



PINAL COUNTY

WIDE OPEN OPPORTUNITY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



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, 2019

Prepared by:

The Pinal County Finance Department

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

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Introductory Section



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April 15, 2020

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 CliftonLarsonAllen LLP to audit the Pinal County (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. 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, 2019 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.

Pinal County Profile

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 challenges 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, 2019 population of the County was estimated to be 453,414. 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://pinalcountyz.gov/BUDGETOFFICE/Pages/home.aspx>

Information Useful in Assessing Pinal County's Economic Condition

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. Core Civic operates several private prisons, in Florence, Eloy, and La Palma, which is the largest CoreCivic 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 2018-2019.

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, 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 2018-2019 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 and Gantzel Road 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 through fourth phases of the improvement project. Phase five design and property acquisition is underway with scheduled construction beginning in FY 19-20.
 - 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).

Awards and Acknowledgements

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 , 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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 CliftonLarsonAllen 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

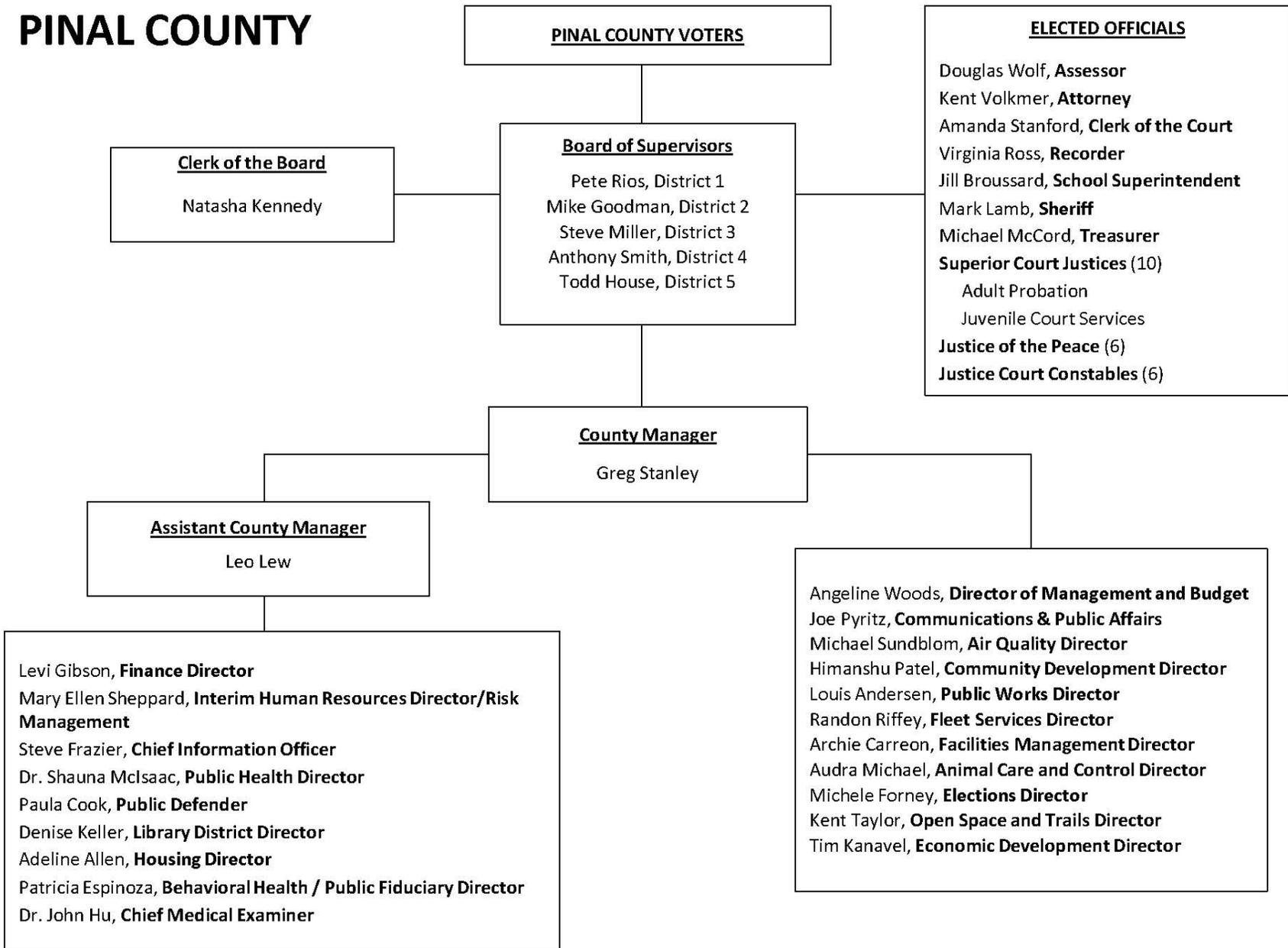
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

PINAL COUNTY



PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019
County Officials

Elected Officials

| | |
|--|---------------------------------|
| Supervisor, District 1 | Pete Rios |
| Supervisor, District 2 | Mike Goodman |
| Supervisor, District 3 | Steve Miller |
| Supervisor, District 4 | Anthony Smith |
| Supervisor, District 5 | Todd House |
| Assessor | Douglas Wolf |
| Attorney | Kent Volkmer |
| Clerk of Superior Court | Amanda Stanford |
| Recorder/Elections | Virginia Ross |
| School Superintendent | Jill Broussard |
| Sheriff | Mark Lamb |
| Treasurer | Michael McCord |
| 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 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 28 | Honorable Delia R. Neal |
| Superior Court Judge, Division 29 | Honorable Christopher J. O'Neil |
| Superior Court Judge, Division 30 | Honorable Robert C Olson |
| Superior Court Judge, Division 31 | Honorable Patrick K Gard |
| Justices of the Peace (6) and Constables (6) | Various |

Appointed Officials

| | |
|--|---------------------|
| County Manager | Greg Stanley |
| Clerk of the Board | Natasha Kennedy |
| Assistant County Manager | Leo Lew |
| Finance Director | Levi Gibson |
| Public Works Director | Louis Andersen |
| Community Development Director | Himanshu Patel |
| Public Defender | Paula Cook |
| Library District Director | Denise Keller |
| Director of Management and Budget | Angeline Woods |
| Facilities Management Director | Archie Carreon |
| Fleet Services Director | Randon Riffey |
| Interim Human Resources Director/Risk Management | Mary Ellen Sheppard |
| Chief Information Officer | Steve Frazier |
| Air Quality Director | Michael Sundblom |
| Animal Care & Control Director | Audra Michael |
| Housing Director | Adeline Allen |
| Behavioral Health / Public Fiduciary Director | Patricia Espinoza |
| Public Health Director | Dr. Shauna McIsaac |
| Medical Examiner | Dr. John Hu |
| Economic Development Director | Tim Kanavel |
| Elections Director | Michele Forney |
| Open Space & Trails Director | Kent Taylor |
| Communications & Public Affairs | Joe Pyritz |

