net of accumulated depreciation	92		
Machinery and equipment, net of accumulated depreciation	(109)		
Construction in progress	(90)		
Infrastructure, net of accumulated depreciation	53		
Other receivables and payables	162		
Total prior period adjustment	394	32	286
Net position/fund balance as restated, July 1, 2015	\$ 289,920	\$ 2,716	\$ 178,784

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**Note 5 – 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, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

*Credit risk*

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors' service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

*Custodial credit risk*

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

*Concentration of credit risk*

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

*Interest rate risk*

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

*Foreign currency risk*

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

Deposits—At June 30, 2016, the carrying amount of the County's deposits was \$92,900 and the bank balance was \$110,379. It is the County's investment policy to collateralize all deposits by at least 102 percent of the deposits not covered by depository insurance.

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*Investments*—The County's investments at June 30, 2016, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Investments by fair value level</b>				
U.S. Treasury securities	\$ 20,008	\$ -	\$ 20,008	\$ -
U.S. agency securities	152,629		152,629	
Corporate bonds	16,040		16,040	
Pooled CDs	3,528		3,528	
CD held by Treasurer	50		50	
School Bonds	166		166	
Total investment by fair value	192,421		192,421	
<b>External investment pools measured at fair value</b>				
State Treasurer's investment pools	394			
Total investments measured at fair value	192,815			
<b>Investments measured at amortized cost</b>				
Repurchase agreement	45,000			
Total investments measured at amortized cost	45,000			
Total investments	\$ 237,815			

The investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares; the participant's shares are not identified with specific investments. The State Board of Investment provides oversight for the State Treasurer's investment pools.

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*Credit Risk*—The County’s credit risk policy states that the County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to those of the highest credit quality, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the County Treasurer will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. At June 30, 2016, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 152,629
U.S. Corporate Bonds	A3	Moody's	4,024
U.S. Corporate Bonds	A2	Moody's	2,000
U.S. Treasury	Aaa	Moody's	20,008
Corporate Bonds	Unrated	Not Applicable	10,016
State Treasurer's Investment Pool 7	Unrated	Not Applicable	394
Repurchase agreements (implicitly guaranteed)	Unrated	Not Applicable	45,000
CD Held by Treasurer	Unrated	Not Applicable	50
Pooled CDs	Unrated	Not Applicable	3,528
School Bond	Unrated	Not Applicable	166
			<u>\$ 237,815</u>

*Custodial credit risk*—For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party’s possession. The County’s policy states that the County Treasurer will conform with Arizona Revised Statutes, which currently does not address custodial credit risk for investments.

*Concentration of credit risk*—The County’s investment policy states that the County Treasurer will diversify its investments by security type and institution when practical and feasible to do so. The County Treasurer will limit investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), and will invest in securities with varying maturities. The County had investments at June 30, 2016, of 5 percent or more in the Federal Farm Credit Bank, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association. These investments were 6.5 percent, 15.1 percent, 25.6 percent, and 16.2 percent, respectively, of the County’s total investments.

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*Interest rate risk*—The County's investment policy states that the County Treasurer will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter term securities. At June 30, 2016, the County had the following investments in debt securities.

Investment Type	Investment Maturities		
	Amount	Less than 1 Year	1-5 Years
U.S agency securities	\$ 152,629	\$ 15,039	\$ 137,590
U.S. Treasury securities	20,008	20,008	-
Corporate Bonds	16,040	4,004	12,036
State Treasurer's Investment Pool 7	394	394	-
Repurchase agreements	45,000	45,000	-
School Bond	166	166	-
CD Held by Treasurer	50	50	-
Pooled CDs	3,528	1,752	1,776
	<u>\$ 237,815</u>	<u>\$ 86,413</u>	<u>\$ 151,402</u>

*Foreign currency risk*—The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments unless the investment is denominated in United States dollars.

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

Cash, deposits and investments	
Cash on hand	\$ 39
Amount of deposits	92,900
Amount of investments	237,815
Total	<u>\$ 330,754</u>

	Governmental Activities	Business-Type Activities	Investment Trust Funds	Agency Funds	Total
Statement of Net Position:					
Cash, cash equivalents and investments	\$ 114,145	\$ 474	\$ 151,899	\$ 7,129	\$ 273,647
Cash, cash equivalents and investments - restricted	643				643
Cash and investments held by trustees	56,464	-	-	-	56,464
Total	<u>\$ 171,252</u>	<u>\$ 474</u>	<u>\$ 151,899</u>	<u>\$ 7,129</u>	<u>\$ 330,754</u>

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**Note 6 – Capital Assets**

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

	Balance July 1, 2015 (as restated)	Increases	Decreases	Balance June 30, 2016
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 189,269	\$ 2,577	\$ 114	\$ 191,732
Construction in progress	11,348	24,402	4,937	30,813
Total capital assets not being depreciated	200,617	26,979	5,051	222,545
Capital assets being depreciated:				
Buildings & improvements	172,014	23	37	172,000
Machinery & equipment	73,701	5,764	1,551	77,914
Intangible - software	2,370	-	-	2,370
Infrastructure	220,942	6,357	-	227,299
Total capital assets being depreciated	469,027	12,144	1,588	479,583
Less accumulated depreciation for:				
Buildings & improvements	67,120	5,257	32	72,345
Machinery & equipment	60,900	4,351	1,483	63,768
Intangible - software	637	239	-	876
Infrastructure	75,941	7,061	-	83,002
Total accumulated depreciation	204,598	16,908	1,515	219,991
Total capital assets being depreciated, net	264,429	(4,764)	73	259,592
Governmental activities capital assets, net	\$ 465,046	\$ 22,215	\$ 5,124	\$ 482,137
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Buildings & improvements	163	-	-	163
Machinery & equipment	1,189	-	-	1,189
Infrastructure	4,540	-	-	4,540
Total capital assets being depreciated	5,892	-	-	5,892
Less accumulated depreciation for:				
Buildings & improvements	57	5	-	62
Machinery & equipment	791	130	-	921
Infrastructure	1,542	122	-	1,664
Total accumulated depreciation	2,390	257	-	2,647
Total capital assets being depreciated, net	3,502	(257)	-	3,245
Business-type activities capital assets, net	\$ 3,502	\$ (257)	\$ -	\$ 3,245

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Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 5,802
Public safety	2,479
Highways and streets	7,940
Health	266
Welfare	390
Culture and recreation	31
Total governmental activities depreciation expense	<u>\$ 16,908</u>
Business-type activities:	
Sheriff Inmate Services	\$ 104
Airport Economic Development	153
Total business-type activities depreciation expense	<u>\$ 257</u>

\* The Balance at July 1, 2015 has been restated for corrections to construction in progress, buildings and improvements, machinery and equipment, infrastructure and accumulated depreciation in the Housing Department. Please see Note 4.

**Note 7 – Construction Commitments**

Pinal County was engaged in multiple construction projects as of June 30, 2016. The following commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Reconstruction of Hunt Highway	\$ 5,150	\$ 6,323
Construction of Kelvin Bridge	89	27
Pinal County East-West Corridor project	135	387
Gantzel Road project	46	38
Valentine Road Bridge Project	20	125
Cattle Tank Storm Water Project	11	3
San Manuel Airport	861	121
Pinal Air Park	1,652	211
Rancho Bella Vista Flood	50	26
Dudleyville Flood Mitigation	13	1
Tangerine Basin Flood Mitigation Project	925	66
Pinal/Hopi Drainage project	11	42

The remaining contractual commitments amount of \$1,695, include street construction and the maintenance of existing streets.

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**Note 8 – Due from Other Governments**

Amounts due from other governments at June 30, 2016, of \$18,197 reported in the governmental funds General Fund balance sheet included \$8,686 for an Intergovernmental Agreement with the City of Apache Junction. The Intergovernmental Agreement was entered into by the County to share costs with the City of Apache Junction in the re-construction, re-design and improvement of Ironwood Drive within the corporate limits of the City of Apache Junction. An amendment to the original Intergovernmental Agreement specified an extension of the date of the first scheduled payment and the amount of future payments. This receivable is not expected to be collected within one year since under the terms of the amended Intergovernmental Agreement, payments are scheduled to commence in 2023. Accordingly, the amount has been reported as deferred inflow of resources in the General Fund balance sheet. The remaining outstanding amounts are primarily due from other outstanding contractual obligations.

**Note 9 – Long-Term Liabilities**

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

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within one year
Governmental activities:					
Loans payable	\$ 7,875	\$ -	\$ 1,860	\$ 6,015	\$ 1,930
Unamortized premium	29	-	12	17	-
Bonds payable	159,260	-	2,315	156,945	5,620
Unamortized premium/discount	20,185	-	2,522	17,663	-
Obligations under capital leases	416	-	416	-	-
Net pension liabilities	176,900	11,945	-	188,845	-
Compensated absences	13,964	7,498	9,904	11,558	6,965
Estimated liabilities for claims and judgments	442	1,105	847	700	350
Total governmental activities long-term liabilities	<u>\$ 379,071</u>	<u>\$ 20,548</u>	<u>\$ 17,876</u>	<u>\$ 381,743</u>	<u>\$ 14,865</u>
Business-type activities:					
Net pension liabilities	\$ 309	\$ 88	\$ -	\$ 397	\$ -
Compensated absences	36	61	50	47	28
Total business-type activities long-term liabilities	<u>\$ 345</u>	<u>\$ 149</u>	<u>\$ 50</u>	<u>\$ 444</u>	<u>\$ 28</u>

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**The Greater Arizona Development Authority Loans**

In a prior year, the County defeased \$43,240 of a Greater Arizona Development Authority Loan, Series 2006-1 (GADA). This defeased amount and any earnings thereon is held with a trustee until the loans early redemption date of August 2016.

On April 1, 2008, Pinal County entered into a loan agreement for \$4,495 with the GADA to provide funds to construct an animal shelter facility expansion and a long term care facility expansion. Interest will be payable on January 1 and July 1 of each year commencing January 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

On February 1, 2009, Pinal County entered into a loan agreement for \$12,795 with the GADA to provide funds to construct a Justice Court Facility, construct various County facility expansions and upgrade the Sheriff's security system. Interest will be payable on January 1 and July 1 of each year commencing July 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

The County has pledged a portion of future State Shared Revenues to repay the loans obtained from GADA, issued in 2008, and a portion of State Shared Revenues and Excise Taxes Revenues to repay the GADA loan issued in fiscal year 2009. Total principal and interest payments remaining on the loans is \$6,392 payable through May 2019. State shared revenues have averaged \$29 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.4 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$31,633 and \$14,561, respectively. In the current year, principal and interest payments were \$1,860 and \$273, respectively.

The Greater Arizona Development Authority loans outstanding at June 30, 2016 were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Governmental activity - The Greater Arizona Development Authority Loan 2008 A	\$ 4,495	2017-2019	4.0%- 5.0%	\$ 1,560
Governmental activity - The Greater Arizona Development Authority Loan 2009 A	\$ 12,795	2017-2019	3.0%- 4.0%	4,455
				<u>\$ 6,015</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 1,930	\$ 204
2018	2,005	129
2019	2,080	44
Total	<u>\$ 6,015</u>	<u>\$ 377</u>

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**Pledged Revenue Bonds Payable, Series 2010**

On August 25, 2010, the County issued \$12,000 in Pledged Revenue Obligation Bonds, Series 2010, with an original issue discount of \$106. The net proceeds of \$11,700 (after payment of underwriting fees and other issuance costs) were used to pay for the construction of public health clinics in San Tan Valley, Arizona and the City of Maricopa, Arizona and will be used for renovation of Human Resources and Administrative office space. The bonds, which are callable on or after August 1, 2021, have interest rates ranging from 3.0% to 4.5%, payable semiannually on February 1 and August 1 of each year through 2035.

**Pledged Revenue Refunding Bonds Payable, Series 2010**

On August 25, 2010, the County issued \$18,380 in Pledged Revenue Refunding Obligation Bonds, Series 2010, with a premium of \$1,588. The net proceeds of \$19,720 (after payment of underwriting fees and other issuance costs) were deposited in an irrevocable trust to provide for the advance refunding of the Series 2001 Certificates of Participation that were callable on or after June 1, 2011. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.5% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2020.

The County has pledged a portion of the Pinal County General Excise Tax Revenues and a portion of the State Shared Revenues to repay both of the Series 2010 bond issuances. Total principal and interest payments remaining on the bonds are \$27,897 payable through August 2035. State shared revenues have averaged \$29 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.4 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$31,633 and \$14,561, respectively. In the current year, the principal and interest payments were \$2,315 and \$947, respectively.

**Pledged Revenue Bonds Payable, Series 2014**

On December 17, 2014, the County issued \$52,700 in Pledged Revenue Obligation Bonds, Series 2014, with a premium of \$6,768. The net proceeds of \$59,004 (after payment of underwriting fees and other issuance costs) will be used to pay for improvements to certain highways and streets, upgrades to public safety radio and appurtenances, and for construction/improvements to court buildings. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.0% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2034.

**Pledged Revenue Refunding Bonds Payable, Series 2014**

On December 17, 2014, the County issued \$40,310 in Pledged Revenue Refunding Obligation Bonds, Series 2014, with a premium of \$6,473. The net proceeds after payment of underwriting fees and other issuance costs were deposited in an irrevocable trust to provide for the in-substance defeasance of the Greater Arizona Development Authority (GADA) Loan 2006-1 held with trustee until the loan's early redemption date of August 2016. The amounts held in the trust was \$4,155 as of June 30, 2016. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.0% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2025.

The County has pledged a portion of the Pinal County General Excise Tax Revenues, a portion of the State Shared Revenues, and Vehicle License Tax Revenues to repay both of the Series 2014 bond issuances. Total principal and interest payments remaining on the bonds are \$128,448 payable through 2034. State shared revenues have averaged \$29 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.4 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$15.3 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$31,633 and \$14,561, respectively, and vehicle license tax revenues recognized by the County were \$17,358. In the current year, principal and interest payments were \$3,230 and \$4,295, respectively.

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**Pledged Revenue Refunding Bonds Payable, Tax-Exempt, Series 2015A**

On May 13, 2015, the County issued \$39,075 in Pledged Revenue Refunding Obligation Bonds, Tax-Exempt, Series 2015A, with a premium of \$6,390. The net proceeds of \$44,845 (after payment of underwriting fees and other issuance costs) were deposited in an irrevocable trust to provide for the refunding of the Series 2004 Certificates of Participation. The bonds are not subject to redemption prior to maturity, have interest rates ranging from 3.125% to 5%, payable semiannually on February 1 and August 1 of each year through 2029.

**Pledged Revenue Bonds Payable, Taxable, Series 2015B**

On May 13, 2015, the County issued \$3,720 in Pledged Revenue Obligations, Taxable Bonds, and Series 2015B. In addition, the proceeds of \$3,656 will be used to reimburse the County for an amount advanced by the County in the amount of \$3,656 principal amount of Series 2004, Certificates of Participation (2004 COPS), as required between the County and the Internal Revenue Service (IRS) in settlement of an audit related to the 2004 COPS and the refunded property, which resulted in no adverse change in the tax-exempt status of interest related to the 2004 COPS. The bonds are not subject to redemption prior to maturity, have interest rates ranging from 1.05% to 2.10%, payable semiannually on February 1 and August 1 of each year through 2019.

The County has pledged a portion of the Pinal County General Excise Tax Revenues, a portion of the State Shared Revenues, and Vehicle License Tax Revenues to repay both of the Series 2015 bond issuances. Total principal and interest payments remaining on the bonds are \$58,483 payable through 2030. State shared revenues have averaged \$29 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.4 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$15.3 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$31,633 and \$14,561, respectively, and vehicle license tax revenues recognized by the County were \$17,358. In the current year, the interest payments were \$1,943. Principal payments will begin in fiscal year 2018.

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Bonds outstanding at June 30, 2016, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Pledged Revenue Obligations, Series 2010	\$ 12,000	2017-2036	3.0% to 4.5%	\$ 10,375
Pledged Revenue Refunding Obligations, Series 2010	\$ 18,380	2017-2021	2.5% to 5.0%	11,095
Pledged Revenue Obligations, Series 2014	\$ 52,700	2022-2035	2.0% to 5.0%	52,700
Pledged Revenue Refunding Obligations, Series 2014	\$ 40,310	2017-2026	3.0% to 5.0%	39,980
Pledged Revenue Refunding Obligations, Tax-Exempt Series 2015A	\$ 39,075	2020-2030	3.125 to 5.0%	39,075
Pledged Revenue Obligations, Taxable Series 2015B	\$ 3,720	2018-2020	1.05% to 2.10%	3,720
				<u>\$ 156,945</u>

The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2015:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 5,620	\$ 3,995
2018	6,175	6,902
2019	8,830	6,622
2020	9,215	6,277
2021	9,595	5,915
2022-2026	56,665	22,408
2027-2031	38,750	9,623
2032-2036	22,095	2,489
Total	<u>\$ 156,945</u>	<u>\$ 64,231</u>

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Landfill closure and post closure care costs

The County has contracted with an outside agency to provide operations for its solid waste facility. The contract requires the outside agency to reserve funds in accordance with the closure plan for closure and post closure care costs. In the event of termination of the contract, the required reserve funds are to be remitted to the Arizona Department of Environmental Quality. Consequently, no liability for landfill closure and post closure care costs has been recorded on the basic financial statements.

Compensated absences and claims and judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2016, the County paid for governmental-type activity compensated absences as follows: 76 percent from the General Fund, 8 percent from the Public Works Highway Fund, and 16 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

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**Note 10 – Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by two public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool, which are described below. Settled claims have not exceeded coverage provided in any of the past 3 fiscal years.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$10 per occurrence for property claims and \$50 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties with workers' compensation coverage, as law requires, and risk-management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

Pursuant to A.R.S. §11–981, the County has established the Pinal County Employee Benefit Trust, which covers medical, dental, vision, short-term disability and accidental disability. The County has provided each employee with \$50 of basic life insurance coverage. The premiums for spouse and children coverage is covered by the employee. All life insurance is underwritten by a third party company.

The County is responsible for paying a premium to the Trust for the costs incurred by the Trust for insurance premiums and an estimate of risk that is retained. The premiums are periodically adjusted for the difference between actual costs incurred by the Trust and the premiums paid by the County.

The Trust was dissolved as of August 28, 2015. The liability for medical, dental, vision, and short-term disability claims of the Trust at June 30, 2016 is the estimated ultimate cost of settling claims that have been reported but unpaid and incurred but not reported. This estimate is based on an actuarial estimate. Changes in the Trust's claims payable for the years ended June 30, 2015 and 2016 were as follows:

	2015	2016
Claims payable, beginning of year	\$ 2,021	\$ 2,648
Current-year claims and changes in estimate	16,579	(2,006)
Claim payments	(15,952)	(642)
Claims payable, end of year	<u>\$ 2,648</u>	<u>\$ -</u>

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As provided by A.R.S. §23-750, the State, its political subdivisions, and any instrumentality, agency, or board of the State or political subdivision have two options for satisfying unemployment compensation obligations: 1) direct quarterly payments to the unemployment fund administered by the Arizona Department of Economic Security (ADES) based on a computed contribution rate assigned to the employer by ADES or 2) the government may elect to be liable for any unemployment compensation obligations. Pinal County has elected to be responsible for its unemployment obligations. The County does not accumulate and reserve monies for its workforce.

**Note 11 – Pensions and Other Post-Employment Benefits**

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan – Detention Officers (CORP Detention), the Corrections Officer Retirement Plan - Dispatchers (CORP Dispatchers), the Corrections Officer Retirement Plan - Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System - Pinal County Sheriff, and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

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

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liabilities	\$ 188,845	\$ 397	\$ 189,242
Deferred outflows of resources	32,621	64	32,685
Deferred inflows of resources	19,976	83	20,059
Pension expense	20,954	29	20,983

The County's accrued payroll and employee benefits includes \$470 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2016. Also, the County reported \$13,157 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

The ASRS, CORP Detention, CORP Dispatchers, CORP AOC, PSPRS – Pinal County Sheriff, and EORP are described below.