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INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Board of Supervisors of
Pinal County, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pinal County, Arizona (County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 financial statements of the Housing Grants Fund, which represents 0.13%, 0.24%, and 1.63%, respectively, of the assets, net position, and revenues of the governmental activities and 0.36%, 0.34%, and 0.71%, respectively, of the assets, fund balance, and revenues and additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Housing Grants Fund, are based solely on the other auditors' report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor considers internal control relevant to the entity'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 entity'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 report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pinal County, Arizona as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of the County's Proportionate Share of the Net Pension Liability – Cost Sharing Pension Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios – Agent Pension Plans, and the Schedule of County Pension Contributions as listed in the table of contents, 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 the County's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

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

The Board of Supervisors of
Pinal County, Arizona

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
April 15, 2020

Financial Section



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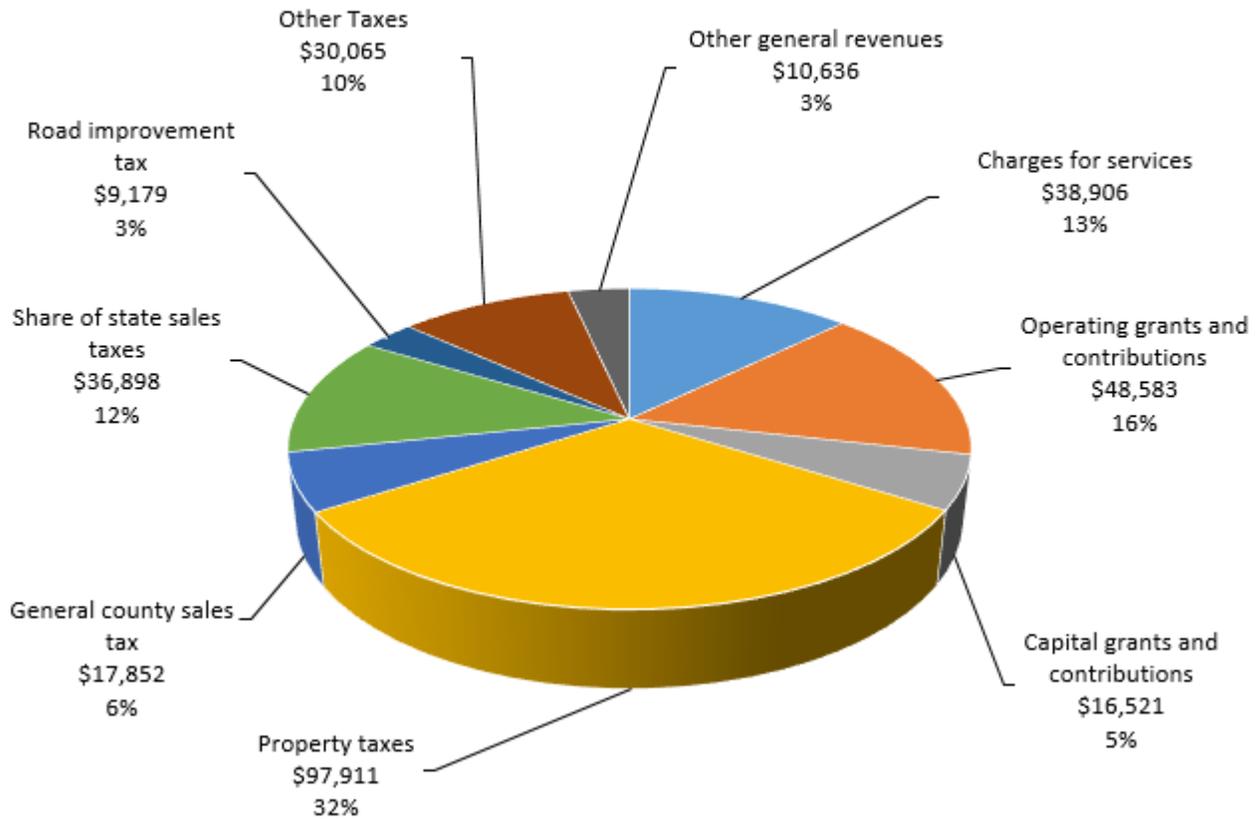
PINAL COUNTY Management's Discussion and Analysis

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, 2019. 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 ix – xii 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 2019 by \$362,524 (net position), which represented an increase of \$36,994 from the prior year. Of this amount, \$416,791 is invested in capital assets, \$99,721 is subject to external restrictions, and (\$153,988) is unrestricted. The negative balance in the unrestricted portion of net position is due to the County recognizing net pension and OPEB liabilities for all plans to which it contributes.
- The County's primary sources of revenue are from property taxes, operating grants and contributions, share of state sales taxes, charges for services, and other taxes.

Revenues Sources Fiscal Year 2019



PINAL COUNTY

Management's Discussion and Analysis

- The County's total long-term liabilities as of June 30, 2019, were \$414,091. Revenue bonds, including unamortized premiums, and net pension liabilities, represent 96% of the total. 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; the final payments for the 2015 revenue bonds are due in fiscal years 2020 and 2030; and the final payments for the 2018 revenue bonds are due in fiscal years 2038 and 2048.
- As of June 30, 2019, the County's governmental funds reported combined fund balances of \$133,976, a decrease of \$13,913 in comparison with the prior year. Approximately 23% of the combined fund balances, or \$31,151 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 \$31,503, or 15.73% of total General Fund expenditures.

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.

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 25-26 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.

PINAL COUNTY Management's Discussion and Analysis

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 174 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 Debt Service Funds. 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 81-85.

The basic governmental fund financial statements can be found on pages 27-30 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 County's participation in the Arizona Metropolitan Trust for 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.

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 31-34 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 35-36 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 37-78 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 81-96 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 99-169 of this report.

PINAL COUNTY
Management's Discussion and Analysis

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 \$362,524 at the close of the most recent fiscal year.

Governmental Activities – Statement of Net Position

The largest portion of the net position, \$410,828, 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 \$20,348 mainly due to an increase in construction in progress relating to multiple on-going 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, \$99,721 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 (\$177,734) in fiscal year 2017-18 increased in the current year by \$22,699, to a deficit of (\$155,035). The majority of this increase is due to the addition of capital assets being depreciated offset by the increase in pension liabilities.

Overall, the net position increased by \$36,519 from net position reported at June 30, 2018.

Capital assets increased by \$58,956 due to the purchase of land for economic development, the completion of the San Tan Valley and Superior justice court buildings, the completion of the Kelvin Bridge and Judd/Tourmaline road projects, and other and other infrastructure projects.

Current and other assets decreased by \$20,572. Notable changes included a decrease in cash and investments held by trustees in the Bond Funded Capital Projects Fund as funds were drawn down as capital projects were completed and a decrease in other investments in the General Fund that were used as part of the land purchase.

The increases in deferred outflows of resources from \$35,930 to \$51,697 and deferred inflows of resources from \$20,013 to \$31,286 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 10 of the notes to the financial statements on pages 57-73 of this report.

Long-term liabilities increased in the current year by \$11,684. Notable changes included the addition of bonds payable due to new financing with the Pledged Revenue Bonds, Series 2018 Tax-Exempt and Taxable bonds which were offset by the decrease in net pension liabilities and the reduction of loans payable.

Business-type Activities – Statement of Net Position

A majority portion of the net position, \$5,963 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 position of \$1,047 is 14.94% of total net position.

The net position increased by \$475 from net position reported at June 30, 2018. The increase in net position is due to operating and nonoperating revenues exceeding expenditures in the Sheriff Inmate Services and Airport Economic Development funds.

PINAL COUNTY
Management's Discussion and Analysis

Capital assets decreased by \$298. This decrease is due to depreciation expense recognized in the period and the disposal of machinery and equipment.

Other liabilities decreased by \$718. Notable changes included the decrease in accounts payable and a decrease in unearned revenue due to a prepayment for services received from a vendor being recognized during the period.

| Condensed Statement of Net Position | | | | | | |
|--|----------------------------|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| June 30, 2019 and 2018 | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 167,861 | \$ 188,433 | \$ 1,479 | \$ 1,451 | \$ 169,340 | \$ 189,884 |
| Capital assets | 596,867 | 537,911 | 5,963 | 6,261 | 602,830 | 544,172 |
| Total assets | <u>764,728</u> | <u>726,344</u> | <u>7,442</u> | <u>7,712</u> | <u>772,170</u> | <u>734,056</u> |
| Deferred outflows of resources | | | | | | |
| Pension and OPEB | 51,641 | 35,805 | 61 | 45 | 51,702 | 35,850 |
| Deferred charge on debt refunding | 56 | 125 | - | - | 56 | 125 |
| Total deferred outflows of resources | <u>51,697</u> | <u>35,930</u> | <u>61</u> | <u>45</u> | <u>51,758</u> | <u>35,975</u> |
| Other liabilities | 15,905 | 21,230 | 78 | 796 | 15,983 | 22,026 |
| Long-term liabilities | 413,720 | 402,036 | 371 | 396 | 414,091 | 402,432 |
| Total liabilities | <u>429,625</u> | <u>423,266</u> | <u>449</u> | <u>1,192</u> | <u>430,074</u> | <u>424,458</u> |
| Deferred inflows of resources | | | | | | |
| Pension and OPEB | 31,286 | 20,013 | 44 | 30 | 31,330 | 20,043 |
| Total deferred inflows of resources | <u>31,286</u> | <u>20,013</u> | <u>44</u> | <u>30</u> | <u>31,330</u> | <u>20,043</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 410,828 | 390,480 | 5,963 | 5,724 | 416,791 | 396,204 |
| Restricted | 99,721 | 106,249 | - | - | 99,721 | 106,249 |
| Unrestricted (deficit) | (155,035) | (177,734) | 1,047 | 811 | (153,988) | (176,923) |
| Total net position | <u>\$ 355,514</u> | <u>\$ 318,995</u> | <u>\$ 7,010</u> | <u>\$ 6,535</u> | <u>\$ 362,524</u> | <u>\$ 325,530</u> |

Governmental Activities – Statement of Activities

Revenues

Total revenues of \$304,781 increased by \$7,920 from the prior year primarily due to the following:

- An increase (in total) of \$928 in program revenues attributed to an increase in capital contributions of donated roads and land which was offset by a decrease state operating grants.
- An increase of \$4,005 in the County's property taxes due to positive economic factors throughout the County, including increased construction and increased property valuations.
- An increase of \$1,494 and \$1,487 in the County's sales taxes and share of state sales taxes, respectively, due to positive economic factors throughout the State that resulted in additional sales tax revenues.
- A decrease of \$1,991 in other general revenues due to a decrease in contributions in the Public Works Highway Fund for the completion of payments regarding the mitigation with the US Environmental Protection Agency. The decrease was offset by an increase in investment earnings due to recognizing fair market value adjustments with the county's investments.

PINAL COUNTY
Management's Discussion and Analysis

Expenses

Total expenses of \$268,176 decreased by \$14,229 from the prior year primarily due to the following:

- Decreases of \$12,170 in public safety and \$3,020 in general government due to the significant reduction in the net pension long-term liabilities. The reduction in these liabilities was due to increased contributions to the retirement plans and favorable changes in actuarial assumptions used to estimate future liabilities. For more information on the net pension long-term liabilities, see Note 10 on page 57.
- A decrease of \$1,817 in health due to the decrease in the Arizona Long Term Care System (ALTCS) payments to the State of Arizona.
- An increase of \$1,282 in in cost of issuance due to the tax-exempt and taxable pledged revenue obligations issued during the fiscal year.

Business-type activities – Statement of Activities

Revenues

Total revenues of \$1,770 increased by \$681 from the prior year primarily due to the following:

- A increase of \$280 in operating grants and contributions in the Airport Economic Development Fund due to grant proceeds for development associated with the San Manuel Airport; and an increase of \$212 in charges for services due to an increase in rental fees from the airports.

Expenses

Total expenses of \$1,381 increased by \$313 from the prior year primarily due to the following:

- An increase of \$101 in expenses in the Sheriff Inmate Services fund due to additional purchases of supplies such as uniforms, cleaning supplies, and mattresses and blankets used by inmates.
- An increase of \$72 in expenses in the Airport Economic Development fund due to professional services for environmental studies at the airports.

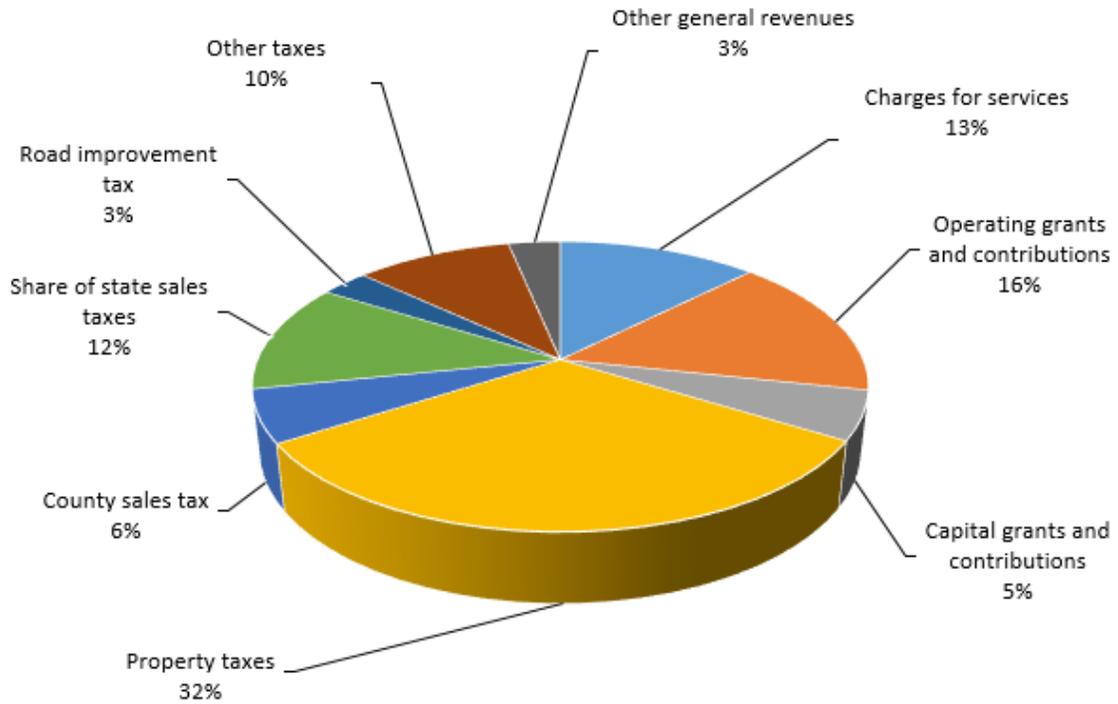
PINAL COUNTY
Management's Discussion and Analysis