**A. Arizona State Retirement System**

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

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

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ASRS

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

\*With actuarially reduced benefits

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

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, statute required active ASRS members to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll.

In addition, the County was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 percent for retirement, 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2016, were \$7,412. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
<u>Year Ended June 30</u>		
2016	\$ 331	\$ 79
2015	368	75
2014	366	146

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During the fiscal year 2016, the County paid for ASRS pension as follows: 70 percent from the General Fund, 11 percent from major funds, and 19 percent from other funds. The County paid for OPEB contributions as follows: 74 percent from the General Fund, 9 percent from major funds, and 17 percent from other funds.

Pension liability – At June 30, 2016, the County reported a liability of \$107,924 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on the actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015 was 0.6903 percent, which was an increase of 0.0096 from its proportion measured as of June 30, 2014.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2016, the County recognized pension expense for ASRS of \$5,040. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,116	\$ 5,718
Net difference between projected and actual earnings on pension plan investments	-	3,446
Changes in proportion and differences between County contributions and proportionate share of contributions	-	2,341
County contributions subsequent to the measurement date	7,412	
Total	\$ 11,528	\$ 11,505

The \$7,412 reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2017	\$ (3,585)
2018	(3,905)
2019	(2,391)
2020	2,469

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

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

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

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

ASRS		
	Target	Long-term expected
<u>Asset Class</u>	<u>Allocation</u>	<u>arithmetic real</u>
Equity	58%	6.79%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.93%
Total	<u>100%</u>	

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

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

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ASRS

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
County's proportionate share of the net pension liability	\$ 140,898	\$ 107,924	\$ 84,658

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

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

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

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

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

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

PSPRS

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

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PSPRS

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Benefit percent</b>		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	

**Survivor Benefit**

Retired Members	80% to 100% of retired member's pension benefit
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

CORP

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
<b>Benefit percent</b>		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service

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CORP

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	

**Survivor Benefit**

Retired Members	80% of retired member's pension benefit
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result injuries on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions

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

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

	PSPRS Sheriff	CORP Detention	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	93	26	2
Inactive employees entitled to but not yet receiving benefits	27	54	9
Active employees	198	168	12
Total	318	248	23

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

	PSPRS Sheriff	CORP Detention	CORP Dispatchers	CORP AOC
Active members-Pension County	11.65%	8.41%	7.96%	8.41%
Pension	30.19%	10.26%	14.38%	19.10%
Health insurance premium benefit	0.26%	0.26%	0.00%	0.85%

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In addition, statute required the County to contribute at the actuarially determined rate of 28.62 percent for the PSPRS and 11.33 percent for the CORP of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

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

	PSPRS <u>Sheriff</u>	CORP Detention <u>          </u>	CORP <u>Dispatchers</u>
Pension contributions made	\$ 3,333	\$ 805	\$ 53
Health Insurance Premium Benefit			
Annual OPEB cost	158	53	-
Contributions made	158	53	-

Contributions to the CORP AOC pension plan for the year ended June 30, 2016, were \$1,025. The County's contributions for the current and 2 preceding years for CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30</u>	Health Insurance Fund
2016	\$ 44
2015	68
2014	63

During fiscal year 2016, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 95 percent from the General Fund and 5 percent from other nonmajor funds.

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

	<u>Net Pension Liability</u>
PSPRS Sheriff	\$ 36,777
CORP Detention	5,748
CORP Dispatchers	819
CORP AOC (County's proportionate share)	12,001

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions.

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

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

PSPRS and CORP – Pension	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0%-8.0% for PSPRS and 4.0%-7.25% for CORP
Inflation	4.00%
Permanent benefit increase	Included
	RP-2000 mortality table (adjusted by 105% for both
Mortality rates	males
	and females)

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

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

PSPRS and CORP

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

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

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Changes in the Net Pension Liability

PSPRS - Sheriff

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2015	\$ 77,951	\$ 43,101	\$ 34,850
Changes for the year:			
Service cost	2,671		2,671
Interest on the pension liability	6,055		6,055
Differences between expected and actual experience in the measurement of the pension liability	(1,206)		(1,206)
Contributions – employer		2,917	(2,917)
Contributions – employee		1,389	(1,389)
Net investment income		1,578	(1,578)
Benefit payments, including refunds of employee contributions	(4,308)	(4,308)	
Administrative expenses		(39)	39
Other changes		(252)	252
Net changes	\$ 3,212	\$ 1,285	\$ 1,927
Balances at June 30, 2016	\$ 81,163	\$ 44,386	\$ 36,777

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CORP - Detention

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2015	\$ 31,588	\$ 24,435	\$ 7,153
Changes for the year:			
Service cost	1,863		1,863
Interest on the pension liability	2,436		2,436
Differences between expected and actual experience in the measurement of the pension liability	(3,061)		(3,061)
Contributions – employer		938	(938)
Contributions – employee		851	(851)
Net investment income		891	(891)
Benefit payments, including refunds of employee contributions	(2,973)	(2,973)	
Administrative expenses		(23)	23
Other changes		(14)	14
Net changes	\$ (1,735)	\$ (330)	\$ (1,405)
Balances at June 30, 2016	\$ 29,853	\$ 24,105	\$ 5,748

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CORP - Dispatchers

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2015	\$ 2,330	\$ 1,471	\$ 859
Changes for the year:			
Service cost	89		89
Interest on the pension liability	180		180
Differences between expected and actual experience in the measurement of the pension liability	(154)		(154)
Contributions – employer		62	(62)
Contributions – employee		43	(43)
Net investment income		53	(53)
Benefit payments, including refunds of employee contributions	(173)	(173)	
Administrative expenses		(2)	2
Other changes		(1)	1
Net changes	<u>\$ (58)</u>	<u>\$ (18)</u>	<u>\$ (40)</u>
Balances at June 30, 2016	<u>\$ 2,272</u>	<u>\$ 1,453</u>	<u>\$ 819</u>

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015 was 4.9365 percent which was a decrease of 0.2431 from its proportion measured as of June 30, 2014.

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Sheriff			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 47,071	\$ 36,777	\$ 28,235
CORP Detention			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 10,174	\$ 5,748	\$ 2,128

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	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
CORP Dispatchers			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 1,116	\$ 819	\$ 572
CORP AOC			
Rate	6.85%	7.85%	8.85%
County's proportionate share of the net pension liability	\$ 15,692	\$ 12,001	\$ 8,930

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

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

	<u>Pension Expense</u>
PSPRS Sheriff	\$ 4,999
CORP Detention	\$ 1,176
CORP Dispatchers	\$ 98
CORP AOC (County's proportionate share)	\$ 1,580

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

PSPRS - Sheriff	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 5,638	\$ 2,020
Changes of assumptions or other inputs	1,435	1,273
Net difference between projected and actual earnings on pension plan investments	3,333	
County contributions subsequent to the measurement date	\$ 10,406	\$ 3,293
Total	<u>\$ 10,406</u>	<u>\$ 3,293</u>

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CORP - Detention

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 3,606
Changes of assumptions or other inputs	1,005	
Net difference between projected and actual earnings on pension plan investments	783	712
County contributions subsequent to the measurement date	805	
Total	<u>\$ 2,593</u>	<u>\$ 4,318</u>

CORP - Dispatchers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 161
Changes of assumptions or other inputs	76	
Net difference between projected and actual earnings on pension plan investments	48	43
County contributions subsequent to the measurement date	53	
Total	<u>\$ 177</u>	<u>\$ 204</u>

CORP - AOC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411	\$
Changes of assumptions or other inputs	1,272	
Net difference between projected and actual earnings on pension plan investments	66	
Changes in proportion and differences between county contributions and proportionate share of contributions		450
County contributions subsequent to the measurement date	1,025	
Total	<u>\$ 2,774</u>	<u>\$ 450</u>

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

Year Ended June 30	PSPRS Sheriff	CORP Detention	CORP Dispatchers	CORP AOC
2017	\$ 608	\$ (512)	\$ (21)	\$ 345
2018	608	(512)	(21)	345
2019	608	(512)	(21)	345
2020	1,033	(274)	(7)	301
2021	674	(470)	(10)	(37)
Thereafter	249	(259)	-	-

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

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

Projections of benefits are based on (1) the plans as the County and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2016 contribution requirements:

PSPRS and CORP – OPEB Contribution Requirements

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

<u>Year ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
PSPRS Sheriff			
2016	\$ 158	100%	\$ -
2015	156	100%	-
2014	146	100%	-
CORP Detention			
2016	\$ 53	100%	\$ -
2015	83	100%	-
2014	91	100%	-
CORP Dispatchers			
2016	\$ -	100%	\$ -
2015	4	100%	-
2014	4	100%	-

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

	<u>PSPRS Sheriff</u>	<u>CORP Detention</u>	<u>CORP Dispatchers</u>
Actuarial value of assets (a)	\$ 2,456	\$ 1,381	\$ 150
Actuarial accrued liability (b)	2,038	929	57
Unfunded actuarial accrued liability (funding excess) (b) – (a)	\$ (418)	\$ (452)	\$ (93)
Funded ratio (a) / (b)	120.51%	148.65%	263.16%
Annual covered payroll (c)	\$ 12,245	\$ 7,506	\$ 379
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / c	-3.41%	-6.02%	-24.54%

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

**PSPRS and CORP – OPEB Funded Status**

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4% - 8% for PSPRS and 4.% - 7.25% for CORP
Wage growth	4% for PSPRS and CORP

**C. Elected Officials Retirement Plan**

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

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

**EORP**

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and ages if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service not to exceed 80%	3% per year of service, not to exceed 75%

**PINAL COUNTY**  
**Notes to the Financial Statements**  
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(Amounts expressed in thousands)

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<b>Survivor Benefit</b>		
Retired Members	75% of retired member's pension benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

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

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

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability, and designates a portion of certain court fees for the EORP. For the year ended June 30, 2016, statute required active EORP members to contribute 13 percent of the members' annual covered payroll, and the County to contribute 23.5 percent of active EORP members' annual covered payroll. Also, statute required the County to contribute 12.15 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions ASRS and EODCRS for these elected officials and judges. The County's contributions to the pension plan for the year ended June 30, 2016, were \$529.

No OPEB contributions were required or made for the years ended June 30, 2015 and 2016. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

EORP	Health Insurance Fund
Year Ended June 30	
2016	\$ -
2015	-
2014	11

During fiscal year 2016, the County paid for EORP pension contributions as follows: 83 percent from the General Fund and 17 percent from other funds.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

County's proportionate share of the EORP net pension liability	\$ 25,973
State's proportionate share of the EORP net pension liability associated with the County	<u>8,097</u>
Total	<u>\$ 34,070</u>

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

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2015. The County's proportion measured as June 30, 2015 was 3.32 percent, which was an increase of 0.04 from its proportion measured as of June 30, 2014.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2016, the County recognized pension expense for EORP of \$8,090 and revenue of \$2,179 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42	\$ 289
Changes of assumptions or other inputs	4,352	
Net difference between projected and actual earnings on pension plan investments	157	
Changes in proportion and differences between county contributions and proportionate share of contributions	127	
County contributions subsequent to the measurement date	<u>529</u>	
Total	<u>\$ 5,207</u>	<u>\$ 289</u>

The \$529 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2017	\$ 3,664
2018	594
2019	13
2020	118

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

EORP	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Projected inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection Scale AA

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

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

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

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

EORP	1% Decrease ( 3.86%)	Current Discount Rate ( 4.86%)	1% Increase ( 5.86%)
County's proportionate share of net pension liability	\$ 30,236	\$ 25,973	\$ 22,388

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

EODCRS plan - Elected officials and judges that are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by state statute.

For the year ended June 30, 2016, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll, and the County was required by statute to contribute 6 percent active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County's contributions to the individual account and the earnings on those contributions. In addition, statute required active EODCRS members and the County to each contribute at the actuarially determined rate of 0.125 percent of the members' annual covered payroll to the EODCDP plan. For the year ended June 30, 2016, the County recognized pension expense of \$38.

The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

EODCDP Year ended June 30	Disability fund
2016	\$ 1
2015	-
2014	-

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Note 12 – Interfund Balances and Activity**

Interfund receivables and payables—interfund balances at June 30, 2016 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Public Works Highway Fund	\$ 1
	Other Governmental Funds	<u>362</u>
		<u>363</u>
Other Governmental Funds	General Fund	29
	Other Governmental Funds	<u>11</u>
		<u>40</u>
Total		<u>\$ 403</u>

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2016, and are expected to be repaid within one year from the date of the financial statements.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 12,918
	Public Works Highway Fund	6
	Internal Service Fund	205
		<u>13,129</u>
Road Tax Districts Fund	Public Works Highway Fund	1,250
	Other Governmental Funds	663
		<u>1,913</u>
Public Works Highway Fund	General Fund	2,403
	Road Tax Districts Fund	250
	Other Governmental Funds	1,109
	Kelvin Road Bridge Construction Fund	85
		<u>3,847</u>
Development Impact Fee Fund	Other Governmental Funds	<u>8,267</u>
Other Governmental Funds	General Fund	3,576
	Public Works Highway Fund	500
	Other Governmental Funds	956
	Internal Service Fund	44
	Enterprise Fund	1,000
	<u>6,076</u>	
Internal Service Fund	General Fund	<u>3,500</u>
Total transfers		<u>\$ 36,732</u>

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds for capital outlay. All significant interfund transfers were routine and consistent with the activities of the fund making the transfer. The exception of the Internal Service Fund transferring to General Fund excess cash due to the dissolution of the Pinal County Employee Benefit Trust on August 25, 2015.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Note 13 – 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. However, for the County’s monies in the pool the Board of Supervisors authorized \$161 of interest earned in certain other funds to be transferred to the General Fund.

Substantially, all deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$39 in cash on hand, \$55,242 in deposits, \$394 of investments in the State Treasurer’s Investment Pool and \$50 in Certificates of Deposit. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks exclusive of the investments just described above. See Note 5 for disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Amount</u>
Repurchase Agreements (implicitly guaranteed)	\$ 45,000	0.016%	Daily	\$ 45,000
U.S. Agency securities	152,174	.330% - 1.500%	9/15 - 2/20	152,629
U.S. Treasury securities	20,000	0.50%	7/14 - 11/16	20,008
Corporate Bonds	16,040	1.125% - 1.55%	2/17-6/21	16,040
Pooled CDs	3,486	.65% - 2.10%	11/15 - 6/20	3,528
School Bond Investment	166	1.510%	5/17	166

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2016**  
(Amounts expressed in thousands)

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

Statement of Net Position	
Assets	\$ 273,312
Liabilities	-
Net Position	<u>\$ 273,312</u>

Net position held in trust for:	
Internal participants	\$ 121,807
External participants	<u>151,505</u>
Total net position held in trust	<u>\$ 273,312</u>

Statement of Changes in Net Position	
Total additions	\$ 913,154
Total deductions	<u>(909,558)</u>
Net increase	<u>3,596</u>
Net position held in trust:	
July 1, 2015	<u>269,716</u>
June 30, 2016	<u>\$ 273,312</u>

**Note 14 – Subsequent Events**

On July 20, 2016 the County entered into a purchase agreement with various parties to acquire 500 acres of vacant land to develop as an economic development project. The total estimated cost is \$29,940.

# Required Supplementary Information



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**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 94,601	\$ 94,601	\$ 94,333	\$ (268)
Licenses and permits	2,924	2,924	3,457	533
Intergovernmental	46,741	46,741	47,993	1,252
Charges for services	6,611	11,253	12,621	1,368
Fines and forfeits	856	856	773	(83)
Investment earnings	100	100	215	115
Contributions	-	-	60	60
Rentals	206	206	172	(34)
Miscellaneous	5,979	5,979	463	(5,516)
Total revenues	158,018	162,660	160,087	(2,573)
<b>Expenditures:</b>				
<b>General Government</b>				
Assessor	3,599	3,681	3,272	409
Assistant County Manager-Admin	20,900	35,020	18,991	16,029
Assistant County Manager-Development	7,007	6,876	6,426	450
Board of Supervisors	1,976	2,059	1,934	125
County Manager	1,400	6,592	1,053	5,539
Recorder	1,457	2,480	1,385	1,095
Treasurer	1,440	1,356	1,286	70
Total General Government	37,779	58,064	34,347	23,717
<b>Public Safety</b>				
Assistant County Manager-Admin	754	754	754	-
Assistant County Manager-Health	7,715	7,715	8,831	(1,116)
Attorney	10,225	10,225	11,013	(788)
Clerk of Superior Court	4,809	4,809	4,209	600
Courts	24,633	24,633	24,777	(144)
Sheriff	43,752	43,752	47,557	(3,805)
Total Public Safety	91,888	91,888	97,141	(5,253)
<b>Highways and streets</b>				
Assistant County Manager-Admin	20	20	23	(3)
Total Highways and streets	20	20	23	(3)
<b>Sanitation</b>				
Assistant County Manager-Admin	96	96	1	95
Total Sanitation	96	96	1	95

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

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2016**  
**(Concluded)**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Health</b>				
Assistant County Manager-Admin	19,548	19,549	19,582	(33)
Total Health	19,548	19,549	19,582	(33)
<b>Welfare</b>				
Assistant County Manager-Admin	1,796	1,939	1,300	639
Total Welfare	1,796	1,939	1,300	639
<b>Education</b>				
School Superintendent	972	972	982	(10)
Total Education	972	972	982	(10)
Total general fund expenditures	152,099	172,528	153,376	19,152
Excess of revenues over expenditures	5,919	(9,868)	6,711	16,579
<b>Other financing sources (uses):</b>				
Transfers in	5,992	5,992	9,479	3,487
Transfers out	(13,835)	(13,835)	(13,129)	706
Proceeds from sale of capital assets	75	75	7	(68)
Insurance reimbursement	50	50	99	49
Total other financing (uses)	(7,718)	(7,718)	(3,544)	4,174
Net change in fund balances	(1,799)	(17,586)	3,167	20,753
Fund balances - beginning	1,799	17,586	19,986	2,400
Fund balances - ending	\$ -	\$ -	\$ 23,153	\$ 23,153

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

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road Tax Districts Fund**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,300	\$ 7,300	\$ 7,550	\$ 250
Investment earnings	60	60	143	83
Contributions	25	25	25	-
Miscellaneous	-	-	1	1
Total revenues	<u>7,385</u>	<u>7,385</u>	<u>7,719</u>	<u>334</u>
<b>Expenditures:</b>				
Highways and streets	<u>24,892</u>	<u>24,892</u>	<u>5,976</u>	<u>18,916</u>
Total expenditures	<u>24,892</u>	<u>24,892</u>	<u>5,976</u>	<u>18,916</u>
Excess (deficiency) of revenues over expenditures	<u>(17,507)</u>	<u>(17,507)</u>	<u>1,743</u>	<u>19,250</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,000	1,000	250	(750)
Transfers out	<u>(1,913)</u>	<u>(1,913)</u>	<u>(1,913)</u>	<u>-</u>
Total other financing (uses)	<u>(913)</u>	<u>(913)</u>	<u>(1,663)</u>	<u>(750)</u>
Net change in fund balances	(18,420)	(18,420)	80	18,500
Fund balance - beginning	<u>18,420</u>	<u>18,420</u>	<u>20,145</u>	<u>1,725</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,225</u>	<u>\$ 20,225</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Works Highway Fund**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 25,541	\$ 26,218	\$ 27,647	\$ 1,429
Investment earnings	60	60	186	126
Contributions	-	-	6	6
Rentals	70	70	10	(60)
Miscellaneous	1	1	31	30
Total revenues	<u>25,672</u>	<u>26,349</u>	<u>27,880</u>	<u>1,531</u>
<b>Expenditures:</b>				
Current:				
Highways and streets	34,154	34,837	23,462	11,375
Debt Service:				
Principal retirement	332	332	332	-
Interest	18	18	18	-
Total expenditures	<u>34,504</u>	<u>35,187</u>	<u>23,812</u>	<u>11,375</u>
Excess (deficiency) of revenues over expenditures	<u>(8,832)</u>	<u>(8,838)</u>	<u>4,068</u>	<u>12,906</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,750	1,756	1,756	-
Transfers out	(11,536)	(11,536)	(3,847)	7,689
Sale of capital assets	-	-	133	133
Total other financing (uses)	<u>(9,786)</u>	<u>(9,780)</u>	<u>(1,958)</u>	<u>7,822</u>
Net change in fund balances	(18,618)	(18,618)	2,110	20,728
Fund balance - beginning	18,618	18,618	23,749	5,131
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,859</u>	<u>\$ 25,859</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Development Impact Fee Fund**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 4,885	\$ 4,885	\$ 7,179	\$ 2,294
Investment earnings	-	-	121	121
Total revenues	<u>4,885</u>	<u>4,885</u>	<u>7,300</u>	<u>2,415</u>
<b>Expenditures:</b>				
Public safety	301	301	1	300
Highways and streets	352	352	6	346
Culture and recreation	184	184	97	87
Total expenditures	<u>837</u>	<u>837</u>	<u>104</u>	<u>733</u>
Excess (deficiency) of revenues over expenditures	<u>4,048</u>	<u>4,048</u>	<u>7,196</u>	<u>3,148</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(4,340)</u>	<u>(9,017)</u>	<u>(8,267)</u>	<u>750</u>
Total other financing (uses)	<u>(4,340)</u>	<u>(9,017)</u>	<u>(8,267)</u>	<u>750</u>
Net change in fund balances	(292)	(4,969)	(1,071)	3,898
Fund balance - beginning	<u>292</u>	<u>4,969</u>	<u>14,870</u>	<u>9,901</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,799</u>	<u>\$ 13,799</u>

The notes to the financial statements are an integral part of this statement.