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

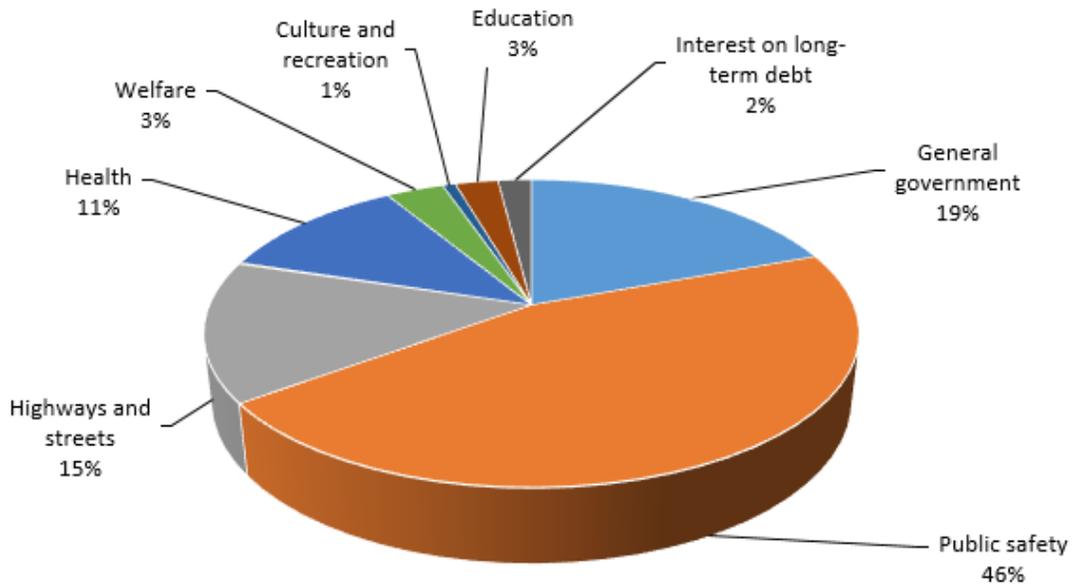
| Condensed Statement of Activities | | | | | | |
|--|----------------------------|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| Years Ended June 30, 2019 and 2018 | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 38,152 | \$ 38,979 | \$ 754 | \$ 542 | \$ 38,906 | \$ 39,521 |
| Operating grants and contributions | 48,288 | 51,952 | 295 | 15 | 48,583 | 51,967 |
| Capital grants and contributions | 16,521 | 11,102 | - | - | 16,521 | 11,102 |
| General revenues: | | | | | | |
| Property taxes | 97,911 | 93,906 | - | - | 97,911 | 93,906 |
| County sales tax | 17,852 | 16,358 | - | - | 17,852 | 16,358 |
| Share of state sales taxes | 36,898 | 35,411 | - | - | 36,898 | 35,411 |
| Road improvement tax | 9,179 | 8,298 | - | - | 9,179 | 8,298 |
| Other taxes | 30,065 | 28,949 | - | - | 30,065 | 28,949 |
| Other general revenues | 9,915 | 11,906 | 721 | 532 | 10,636 | 12,438 |
| Total revenues | 304,781 | 296,861 | 1,770 | 1,089 | 306,551 | 297,950 |
| Expenses: | | | | | | |
| General government | 51,642 | 54,662 | - | - | 51,642 | 54,662 |
| Public safety | 121,670 | 133,840 | - | - | 121,670 | 133,840 |
| Highways and streets | 39,341 | 39,387 | - | - | 39,341 | 39,387 |
| Sanitation | 431 | 997 | - | - | 431 | 997 |
| Health | 30,663 | 32,480 | - | - | 30,663 | 32,480 |
| Welfare | 9,094 | 8,369 | - | - | 9,094 | 8,369 |
| Culture and recreation | 2,032 | 1,668 | - | - | 2,032 | 1,668 |
| Education | 6,756 | 6,310 | - | - | 6,756 | 6,310 |
| Interest on long-term debt | 5,265 | 4,692 | - | - | 5,265 | 4,692 |
| Cost of Issuance | 1,282 | - | - | - | 1,282 | - |
| Sheriff Inmate Services | - | - | 368 | 233 | 368 | 233 |
| Airport Economic Development | - | - | 1,013 | 835 | 1,013 | 835 |
| Total expenses | 268,176 | 282,405 | 1,381 | 1,068 | 269,557 | 283,473 |
| Excess (deficiency) before transfers | 36,605 | 14,456 | 389 | 21 | 36,994 | 14,477 |
| Transfers | (86) | - | 86 | - | - | - |
| Change in net position | 36,519 | 14,456 | 475 | 21 | 36,994 | 14,477 |
| Net Position, beginning of year, as restated | 318,995 | 304,539 | 6,535 | 6,514 | 325,530 | 311,053 |
| Net position - ending | \$ 355,514 | \$ 318,995 | \$ 7,010 | \$ 6,535 | \$ 362,524 | \$ 325,530 |

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

**Revenues Sources - Governmental Activities
Fiscal Year 2019**



**Expenses by Function - Governmental Activities
Fiscal Year 2019**



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, 2019, the County's governmental funds reported combined fund balance of \$133,976, a decrease of \$13,913 in comparison with the prior year. Less than 1%, \$112 of the combined fund balance constitutes *nonspendable fund balance*, made up of prepaid items and inventories that do not represent available spendable resources. Approximately 75% of the combined fund balance, \$100,397 constitutes *restricted fund balance* which represents resources that are subject to external restrictions on how they may be used. The remaining 23% of the combined fund balance is comprised of unassigned fund balance of \$30,322 which is available for spending at the County's discretion, while amounts of \$2,316 and \$829 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 \$31,503. 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 \$31,503 represents 16% of total General Fund expenditures.

The total fund balance of the County's General Fund increased during the fiscal year by \$8. Key factors in the increase to fund balance includes an increase in taxes and miscellaneous revenues in comparison to prior fiscal year.

The Road Tax Districts Fund total fund balance decreased during the fiscal year by \$13,736. The decrease is mainly attributable to an increase in construction and maintenance costs.

The Public Works Highway Fund total fund balance decreased during the year by \$319. This decrease is due to transfers to other governmental funds.

The Development Impact Fee Fund total fund balance increased during the fiscal year by \$5,983. The increase is due to not transferring cash to other governmental funds.

The Bond Funded Capital Projects Fund total fund balance decreased during the fiscal year by \$4,695. The fund decreased primarily due to capital outlay expenditures related to various county construction projects related to highways and roads, and public safety projects.

PINAL COUNTY
Management's Discussion and Analysis

Overview of all governmental funds

Revenues for governmental funds totaled \$288,717 in fiscal year 2019, which represents an increase of 2% from fiscal year 2018.

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, 2019 and 2018 | | | | | | |
|---|-------------------|----------------|-------------------|----------------|-----------------|--------------|
| | 2019 | | 2018 | | Variance | |
| | Amount | Percent | Amount | Percent | Amount | Percent |
| Taxes | \$ 133,019 | 46.07% | \$ 126,779 | 44.91% | \$ 6,240 | 4.92% |
| Licenses and permits | 7,168 | 2.48% | 7,794 | 2.76% | (626) | (8.03)% |
| Intergovernmental | 109,310 | 37.86% | 104,827 | 37.13% | 4,483 | 4.28% |
| Charges for services | 26,891 | 9.31% | 29,009 | 10.28% | (2,118) | (7.30)% |
| Fines and forfeits | 2,023 | 0.70% | 1,656 | 0.59% | 367 | 22.16% |
| Investment earnings | 4,272 | 1.48% | 750 | 0.27% | 3,522 | 469.60% |
| Contributions | 1,807 | 0.63% | 5,401 | 1.91% | (3,594) | (66.54)% |
| Rentals | 467 | 0.16% | 528 | 0.19% | (61) | (11.55)% |
| Miscellaneous | 3,760 | 1.30% | 5,559 | 1.97% | (1,799) | (32.36)% |
| Total revenues | <u>\$ 288,717</u> | <u>100.00%</u> | <u>\$ 282,303</u> | <u>100.00%</u> | <u>\$ 6,414</u> | <u>2.27%</u> |

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

- Taxes – the increase of \$6,240 was primarily due to an increase in property taxes caused by an increase in the primary assessed valuation. The amount the County received from its share of state sales taxes and vehicle license taxes received from the state increased for the fiscal year. Also, the general county sales tax increased from the prior year due to positive economic factors in the county.
- Intergovernmental – the increase of \$4,483 was due to increased revenues from state operating grants and HURF funds.
- Investment earnings – the increase of \$3,522 was due to recognizing the change in the fair market value of investments held by the county at fiscal year-end.
- Contributions – the decrease of \$3,594 was due to a decrease in funds received from private organizations regarding mitigation with the US Environmental Protection Agency.
- Charges for services – the decrease of \$2,118 was primarily due to decreased revenues received from impact fees in the Development Impact Fee fund.

PINAL COUNTY
Management's Discussion and Analysis

Expenditures for governmental funds totaled \$341,809 in fiscal year 2019, which represents an increase of 18% from fiscal year 2018.

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

| Governmental Funds Expenditures by Function For the Years Ended June 30, 2019 and 2018 | | | | | | |
|--|-------------------|----------------|-------------------|----------------|------------------|----------------|
| <u>Governmental Function</u> | <u>2019</u> | | <u>2018</u> | | <u>Variance</u> | |
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| General government | \$ 48,450 | 14.17% | \$ 40,043 | 13.82% | \$ 8,407 | 20.99% |
| Public safety | 120,758 | 35.33% | 117,297 | 40.49% | 3,461 | 2.95% |
| Highways and streets | 57,222 | 16.74% | 45,191 | 15.60% | 12,031 | 26.62% |
| Sanitation | 563 | 0.16% | 1,126 | 0.39% | (563) | (50.00)% |
| Health | 31,026 | 9.09% | 32,223 | 11.12% | (1,197) | (3.71)% |
| Welfare | 8,738 | 2.56% | 8,116 | 2.80% | 622 | 7.66% |
| Culture and recreation | 2,013 | 0.59% | 1,644 | 0.57% | 369 | 22.45% |
| Education | 6,756 | 1.98% | 6,310 | 2.18% | 446 | 7.07% |
| Capital outlay | 46,608 | 13.64% | 19,947 | 6.89% | 26,661 | 133.66% |
| Cost of issuance | 1,282 | 0.38% | - | -% | 1,282 | -% |
| Debt service: | | | | | | |
| Principal retirement | 11,653 | 3.41% | 10,884 | 3.76% | 769 | 7.07% |
| Interest | 6,740 | 1.97% | 6,889 | 2.38% | (149) | (2.16)% |
| Total expenditures | <u>\$ 341,809</u> | <u>100%</u> | <u>\$ 289,670</u> | <u>100%</u> | <u>\$ 52,139</u> | <u>18.00%</u> |

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

- General government – expenditures increased \$8,407 primarily due to increased costs associated with personnel including adding positions and pension increases.
- Public Safety – expenditures increased \$3,461 primarily due to increases in personnel costs such as overtime and pension expense for law enforcement and detention officers.
- Highways and streets – expenditures increased \$12,031 due to increased costs associated with ongoing construction projects.
- Capital outlay – expenditures increased \$26,661 due to costs associated with the purchase of land for economic development purposes.

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 position for the enterprise funds totaled \$1,047. Investment in capital assets totaled \$5,963.

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, 2019 | | | |
| | Sheriff Inmate Services | Airport Economic Develop- ment | Total |
| Operating revenues | \$ 580 | \$ 864 | 1,444 |
| Operating expenses | 368 | 1,013 | 1,381 |
| Operating income (loss) | 212 | (149) | 63 |
| Nonoperating revenues | 22 | 390 | 412 |
| Changes in net position | \$ 234 | 241 | 475 |

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the final budget by \$4,288 or 2% due to an increase in 1) property taxes due to an increase in the primary assessed valuation and increases in the amounts the County received from the state from its share of state sales taxes and vehicle license taxes; 2) intergovernmental revenues due to additional funds received for state operating grants; and 3) investment earnings recognized for the increase in fair market value of the county's investments at fiscal year-end.

General Fund expenditures were less than the final budget by \$23,350 or 10% due to the following reasons:

- The Assistant County Manager-Admin spent \$24,314 less than budgeted in the general government function, primarily due to unspent funds and contingency funds not being used. The unspent funds and contingency funds offset an additional \$155 of excess expenditures in the welfare function.

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, 2019, amounted to \$602,830 (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:

- Infrastructure increased due to the completion of multiple on-going construction projects including the construction of the Kelvin Bridge and Judd/Tourmaline road projects and the McCartney / I-10 / Evans road interchange.
- Land increased due to the aquisition of approximatley 496 acres outside of Casa Grande for economic development purposes.

| Governmental and Business-type Activities Capital Assets (net of accumulated depreciation) June 30, 2019 and 2018 | | | | | | |
|--|--------------------------|--------------------------|--------------------------|------------------------|--------------------------|--------------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 233,762 | \$ 201,842 | \$ 282 | \$ 282 | \$ 234,044 | \$ 202,124 |
| Buildings and improvements | 101,246 | 102,898 | 472 | 494 | 101,718 | 103,392 |
| Machinery and equipment | 19,443 | 16,650 | 232 | 263 | 19,675 | 16,913 |
| Intangible - Software | 18,890 | 21,165 | - | - | 18,890 | 21,165 |
| Infrastructure | 191,272 | 172,284 | 4,977 | 5,222 | 196,249 | 177,506 |
| Construction in progress | 32,254 | 23,072 | - | - | 32,254 | 23,072 |
| Total | <u>\$ 596,867</u> | <u>\$ 537,911</u> | <u>\$ 5,963</u> | <u>\$ 6,261</u> | <u>\$ 602,830</u> | <u>\$ 544,172</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 are 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 5 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 \$187,516 for governmental activities as compared to \$161,837 in the prior year. The majority of this amount, \$186,365 or 99% was comprised of the following: 1) bonds payable and 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; 2) bonds payable and 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; 3) bonds payable including unamortized premium on the 2015 bonds payable to refund the certificates of participation, Series 2004; and 4) bonds payable and unamortized premium on the 2018 tax-exempt and taxable revenue bonds for construction of new facilities and to acquire approximately 496 acres of real property for economic development purposes. The Housing department has a note payable to the Arizona Department of Housing of \$487. The County also started leasing new copiers and printers and recorded the future obligations as capital leases which total \$664 at fiscal year-end.

| Long-Term Debt | | | |
|----------------------------------|-------------------------|-------------------|-----------------------|
| June 30, 2019 and 2018 | | | |
| | Outstanding Debt | | Percent Change |
| | 2019 | 2018 | |
| Governmental Activities | | | |
| Loans payable | \$ - | \$ 2,082 | (100.00)% |
| Obligations under capital leases | 664 | 823 | (19.32)% |
| Note payable | 487 | 487 | 0% |
| Bonds payable | 186,365 | 158,445 | 17.62% |
| Total | <u>\$ 187,516</u> | <u>\$ 161,837</u> | <u>15.87%</u> |

Additional information on the County’s long-term debt can be found in Note 8 on pages 51-56 of this report.