**Pinal County**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2016**  
(Amounts expressed in thousands)

**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.

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

The County did not legally adopt an annual budget for the Accommodation School.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Cost-Sharing Pension Plans**  
**June 30, 2016**  
(Amounts expressed in thousands)

ASRS

	Reporting fiscal year (measurement date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
County's proportion of the net pension liability	0.690%	0.681%	
County's proportionate share of the net pension liability	\$ 107,924	\$ 100,718	
County's covered payroll	\$ 68,613	\$ 61,388	
County's proportionate share of the net pension liability as a percentage of its covered payroll	157.3%	164.1%	
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%	

CORP – AOC

	Reporting fiscal year (measurement date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
County's proportion of the net pension liability	4.94%	5.18%	
County's proportionate share of the net pension liability	\$ 12,001	\$ 11,623	
County's covered payroll	\$ 5,948	\$ 5,570	
County's proportionate share of the net pension liability as a percentage of its covered payroll	201.8%	208.9%	
Plan fiduciary net position as a percentage of the total pension liability	57.89%	58.59%	

EORP

	Reporting fiscal year (measurement date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
County's proportion of the net pension liability	3.33%	3.28%	
County's proportionate share of the net pension liability	\$ 25,973	\$ 22,006	
State's proportionate share of the net pension liability associated with the County	\$ 8,097	\$ 6,747	
Total	<u>34,070</u>	<u>\$ 28,753</u>	
County's covered payroll	\$ 2,723	\$ 3,018	
County's proportionate share of the net pension liability as a percentage of its covered payroll	953.8%	729.2%	
Plan fiduciary net position as a percentage of the total pension liability	28.32%	31.91%	

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

(Amounts expressed in thousands)

PSPRS – Sheriff

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
Total pension liability			
Service cost	\$ 2,671	\$ 2,699	
Interest on the total pension liability	6,055	5,133	
Changes of benefit terms	-	1,569	
Differences between expected and actual experience in the measurement of the pension liability	(1,206)	(1,323)	
Changes of assumptions or other inputs	-	7,654	
Benefit payments, including refunds of employee contributions	(4,308)	(3,640)	
Net change in total pension liability	3,212	12,092	
Total pension liability – beginning	77,951	65,859	
Total pension liability – ending (a)	<u>\$ 81,163</u>	<u>\$ 77,951</u>	
Plan fiduciary net position			
Contributions – employer	\$ 2,917	\$ 2,899	
Contributions – employee	1,389	1,434	
Net investment income	1,578	5,190	
Benefit payments, including refunds of employee contributions	(4,308)	(3,640)	
Administrative expense	(39)	(42)	
Other changes	(252)	(108)	
Net change in plan fiduciary net position	1,285	5,733	
Plan fiduciary net position – beginning	43,101	37,368	
Plan fiduciary net position – ending (b)	<u>\$ 44,386</u>	<u>\$ 43,101</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 36,777</u>	<u>\$ 34,850</u>	
Plan fiduciary net position as a percentage of the total pension liability	54.69%	55.29%	
Covered payroll	\$ 13,423	\$ 12,940	
County's net pension liability as a percentage of covered payroll	273.98%	269.32%	

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

(Amounts expressed in thousands)

CORP - Detention

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
Total pension liability			
Service cost	\$ 1,863	\$ 1,929	
Interest on the total pension liability	2,436	2,283	
Changes of benefit terms	-	143	
Differences between expected and actual experience in the measurement of the pension liability	(3,061)	(1,398)	
Changes of assumptions or other inputs	-	1,377	
Benefit payments, including refunds of employee contributions	(2,973)	(1,733)	
Net change in total pension liability	(1,735)	2,601	
Total pension liability – beginning	31,588	28,987	
Total pension liability – ending (a)	<u>\$ 29,853</u>	<u>\$ 31,588</u>	
Plan fiduciary net position			
Contributions – employer	\$ 938	\$ 1,217	
Contributions – employee	851	1,066	
Net investment income	891	2,914	
Benefit payments, including refunds of employee contributions	(2,973)	(1,733)	
Administrative expense	(23)	(23)	
Other changes	(14)	39	
Net change in plan fiduciary net position	(330)	3,480	
Plan fiduciary net position – beginning	24,435	20,955	
Plan fiduciary net position – ending (b)	<u>24,105</u>	<u>\$ 24,435</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 5,748</u>	<u>\$ 7,153</u>	
Plan fiduciary net position as a percentage of the total pension liability	80.75%	77.35%	
Covered payroll	\$ 11,308	\$ 12,606	
County's net pension liability as a percentage of covered payroll	50.83%	56.74%	

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

(Concluded)

(Amounts expressed in thousands)

CORP - Dispatchers

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
Total pension liability			
Service cost	\$ 89	\$ 90	
Interest on the total pension liability	180	162	
Changes of benefit terms	-	22	
Differences between expected and actual experience in the measurement of the pension liability	(154)	(54)	
Changes of assumptions or other inputs	-	115	
Benefit payments, including refunds of employee contributions	(173)	(59)	
Net change in total pension liability	(58)	276	
Total pension liability – beginning	2,330	2,054	
Total pension liability – ending (a)	<u>\$ 2,272</u>	<u>\$ 2,330</u>	
Plan fiduciary net position			
Contributions – employer	\$ 62	\$ 68	
Contributions – employee	43	51	
Net investment income	53	176	
Benefit payments, including refunds of employee contributions	(173)	(59)	
Administrative expense	(2)	(1)	
Other changes	(1)	-	
Net change in plan fiduciary net position	(18)	235	
Plan fiduciary net position – beginning	1,471	1,236	
Plan fiduciary net position – ending (b)	<u>1,453</u>	<u>\$ 1,471</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 819</u>	<u>\$ 859</u>	
Plan fiduciary net position as a percentage of the total pension liability	63.95%	63.13%	
Covered payroll	\$ 580	\$ 648	
County's net pension liability as a percentage of covered payroll	141.21%	132.60%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2016**  
(Amounts expressed in thousands)

ASRS

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Statutorily required contribution	\$ 7,412	\$ 7,472	\$ 6,565	
County's contributions in relation to the statutorily required contribution	7,412	7,472	6,565	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$ 65,507	\$ 68,613	\$ 61,388	
County's contributions as a percentage of covered payroll	11.31%	10.89%	10.69%	

CORP - AOC

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Statutorily required contribution	\$ 1,025	\$ 885	\$ 806	
County's contributions in relation to the statutorily required contribution	\$ 1,025	885	806	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$ 5,138	\$ 5,948	\$ 5,570	
County's contributions as a percentage of covered payroll	19.95%	14.88%	14.47%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2016**  
(Amounts expressed in thousands)

PSPRS - Sheriff

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Actuarially determined contribution	\$ 3,957	\$ 3,086	\$ 2,899	
County's contributions in relation to the actuarially determined contribution	3,333	3,086	2,899	
County's contribution deficiency (excess)	\$ 624	\$ -	\$ -	
County's covered payroll	\$ 12,994	\$ 13,423	\$ 12,940	
County's contributions as a percentage of covered payroll	25.65%	22.99%	22.40%	

CORP - Detention

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Actuarially determined contribution	\$ 878	\$ 1,029	\$ 1,217	
County's contributions in relation to the actuarially determined contribution	805	1,029	1,217	
County's contribution deficiency(excess)	\$ 73	\$ -	\$ -	
County's covered payroll	\$ 8,256	\$ 11,308	\$ 12,606	
County's contributions as a percentage of covered payroll	9.75%	9.10%	9.65%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2016**  
**(Concluded)**  
(Amounts expressed in thousands)

CORP - Dispatchers

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Actuarially determined contribution	\$ 62	\$ 66	\$ 68	
County's contributions in relation to the actuarially determined contribution	53	66	68	
County's contribution deficiency (excess)	\$ 9	\$ -	\$ -	
County's covered payroll	\$ 428	\$ 580	\$ 648	
County's contributions as a percentage of covered payroll	12.37%	11.38%	10.50%	

EORP

	Reporting fiscal year			2013 through 2007 Information not available
	2016	2015	2014	
Statutorily required contribution	\$ 529	\$ 640	\$ 699	
County's contributions in relation to the statutorily required contribution	529	640	699	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$ 2,251	\$ 2,723	\$ 3,018	
County's contributions as a percentage of covered payroll	23.50%	23.50%	23.16%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Notes to Pension Plan Schedules**  
**June 30, 2016**

(Amounts expressed in thousands)

**Note 1 – Change in Accounting Principle**

For the year ended June 30, 2016, the County implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

**Note 2 – Actuarially Determined Contribution Rates**

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

Actuarial cost method	Entry age normal
Amortization period	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	
As of the 2014 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0%-7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.50% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

**Note 3 – Actuarially Determined Contribution Rates**

In addition, the pension contribution rate increased significantly in the June 30, 2014 valuation. This arose primarily due to the repeal of certain aspects of SB1609 which resulted in much larger recognition of liabilities related to Permanent Benefit Increases (PBI). The PSPRS Board adopted a policy to allow employers to phase-in the pension contribution rate increase over 3 years, if necessary. The County elected this phase-in rate in fiscal year 2016 for the PSPRS Sheriff, CORP Detention and CORP Dispatchers retirement plans resulting in the County reporting a contribution deficiency. It is expected that the deficiency will be brought back to \$0 in future fiscal years.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Agent OPEB Plans' Funding Progress**  
**June 30, 2016**  
(Amounts expressed in thousands)

**Health Insurance Premium Benefit**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/c
<b>PSPRS Sheriff</b>						
2016	\$ 2,456	\$ 2,038	\$ (418)	120.51%	\$ 12,245	-3.41%
2015	\$ 2,340	\$ 1,903	\$ (437)	122.96%	\$ 12,438	-3.51%
2014	\$ 2,140	\$ 1,913	\$ (227)	111.87%	\$ 12,940	-1.75%
<b>CORP Detention</b>						
2016	\$ 1,381	\$ 929	\$ (452)	148.65%	\$ 7,506	-6.02%
2015	\$ 1,282	\$ 974	\$ (308)	131.62%	\$ 8,439	-3.65%
2014	\$ 1,152	\$ 1,124	\$ (28)	102.49%	\$ 12,606	-0.22%
<b>CORP Dispatchers</b>						
2016	\$ 150	\$ 57	\$ (93)	263.16%	\$ 379	-24.54%
2015	\$ 140	\$ 68	\$ (72)	205.88%	\$ 486	-14.81%
2014	\$ 130	\$ 72	\$ (58)	180.56%	\$ 648	-8.95%

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# Combining Statements and Individual Fund Schedules



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*wide open opportunity*

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**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
<b>Assets</b>				
Cash, cash equivalents and investments	\$ 31,889	\$ 2,286	\$ 1,406	\$ 35,581
Receivables (net of allowances for uncollectibles):				
Cash and investments held by trustees	-	-	6,349	6,349
Property taxes	174	-	-	174
Accounts	462	4	-	466
Due from other funds	40	-	-	40
Due from other governments	2,663	-	-	2,663
Inventories	62	-	-	62
Prepaid items	38	-	-	38
Restricted assets:				
Cash and cash equivalents	479	-	-	479
Total assets	<u>\$ 35,807</u>	<u>\$ 2,290</u>	<u>\$ 7,755</u>	<u>\$ 45,852</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,515	\$ 374	\$ -	\$ 1,889
Accrued payroll and employee benefits	719	1	-	720
Retainage payable	-	103	-	103
Due to other funds	29	-	344	373
Due to other governments	175	-	-	175
Deposits held for others	98	3	-	101
Bonds payable	-	-	3,230	3,230
Interest payable	-	-	3,119	3,119
Unearned revenue	270	-	-	270
Total liabilities	<u>2,806</u>	<u>481</u>	<u>6,693</u>	<u>9,980</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	128	-	-	128
Unavailable revenue - intergovernmental	345	-	-	345
Total deferred inflows of resources	<u>473</u>	<u>-</u>	<u>-</u>	<u>473</u>
<b>Fund Balances</b>				
Nonspendable:				
Inventories	62	-	-	62
Prepaid items	38	-	-	38
Total nonspendable	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Restricted	30,623	2,047	-	32,670
Committed	1,688	-	-	1,688
Assigned	2	102	1,062	1,166
Unassigned	115	(340)	-	(225)
Total fund balances	<u>32,528</u>	<u>1,809</u>	<u>1,062</u>	<u>35,399</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,807</u>	<u>\$ 2,290</u>	<u>\$ 7,755</u>	<u>\$ 45,852</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total
<b>Revenues:</b>				
Taxes	\$ 10,831	\$ -	\$ -	\$ 10,831
Licenses and permits	2,068	-	-	2,068
Intergovernmental	27,307	-	-	27,307
Charges for services	4,839	-	-	4,839
Fines and forfeits	2,098	-	-	2,098
Investment earnings	230	15	-	245
Contributions	389	148	-	537
Rentals	268	-	-	268
Miscellaneous	944	-	-	944
Total revenues	<u>48,974</u>	<u>163</u>	<u>-</u>	<u>49,137</u>
<b>Expenditures:</b>				
Current:				
General government	436	-	7	443
Public safety	19,019	-	-	19,019
Highways and streets	4,798	-	-	4,798
Sanitation	415	-	-	415
Health	11,112	-	-	11,112
Welfare	6,886	-	-	6,886
Culture and recreation	1,556	-	-	1,556
Education	4,970	-	-	4,970
Debt service:				
Principal retirement	-	-	7,490	7,490
Interest	-	-	7,463	7,463
Capital outlay	-	3,744	-	3,744
Total expenditures	<u>49,192</u>	<u>3,744</u>	<u>14,960</u>	<u>67,896</u>
Deficiency of revenues over expenditures	<u>(218)</u>	<u>(3,581)</u>	<u>(14,960)</u>	<u>(18,759)</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,730	4,175	16,008	23,913
Transfers out	(6,076)	-	-	(6,076)
Sale of capital assets	13	3	-	16
Total other financing sources (uses)	<u>(2,333)</u>	<u>4,178</u>	<u>16,008</u>	<u>17,853</u>
Net change in fund balances	(2,551)	597	1,048	(906)
Fund balances - beginning, as restated	35,063	1,212	14	36,289
Changes in nonspendable resources:				
Increase in inventories	12	-	-	12
Increase in prepaid items	4	-	-	4
Fund balances - ending	<u>\$ 32,528</u>	<u>\$ 1,809</u>	<u>\$ 1,062</u>	<u>\$ 35,399</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Adult Probation		Air Quality
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,277	\$	708
Receivables (net of allowances for uncollectibles):			
Property taxes	-		-
Accounts	75		1
Due from other funds	-		-
Due from other governments	-		-
Inventories	-		-
Prepaid items	-		-
Restricted assets:			
Cash and cash equivalents - restricted	-		-
Total assets	\$ 1,352	\$	709
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 24	\$	16
Accrued payroll and employee benefits	88		37
Due to other funds	-		1
Due to other governments	94		-
Total current liabilities	206		54
Noncurrent liabilities:			
Deposits held for others	-		-
Unearned revenue	-		-
Total noncurrent liabilities	-		-
Total liabilities	206		54
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-		-
Unavailable revenue - intergovernmental	-		267
Total deferred inflows of resources	-		267
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-		-
Prepaid items	-		-
Total nonspendable	-		-
Restricted	1,120		374
Committed	-		-
Assigned	-		-
Unassigned	26		14
Total fund balances (deficit)	1,146		388
Total liabilities, deferred inflows of resources and, fund balances	\$ 1,352	\$	709

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 577	\$ 2,210	\$ 1,182
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	-	23	61
Due from other funds	-	-	-
Due from other governments	-	135	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 577</u>	<u>\$ 2,368</u>	<u>\$ 1,243</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 48	\$ 22	\$ 19
Accrued payroll and employee benefits	66	34	3
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>114</u>	<u>56</u>	<u>22</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	9	-
Total noncurrent liabilities	<u>-</u>	<u>9</u>	<u>-</u>
Total liabilities	<u>114</u>	<u>65</u>	<u>22</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	409	2,301	601
Committed	39	2	620
Assigned	-	-	-
Unassigned	15	-	-
Total fund balances (deficit)	<u>463</u>	<u>2,303</u>	<u>1,221</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 577</u>	<u>\$ 2,368</u>	<u>\$ 1,243</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Courts	Employee Wellness	Health Services
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,462	\$ 10	\$ 122
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	64	-	-
Due from other funds	40	-	-
Due from other governments	71	-	4
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 1,637</u>	<u>\$ 10</u>	<u>\$ 126</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 7	\$ -	\$ -
Accrued payroll and employee benefits	54	-	3
Due to other funds	5	-	-
Due to other governments	-	-	-
Total current liabilities	<u>66</u>	<u>-</u>	<u>3</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66</u>	<u>-</u>	<u>3</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	1,310	10	123
Committed	261	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>1,571</u>	<u>10</u>	<u>123</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 1,637</u>	<u>\$ 10</u>	<u>\$ 126</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Justice Courts	Juvenile Probation	Local Transport Assist Grant
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,672	\$ 716	\$ (2)
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	118	26	-
Due from other funds	-	-	-
Due from other governments	48	11	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	1	-
Total assets	\$ 1,838	\$ 754	\$ (2)
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 40	\$ 68	\$ -
Accrued payroll and employee benefits	15	48	-
Due to other funds	6	-	-
Due to other governments	-	81	-
Total current liabilities	61	197	-
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	48	-	-
Total noncurrent liabilities	48	-	-
Total liabilities	109	197	-
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	-	-	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	1,083	557	-
Committed	646	-	-
Assigned	-	-	-
Unassigned	-	-	(2)
Total fund balances (deficit)	1,729	557	(2)
Total liabilities, deferred inflows of resources and, fund balances	\$ 1,838	\$ 754	\$ (2)

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Library Grants	Miscellaneous Grants	Public Defender
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 8	\$ 30	\$ 106
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	3	12
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 8	\$ 33	\$ 118
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 6	\$ 4
Accrued payroll and employee benefits	-	-	4
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	-	6	8
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	6	8
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	5	49	-
Total deferred inflows of resources	5	49	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	3	-	110
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(22)	-
Total fund balances (deficit)	3	(22)	110
Total liabilities, deferred inflows of resources and, fund balances	\$ 8	\$ 33	\$ 118

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Sheriff
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 4,237	\$ 831	\$ 842
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	10	-	29
Due from other funds	-	-	-
Due from other governments	-	325	368
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 4,247</u>	<u>\$ 1,156</u>	<u>\$ 1,239</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 12	\$ 151	\$ 661
Accrued payroll and employee benefits	26	16	22
Due to other funds	-	-	17
Due to other governments	-	-	-
Total current liabilities	<u>38</u>	<u>167</u>	<u>700</u>
Noncurrent liabilities:			
Deposits held for others	49	-	-
Unearned revenue	-	111	7
Total noncurrent liabilities	<u>49</u>	<u>111</u>	<u>7</u>
Total liabilities	<u>87</u>	<u>278</u>	<u>707</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	24
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>24</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	4,150	878	506
Committed	-	-	-
Assigned	-	-	2
Unassigned	10	-	-
Total fund balances (deficit)	<u>4,160</u>	<u>878</u>	<u>508</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 4,247</u>	<u>\$ 1,156</u>	<u>\$ 1,239</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Treasurer	Housing Grants	Flood Control District
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 90	\$ 106	\$ 8,229
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	68
Accounts	-	25	18
Due from other funds	-	-	-
Due from other governments	-	468	-
Inventories	-	62	-
Prepaid items	-	38	-
Restricted assets:			
Cash and cash equivalents - restricted	-	478	-
Total assets	<u>\$ 90</u>	<u>\$ 1,177</u>	<u>\$ 8,315</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 1	\$ 85	\$ 145
Accrued payroll and employee benefits	-	40	15
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>1</u>	<u>125</u>	<u>160</u>
Noncurrent liabilities:			
Deposits held for others	-	49	-
Unearned revenue	-	62	-
Total noncurrent liabilities	<u>-</u>	<u>111</u>	<u>-</u>
Total liabilities	<u>1</u>	<u>236</u>	<u>160</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	49
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>49</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	62	-
Prepaid items	-	38	-
Total nonspendable	<u>-</u>	<u>100</u>	<u>-</u>
Restricted	89	841	8,106
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>89</u>	<u>941</u>	<u>8,106</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 90</u>	<u>\$ 1,177</u>	<u>\$ 8,315</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Library District	Lighting Special Districts	Miscellaneous Fees
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 835	\$ 3	\$ 445
Receivables (net of allowances for uncollectibles):			
Property taxes	44	-	-
Accounts	2	-	2
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 881	\$ 3	\$ 447
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 15	\$ -	\$ 6
Accrued payroll and employee benefits	22	-	8
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	37	-	14
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	37	-	14
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	33	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	33	-	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	811	3	313
Committed	-	-	120
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	811	3	433
Total liabilities, deferred inflows of resources and, fund balances	\$ 881	\$ 3	\$ 447

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Desert Vista Sanitation District	Public Health Services District	Queen Creek Domestic Water Improvement District
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 7	\$ 4,104	\$ 19
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	-	7	-
Due from other funds	-	-	-
Due from other governments	-	1,218	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 7	\$ 5,329	\$ 19
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 185	\$ -
Accrued payroll and employee benefits	-	218	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	-	403	-
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	33	-
Total noncurrent liabilities	-	33	-
Total liabilities	-	436	-
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	-	-	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	7	4,819	19
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	74	-
Total fund balances (deficit)	7	4,893	19
Total liabilities, deferred inflows of resources and, fund balances	\$ 7	\$ 5,329	\$ 19

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2016**

(Concluded)

(Amounts expressed in thousands)

	Accommodation School		Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 2,063	\$	31,889
Receivables (net of allowances for uncollectibles):			
Property taxes	62		174
Accounts	1		462
Due from other funds	-		40
Due from other governments	-		2,663
Inventories	-		62
Prepaid items	-		38
Restricted assets:			
Cash and cash equivalents - restricted	-		479
Total assets	\$ 2,126	\$	35,807
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ -	\$	1,515
Accrued payroll and employee benefits	-		719
Due to other funds	-		29
Due to other governments	-		175
Total current liabilities	-	-	2,438
Noncurrent liabilities:			
Deposits held for others	-		98
Unearned revenue	-		270
Total noncurrent liabilities	-	-	368
Total liabilities	-	-	2,806
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	46		128
Unavailable revenue - intergovernmental	-		345
Total deferred inflows of resources	46	-	473
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-		62
Prepaid items	-		38
Total nonspendable	-	-	100
Restricted	2,080		30,623
Committed	-		1,688
Assigned	-		2
Unassigned	-		115
Total fund balances (deficit)	2,080	-	32,528
Total liabilities, deferred inflows of resources and, fund balances	\$ 2,126	\$	35,807

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Adult Probation	Air Quality
	<u>                    </u>	<u>                    </u>
<b>Revenues:</b>		
Taxes	\$ -	\$ -
Licenses and permits	-	1,122
Intergovernmental	3,053	248
Charges for services	804	-
Fines and forfeits	-	-
Investment earnings	8	2
Contributions	-	-
Rentals	-	-
Miscellaneous	1	-
	<u>3,866</u>	<u>1,372</u>
Total revenues		
<b>Expenditures:</b>		
General government	-	-
Public safety	3,688	-
Highways and streets	-	-
Sanitation	-	-
Health	-	1,333
Welfare	-	-
Culture and recreation	-	-
Education	-	-
	<u>3,688</u>	<u>1,333</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>178</u>	<u>39</u>
<b>Other financing sources (uses):</b>		
Transfers in	-	-
Transfers out	-	(186)
Sale of capital assets	-	-
	<u>-</u>	<u>(186)</u>
Total other financing sources (uses)		
Net change in fund balances	178	(147)
Fund balances (deficit) - beginning, as restated	968	535
Changes in nonspendable resources:		
Increase in inventories	-	-
Increase in prepaid items	-	-
	<u>-</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 1,146</u>	<u>\$ 388</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
<b>Revenues:</b>			
Taxes	\$ 2	\$ -	\$ -
Licenses and permits	214	-	-
Intergovernmental	-	1,214	-
Charges for services	316	3	492
Fines and forfeits	18	2,055	-
Investment earnings	1	14	12
Contributions	19	-	-
Rentals	-	-	-
Miscellaneous	1	23	-
Total revenues	<u>571</u>	<u>3,309</u>	<u>504</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	2,493	146
Highways and streets	-	-	-
Sanitation	-	-	-
Health	1,913	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,913</u>	<u>2,493</u>	<u>146</u>
Excess (deficiency) of revenues over expenditures	<u>(1,342)</u>	<u>816</u>	<u>358</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,559	94	-
Transfers out	(27)	(64)	(1,092)
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>1,532</u>	<u>30</u>	<u>(1,092)</u>
Net change in fund balances	190	846	(734)
Fund balances (deficit) - beginning, as restated	273	1,457	1,955
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 463</u>	<u>\$ 2,303</u>	<u>\$ 1,221</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Courts	Employee Wellness	Health Services
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	553	-	106
Charges for services	532	-	-
Fines and forfeits	2	-	-
Investment earnings	10	-	1
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	12	-	-
Total revenues	<u>1,109</u>	<u>-</u>	<u>107</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	1,891	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	13	86
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,891</u>	<u>13</u>	<u>86</u>
Excess (deficiency) of revenues over expenditures	<u>(782)</u>	<u>(13)</u>	<u>21</u>
<b>Other financing sources (uses):</b>			
Transfers in	441	-	-
Transfers out	(306)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>135</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(647)	(13)	21
Fund balances (deficit) - beginning, as restated	2,218	23	102
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 1,571</u>	<u>\$ 10</u>	<u>\$ 123</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Justice Courts	Juvenile Probation	Local Transport Assist Grant
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	2,181	-
Charges for services	1,016	170	-
Fines and forfeits	-	-	-
Investment earnings	9	5	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,025</u>	<u>2,356</u>	<u>-</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	578	2,327	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>578</u>	<u>2,327</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>447</u>	<u>29</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	8	-
Transfers out	(284)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(284)</u>	<u>8</u>	<u>-</u>
Net change in fund balances	163	37	-
Fund balances (deficit) - beginning, as restated	1,566	520	(2)
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 1,729</u>	<u>\$ 557</u>	<u>\$ (2)</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Library Grants	Miscellaneous Grants	Public Defender
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	68	42	40
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings	-	-	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>68</u>	<u>42</u>	<u>40</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	42	121
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	68	-	-
Education	-	-	-
Total expenditures	<u>68</u>	<u>42</u>	<u>121</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(81)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	89
Transfers out	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>89</u>
Net change in fund balances	-	-	8
Fund balances (deficit) - beginning, as restated	3	(22)	102
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 3</u>	<u>\$ (22)</u>	<u>\$ 110</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Sheriff
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	472	-	-
Intergovernmental	-	915	6,768
Charges for services	317	26	127
Fines and forfeits	-	-	23
Investment earnings	42	-	2
Contributions	188	-	-
Rentals	-	-	-
Miscellaneous	-	-	89
Total revenues	<u>1,019</u>	<u>941</u>	<u>7,009</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	653	7,080
Highways and streets	1,195	-	-
Sanitation	-	386	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,195</u>	<u>1,039</u>	<u>7,080</u>
Excess (deficiency) of revenues over expenditures	<u>(176)</u>	<u>(98)</u>	<u>(71)</u>
<b>Other financing sources (uses):</b>			
Transfers in	5	247	80
Transfers out	(1,500)	(200)	-
Sale of capital assets	-	-	13
Total other financing sources (uses)	<u>(1,495)</u>	<u>47</u>	<u>93</u>
Net change in fund balances	(1,671)	(51)	22
Fund balances (deficit) - beginning, as restated	5,831	929	486
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 4,160</u>	<u>\$ 878</u>	<u>\$ 508</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Treasurer	Housing Grants	Flood Control District
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 2,978
Licenses and permits	-	-	11
Intergovernmental	-	6,041	124
Charges for services	51	-	14
Fines and forfeits	-	-	-
Investment earnings	1	-	74
Contributions	-	10	-
Rentals	-	258	-
Miscellaneous	5	607	1
Total revenues	<u>57</u>	<u>6,916</u>	<u>3,202</u>
<b>Expenditures:</b>			
General government	2	-	-
Public safety	-	-	-
Highways and streets	-	-	3,584
Sanitation	-	-	-
Health	-	-	-
Welfare	-	6,886	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>2</u>	<u>6,886</u>	<u>3,584</u>
Excess (deficiency) of revenues over expenditures	<u>55</u>	<u>30</u>	<u>(382)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(230)	-	(1,168)
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(230)</u>	<u>-</u>	<u>(1,168)</u>
Net change in fund balances	(175)	30	(1,550)
Fund balances (deficit) - beginning, as restated	264	895	9,656
Changes in nonspendable resources:			
Increase in inventories	-	16	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 89</u>	<u>\$ 941</u>	<u>\$ 8,106</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Library District	Lighting Special Districts	Miscellaneous Fees
<b>Revenues:</b>			
Taxes	\$ 1,976	\$ 14	\$ -
Licenses and permits	-	-	-
Intergovernmental	113	-	-
Charges for services	-	-	515
Fines and forfeits	-	-	-
Investment earnings	9	-	-
Contributions	-	-	-
Rentals	-	-	10
Miscellaneous	82	-	-
Total revenues	<u>2,180</u>	<u>14</u>	<u>525</u>
<b>Expenditures:</b>			
General government	-	-	434
Public safety	-	-	-
Highways and streets	-	19	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	1,488	-	-
Education	-	-	-
Total expenditures	<u>1,488</u>	<u>19</u>	<u>434</u>
Excess (deficiency) of revenues over expenditures	<u>692</u>	<u>(5)</u>	<u>91</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(651)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(651)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	41	(5)	91
Fund balances (deficit) - beginning, as restated	770	8	342
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 811</u>	<u>\$ 3</u>	<u>\$ 433</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Desert Vista Sanitation District	Public Health Services District	Queen Creek Domestic Water Improvement District
<b>Revenues:</b>			
Taxes	\$ -	\$ 2,896	\$ 1
Licenses and permits	-	249	-
Intergovernmental	-	3,805	-
Charges for services	-	451	-
Fines and forfeits	-	-	-
Investment earnings	-	26	-
Contributions	-	172	-
Rentals	-	-	-
Miscellaneous	-	8	-
Total revenues	<u>-</u>	<u>7,607</u>	<u>1</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	29	-	-
Health	-	7,767	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>29</u>	<u>7,767</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(29)</u>	<u>(160)</u>	<u>1</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	1,207	-
Transfers out	-	(368)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>839</u>	<u>-</u>
Net change in fund balances	(29)	679	1
Fund balances (deficit) - beginning, as restated	36	4,214	18
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid items	-	-	-
Fund balances (deficit) - ending	<u>\$ 7</u>	<u>\$ 4,893</u>	<u>\$ 19</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2016**

(Concluded)  
(Amounts expressed in thousands)

	Accommodation School	Total
<b>Revenues:</b>		
Taxes	\$ 2,964	\$ 10,831
Licenses and permits	-	2,068
Intergovernmental	2,036	27,307
Charges for services	5	4,839
Fines and forfeits	-	2,098
Investment earnings	14	230
Contributions	-	389
Rentals	-	268
Miscellaneous	115	944
Total revenues	5,134	48,974
<b>Expenditures:</b>		
General government	-	436
Public safety	-	19,019
Highways and streets	-	4,798
Sanitation	-	415
Health	-	11,112
Welfare	-	6,886
Culture and recreation	-	1,556
Education	4,970	4,970
Total expenditures	4,970	49,192
Excess (deficiency) of revenues over expenditures	164	(218)
<b>Other financing sources (uses):</b>		
Transfers in	-	3,730
Transfers out	-	(6,076)
Sale of capital assets	-	13
Total other financing sources (uses)	-	(2,333)
Net change in fund balances	164	(2,551)
Fund balances (deficit) - beginning, as restated	1,916	35,063
Changes in nonspendable resources:		
Increase in inventories	-	16
Increase in prepaid items	-	-
Fund balances (deficit) - ending	\$ 2,080	\$ 32,528

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	<u>Capital Projects Miscellaneous</u>	<u>Public Works Gantzel Road Fund</u>	<u>Fairgrounds Construction</u>	<u>Total</u>
<b>Assets</b>				
Cash, cash equivalents and investments	\$ (230)	\$ 2,414	\$ 102	\$ 2,286
Receivables (net of allowances for uncollectibles):				
Accounts	-	4	-	4
Total assets	<u>(230)</u>	<u>2,418</u>	<u>102</u>	<u>2,290</u>
<b>Liabilities</b>				
Accounts payable	110	264	-	374
Accrued payroll and employee benefits	-	1	-	1
Retainage payable	-	103	-	103
Deposits held for others	-	3	-	3
Total liabilities	<u>110</u>	<u>371</u>	<u>-</u>	<u>481</u>
<b>Fund Balances</b>				
Restricted	-	2,047	-	2,047
Assigned	-	-	102	102
Unassigned	(340)	-	-	(340)
Total fund balances (deficit)	<u>(340)</u>	<u>2,047</u>	<u>102</u>	<u>1,809</u>
Total liabilities and fund balances	<u>\$ (230)</u>	<u>\$ 2,418</u>	<u>\$ 102</u>	<u>\$ 2,290</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Capital Projects Miscellaneous	Public Works Gantzel Road Fund	Fairgrounds Construction	Total
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 14	\$ 1	\$ 15
Contributions	-	148	-	148
Total revenues	<u>-</u>	<u>162</u>	<u>1</u>	<u>163</u>
<b>Expenditures:</b>				
Capital outlay	<u>2,518</u>	<u>1,201</u>	<u>25</u>	<u>3,744</u>
Total expenditures	<u>2,518</u>	<u>1,201</u>	<u>25</u>	<u>3,744</u>
Deficiency of revenues over expenditures	<u>(2,518)</u>	<u>(1,039)</u>	<u>(24)</u>	<u>(3,581)</u>
<b>Other financing sources:</b>				
Transfers in	2,604	1,571	-	4,175
Sale of capital assets	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total other financing sources (uses)	<u>2,607</u>	<u>1,571</u>	<u>-</u>	<u>4,178</u>
Net change in fund balances	89	532	(24)	597
Fund balances (deficit) - beginning	<u>(429)</u>	<u>1,515</u>	<u>126</u>	<u>1,212</u>
Fund balances (deficit) - ending	<u><u>\$ (340)</u></u>	<u><u>\$ 2,047</u></u>	<u><u>\$ 102</u></u>	<u><u>\$ 1,809</u></u>

**PINAL COUNTY**  
**Balance Sheet**  
**Nonmajor Debt Service Fund**  
**June 30, 2016**  
(Amounts expressed in thousands)

		<u>Debt Service Fund</u>
<b>Assets</b>		
Cash, cash equivalents and investments	\$	1,406
Cash and investments held by trustees		<u>6,349</u>
Total assets		<u><u>7,755</u></u>
<b>Liabilities</b>		
Due to other funds		344
Bonds payable		3,230
Interest payable		<u>3,119</u>
Total liabilities		<u>6,693</u>
<b>Fund Balance</b>		
Assigned		1,062
Unassigned		<u>-</u>
Total fund balance		<u>1,062</u>
Total liabilities and fund balance	\$	<u><u>7,755</u></u>

**PINAL COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

		<b>Debt Service Fund</b>
		<hr/>
<b>Revenues:</b>		
Investment earnings	\$	-
Total revenues		<hr/>
<b>Expenditures:</b>		
Debt Service		
General government		7
Principal retirement		7,490
Interest		<hr/>
Interest		7,463
Total expenditures		<hr/>
Total expenditures		14,960
Excess (deficiency) of revenues over expenditures		<hr/>
Excess (deficiency) of revenues over expenditures		(14,960)
<b>Other financing sources (uses):</b>		
Transfers in		<hr/>
Transfers in		16,008
Total other financing sources (uses)		<hr/>
Total other financing sources (uses)		16,008
Net change in fund balance		1,048
Fund balance - beginning, as restated		<hr/>
Fund balance - beginning, as restated		14
Fund balance - ending	\$	<hr/> <hr/>
Fund balance - ending		1,062