Economic Factors and Next Year’s Budgets

- Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (Covid-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. The extent to which COVID-19 impacts the County’s operations and workforce will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain or treat the virus.
- The current 2020, preliminary, seasonally adjusted, unemployment rate for the State of Arizona as of January was 4.8%.¹ The national rate as of January was 3.6%.² The unemployment rate for Pinal County as of January was 5.2%.¹ The State of Arizona seasonally adjusted unemployment decreased 0.3% from one year ago and the average unemployment rate for Pinal County decreased by 0.7%. The County recognizes that these are preliminary estimates and that the effects of COVID-19 may impact future unemployment rates.

¹www.laborstats.az.gov/ ADOA – EPS – Employment and Population Statistics January 2020.

² www.data.bls.gov/ U.S. Bureau of Labor Statistics January 2020.

PINAL COUNTY
Management's Discussion and Analysis

- The housing industry, which has stabilized, continues to be one of the largest factors affecting the State of Arizona. Property tax receivables of \$2,983 increased by 41% over the prior year. In addition, the county also expects revenues from permits to slightly increase as new home construction remains steady.
- The County has projected that revenues from the property tax will increase in fiscal year 2020. The increase is due to the property assessments and tax calculations being completed in early 2020. Property tax revenues beyond fiscal year 2020 may be impacted by COVID-19.
- In fiscal year 2020, the Board of Supervisors lowered the property tax rate to 3.7900 cents per one-hundred dollars of net assessed valuation. However, an increase in net assessed valuations has resulted in \$5,342 more in primary property levied as compared to that levied in during fiscal year 2019.

The County continues to monitor the local, state and national economy in order to identify opportunities and threats to budgeted revenues. 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 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.

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Basic Financial Statements



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PINAL COUNTY
Statement of Net Position
June 30, 2019
(Amounts expressed in thousands)

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 124,456 | \$ 1,131 | \$ 125,587 |
| Cash and investments held by trustees | 12,837 | - | 12,837 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | 2,983 | - | 2,983 |
| Accounts | 1,686 | 52 | 1,738 |
| Notes receivable | - | 280 | 280 |
| Due from other governments | 23,747 | 16 | 23,763 |
| Inventories | 59 | - | 59 |
| Prepaid items | 53 | - | 53 |
| Cash, cash equivalents and investments - restricted | 431 | - | 431 |
| Net other postemployment benefit asset | 1,609 | - | 1,609 |
| Capital assets, not being depreciated | 266,016 | 282 | 266,298 |
| Capital assets, being depreciated, net | 330,851 | 5,681 | 336,532 |
| Total assets | <u>764,728</u> | <u>7,442</u> | <u>772,170</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows related to other postemployment benefits | 1,047 | - | 1,047 |
| Deferred outflows related to pensions | 50,594 | 61 | 50,655 |
| Deferred charge on debt refunding | 56 | - | 56 |
| Total deferred outflows of resources | <u>51,697</u> | <u>61</u> | <u>51,758</u> |
| Liabilities | | | |
| Accounts payable | 3,963 | 30 | 3,993 |
| Accrued payroll and employee benefits | 5,670 | 13 | 5,683 |
| Retainage payable | 1,419 | - | 1,419 |
| Contracts payable | 829 | - | 829 |
| Due to other governments | 12 | - | 12 |
| Deposits held for others | 142 | - | 142 |
| Interest payable | 3,502 | - | 3,502 |
| Unearned revenue | 368 | 35 | 403 |
| Noncurrent liabilities: | | | |
| Due within one year | 19,224 | 14 | 19,238 |
| Due in more than one year | 181,902 | 14 | 181,916 |
| Net other postemployment benefit liability | 649 | - | 649 |
| Net pension liability | 211,945 | 343 | 212,288 |
| Total liabilities | <u>429,625</u> | <u>449</u> | <u>430,074</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows related to other postemployment benefits | 1,296 | - | 1,296 |
| Deferred inflows related to pensions | 29,990 | 44 | 30,034 |
| Total deferred inflows of resources | <u>31,286</u> | <u>44</u> | <u>31,330</u> |
| Net Position | | | |
| Net investment in capital assets | 410,828 | 5,963 | 416,791 |
| Restricted for: | | | |
| Public safety | 12,325 | - | 12,325 |
| Highways and streets | 70,918 | - | 70,918 |
| Health | 5,049 | - | 5,049 |
| Culture and recreation | 5,062 | - | 5,062 |
| Education | 2,571 | - | 2,571 |
| Other postemployment benefits | 1,609 | - | 1,609 |
| Other purposes | 2,187 | - | 2,187 |
| Unrestricted (deficit) | (155,035) | 1,047 | (153,988) |
| Total net position | <u>\$ 355,514</u> | <u>\$ 7,010</u> | <u>\$ 362,524</u> |

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

PINAL COUNTY
Statement of Activities
Year Ended June 30, 2019
(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 |
| Governmental activities | | | | | | | |
| General government | \$ 51,642 | \$ 8,342 | \$ 158 | \$ - | \$ (43,142) | \$ - | \$ (43,142) |
| Public safety | 121,670 | 12,784 | 11,214 | 58 | (97,614) | - | (97,614) |
| Highways and streets | 39,341 | 10,721 | 24,135 | 16,373 | 11,888 | - | 11,888 |
| Sanitation | 431 | 9 | 523 | - | 101 | - | 101 |
| Health | 30,663 | 2,591 | 5,373 | - | (22,699) | - | (22,699) |
| Welfare | 9,094 | 2,665 | 4,429 | 90 | (1,910) | - | (1,910) |
| Culture and recreation | 2,032 | 1,030 | 23 | - | (979) | - | (979) |
| Education | 6,756 | 10 | 2,433 | - | (4,313) | - | (4,313) |
| Interest on long-term debt | 5,265 | - | - | - | (5,265) | - | (5,265) |
| Cost of Issuance | 1,282 | - | - | - | (1,282) | - | (1,282) |
| Total governmental activities | <u>268,176</u> | <u>38,152</u> | <u>48,288</u> | <u>16,521</u> | <u>(165,215)</u> | <u>-</u> | <u>(165,215)</u> |
| Business-type activities | | | | | | | |
| Sheriff Inmate Services | 368 | - | - | - | - | (368) | (368) |
| Airport Economic Development | 1,013 | 754 | 295 | - | - | 36 | 36 |
| Total business-type activities | <u>1,381</u> | <u>754</u> | <u>295</u> | <u>-</u> | <u>-</u> | <u>(332)</u> | <u>(332)</u> |
| Total primary government | <u>\$ 269,557</u> | <u>\$ 38,906</u> | <u>\$ 48,583</u> | <u>\$ 16,521</u> | <u>(165,215)</u> | <u>(332)</u> | <u>(165,547)</u> |