**PINAL COUNTY**  
**Special Revenue Funds**  
**Adult Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 3,128	\$ 3,194	\$ 3,053	\$ (141)
Charges for services	600	600	804	204
Investment earnings	-	-	8	8
Miscellaneous	-	-	1	1
Total revenues	<u>3,728</u>	<u>3,794</u>	<u>3,866</u>	<u>72</u>
<b>Expenditures:</b>				
Public safety	<u>3,811</u>	<u>4,207</u>	<u>3,688</u>	<u>519</u>
Total expenditures	<u>3,811</u>	<u>4,207</u>	<u>3,688</u>	<u>519</u>
Excess (deficiency) of revenues over expenditures	<u>(83)</u>	<u>(413)</u>	<u>178</u>	<u>591</u>
<b>Other financing sources (uses):</b>				
Transfers in	477	501	-	(501)
Transfers out	<u>(477)</u>	<u>(501)</u>	<u>-</u>	<u>501</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(83)	(413)	178	591
Fund balance, (deficit) beginning, as restated	<u>83</u>	<u>413</u>	<u>968</u>	<u>555</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,146</u>	<u>\$ 1,146</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Air Quality**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 1,097	\$ 1,097	\$ 1,122	\$ 25
Intergovernmental	408	408	248	(160)
Investment earnings	-	-	2	2
Total revenues	<u>1,505</u>	<u>1,505</u>	<u>1,372</u>	<u>(133)</u>
<b>Expenditures:</b>				
Health	<u>1,675</u>	<u>1,675</u>	<u>1,333</u>	<u>342</u>
Total expenditures	<u>1,675</u>	<u>1,675</u>	<u>1,333</u>	<u>342</u>
Excess (deficiency) of revenues over expenditures	<u>(170)</u>	<u>(170)</u>	<u>39</u>	<u>209</u>
<b>Other financing sources (uses):</b>				
Transfers in	86	86	-	(86)
Transfers out	<u>(272)</u>	<u>(272)</u>	<u>(186)</u>	<u>86</u>
Total other financing sources (uses)	<u>(186)</u>	<u>(186)</u>	<u>(186)</u>	<u>-</u>
Net change in fund balances	(356)	(356)	(147)	209
Fund balance, (deficit) beginning, as restated	<u>356</u>	<u>356</u>	<u>535</u>	<u>179</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388</u>	<u>\$ 388</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Animal Control**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2	\$ 2
Licenses and permits	200	200	214	14
Charges for services	275	275	316	41
Fines and forfeits	30	30	18	(12)
Investment earnings	-	-	1	1
Contributions	4	4	19	15
Miscellaneous	20	20	1	(19)
Total revenues	<u>529</u>	<u>529</u>	<u>571</u>	<u>42</u>
<b>Expenditures:</b>				
Health	<u>2,115</u>	<u>2,300</u>	<u>1,913</u>	<u>387</u>
Total expenditures	<u>2,115</u>	<u>2,300</u>	<u>1,913</u>	<u>387</u>
Excess (deficiency) of revenues over expenditures	<u>(1,586)</u>	<u>(1,771)</u>	<u>(1,342)</u>	<u>429</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,559	1,559	1,559	-
Transfers out	<u>(27)</u>	<u>(27)</u>	<u>(27)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,532</u>	<u>1,532</u>	<u>1,532</u>	<u>-</u>
Net change in fund balances	(54)	(239)	190	429
Fund balance, (deficit) beginning, as restated	<u>54</u>	<u>239</u>	<u>273</u>	<u>34</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463</u>	<u>\$ 463</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Attorney**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 1,030	\$ 1,207	\$ 1,214	\$ 7
Charges for services	97	97	3	(94)
Fines and forfeits	450	450	2,055	1,605
Investment earnings	1	1	14	13
Miscellaneous	18	18	23	5
Total revenues	<u>1,596</u>	<u>1,773</u>	<u>3,309</u>	<u>1,536</u>
<b>Expenditures:</b>				
Public safety	2,089	3,202	2,493	709
Total expenditures	<u>2,089</u>	<u>3,202</u>	<u>2,493</u>	<u>709</u>
Excess (deficiency) of revenues over expenditures	<u>(493)</u>	<u>(1,429)</u>	<u>816</u>	<u>2,245</u>
<b>Other financing sources (uses):</b>				
Transfers in	275	404	94	(310)
Transfers out	(249)	(415)	(64)	351
Total other financing sources (uses)	<u>26</u>	<u>(11)</u>	<u>30</u>	<u>41</u>
Net change in fund balances	(467)	(1,440)	846	2,286
Fund balance, (deficit) beginning, as restated	<u>467</u>	<u>1,440</u>	<u>1,457</u>	<u>17</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,303</u>	<u>\$ 2,303</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Clerk of Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 507	\$ 507	\$ 492	\$ (15)
Investment earnings	9	9	12	3
Total revenues	<u>516</u>	<u>516</u>	<u>504</u>	<u>(12)</u>
<b>Expenditures:</b>				
Public safety	<u>361</u>	<u>1,082</u>	<u>146</u>	<u>936</u>
Total expenditures	<u>361</u>	<u>1,082</u>	<u>146</u>	<u>936</u>
Excess (deficiency) of revenues over expenditures	<u>155</u>	<u>(566)</u>	<u>358</u>	<u>924</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,098)</u>	<u>(1,098)</u>	<u>(1,092)</u>	<u>6</u>
Total other financing sources (uses)	<u>(1,098)</u>	<u>(1,098)</u>	<u>(1,092)</u>	<u>6</u>
Net change in fund balances	(943)	(1,664)	(734)	930
Fund balance, (deficit) beginning, as restated	<u>943</u>	<u>1,664</u>	<u>1,955</u>	<u>291</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,221</u>	<u>\$ 1,221</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 523	\$ 523	\$ 553	\$ 30
Charges for services	499	499	532	33
Fines and forfeits	1	1	2	1
Investment earnings	5	5	10	5
Miscellaneous	11	11	12	1
Total revenues	<u>1,039</u>	<u>1,039</u>	<u>1,109</u>	<u>70</u>
<b>Expenditures:</b>				
Public safety	2,370	2,376	1,891	485
Total expenditures	<u>2,370</u>	<u>2,376</u>	<u>1,891</u>	<u>485</u>
Excess (deficiency) of revenues over expenditures	<u>(1,331)</u>	<u>(1,337)</u>	<u>(782)</u>	<u>555</u>
<b>Other financing sources (uses):</b>				
Transfers in	428	475	441	(34)
Transfers out	(280)	(377)	(306)	71
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>148</u>	<u>98</u>	<u>135</u>	<u>37</u>
Net change in fund balances	(1,183)	(1,239)	(647)	592
Fund balance, (deficit) beginning, as restated	<u>1,183</u>	<u>1,239</u>	<u>2,218</u>	<u>979</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,571</u>	<u>\$ 1,571</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Employee Wellness**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Health	<u>23</u>	<u>23</u>	<u>13</u>	<u>10</u>
Total expenditures	<u>23</u>	<u>23</u>	<u>13</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>(23)</u>	<u>(23)</u>	<u>(13)</u>	<u>10</u>
Net change in fund balances	(23)	(23)	(13)	10
Fund balance, (deficit) beginning, as restated	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Health Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 97	\$ 97	\$ 106	\$ 9
Investment earnings	-	-	1	1
Miscellaneous	-	-	-	-
Total revenues	<u>97</u>	<u>97</u>	<u>107</u>	<u>10</u>
<b>Expenditures:</b>				
Health	<u>97</u>	<u>97</u>	<u>86</u>	<u>11</u>
Total expenditures	<u>97</u>	<u>97</u>	<u>86</u>	<u>11</u>
Excess (deficiency) of revenues over expenditures	-	-	21	21
Net change in fund balances	-	-	21	21
Fund balance, (deficit) beginning, as restated	-	-	102	102
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 123</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Justice Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 898	\$ 898	\$ 1,016	\$ 118
Fines and forfeits	-	-	-	-
Investment earnings	-	-	9	9
Total revenues	<u>898</u>	<u>898</u>	<u>1,025</u>	<u>127</u>
<b>Expenditures:</b>				
Public safety	<u>1,138</u>	<u>2,004</u>	<u>578</u>	<u>1,426</u>
Total expenditures	<u>1,138</u>	<u>2,004</u>	<u>578</u>	<u>1,426</u>
Excess (deficiency) of revenues over expenditures	<u>(240)</u>	<u>(1,106)</u>	<u>447</u>	<u>1,553</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(269)</u>	<u>(275)</u>	<u>(284)</u>	<u>(9)</u>
Total other financing sources (uses)	<u>(269)</u>	<u>(275)</u>	<u>(284)</u>	<u>(9)</u>
Net change in fund balances	(509)	(1,381)	163	1,544
Fund balance, (deficit) beginning, as restated	<u>509</u>	<u>1,381</u>	<u>1,566</u>	<u>185</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,729</u>	<u>\$ 1,729</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Juvenile Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,429	\$ 2,508	\$ 2,181	\$ (327)
Charges for services	178	178	170	(8)
Investment earnings	-	-	5	5
Miscellaneous	-	-	-	-
Total revenues	<u>2,607</u>	<u>2,686</u>	<u>2,356</u>	<u>(330)</u>
<b>Expenditures:</b>				
Public safety	<u>2,715</u>	<u>2,995</u>	<u>2,327</u>	<u>668</u>
Total expenditures	<u>2,715</u>	<u>2,995</u>	<u>2,327</u>	<u>668</u>
Excess (deficiency) of revenues over expenditures	<u>(108)</u>	<u>(309)</u>	<u>29</u>	<u>338</u>
<b>Other financing sources (uses):</b>				
Transfers in	8	8	8	-
Transfers out	-	(7)	-	7
Total other financing sources (uses)	<u>8</u>	<u>1</u>	<u>8</u>	<u>7</u>
Net change in fund balances	(100)	(308)	37	345
Fund balance, (deficit) beginning, as restated	<u>100</u>	<u>308</u>	<u>520</u>	<u>212</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557</u>	<u>\$ 557</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Local Transport Assist Grant**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Health	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balance, (deficit) beginning, as restated	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ (2)</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Library Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 73	\$ 73	\$ 68	\$ (5)
Total revenues	<u>73</u>	<u>73</u>	<u>68</u>	<u>(5)</u>
<b>Expenditures:</b>				
Culture and recreation	<u>73</u>	<u>73</u>	<u>68</u>	<u>5</u>
Total expenditures	<u>73</u>	<u>73</u>	<u>68</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) beginning, as restated	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Miscellaneous Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 75	\$ 75	\$ 42	\$ (33)
Investment earnings	-	-	-	-
Total revenues	<u>75</u>	<u>75</u>	<u>42</u>	<u>(33)</u>
<b>Expenditures:</b>				
General government	59	59	-	59
Public safety	<u>66</u>	<u>66</u>	<u>42</u>	<u>24</u>
Total expenditures	<u>125</u>	<u>125</u>	<u>42</u>	<u>83</u>
Excess (deficiency) of revenues over expenditures	<u>(50)</u>	<u>(50)</u>	<u>-</u>	<u>50</u>
Net change in fund balances	(50)	(50)	-	50
Fund balance, (deficit) beginning, as restated	<u>50</u>	<u>50</u>	<u>(22)</u>	<u>(72)</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ (22)</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Defender**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 28	\$ 28	\$ 40	\$ 12
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>28</u>	<u>28</u>	<u>40</u>	<u>12</u>
<b>Expenditures:</b>				
Public safety	<u>122</u>	<u>122</u>	<u>121</u>	<u>1</u>
Total expenditures	<u>122</u>	<u>122</u>	<u>121</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>(94)</u>	<u>(94)</u>	<u>(81)</u>	<u>13</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>89</u>	<u>89</u>	<u>89</u>	<u>-</u>
Total other financing sources (uses)	<u>89</u>	<u>89</u>	<u>89</u>	<u>-</u>
Net change in fund balances	(5)	(5)	8	13
Fund balance, (deficit) beginning, as restated	<u>5</u>	<u>5</u>	<u>102</u>	<u>97</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 110</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Works Roadways**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 385	\$ 385	\$ 472	\$ 87
Charges for services	100	100	317	217
Investment earnings	25	25	42	17
Contributions	-	-	188	188
Miscellaneous	-	-	-	-
Total revenues	<u>510</u>	<u>510</u>	<u>1,019</u>	<u>509</u>
<b>Expenditures:</b>				
Highways and streets	4,458	4,462	1,195	3,267
Total expenditures	<u>4,458</u>	<u>4,462</u>	<u>1,195</u>	<u>3,267</u>
Excess (deficiency) of revenues over expenditures	<u>(3,948)</u>	<u>(3,952)</u>	<u>(176)</u>	<u>3,776</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	5	5	-
Transfers out	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,500)</u>	<u>(1,495)</u>	<u>(1,495)</u>	<u>-</u>
Net change in fund balances	(5,448)	(5,447)	(1,671)	3,776
Fund balance, (deficit) beginning, as restated	<u>5,448</u>	<u>5,447</u>	<u>5,831</u>	<u>384</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,160</u>	<u>\$ 4,160</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Works Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 871	\$ 871	\$ 915	\$ 44
Charges for services	4	4	26	22
Investment earnings	3	3	-	(3)
Total revenues	<u>878</u>	<u>878</u>	<u>941</u>	<u>63</u>
<b>Expenditures:</b>				
Public safety	906	906	653	253
Sanitation	1,050	1,050	386	664
Total expenditures	<u>1,956</u>	<u>1,956</u>	<u>1,039</u>	<u>917</u>
Excess (deficiency) of revenues over expenditures	<u>(1,078)</u>	<u>(1,078)</u>	<u>(98)</u>	<u>980</u>
<b>Other financing sources (uses):</b>				
Transfers in	270	270	247	(23)
Transfers out	(200)	(200)	(200)	-
Total other financing sources (uses)	<u>70</u>	<u>70</u>	<u>47</u>	<u>(23)</u>
Net change in fund balances	(1,008)	(1,008)	(51)	957
Fund balance, (deficit) beginning, as restated	<u>1,008</u>	<u>1,008</u>	<u>929</u>	<u>(79)</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 878</u>	<u>\$ 878</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Sheriff**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 1,805	\$ 4,019	\$ 6,768	\$ 2,749
Charges for services	142	142	127	(15)
Fines and forfeits	20	20	23	3
Investment earnings	3	3	2	(1)
Miscellaneous	76	76	89	13
Total revenues	<u>2,046</u>	<u>4,260</u>	<u>7,009</u>	<u>2,749</u>
<b>Expenditures:</b>				
Public safety	2,351	3,407	7,080	(3,673)
Total expenditures	<u>2,351</u>	<u>3,407</u>	<u>7,080</u>	<u>(3,673)</u>
Excess (deficiency) of revenues over expenditures	<u>(305)</u>	<u>853</u>	<u>(71)</u>	<u>(924)</u>
<b>Other financing sources (uses):</b>				
Transfers in	38	80	80	-
Transfers out	-	-	-	-
Sale of capital assets	100	100	13	(87)
Total other financing sources (uses)	<u>138</u>	<u>180</u>	<u>93</u>	<u>(87)</u>
Net change in fund balances	(167)	1,033	22	(1,011)
Fund balance, (deficit) beginning, as restated	<u>167</u>	<u>(1,033)</u>	<u>486</u>	<u>1,519</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508</u>	<u>\$ 508</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Treasurer**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 55	\$ 55	\$ 51	\$ (4)
Investment earnings	-	-	1	1
Miscellaneous	-	-	5	5
Total revenues	<u>55</u>	<u>55</u>	<u>57</u>	<u>2</u>
<b>Expenditures:</b>				
General government	<u>12</u>	<u>12</u>	<u>2</u>	<u>10</u>
Total expenditures	<u>12</u>	<u>12</u>	<u>2</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>43</u>	<u>43</u>	<u>55</u>	<u>12</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(230)</u>	<u>(230)</u>	<u>(230)</u>	<u>-</u>
Total other financing sources (uses)	<u>(230)</u>	<u>(230)</u>	<u>(230)</u>	<u>-</u>
Net change in fund balances	(187)	(187)	(175)	12
Fund balance, (deficit) beginning, as restated	<u>187</u>	<u>187</u>	<u>264</u>	<u>77</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ 89</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Housing Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,332	\$ 6,722	\$ 6,041	\$ (681)
Contributions	-	-	10	10
Rentals	-	-	258	258
Miscellaneous	-	-	607	607
Total revenues	<u>2,332</u>	<u>6,722</u>	<u>6,916</u>	<u>194</u>
<b>Expenditures:</b>				
Welfare	<u>7,073</u>	<u>7,091</u>	<u>6,886</u>	<u>205</u>
Total expenditures	<u>7,073</u>	<u>7,091</u>	<u>6,886</u>	<u>205</u>
Excess (deficiency) of revenues over expenditures	<u>(4,741)</u>	<u>(369)</u>	<u>30</u>	<u>399</u>
Net change in fund balances	(4,741)	(369)	30	399
Fund balance, (deficit) beginning, as restated	<u>4,741</u>	<u>369</u>	<u>895</u>	<u>526</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941</u>	<u>\$ 941</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Flood Control District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 3,047	\$ 3,047	\$ 2,978	\$ (69)
Licenses and permits	15	15	11	(4)
Intergovernmental	89	89	124	35
Charges for services	38	38	14	(24)
Investment earnings	40	40	74	34
Rentals	-	-	-	-
Miscellaneous	-	-	1	1
Total revenues	<u>3,229</u>	<u>3,229</u>	<u>3,202</u>	<u>(27)</u>
<b>Expenditures:</b>				
Highways and streets	<u>11,296</u>	<u>11,296</u>	<u>3,584</u>	<u>7,712</u>
Total expenditures	<u>11,296</u>	<u>11,296</u>	<u>3,584</u>	<u>7,712</u>
Excess (deficiency) of revenues over expenditures	<u>(8,067)</u>	<u>(8,067)</u>	<u>(382)</u>	<u>7,685</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(1,180)</u>	<u>(1,180)</u>	<u>(1,168)</u>	<u>12</u>
Total other financing sources (uses)	<u>(1,180)</u>	<u>(1,180)</u>	<u>(1,168)</u>	<u>12</u>
Net change in fund balances	(9,247)	(9,247)	(1,550)	7,697
Fund balance, (deficit) beginning, as restated	<u>9,247</u>	<u>9,247</u>	<u>9,656</u>	<u>409</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,106</u>	<u>\$ 8,106</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Library District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 1,976	\$ 1,976	\$ 1,976	\$ -
Intergovernmental	58	58	113	55
Investment earnings	2	2	9	7
Miscellaneous	74	74	82	8
Total revenues	<u>2,110</u>	<u>2,110</u>	<u>2,180</u>	<u>70</u>
<b>Expenditures:</b>				
Culture and recreation	1,663	2,060	1,488	572
Total expenditures	<u>1,663</u>	<u>2,060</u>	<u>1,488</u>	<u>572</u>
Excess (deficiency) of revenues over expenditures	<u>447</u>	<u>50</u>	<u>692</u>	<u>642</u>
<b>Other financing sources (uses):</b>				
Transfers out	(651)	(651)	(651)	-
Total other financing sources (uses)	<u>(651)</u>	<u>(651)</u>	<u>(651)</u>	<u>-</u>
Net change in fund balances	(204)	(601)	41	642
Fund balance, (deficit) beginning, as restated	<u>204</u>	<u>601</u>	<u>770</u>	<u>169</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811</u>	<u>\$ 811</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Lighting Special Districts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 15	\$ 15	\$ 14	\$ (1)
Investment earnings	-	-	-	-
Total revenues	<u>15</u>	<u>15</u>	<u>14</u>	<u>(1)</u>
<b>Expenditures:</b>				
Highways and streets	<u>18</u>	<u>18</u>	<u>19</u>	<u>(1)</u>
Total expenditures	<u>18</u>	<u>18</u>	<u>19</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	<u>(3)</u>	<u>(3)</u>	<u>(5)</u>	<u>(2)</u>
Net change in fund balances	(3)	(3)	(5)	(2)
Fund balance, (deficit) beginning, as restated	<u>3</u>	<u>3</u>	<u>8</u>	<u>5</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Miscellaneous Fees**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 319	\$ 419	\$ 515	\$ 96
Rentals	10	10	10	-
Total revenues	<u>329</u>	<u>429</u>	<u>525</u>	<u>96</u>
<b>Expenditures:</b>				
General government	<u>558</u>	<u>794</u>	<u>434</u>	<u>360</u>
Total expenditures	<u>558</u>	<u>794</u>	<u>434</u>	<u>360</u>
Excess (deficiency) of revenues over expenditures	<u>(229)</u>	<u>(365)</u>	<u>91</u>	<u>456</u>
Net change in fund balances	(229)	(365)	91	456
Fund balance, (deficit) beginning, as restated	<u>229</u>	<u>365</u>	<u>342</u>	<u>(23)</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 433</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Desert Vista Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Sanitation	<u>26</u>	<u>26</u>	<u>29</u>	<u>(3)</u>
Total expenditures	<u>26</u>	<u>26</u>	<u>29</u>	<u>(3)</u>
Excess (deficiency) of revenues over expenditures	<u>(26)</u>	<u>(26)</u>	<u>(29)</u>	<u>(3)</u>
Net change in fund balances	(26)	(26)	(29)	(3)
Fund balance, (deficit) beginning, as restated	<u>26</u>	<u>26</u>	<u>36</u>	<u>10</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Health Services District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,750	\$ 2,750	\$ 2,896	\$ 146
Licenses and permits	237	237	249	12
Intergovernmental	3,376	3,376	3,805	429
Charges for services	374	374	451	77
Investment earnings	8	8	26	18
Contributions	122	122	172	50
Miscellaneous	-	-	8	8
Total revenues	<u>6,867</u>	<u>6,867</u>	<u>7,607</u>	<u>740</u>
<b>Expenditures:</b>				
Health	<u>8,487</u>	<u>11,403</u>	<u>7,767</u>	<u>3,636</u>
Total expenditures	<u>8,487</u>	<u>11,403</u>	<u>7,767</u>	<u>3,636</u>
Excess (deficiency) of revenues over expenditures	<u>(1,620)</u>	<u>(4,536)</u>	<u>(160)</u>	<u>4,376</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,367	1,367	1,207	(160)
Transfers out	<u>(527)</u>	<u>(527)</u>	<u>(368)</u>	<u>159</u>
Total other financing sources (uses)	<u>840</u>	<u>840</u>	<u>839</u>	<u>(1)</u>
Net change in fund balances	(780)	(3,696)	679	4,375
Fund balance, (deficit) beginning, as restated	<u>780</u>	<u>3,696</u>	<u>4,214</u>	<u>518</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,893</u>	<u>\$ 4,893</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Queen Creek Domestic Water Improvement District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Investment earnings	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Expenditures:</b>				
General government	<u>16</u>	<u>16</u>	-	<u>16</u>
Total expenditures	<u>16</u>	<u>16</u>	-	<u>16</u>
Excess (deficiency) of revenues over expenditures	<u>(16)</u>	<u>(16)</u>	<u>1</u>	<u>17</u>
Net change in fund balances	(16)	(16)	1	17
Fund balance, (deficit) beginning, as restated	<u>16</u>	<u>16</u>	<u>18</u>	<u>2</u>
Changes in nonspendable resources:				
Increase in inventories/prepaid items	-	-	-	-
Fund balance, (deficit) ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>

**PINAL COUNTY**  
**Capital Projects**  
**Capital Projects Miscellaneous**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
General government	-	30	-	30
Capital outlay	2,599	2,968	2,518	450
Total expenditures	2,599	2,998	2,518	480
Deficiency of revenues over expenditures	(2,599)	(2,998)	(2,518)	480
<b>Other financing sources:</b>				
Transfers in	2,604	2,604	2,604	-
Sale of capital assets	-	-	3	3
Total other financing sources	2,604	2,604	2,607	3
Net change in fund balance	5	(394)	89	483
Fund balance, (deficit) beginning	(5)	394	(429)	(823)
Fund balance, (deficit) ending	\$ -	\$ -	\$ (340)	\$ (340)

**PINAL COUNTY**  
**Capital Projects**  
**Public Works Gantzel Road Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 14	\$ 14
Contributions	-	-	148	148
Total revenues	-	-	162	162
<b>Expenditures:</b>				
Capital outlay	9,424	9,424	1,201	8,223
Total expenditures	9,424	9,424	1,201	8,223
Deficiency of revenues over expenditures	(9,424)	(9,424)	(1,039)	8,385
<b>Other financing sources:</b>				
Transfers in	7,993	7,993	1,571	(6,422)
Total other financing sources	7,993	7,993	1,571	(6,422)
Net change in fund balance	(1,431)	(1,431)	532	1,963
Fund balance, (deficit) beginning	1,431	1,431	1,515	84
Fund balance, (deficit) ending	\$ -	\$ -	\$ 2,047	\$ 2,047

**PINAL COUNTY**  
**Capital Projects**  
**Fairgrounds Construction**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	1	1
<b>Expenditures:</b>				
Capital outlay	155	155	25	130
Total expenditures	155	155	25	130
Deficiency of revenues over expenditures	(155)	(155)	(24)	131
Net change in fund balance	(155)	(155)	(24)	131
Fund balance, (deficit) beginning	155	155	126	(29)
Fund balance, (deficit) ending	\$ -	\$ -	\$ 102	\$ 102

**PINAL COUNTY**  
**Bond Funded Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Miscellaneous	-	-	1	1
Total revenues	-	-	5	5
<b>Expenditures:</b>				
General government	-	34,036	30	34,006
Highways and streets	-	24,964	2,209	22,755
Capital outlay	-	-	11,280	(11,280)
Total expenditures	-	59,000	13,519	45,481
Deficiency of revenues over expenditures	-	(59,000)	(13,514)	45,486
Net change in fund balances	-	(59,000)	(13,514)	45,486
Fund balance, beginning	-	59,000	58,029	(971)
Fund balance, ending	\$ -	\$ -	\$ 44,515	\$ 44,515

**PINAL COUNTY**  
**Kelvin Road Bridge Construction Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Investment earnings	\$ 23	\$ 23	\$ 43	\$ 20
Total revenues	<u>23</u>	<u>23</u>	<u>43</u>	<u>20</u>
<b>Expenditures:</b>				
Capital outlay	5,771	5,771	5,620	151
Total expenditures	<u>5,771</u>	<u>5,771</u>	<u>5,620</u>	<u>151</u>
Deficiency of revenues over expenditures	<u>(5,748)</u>	<u>(5,748)</u>	<u>(5,577)</u>	<u>171</u>
<b>Other financing sources:</b>				
Transfers in	1,341	1,341	85	(1,256)
Total other financing sources	<u>1,341</u>	<u>1,341</u>	<u>85</u>	<u>(1,256)</u>
Net change in fund balances	<u>(4,407)</u>	<u>(4,407)</u>	<u>(5,492)</u>	<u>(1,085)</u>
Fund balance, beginning	4,407	4,407	5,716	1,309
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 224</u>

**PINAL COUNTY**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	6	6	7	(1)
Debt Service:				
Principal retirement	4,586	7,490	7,490	-
Interest	7,445	10,870	7,463	3,407
Total expenditures	<u>12,037</u>	<u>18,366</u>	<u>14,960</u>	<u>3,406</u>
Deficiency of revenues over expenditures	<u>(12,037)</u>	<u>(18,366)</u>	<u>(14,960)</u>	<u>3,406</u>
<b>Other financing sources:</b>				
Transfers in	12,037	18,366	16,008	(2,358)
Total other financing sources	<u>12,037</u>	<u>18,366</u>	<u>16,008</u>	<u>(2,358)</u>
Net change in fund balance	-	-	1,048	1,048
Fund balance, beginning, as restated	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062</u>	<u>\$ 1,062</u>

**PINAL COUNTY**  
**Combining Statement of Net Position**  
**Nonmajor Internal Service Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 5	\$ 2,802	\$ 103	\$ 2,910
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	1	1
Total current assets	5	2,802	104	2,911
Total assets	5	2,802	104	2,911
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions	16	-	-	16
Total deferred outflows of resources	16	-	-	16
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	13	-	41	54
Accrued payroll and employee benefits	4	-	-	4
Total current liabilities	17	-	41	58
Noncurrent liabilities:				
Net pension liability	154	-	-	154
Total noncurrent liabilities	154	-	-	154
Total liabilities	171	-	41	212
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	16	-	-	16
Total deferred inflows of resources	16	-	-	16
<b>NET POSITION</b>				
Unrestricted (deficit)	(166)	2,802	63	2,699
Total net position	<u>\$ (166)</u>	<u>\$ 2,802</u>	<u>\$ 63</u>	<u>\$ 2,699</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Operating revenues:</b>				
Charges for services	\$ -	\$ 179	\$ 18,811	\$ 18,990
Miscellaneous	14	-	7	21
Total operating revenues	<u>14</u>	<u>179</u>	<u>18,818</u>	<u>19,011</u>
<b>Operating expenses:</b>				
Personal services	44	-	-	44
Unrecognized IBNR	-	(642)	-	(642)
Supplies	51	-	-	51
Repairs and maintenance	26	-	-	26
Medical claims and services	-	125	18,755	18,880
Miscellaneous	4	-	-	4
Total operating expenses	<u>125</u>	<u>(517)</u>	<u>18,755</u>	<u>18,363</u>
Operating income (loss)	<u>(111)</u>	<u>696</u>	<u>63</u>	<u>648</u>
<b>Nonoperating revenues:</b>				
Investment earnings	-	37	-	37
Total nonoperating revenues	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>
Net position (deficit) before transfers	(111)	733	63	685
Transfers in	249	-	-	249
Transfers out	-	(3,500)	-	(3,500)
Changes in net position	138	(2,767)	63	(2,566)
Net position - (deficit) beginning	<u>(304)</u>	<u>5,569</u>	<u>-</u>	<u>5,265</u>
Net position - (deficit) ending	<u>\$ (166)</u>	<u>\$ 2,802</u>	<u>\$ 63</u>	<u>\$ 2,699</u>

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Cash flows from operating activities:</b>				
Other receipts from operations	\$ 14	\$ -	\$ -	\$ 14
Receipts from employee contributions	-	179	18,858	19,037
Payments to suppliers and providers of goods and services	(95)	(252)	-	(347)
Payments for employee wages and benefits	(197)	-	-	(197)
Payments for claims	-	(2,006)	(18,755)	(20,761)
Net cash provided by (used for) operating activities	<u>(278)</u>	<u>(2,079)</u>	<u>103</u>	<u>(2,254)</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash transfers from other funds	249			249
Cash transfers to other funds	-	(3,500)	-	(3,500)
Net cash provided by (used for) noncapital financing activities	<u>249</u>	<u>(3,500)</u>	<u>-</u>	<u>(3,251)</u>
<b>Cash flows from investing activities:</b>				
Interest received on investments	-	37	-	37
Net cash provided by investing activities	<u>-</u>	<u>37</u>	<u>-</u>	<u>37</u>
Net increase (decrease) in cash and cash equivalents	(29)	(5,542)	103	(5,468)
Cash and cash equivalents - beginning	34	8,344	-	8,378
Cash and cash equivalents - ending	<u>\$ 5</u>	<u>\$ 2,802</u>	<u>\$ 103</u>	<u>\$ 2,910</u>

(Continued)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2016**

(Concluded)  
(Amounts expressed in thousands)

	<u>Public Works Fleet Management</u>	<u>Pinal County Employee Benefit Trust</u>	<u>Pinal County Employee Benefits</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating (loss) income	\$ (111)	\$ 696	\$ 63	\$ 648
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Deferred outflows related to pensions	52	-	(1)	51
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	13	(127)	41	(73)
Claims payable	-	(2,648)	-	(2,648)
Accrued payroll and employee benefits	1	-	-	1
Net pension liability	(194)	-	-	(194)
Deferred inflows related to pensions	(39)	-	-	(39)
Total adjustments and changes	<u>(167)</u>	<u>(2,775)</u>	<u>40</u>	<u>(2,902)</u>
Net cash provided by (used for) operating activities	<u>\$ (278)</u>	<u>\$ (2,079)</u>	<u>\$ 103</u>	<u>\$ (2,254)</u>

**PINAL COUNTY**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2016**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 19	\$ 455	\$ 474
Receivables (net of allowances for uncollectibles):			
Accounts	-	1	1
Due from other governments	-	35	35
Total current assets	<u>19</u>	<u>491</u>	<u>510</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	-	163	163
Machinery and equipment	751	438	1,189
Infrastructure	-	4,540	4,540
Less accumulated depreciation	<u>(594)</u>	<u>(2,053)</u>	<u>(2,647)</u>
Total noncurrent assets	<u>157</u>	<u>3,088</u>	<u>3,245</u>
Total assets	<u>176</u>	<u>3,579</u>	<u>3,755</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	<u>40</u>	<u>24</u>	<u>64</u>
Total deferred outflows of resources	<u>40</u>	<u>24</u>	<u>64</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	4	32	36
Accrued payroll and employee benefits	4	14	18
Compensated absences	<u>19</u>	<u>9</u>	<u>28</u>
Total current liabilities	<u>27</u>	<u>55</u>	<u>82</u>
Noncurrent liabilities:			
Net pension liability	168	229	397
Compensated absences	<u>13</u>	<u>6</u>	<u>19</u>
Total noncurrent liabilities	<u>181</u>	<u>235</u>	<u>416</u>
Total liabilities	<u>208</u>	<u>290</u>	<u>498</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	<u>59</u>	<u>24</u>	<u>83</u>
Total deferred inflows of resources	<u>59</u>	<u>24</u>	<u>83</u>
<b>Net Position</b>			
Investment in capital assets	157	3,088	3,245
Unrestricted (deficit)	<u>(208)</u>	<u>201</u>	<u>(7)</u>
Total net position	<u>\$ (51)</u>	<u>\$ 3,289</u>	<u>\$ 3,238</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Operating revenues:</b>			
Rentals	\$ -	\$ 250	\$ 250
Miscellaneous	503	22	525
Total operating revenues	<u>503</u>	<u>272</u>	<u>775</u>
<b>Operating expenses:</b>			
Personal services	280	184	464
Supplies	5	11	16
Depreciation	103	154	257
Repairs and maintenance	2	21	23
Communication	3	1	4
Professional services	1	2,698	2,699
Public utility service	-	12	12
Miscellaneous	-	5	5
Total operating expenditures	<u>394</u>	<u>3,086</u>	<u>3,480</u>
Operating income (loss)	<u>109</u>	<u>(2,814)</u>	<u>(2,705)</u>
<b>Nonoperating revenues:</b>			
Intergovernmental	-	2,227	2,227
Total nonoperating revenues	<u>-</u>	<u>2,227</u>	<u>2,227</u>
Net position (deficit) before transfers	109	(587)	(478)
Transfers in	-	1,000	1,000
Changes in net position	109	413	522
Net position - (deficit) beginning, as restated	<u>(160)</u>	<u>2,876</u>	<u>2,716</u>
Net position - (deficit) ending	<u>\$ (51)</u>	<u>\$ 3,289</u>	<u>\$ 3,238</u>

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Cash flows from operating activities:</b>			
Other receipts from operations	\$ 503	\$ 272	\$ 775
Payments to suppliers and providers of goods and services	(226)	(2,881)	(3,107)
Payments for employee wages and benefits	(258)	(163)	(421)
Net cash provided by (used for) operating activities	19	(2,772)	(2,753)
<b>Cash flows from noncapital financing activities:</b>			
Receipts from federal and local agencies	-	2,227	2,227
Transfers from other funds	-	1,000	1,000
Net cash provided by noncapital financing activities	-	3,227	3,227
Net increase in cash and cash equivalents	19	455	474
Cash and cash equivalents - beginning	-	-	-
Cash and cash equivalents - ending	\$ 19	\$ 455	\$ 474

(Continued)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2016**

(Concluded)  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 109	\$ (2,814)	\$ (2,705)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	103	154	257
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Decrease (increase) in assets and deferred outflows of resources:			
Accounts receivable	21	1	22
Due from other funds	(27)	-	(27)
Due from other governments	-	(13)	(13)
Deferred outflows related to pensions	10	4	14
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	17	87	104
Accrued payroll and employee benefits	(7)	(10)	(17)
Due to other funds	(261)	(130)	(391)
Compensated absences	15	4	19
Net pension liability	18	(65)	(47)
Deferred inflows related to pensions	21	10	31
Total adjustments and changes	(90)	42	(48)
Net cash provided by (used for) operating activities	\$ 19	\$ (2,772)	\$ (2,753)

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Position**  
**Investment Trust Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	<b>Treasurer's Pool Investment</b>	<b>Individual Investment Accounts</b>	<b>Total</b>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 151,504	\$ 395	\$ 151,899
Interest receivable	148	-	148
Total assets	151,652	395	152,047
<b>Net Position</b>			
Held in trust for investment trust participants	151,652	395	152,047

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2016**

(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 473	\$ 6,656	\$ 7,129
<b>Liabilities</b>			
Deposits held for others	\$ 473	\$ 6,656	\$ 7,129

**PINAL COUNTY**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**Year Ended June 30, 2016**  
(Amount expressed in thousands)

	<b>Treasurer's Pool Investment</b>	<b>Individual Investment Accounts</b>	<b>Total</b>
<b>Additions:</b>			
Contributions by participants	\$ 620,368	\$ -	\$ 620,368
Investment earnings	720	1	721
Total additions	<u>621,088</u>	<u>1</u>	<u>621,089</u>
<b>Deductions:</b>			
Distributions to participants	<u>608,144</u>	-	<u>608,144</u>
Total deductions	<u>608,144</u>	-	<u>608,144</u>
Change in net position	12,944	1	12,945
Net position - beginning	<u>138,708</u>	<u>394</u>	<u>139,102</u>
Net position - ending	<u>\$ 151,652</u>	<u>\$ 395</u>	<u>\$ 152,047</u>

**PINAL COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2016**  
(Amounts expressed in thousands)

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>Special Purpose:</b>				
Assets				
Cash, cash equivalents and investments	\$ 518	\$ 2,137	\$ 2,182	\$ 473
Liabilities				
Deposits held for others	\$ 518	\$ 2,137	\$ 2,182	\$ 473
<b>Other Agency:</b>				
Assets				
Cash, cash equivalents and investments	\$ 6,635	\$ 55,227	\$ 55,206	\$ 6,656
Liabilities				
Deposits held for others	\$ 6,635	\$ 55,227	\$ 55,206	\$ 6,656
<b>Total - All Agency Funds</b>				
Assets				
Cash, cash equivalents and investments	\$ 7,153	\$ 57,364	\$ 57,388	\$ 7,129
Liabilities				
Deposits held for others	\$ 7,153	\$ 57,364	\$ 57,388	\$ 7,129

# Statistical Section



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## STATISTICAL SECTION

This part of the Pinal 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.

### **Financial Trends** – Schedules on pages 176 through 180

Financial trend schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

### **Revenue Capacity** – Schedules on pages 181 through 185

Revenue capacity schedules present information to help the reader assess the County's most significant local revenue, the property tax.

### **Debt Capacity** – Schedules on pages 186 through 188

Debt capacity 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.