General revenues:

| | | | | | | |
|---|--|--|--|-------------------|-----------------|-------------------|
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | 92,131 | - | 92,131 |
| Property taxes, levied for educational purposes | | | | 51 | - | 51 |
| Property taxes, levied for flood control | | | | 3,437 | - | 3,437 |
| Property taxes, levied for library district | | | | 2,292 | - | 2,292 |
| Transaction privilege taxes, levied for health district | | | | 3,495 | - | 3,495 |
| General county sales tax | | | | 17,852 | - | 17,852 |
| Road improvement tax | | | | 9,179 | - | 9,179 |
| Share of state sales taxes | | | | 36,898 | - | 36,898 |
| Unrestricted share of vehicle license tax | | | | 21,113 | - | 21,113 |
| Payments in lieu of taxes | | | | 4,582 | - | 4,582 |
| Franchises taxes | | | | 875 | - | 875 |
| Miscellaneous state assistance | | | | 550 | - | 550 |
| Contributions not restricted to specific programs | | | | 1,386 | - | 1,386 |
| Investment earnings | | | | 4,273 | 24 | 4,297 |
| Miscellaneous | | | | 3,129 | 690 | 3,819 |
| Gain on disposal of capital assets | | | | 577 | 7 | 584 |
| Transfers | | | | (86) | 86 | - |
| Total general revenues | | | | <u>201,734</u> | <u>807</u> | <u>202,541</u> |
| Changes in net position | | | | 36,519 | 475 | 36,994 |
| Net position - July 1, 2018 | | | | <u>318,995</u> | <u>6,535</u> | <u>325,530</u> |
| Net position - June 30, 2019 | | | | <u>\$ 355,514</u> | <u>\$ 7,010</u> | <u>\$ 362,524</u> |

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

PINAL COUNTY
Balance Sheet
Governmental Funds
June 30, 2019
(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 | Debt Service Fund | Other Governmental Funds | |
| Assets | | | | | | | | |
| Cash, cash equivalents and investments | \$ 25,482 | \$ 14,787 | \$ 22,226 | \$ 29,711 | \$ 2 | \$ 401 | \$ 31,847 | \$ 124,456 |
| Cash and investments held by trustees | - | - | - | - | 3,047 | 9,790 | - | 12,837 |
| Receivables (net of allowances for uncollectibles): | | | | | | | | |
| Property taxes | 2,862 | - | - | - | - | - | 121 | 2,983 |
| Accounts | 671 | 40 | 54 | - | - | 8 | 455 | 1,228 |
| Due from other funds | 741 | 13 | - | - | 113 | - | 397 | 1,264 |
| Due from other governments | 15,981 | 1,539 | 2,712 | - | - | - | 3,515 | 23,747 |
| Inventories | - | - | - | - | - | - | 59 | 59 |
| Prepaid items | 2 | - | - | - | - | - | 51 | 53 |
| Restricted assets: | | | | | | | | |
| Cash, cash equivalents and investments | - | - | 50 | - | - | - | 381 | 431 |
| Total assets | <u>\$ 45,739</u> | <u>\$ 16,379</u> | <u>\$ 25,042</u> | <u>\$ 29,711</u> | <u>\$ 3,162</u> | <u>\$ 10,199</u> | <u>\$ 36,826</u> | <u>\$ 167,058</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 871 | \$ 348 | \$ 1,521 | \$ - | \$ 25 | \$ - | \$ 1,192 | \$ 3,957 |
| Accrued payroll and employee benefits | 4,145 | - | 597 | - | - | - | 926 | 5,668 |
| Retainage payable | - | 432 | 221 | - | 619 | - | 147 | 1,419 |
| Contracts payable | 89 | - | 60 | - | - | - | 680 | 829 |
| Due to other funds | 281 | - | 84 | - | - | - | 338 | 703 |
| Due to other governments | - | - | - | - | - | - | 12 | 12 |
| Deposits held for others | 44 | - | - | - | - | - | 98 | 142 |
| Bonds payable | - | - | - | - | - | 6,790 | - | 6,790 |
| Interest payable | - | - | - | - | - | 2,998 | - | 2,998 |
| Unearned revenue | - | - | - | - | - | - | 368 | 368 |
| Total liabilities | <u>5,430</u> | <u>780</u> | <u>2,483</u> | <u>-</u> | <u>644</u> | <u>9,788</u> | <u>3,761</u> | <u>22,886</u> |
| Deferred Inflows of Resources | | | | | | | | |
| Unavailable revenue - property taxes | 2,355 | - | - | - | - | - | 103 | 2,458 |
| Unavailable revenue - intergovernmental | 6,449 | - | 292 | - | - | - | 997 | 7,738 |
| Total deferred inflows of resources | <u>8,804</u> | <u>-</u> | <u>292</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,100</u> | <u>10,196</u> |
| Fund Balances | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Inventories | - | - | - | - | - | - | 59 | 59 |
| Prepaid items | 2 | - | - | - | - | - | 51 | 53 |
| Total nonspendable | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>110</u> | <u>112</u> |
| Restricted | - | 15,599 | 22,267 | 29,711 | 2,518 | - | 30,302 | 100,397 |
| Committed | - | - | - | - | - | - | 2,316 | 2,316 |
| Assigned | - | - | - | - | - | 411 | 418 | 829 |
| Unassigned | 31,503 | - | - | - | - | - | (1,181) | 30,322 |
| Total fund balances | <u>31,505</u> | <u>15,599</u> | <u>22,267</u> | <u>29,711</u> | <u>2,518</u> | <u>411</u> | <u>31,965</u> | <u>133,976</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 45,739</u> | <u>\$ 16,379</u> | <u>\$ 25,042</u> | <u>\$ 29,711</u> | <u>\$ 3,162</u> | <u>\$ 10,199</u> | <u>\$ 36,826</u> | <u>\$ 167,058</u> |

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, 2019

(Amounts expressed in thousands)

| | | | |
|--|--|------------------|----------------|
| Fund balances - total governmental funds (page 23) | | \$ | 133,976 |
| 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 | | \$ 863,177 | |
| Less accumulated depreciation | | <u>(266,310)</u> | 596,867 |
| Some receivables are not available to pay for current period expenditures, and therefore, are reported as unavailable revenue in the governmental funds. | | | |
| | | | 10,196 |
| Interest payable on long-term debt in the governmental funds includes payments due early in the following year for interest that was not incurred in the current period. | | | |
| | | | (504) |
| 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. | | | |
| Bonds payable | | \$ (167,900) | |
| Net premium on bonds | | (11,675) | |
| Note payable | | (487) | |
| Capital leases | | (664) | |
| Compensated absences | | (12,881) | |
| Estimated liabilities for claims and judgments | | (729) | |
| Net pension and OPEB liabilities | | <u>(212,473)</u> | (406,809) |
| Net OPEB assets held in trust for future benefits are not available resources for county operations and, therefore are not reported in the funds. | | | |
| Net OPEB asset | | | 1,609 |
| 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 and OPEB | | 51,620 | |
| Deferred inflows of resources related to pensions and OPEB | | (31,271) | |
| Deferred outflows for bond refunding | | <u>56</u> | 20,405 |
| 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. | | | |
| | | | <u>(226)</u> |
| Net position of governmental activities (page 25) | | <u>\$</u> | <u>355,514</u> |