### **Demographic and Economic Information** – Schedules on pages 189 through 192

Demographic and Economic information schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

### **Operating Information** – Schedule on page 193 through 195

Operating information 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.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**PINAL COUNTY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(Accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (as restated)	2010 (as restated)	2009 (as restated)	2008	2007
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 346,012	\$ 280,480	\$ 325,742	\$ 317,867	\$ 311,004	\$ 306,347	\$ 300,467	\$ 281,244	\$ 232,081	\$ 207,480
Restricted	88,587	96,330	92,483	90,734	94,611	91,943	101,343	105,962	106,422	102,515
Unrestricted (deficit)	(144,370)	(87,284)	41,547	56,415	58,237	57,200	44,931	30,402	33,673	38,378
Total governmental activities net position	<u>\$ 290,229</u>	<u>\$ 289,526</u>	<u>\$ 459,772</u>	<u>\$ 465,016</u>	<u>\$ 463,852</u>	<u>\$ 455,490</u>	<u>\$ 446,741</u>	<u>\$ 417,608</u>	<u>\$ 372,176</u>	<u>\$ 348,373</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 3,245	\$ 3,502	\$ 2,132	\$ 2,269	\$ 1,608	\$ 3,333	\$ 2,341	\$ 2,331	\$ 2,538	\$ 2,787
Restricted	-	-	155	139	450	3,426	3,745	2,846	2,836	2,576
Unrestricted (deficit)	(7)	(818)	(57)	786	2,663	5,109	4,598	6,005	2,973	1,263
Total business-type activities net position	<u>\$ 3,238</u>	<u>\$ 2,684</u>	<u>\$ 2,230</u>	<u>\$ 3,194</u>	<u>\$ 4,721</u>	<u>\$ 11,868</u>	<u>\$ 10,684</u>	<u>\$ 11,182</u>	<u>\$ 8,347</u>	<u>\$ 6,626</u>
<b>Net Position</b>										
Net investment in capital assets	\$ 349,257	\$ 283,982	\$ 327,874	\$ 320,136	\$ 312,612	\$ 309,680	\$ 302,808	\$ 283,575	\$ 234,619	\$ 210,267
Restricted	88,587	96,330	92,638	90,873	95,061	95,369	105,088	108,808	109,258	105,091
Unrestricted (deficit)	(144,377)	(88,102)	41,490	57,201	60,900	62,309	49,529	36,407	36,646	39,641
Total net position	<u>\$ 293,467</u>	<u>\$ 292,210</u>	<u>\$ 462,002</u>	<u>\$ 468,210</u>	<u>\$ 468,573</u>	<u>\$ 467,358</u>	<u>\$ 457,425</u>	<u>\$ 428,790</u>	<u>\$ 380,523</u>	<u>\$ 354,999</u>

**PINAL COUNTY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental activities										
General government	\$ 48,025	\$ 50,653	\$ 41,218	\$ 43,152	\$ 46,024	\$ 68,581	\$ 67,143	\$ 83,213	\$ 77,216	\$ 54,818
Public safety	115,375	114,103	113,921	116,653	113,497	96,425	93,431	89,530	83,808	73,643
Highways and streets	35,533	30,896	32,877	29,183	28,937	30,614	30,514	40,651	36,697	32,702
Sanitation	416	303	301	324	422	444	707	693	927	719
Health	30,694	30,820	30,880	31,132	33,182	27,702	24,496	28,741	30,530	27,321
Welfare	8,545	5,900	7,213	8,161	6,217	6,017	5,683	5,218	5,576	5,064
Culture and recreation	1,653	1,498	1,954	1,942	2,002	2,116	1,819	2,189	1,354	881
Education	5,952	6,076	5,976	6,431	6,733	9,027	8,487	9,901	10,371	10,861
Interest on long-term debt	4,503	12,742	6,599	6,673	7,039	7,408	7,968	8,065	7,622	8,738
Total governmental activities expenses	<u>250,696</u>	<u>252,991</u>	<u>240,939</u>	<u>243,651</u>	<u>244,053</u>	<u>248,334</u>	<u>240,248</u>	<u>268,201</u>	<u>254,101</u>	<u>214,747</u>
Business-type activities										
Long Term Care	-	-	-	68	16,623	61,555	61,404	58,721	53,090	45,116
Sheriff Inmate Services	394	797	752	836	742	519	633	408	311	214
Home Health	-	-	-	-	1,953	6,210	5,117	5,309	4,578	4,177
Fairgrounds	-	-	-	-	85	479	520	643	892	737
Adult Day Care	-	-	-	-	-	-	-	-	153	32
Airport Economic Development (1)	3,086	1,098	1,346	515	417	281	-	-	-	-
Total business-type activities	<u>3,480</u>	<u>1,895</u>	<u>2,098</u>	<u>1,419</u>	<u>19,820</u>	<u>69,044</u>	<u>67,674</u>	<u>65,081</u>	<u>59,024</u>	<u>50,276</u>
Total primary government expenses	<u>\$ 254,176</u>	<u>\$ 254,886</u>	<u>\$ 243,037</u>	<u>\$ 245,070</u>	<u>\$ 263,873</u>	<u>\$ 317,378</u>	<u>\$ 307,922</u>	<u>\$ 333,282</u>	<u>\$ 313,125</u>	<u>\$ 265,023</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 10,960	\$ 4,730	\$ 4,583	\$ 4,510	\$ 3,749	\$ 4,963	\$ 5,211	\$ 5,844	\$ 8,898	\$ 12,723
Public Safety	16,621	14,875	23,764	25,615	25,089	26,923	22,596	22,649	21,401	14,318
Other activities	10,760	8,493	7,722	6,170	4,635	4,764	6,480	9,213	14,507	12,249
Operating grants and contributions	22,795	18,866	19,806	33,498	32,172	31,607	34,514	39,364	36,359	37,422
Capital grants and contributions	21,301	34,162	22,642	21,031	23,146	22,157	25,501	58,738	40,345	79,158
Total governmental activities program revenues	<u>82,437</u>	<u>81,126</u>	<u>78,517</u>	<u>90,824</u>	<u>88,791</u>	<u>90,414</u>	<u>94,302</u>	<u>135,808</u>	<u>121,510</u>	<u>155,870</u>

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Business-type activities										
Business-type activities										
Charges for Services										
Long Term Care	-	-	-	-	16,089	62,678	61,588	61,971	55,389	48,201
Home Health	-	-	-	-	2,070	7,253	5,599	5,778	4,039	3,992
Other activities	250	298	93	602	240	304	307	327	499	595
Operating grants and contributions	2,227	211	386	625	122	705	60	35	91	40
Total business-type activities program revenues	2,477	509	479	1,227	18,521	70,940	67,554	68,111	60,018	52,828
Total primary government program revenues	\$ 84,914	\$ 81,635	\$ 78,996	\$ 92,051	\$ 107,312	\$ 161,354	\$ 161,856	\$ 203,919	\$ 181,528	\$ 208,698
Net (expense)/revenue										
Governmental activities	\$ (168,259)	\$ (171,865)	\$ (162,422)	\$ (152,827)	\$ (155,262)	\$ (157,920)	\$ (145,946)	\$ (132,393)	\$ (132,591)	\$ (58,877)
Business-type activities	(1,003)	(1,386)	(1,619)	(192)	(1,299)	1,896	(120)	3,030	994	2,552
Total primary government net expenses	\$ (169,262)	\$ (173,251)	\$ (164,041)	\$ (153,019)	\$ (156,561)	\$ (156,024)	\$ (146,066)	\$ (129,363)	\$ (131,597)	\$ (56,325)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Government Activities</b>										
Taxes:										
Property taxes	\$ 90,678	\$ 84,095	\$ 78,709	\$ 87,584	\$ 93,350	\$ 112,674	\$ 108,755	\$ 96,842	\$ 84,915	\$ 69,978
General county sales tax	14,561	14,007	13,554	12,800	12,460	12,104	12,065	14,103	17,222	18,545
Share of State sales taxes	31,633	30,565	29,450	27,586	26,700	20,921	18,812	20,496	24,012	25,114
Road improvement tax	7,550	7,107	6,877	6,530	6,341	4,798	4,481	5,220	6,308	6,713
Other taxes	22,989	24,932	24,173	15,564	15,056	14,559	14,022	15,784	15,056	12,764
Miscellaneous state assistance	-	550	550	-	-	-	304	431	642	464
Grants and contrib not restricted to specific programs	-	2,000	-	-	-	-	-	-	-	-
Investment earnings:										
Interest on investments	957	574	434	360	690	995	1,504	4,178	6,584	6,931
Miscellaneous	1,200	(588)	3,376	1,547	2,178	2,007	1,998	1,689	1,307	2,090
Reassignment of debt	-	-	-	-	(2,131)	-	-	-	-	-
Transfers	(1,000)	-	55	2,020	8,980	1,654	2,559	1,235	348	379
Total governmental activities	168,568	163,242	157,178	153,991	163,624	169,712	164,500	159,978	156,394	142,978
Business-type activities:										
Investment earnings:										
Interest on investments	-	-	3	7	37	137	198	358	514	260
Miscellaneous	525	473	699	678	964	1,055	858	564	561	363
Reassignment of debt	-	-	-	-	2,131	-	-	-	-	-
Extraordinary item: Insurance recovery	-	-	8	-	-	-	-	-	-	-
Transfers	1,000	-	(55)	(2,020)	(8,980)	(1,654)	(2,559)	(1,235)	(348)	(379)
Total business-type activities	1,525	473	655	(1,335)	(5,848)	(462)	(1,503)	(313)	727	244
Total primary government	\$ 170,093	\$ 163,715	\$ 157,833	\$ 152,656	\$ 157,776	\$ 169,250	\$ 162,997	\$ 159,665	\$ 157,121	\$ 143,222
<b>Change in Net Position</b>										
Governmental Activities	\$ 309	\$ (8,623)	\$ (5,244)	\$ 1,164	\$ 8,362	\$ 11,792	\$ 18,554	\$ 27,585	\$ 23,803	\$ 84,101
Business-type Activities	522	(913)	(964)	(1,527)	(7,147)	1,434	(1,623)	2,717	1,721	2,796
Total Primary Government	\$ 831	\$ (9,536)	\$ (6,208)	\$ (363)	\$ 1,215	\$ 13,226	\$ 16,931	\$ 30,302	\$ 25,524	\$ 86,897

(1) Airport Economic Development was reclassified with the implementation of GASB 54 in FY 2011 from governmental activities to business-type activities.

**PINAL COUNTY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011 (as restated)	2010 (as restated)	2009 (as restated)	2008	2007
General Fund (1)										
Reserved	-	-	-	-	-	-	\$ 327	\$ 445	\$ 952	\$ 519
Unreserved	-	-	-	-	-	-	43,210	36,260	41,533	46,078
Nonspendable						\$ 1,344				
Restricted	\$ 715	\$ 715	\$ 715	\$ 715	\$ 715	715	-	-	-	-
Unassigned	22,438	19,271	19,271	47,326	43,014	42,309	-	-	-	-
Total general fund	<u>\$ 23,153</u>	<u>\$ 19,986</u>	<u>\$ 19,986</u>	<u>\$ 48,041</u>	<u>\$ 43,729</u>	<u>\$ 44,368</u>	<u>\$ 43,537</u>	<u>\$ 36,705</u>	<u>\$ 42,485</u>	<u>\$ 46,597</u>
All Other Governmental Funds (1)										
Reserved	-	-	-	-	-	-	\$ 207	\$ 216	\$ 455	\$ 359
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	84,879	80,331	80,187	63,979
Capital projects funds	-	-	-	-	-	-	14,618	18,085	9,973	25,981
Debt service funds	-	-	-	-	-	-	5,016	5,190	5,151	5,189
Nonspendable	\$ 100	\$ 84	\$ 84	\$ 108	\$ 98	\$ 96	-	-	-	-
Restricted	137,292	156,283	156,284	91,314	96,598	101,452	-	-	-	-
Committed	1,688	2,429	2,429	2,632	4,915	4,539	-	-	-	-
Assigned	1,166	1,535	1,535	4,479	8,105	3,163	-	-	-	-
Unassigned	(225)	(1,819)	(1,819)	-	-	(148)	-	-	-	-
Total all other governmental funds	<u>\$ 140,021</u>	<u>\$ 158,512</u>	<u>\$ 158,513</u>	<u>\$ 98,533</u>	<u>\$ 109,716</u>	<u>\$ 109,102</u>	<u>\$ 104,720</u>	<u>\$ 103,822</u>	<u>\$ 95,766</u>	<u>\$ 95,508</u>

(1) Starting with f/y 2011, fund balance presentation has changed, due to implementation of GASB 54.

**PINAL COUNTY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

(Modified accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Taxes	\$ 112,714	\$ 108,149	\$ 105,166	\$ 111,292	\$ 115,068	\$ 130,923	\$ 126,338	\$ 118,505	\$ 109,442	\$ 95,048
Licenses and permits	5,525	5,128	4,717	3,546	3,005	2,758	3,330	3,732	5,796	9,000
Intergovernmental	102,947	94,514	89,292	91,258	91,928	81,164	81,699	92,656	92,114	92,324
Charges for services	24,639	18,357	29,065	29,309	28,925	27,661	27,353	26,538	35,285	26,718
Fines and forfeits	2,871	2,034	2,122	4,152	3,482	4,474	3,381	3,263	3,464	4,905
Investment earnings	957	574	434	360	690	995	1,504	4,178	6,584	6,931
Contributions	628	1,571	337	805	393	372	575	1,378	2,608	8,041
Rentals	450	487	487	396	430	524	840	919	791	750
Miscellaneous	1,440	1,051	2,141	1,385	1,138	1,438	1,518	1,315	5,048	1,921
Total revenues	252,171	231,865	233,761	242,503	245,059	250,309	246,538	252,484	261,132	245,638
<b>Expenditures</b>										
Current:										
General government	34,820	35,638	35,239	35,916	40,156	66,438	62,495	72,299	72,961	59,789
Public safety	116,161	115,220	115,788	117,950	112,448	96,791	92,175	88,073	82,323	71,114
Highways and streets	36,474	29,532	24,650	26,525	23,140	24,157	24,738	37,498	36,259	30,721
Sanitation	416	303	301	324	422	444	696	679	901	680
Health	30,694	30,715	31,115	31,130	32,945	27,589	24,297	28,567	30,472	27,299
Welfare	8,186	5,727	6,692	7,804	5,902	5,759	6,024	5,396	5,960	5,027
Culture and recreation	1,653	1,433	1,915	1,888	1,906	2,059	2,122	2,220	1,397	879
Education	5,952	6,076	5,976	6,431	6,733	9,027	8,672	9,901	10,371	10,861
Capital outlay	20,644	6,230	8,335	6,449	7,952	7,009	4,218	4,006	19,760	49,181
Debt service:										
Principal retirement	7,822	59,158	10,507	10,746	10,240	11,511	10,953	13,664	7,620	6,131
Interest and fiscal charges	7,481	11,097	6,582	6,982	7,292	7,038	7,804	7,825	7,633	8,352
Cost of issuance	-	440	-	-	-	440	-	176	86	-
Other	-	1,159	4	3	3	4	8	10	11	13
Total expenditures	270,303	302,728	247,104	252,148	249,139	258,266	244,202	270,314	275,754	270,047
Excess (deficiency) of revenues over expenditures	(18,132)	(70,863)	(13,343)	(9,645)	(4,080)	(7,957)	2,336	(17,830)	(14,622)	(24,409)
<b>Other financing sources (uses)</b>										
Transfers in	35,483	24,212	28,597	25,265	30,453	29,671	28,383	32,333	20,519	22,698
Transfers out	(33,232)	(24,515)	(28,542)	(23,245)	(25,484)	(28,005)	(25,824)	(31,111)	(20,171)	(22,315)
Proceeds from sale of capital assets	156	127	234	134	341	427	426	374	357	303
Capital lease agreements	-	-	-	-	-	-	2,098	6,083	6,109	1,668
Loan proceeds	-	-	-	-	-	-	-	12,795	3,695	-
Insurance reimbursement	99	2,126	1,682	610	87	126	255	121	98	-
Bond proceeds	-	95,495	-	-	-	12,000	-	-	-	-
Discount on bonds	-	-	-	-	-	(106)	-	-	-	-
Refunding bonds	-	40,310	-	-	-	18,380	-	-	-	-
Payment to refunded bond escrow agent	-	(43,242)	-	-	-	(19,720)	-	-	-	-
Premium on new debt issued	-	19,631	-	-	-	1,588	-	39	135	-
Loan issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources	2,506	114,144	1,971	2,764	5,397	14,361	5,338	20,634	10,742	2,354
Net change in fund balances	\$ (15,626)	\$ 43,281	\$ (11,372)	\$ (6,881)	\$ 1,317	\$ 6,404	\$ 7,674	\$ 2,804	\$ (3,880)	\$ (22,055)
Debt Service as a percentage of noncapital expenditures	6.01%	24.1%	7.2%	7.4%	7.4%	7.6%	8.1%	8.7%	6.4%	7.4%

**PINAL COUNTY**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

Fiscal Year	Type	Net Assessed Value	Estimated Actual Value	Percent of Net Assessed Value to Estimated Actual Value
2006/07	Primary	1,472,160	12,523,363	11.8%
	Secondary	1,547,005	13,075,849	11.8%
2007/08	Primary	1,908,802	16,552,287	11.5%
	Secondary	2,334,827	20,071,892	11.6%
2008/09	Primary	2,473,500	21,583,423	11.5%
	Secondary	3,449,599	29,689,328	11.6%
2009/10	Primary	2,880,552	25,251,970	11.4%
	Secondary	3,398,761	29,107,137	11.7%
2010/11	Primary	2,546,949	22,166,148	11.5%
	Secondary	2,673,415	22,958,054	11.6%
2011/12	Primary	2,160,151	18,877,720	11.4%
	Secondary	2,218,641	19,219,008	11.5%
2012/13	Primary	2,153,783	18,747,927	11.5%
	Secondary	2,177,012	18,918,839	11.5%
2013/14	Primary	1,988,882	17,907,662	11.1%
	Secondary	2,005,344	18,007,722	11.1%
2014/15	Primary	2,005,152	18,408,874	10.9%
	Secondary	2,040,750	18,679,292	10.9%
2015/16	Primary	2,057,548	19,104,777	10.8%
	Secondary	2,450,252	22,826,726	10.7%

Source: County assessment records

**PINAL COUNTY**  
**Taxable Assessed Value and Estimated Actual Value of Property**  
**Last Ten Tax Years**  
(\$ Amounts expressed in thousands)

Tax Year	Commercial Property	Residential Property	Vacant/Ag Land	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
2006	367,898	872,284	225,673	6,325	1,472,160	4.6900%	12,523,363	11.76%
2007	406,589	1,186,738	308,491	6,984	1,908,802	4.4036%	16,552,287	11.53%
2008	471,977	1,526,547	467,028	7,948	2,473,500	3.8522%	21,583,423	11.46%
2009	550,729	1,789,488	530,360	9,975	2,880,552	3.6684%	25,251,970	11.41%
2010	561,560	1,470,541	504,035	10,813	2,546,949	4.3213%	22,166,148	11.49%
2011	581,044	1,216,288	353,163	9,656	2,160,151	4.3304%	18,877,720	11.44%
2012	613,223	1,203,181	325,002	12,377	2,153,783	4.1464%	18,747,927	11.49%
2013	551,188	1,136,974	285,853	14,867	1,988,882	4.1343%	17,907,662	11.11%
2014	603,138	1,184,374	202,173	15,467	2,005,152	4.1324%	18,408,874	10.89%
2015	499,188	1,262,332	282,841	13,187	2,057,548	4.3324%	19,104,777	10.77%

Source: Pinal County Assessor's Office/AZDOR Abstract of Assessment Roll

Notes: Property in Pinal County is assessed annually with values being set by either the County Assessor or the Arizona Department of Revenue. The values are the basis for Primary Taxes and annual changes therein are restricted by the State Constitution. Assessment ratios are set by the legislature for individual property types. The taxable assessed value is arrived at by multiplying an assessment ratio that has varied from ten percent for residential property, to twenty-five percent for commercial property. Tax rates are per \$100 of assessed value.

**PINAL COUNTY**  
**Direct Property Tax Rates**  
**Last Ten Fiscal Years**  
(\$ Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>County Primary Rate</b>	<b>Library</b>	<b>Flood</b>	<b>Fire</b>	<b>Mary C. O'Brien School</b>	<b>Total</b>
2006/07	\$ 1,472,160	4.3035	0.0570	0.1100	0.0864	0.1331	4.6900
2007/08	1,908,802	4.0183	0.0770	0.1300	0.0522	0.1261	4.4036
2008/09	2,473,500	3.4355	0.0970	0.1500	0.0438	0.1259	3.8522
2009/10	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	3.6684
2010/11	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	4.3213
2011/12	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	4.3304
2012/13	2,153,783	3.7999	0.0970	0.1700	0.0795	N/A	4.1464
2013/14	1,988,882	3.7999	0.0970	0.1700	0.0674	N/A	4.1343
2014/15	2,005,152	3.7999	0.0970	0.1700	0.0655	N/A	4.1324
2015/16	2,057,548	3.9999	0.0970	0.1700	0.0655	N/A	4.3324

Source: County Tax Records

Note: As of fiscal year 2010/11 the Mary C. O'Brien School rate is included in the County's Primary Rate.

**PINAL COUNTY**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
(\$ Amounts expressed in thousands)

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>
Arizona Public Service Company	\$ 73,666	1	3.58%	\$ 50,695	1	3.44%
CCA Properties of Arizona LLC	30,449	2	1.48%	14,678	6	1.00%
ASARCO LLC / Ray Copper Complex	29,280	3	1.42%	15,733	4	1.07%
Kinder Morgan (former: El Paso Natural Gas Co.)	18,393	4	0.90%	14,972	5	1.02%
Corrections Corporation of America	13,846	5	0.67%			
Unisource Energy Corporation (EPF)	12,453	6	0.61%			
Arizona Water Company	11,959	7	0.58%			
Union Pacific Railroad Co	11,630	8	0.57%			
Southwest Gas Corporation	10,899	9	0.53%	10,138	7	0.69%
Johnson Utilities LLC	9,683	10	0.47%			
Wal-Mart Stores Inc				6,233	9	0.42%
Sundance Energy LLC				27,220	2	1.85%
Qwest Corporation				17,073	3	1.16%
Wal-Mart Stores East, LP				7,030	8	0.48%
SFPP LP dba Kinder Morgan Energy				5,949	10	0.40%
Total	<u>\$ 222,258</u>		<u>10.81%</u>	<u>\$ 169,721</u>		<u>11.53%</u>
Total Assessed Value	<u>\$ 2,057,548</u>			<u>\$ 1,472,159</u>		

Source: County Treasurer Tax Records

**PINAL COUNTY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

(\$ Amounts expressed in thousands)

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2007	66,916	59,670	89.17%	1,795	61,465	91.85%
2008	81,141	73,935	91.12%	2,336	76,271	94.00%
2009	93,096	85,640	91.99%	3,532	89,172	95.78%
2010	101,628	95,122	93.60%	4,800	99,922	98.32%
2011	109,076	98,065	89.91%	4,666	102,731	94.18%
2012	91,738	81,278	88.60%	4,642	85,920	93.66%
2013	87,103	77,831	89.36%	4,785	82,616	94.85%
2014	80,497	72,250	89.75%	2,543	74,793	92.91%
2015	81,182	73,613	90.68%	4,601	78,214	96.34%
2016	87,317	79,270	90.77%	-	79,270	90.78%

Source: County financial records

**PINAL COUNTY**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt			
	Pledged Revenue Bonds	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>	Certificates of Participation	Special Assessment Bonds	Capital Leases	Loans
2006/2007	\$ -	N/A	N/A	\$ 97,200	-	\$ 4,538	\$ 63,220
2007/2008	-	N/A	N/A	92,755	-	9,405	64,755
2008/2009	-	N/A	N/A	87,035	-	12,624	74,805
2009/2010	-	N/A	N/A	83,740	-	10,669	68,863
2010/2011	30,380	1.19%	81	61,685	-	6,985	64,458
2011/2012	30,349	1.40%	79	59,798	-	4,414	62,949
2012/2013	28,434	1.32%	73	57,618	-	2,073	58,361
2013-2014	26,780	1.35%	69	55,351	-	566	53,601
2014-2015	179,445	8.95%	446	-	-	416	7,904
2015-2016	174,608	8.33%	421	-	-	-	6,032

**Business -Type Activities**

Fiscal Year	Capital Leases	Loans	Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
2006/2007	\$ -	-	\$ 164,958	2.73%	550
2007/2008	171	2,800	169,886	2.37%	518
2008/2009	141	2,800	177,405	2.25%	505
2009/2010	103	2,592	165,967	2.01%	466
2010/2011	69	2,347	165,924	1.87%	441
2011/2012	-	-	157,510	1.69%	411
2012/2013	-	-	146,486	N/A	379
2013-2014	-	-	136,298	N/A	350
2014-2015	-	-	187,765	1.81%	467
2015-2016	-	-	177,410	1.68%	436

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

During FY11-12 the Long Term Care (LTC) AHCCCS contract was not renewed so services were ended for both LTC and Home Health. Remaining Principal & Interest on Capital Leases and Loans are outstanding debt for Total Primary Government rather than for Business-Type Activities.

<sup>1</sup>See Total Taxable assessed Value in the Taxable Assessed Value and Estimated Actual Value of Property schedule on page 182.

<sup>2</sup>See the Schedule of Demographic and Economic Statistics on page xxxx for personal income and population data.

**PINAL COUNTY**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(Amounts expressed in thousands)

	Fiscal Year									
	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
Debt Limit	\$ 92,820	\$ 144,090	\$ 206,976	\$ 203,926	\$ 160,405	\$ 133,118	\$ 130,621	\$ 120,321	\$ 122,445	\$ 147,015
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 92,820</u>	<u>\$ 144,090</u>	<u>\$ 206,976</u>	<u>\$ 203,926</u>	<u>\$ 160,405</u>	<u>\$ 133,118</u>	<u>\$ 130,621</u>	<u>\$ 120,321</u>	<u>\$ 122,445</u>	<u>\$ 147,015</u>
Total net debt applicable to the limit as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2015/2016

Assessed Value:

Secondary

\$ 2,450,252

Debt Limit

\$ 147,015

(6% of total assessed value)

Debt applicable to limit:

General Obligation Bonds

-

Less: Amount available in

Debt Service Fund

-

Total net debt applicable

to limit

-

Legal debt margin

\$ 147,015

Note: General obligation debt may not exceed six percent of the value of the County's taxable property as of the latest assessment. As of the current fiscal year, the County did not have any outstanding general obligation debt.

**PINAL COUNTY**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(Amounts expressed in thousands)

Fiscal Year	Special Assessment Bonds				HELP Transportation Loan					
	Special Assessment Collections	Debt Service		Coverage	Road Improvements Sales Tax	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2006/07	\$ 1,197	\$ 1,165	\$ 50	98.52%	N/A	N/A	N/A	N/A	N/A	N/A
2007/08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008/09	N/A	N/A	N/A	N/A	\$ 5,220	\$ 4,675	\$ 545	\$ 500	\$ 45	100.00%
2009/10	N/A	N/A	N/A	N/A	4,480	3,945	535	500	35	100.00%
2010/11	N/A	N/A	N/A	N/A	4,798	4,274	524	500	24	100.00%
2011/12	N/A	N/A	N/A	N/A	6,341	5,829	512	500	12	100.00%
2012/13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013/14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014/15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015/16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**GADA Loans and Pledged Revenue Bonds**

Fiscal Year	State Shared Sales Tax							Coverage
	Gross State Shared Sales Tax Revenue(1)	Less: AHCCCS/ALTCS Contributions	Net Available State Shared Sales Tax	County Excise Tax Revenue(1)	Debt Service			
					Principal	Interest		
2006/07	\$ 25,114	\$ 10,483	\$ 14,631	N/A	\$ -	\$ 3,462	4	
2007/08	24,012	11,415	12,597	N/A	2,160	2,854	251.24%	
2008/09	20,496	13,358	7,138	\$ 14,103	4,580	3,135	275.32%	
2009/10	18,812	7,385	11,427	12,065	3,315	3,208	360.14%	
2010/11	20,921	10,836	10,085	12,104	4,150	3,605	286.13%	
2011/12	26,700	16,141	10,559	12,460	4,600	4,119	264.01%	
2012/13	27,586	15,236	12,350	12,800	6,310	3,931	245.58%	
2013/14	29,450	15,738	13,712	13,554	6,815	3,708	259.11%	
2014/15	30,565	15,792	14,773	14,007	4,060	1,353	531.68%	
2015/16	31,633	15,745	15,888	14,561	4,175	1,222	564.18%	

Source: County financial and tax records

(1) See Note 9 - Long Term Liabilities, page 50 for details.

**PINAL COUNTY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Income<sup>2</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
2006/07	300	\$ 6,041,934	23	4.8%
2007/08	328	7,164,122	24	4.7%
2008/09	351	7,892,358	24	6.6%
2009/10	356	8,259,897	24	12.1%
2010/11	376	8,860,496	24	11.9%
2011/12	383	9,301,723	24	9.2%
2012/13	387	N/A	N/A	9.1%
2013/14	389	N/A	N/A	8.1%
2014/15	402	10,387,778	26	6.5%
2015/16	407	10,582,000	26	5.9%

<sup>1</sup> Population data through 2009/10 and Unemployment data through 2010/11 is obtained from the Arizona Department of Commerce, Arizona Workforce Informer. For 2010/11 the population data is from the U.S. Census Bureau, American FactFinder for the 2010 census. For 2011/12 and 2012/13 the population data is from Quick Facts from the U.S. Census Bureau for 2011 and 2012 population estimates and the Unemployment data is from Arizona Department of Administration, Office of Employment and Population Statistics. For 2015/16 population and unemployment data was obtained from Arizona Department of Administration, Office of Employment and Population Statistics.

<sup>2</sup> Personal income and per capita income data is obtained from the Arizona Department of Economic Security, Arizona Regional Economic Profile through 2006/07, from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts for 2007/08 through 2014/15. Arizona REAP Project - [www.Arizona.reaproject.org](http://www.Arizona.reaproject.org) for 2015/2016

N/A - Data was not available at the time this report was published.

**PINAL COUNTY  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2015			2006		
	Employees <sup>1</sup>	Rank	Percentage of Total County Employment	Employees <sup>1</sup>	Rank	Percentage of Total County Employment
State of Arizona	2,300	1	1.58%	3,006	1	3.49%
Pinal County	1,960	2	1.35%	2,254	2	2.62%
Walmart	1,440	3	0.99%	1,748	3	2.03%
Corrections Corporation of America	948	4	0.65%	960	6	1.11%
Pinal County Community College District	755	5	0.52%			
Caesars Entertainment Operating Co., Inc	750	6	0.52%			
Casa Grande Community Hospital	625	7	0.43%			
Bureau of Customs and Border Protection	366	8	0.25%			
Abbott Nutrition	325	9	0.22%			
Citizenship Immigration Services U.S.	300	10	0.21%	1,700	4	1.97%
TRW Inc.	-		-	1,240	5	1.44%
ASARCO Inc. (Grupo Mexico)	-		-	913	7	1.06%
Central Arizona College	-		-	800	8	0.93%
Apache Junction Unified School District	-		-	788	9	0.92%
Casa Grande Regional Hospital	-		-	625	10	0.73%
Casa Grande Elementary School District						

<sup>1</sup>Estimated number of full-time equivalent employees

2015 Source: Central Arizona Association of Governments

2006 Source: FY05-06 Pinal County CAFR

Total County Employment Source: Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Note: Schedule contains the most recent information available at time of production, which is 2015.

**PINAL COUNTY**  
**Historical and Estimated Excise Tax Revenues, State Shared Revenues and Vehicle License Tax Revenue**  
**Current Year and Last Five Fiscal Years**  
**(Amounts expressed in thousands)**

Source	Actual						Budgeted (a)
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
County General Excise Tax Revenues	\$ 12,104	\$ 12,460	\$ 12,800	\$ 13,554	\$ 14,007	\$ 14,561	\$ 15,064
Gross State Shared Revenues	\$ 20,921	\$ 26,700	\$ 27,586	\$ 29,450	\$ 30,565	\$ 31,633	\$ 32,603
Less: ALTCS contribution (b)	(10,360)	(15,355)	(14,755)	(15,247)	(15,294)	(15,540)	(15,540)
Less: AHCCCS contribution (c)	(3,191)	(3,195)	(3,200)	(3,206)	(3,213)	(3,221)	(2,588)
Net State Shared Revenues	\$ 7,370	\$ 8,150	\$ 9,631	\$ 10,997	\$ 12,058	\$ 12,872	\$ 14,475
Vehicle License Tax Revenues	\$ 7,915	\$ 8,002	\$ 8,273	\$ 8,818	\$ 9,485	\$ 10,259	\$ 10,467
Total County Excise Tax Revenues, Net State Shared Revenues and Vehicle License Tax Revenues	<u>\$ 27,389</u>	<u>\$ 28,612</u>	<u>\$ 30,704</u>	<u>\$ 33,369</u>	<u>\$ 35,550</u>	<u>\$ 37,692</u>	<u>\$ 40,006</u>

Source: Comprehensive Annual Financial Reports of the County for the years indicated and the Budget and Research Department of the County.

- (a) These are "forward looking" statements based on projections and estimates.
- (b) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Revenues sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from any available State funding source.
- (c) Pursuant to Section 11-292, Arizona Revised Statutes, the County is also required to make annual appropriations for contributions to the Arizona Health Care Cost Containment System ("AHCCCS") fund. If the County does not make its contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Revenues.

**PINAL COUNTY**  
**Employees by Function**  
**Last Ten Fiscal Years**

Function/Program	Employees by Function as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
General government	324	328	332	330	328	350	409	448	419	384
Public safety	1,176	1,224	1,275	1,340	1,315	1,257	1,313	1,453	1,434	1,356
Highways and streets	184	177	157	170	181	181	184	241	224	219
Sanitation	3	3	2	2	3	6	7	8	8	7
Health	152	150	255	148	151	150	167	258	247	205
Welfare	32	33	26	35	33	36	36	43	45	46
Culture and recreation	9	8	16	11	11	12	11	10	9	9
Education	77	76	80	66	70	69	75	65	60	69
Total governmental activities	<u>1,957</u>	<u>1,999</u>	<u>2,143</u>	<u>2,102</u>	<u>2,092</u>	<u>2,061</u>	<u>2,202</u>	<u>2,526</u>	<u>2,446</u>	<u>2,295</u>
Business-type activities										
Long Term Care	-	-	-	-	-	73	80	83	82	79
Sheriff/Inmate Services	1	4	3	2	3	3	3	2	2	2
Home Health	-	-	-	-	-	328	257	152	178	172
Fairgrounds	-	-	-	-	-	4	12	7	6	5
Adult Day Care	-	-	-	-	-	-	-	-	5	1
Airport Economic Development	2	2	2	2	2	2	-	-	-	-
Total business-type activities	<u>3</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>410</u>	<u>352</u>	<u>244</u>	<u>273</u>	<u>259</u>
Total	<u>1,960</u>	<u>2,005</u>	<u>2,148</u>	<u>2,106</u>	<u>2,097</u>	<u>2,471</u>	<u>2,554</u>	<u>2,770</u>	<u>2,719</u>	<u>2,554</u>

Source:

2009 and prior: County Budget Office projected FTEs and Mary C O'Brien Accommodation School

2010 and after: Pinal County Payroll Records and Mary C O'Brien Accommodation School

\*Numbers have been rounded up to accommodate 1/2 employees

Number of General Government employees for 2013 does not include 950 temporary election workers

**PINAL COUNTY**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years**  
**(\$ Amounts expressed in thousands)**

Function/Program	Fiscal Year 2015/2016 (1)	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>General Government</u>						
County Assessor						
Number of parcels assessed	253,099	249,543	248,444	247,428	247,344	221,390
County Recorder						
Documents recorded	83,475	80,054	97,979	110,658	104,779	113,844
Development Services						
Building permits issued	2,498	3,592	3,949	3,524	2,937	2,817
Elections						
Active registered voters	171,357	163,749	160,282	156,689	160,985	161,813
Elections held	3	3	3	5	6	4
Ballots cast and counted	122,324	115,653	35,159	160,584	50,361	204,199
Facilities						
Work order requests	16,380	18,257	14,588	16,331	16,962	15,240
Fleet						
Work Orders completed	6,373	6,295	5,802	6,024	6,021	6,325
<u>Public Safety</u>						
County Attorney						
Adult felonies charged	3,824	3,954	2,700	2,036	2,813	2,386
Child support collected (2)	N/A	N/A	N/A	\$ 21,994	\$ 22,383	\$ 22,600
Victim Restitution for bad checks collected (3)	N/A	\$ 19	\$ 54	\$ 85	\$ 110	\$ 105
Sheriff						
Sworn Deputies	199	209	214	162	207	140
Service calls	84,676	89,393	101,864	104,450	99,122	88,706
Total bookings	11,545	10,984	17,659	17,906	16,172	15,592
Adult Probation						
Probationers (includes absconders)	4,420	3,208	2,706	2,818	3,517	3,511
Community work service hours	33,456	32,858	30,120	30,520	16,445	16,817
Victim restitution collected	\$ 433	\$ 459	\$ 436	\$ 582	\$ 435	\$ 348
Flood Control District						
Floodplain use permit applications received	24	27	21	27	29	45
ALERT gauge installations	-	4	4	4	3	4
<u>Health</u>						
Court ordered evaluations	172	249	253	148	157	174
Forensic mental health clients	263	193	261	150	151	159
<u>Public Health</u>						
Birth certificates issued	6,445	5,983	5,184	4,846	4,379	5,520
Death certificates issued	8,654	7,672	7,427	6,546	6,556	8,187
Community health services clients	20,537	20,819	15,190	19,587	20,386	19,758
Immunization visits	8,052	10,841	7,573	7,588	6,540	10,080
WIC clients	103,748	97,042	95,734	98,199	93,411	97,186

**PINAL COUNTY**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years**  
**(\$ Amounts expressed in thousands)**

Function/Program	Fiscal Year 2015/2016 (1)	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>Culture and Recreation</u>						
Library District						
Circulation	1,356,015	1,381,283	1,405,537	1,430,329	1,508,320	1,558,678
Website visits	104,706	97,212	114,936	473,197	488,171	579,853
Active Borrowers	101,526	57,350	59,550	60,310	60,032	60,696
<u>Welfare</u>						
Public Fiduciary clients	183	217	253	279	284	279
<u>Education</u>						
Superintendent of Schools						
School districts in Pinal County	20	20	20	20	20	19

Source: County offices of elected officials and departments

- (1) Ten years of data is not available, but will be accumulated over time.
- (2) Child support has been transferred to the State of Arizona
- (3) The bad check program has been outsourced to Corrective Solutions

**PINAL COUNTY**  
**Capital Asset Statistics by Function/Program**  
**Last Six Fiscal Years**

Function/Program	Fiscal Year 2015/16 (1)	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>General Government</u>						
Facilities						
Square footage maintained	1,179,191	1,161,194	1,184,253	1,171,460	1,103,847	1,111,174
Fleet						
Vehicles maintained	86	79	82	73	10	11
Superior Court						
Divisions	10	10	10	10	10	10
<u>Public Safety</u>						
Sheriff						
Patrol Vehicles	510	429	320	207	230	160
Fleet						
Vehicles maintained	227	145	124	434	414	390
Flood Control						
Flood ALERT stations	37	37	33	28	26	23
<u>Highways and Streets</u>						
Fleet						
Vehicles maintained	210	207	203	249	182	130
Heavy Equipment maintained	157	127	131	85	191	237
Public Works						
Miles of paved roads	1,024	1,028	1,031	1,023	1,020	1,018
Miles of gravel roads	1,017	1,044	1,040	1,042	1,039	1,050
<u>Sanitation</u>						
Leased Landfill	1	1	1	1	1	1
<u>Health</u>						
Animal Control						
Vehicles used in operations	28	26	25	22	21	14
Fleet						
Med Examiner Vehicles Maintained	2	3	2	2	2	2
Public Health						
Health facilities	11	11	11	11	11	11
Mobile clinic	1	1	1	1	1	1
<u>Culture and Recreation</u>						
Parks and recreation						
County parks	6	6	6	6	6	5

Source: County offices of elected officials and departments

Some information presented as of most recent data available for the fiscal year.

(1) Ten years of data is not available, but will be accumulated over time.

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