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, 2019
(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 | Debt Service Fund | Other Governmental Funds | Total |
| Revenues: | | | | | | | | |
| Taxes | \$ 114,398 | \$ 9,179 | \$ - | \$ - | \$ - | \$ - | \$ 9,442 | \$ 133,019 |
| Licenses and permits | 5,025 | - | - | - | - | - | 2,143 | 7,168 |
| Intergovernmental | 51,683 | - | 31,689 | - | - | - | 25,938 | 109,310 |
| Charges for services | 9,521 | - | 1 | 11,971 | - | - | 5,398 | 26,891 |
| Fines and forfeits | 845 | - | - | - | - | - | 1,178 | 2,023 |
| Investment earnings | 897 | 709 | 746 | 669 | 239 | 40 | 972 | 4,272 |
| Contributions | - | 55 | 505 | - | - | - | 1,247 | 1,807 |
| Rentals | 87 | - | - | - | - | - | 380 | 467 |
| Miscellaneous | 2,449 | - | 336 | - | 1 | 1 | 973 | 3,760 |
| Total revenues | <u>184,905</u> | <u>9,943</u> | <u>33,277</u> | <u>12,640</u> | <u>240</u> | <u>41</u> | <u>47,671</u> | <u>288,717</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 45,253 | - | - | - | - | 5 | 3,192 | 48,450 |
| Public safety | 103,303 | - | - | - | 202 | - | 17,253 | 120,758 |
| Highways and streets | 43 | 23,260 | 29,990 | - | - | - | 3,929 | 57,222 |
| Sanitation | - | - | - | - | - | - | 563 | 563 |
| Health | 17,695 | - | - | - | - | - | 13,331 | 31,026 |
| Welfare | 1,640 | - | - | - | - | - | 7,098 | 8,738 |
| Culture and recreation | - | - | - | 125 | - | - | 1,888 | 2,013 |
| Education | 1,174 | - | - | - | - | - | 5,582 | 6,756 |
| Debt service: | | | | | | | | |
| Principal retirement | 144 | - | - | - | - | 11,455 | 54 | 11,653 |
| Interest | 21 | - | - | - | - | 6,705 | 14 | 6,740 |
| Costs of issuance | 996 | - | - | - | 286 | - | - | 1,282 |
| Capital outlay | 30,024 | - | 1,954 | - | 11,952 | - | 2,678 | 46,608 |
| Total expenditures | <u>200,293</u> | <u>23,260</u> | <u>31,944</u> | <u>125</u> | <u>12,440</u> | <u>18,165</u> | <u>55,582</u> | <u>341,809</u> |
| Excess (deficiency) of revenues over expenditures | <u>(15,388)</u> | <u>(13,317)</u> | <u>1,333</u> | <u>12,515</u> | <u>(12,200)</u> | <u>(18,124)</u> | <u>(7,911)</u> | <u>(53,092)</u> |
| Other financing sources (uses): | | | | | | | | |
| Issuance of debt | 31,010 | - | - | - | 7,360 | - | - | 38,370 |
| Premium on refunding bonds | - | - | - | - | 426 | - | - | 426 |
| Capital lease agreements | 25 | - | - | - | - | - | 14 | 39 |
| Insurance reimbursement | 76 | - | - | - | - | - | - | 76 |
| Sale of capital assets | 1 | - | 203 | - | - | - | 397 | 601 |
| Transfers in | 2,927 | - | 500 | - | - | 17,805 | 13,803 | 35,035 |
| Transfers out | (18,645) | (419) | (2,355) | (6,532) | (281) | - | (7,158) | (35,390) |
| Total other financing sources (uses) | <u>15,394</u> | <u>(419)</u> | <u>(1,652)</u> | <u>(6,532)</u> | <u>7,505</u> | <u>17,805</u> | <u>7,056</u> | <u>39,157</u> |
| Net change in fund balances | 6 | (13,736) | (319) | 5,983 | (4,695) | (319) | (855) | (13,935) |
| Fund balances - July 1, 2018 | 31,497 | 29,335 | 22,586 | 23,728 | 7,213 | 730 | 32,800 | 147,889 |
| Changes in nonspendable resources: | | | | | | | | |
| Increase in inventories | - | - | - | - | - | - | 22 | 22 |
| Increase (decrease) in prepaid items | 2 | - | - | - | - | - | (2) | - |
| Fund balances - June 30, 2019 | <u>\$ 31,505</u> | <u>\$ 15,599</u> | <u>\$ 22,267</u> | <u>\$ 29,711</u> | <u>\$ 2,518</u> | <u>\$ 411</u> | <u>\$ 31,965</u> | <u>\$ 133,976</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, 2019
(Amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 29) \$ (13,935)

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 capital assets | \$ 65,055 | |
| Less current year depreciation | <u>(22,116)</u> | 42,939 |

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 | | (100) |
|---|--|-------|

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.

| | | |
|-----------------------------|------------|--------|
| Donations of capital assets | 16,117 | |
| State appropriation to EORP | (1,072) | |
| Intergovernmental | (2,454) | |
| Property tax revenues | <u>837</u> | 13,428 |

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

| | | |
|----------------------------|------------|--------|
| Pension/OPEB contributions | 19,272 | |
| Pension/OPEB expense | <u>884</u> | 20,156 |

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 amortized in the Statement of Activities.

| | | |
|---|-------------|----------|
| Face amount of long-term debt issued | (38,370) | |
| Premium on bonds | (426) | |
| Lease proceeds | (39) | |
| Debt service - principal payments | 11,653 | |
| Amortization of bond discount/premium | 2,046 | |
| Amortization of loan premium | 2 | |
| Amortization of deferred charge on debt refunding | <u>(69)</u> | (25,203) |

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 | (676) | |
| Change in estimated liabilities for claims and judgments | 104 | |
| Change in accrued interest | <u>(652)</u> | (1,224) |

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.

| | | |
|-------------------------|--|----|
| Decrease in inventories | | 22 |
|-------------------------|--|----|

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.

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Change in net position of governmental activities (page 26) \$ 36,519

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

PINAL COUNTY
Statement of Net Position
Proprietary Funds
June 30, 2019
(Amounts expressed in thousands)

| | <u>Business-type Activities- Nonmajor Enterprise Funds</u> | <u>Governmental Activities- Internal Service Funds</u> |
|---|--|--|
| Assets | | |
| Current assets: | | |
| Cash, cash equivalents and investments | \$ 1,131 | \$ - |
| Receivables (net of allowances for uncollectibles): | | |
| Accounts | 52 | 458 |
| Notes receivable | 280 | - |
| Due from other governments | 16 | - |
| Total current assets | <u>1,479</u> | <u>458</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 282 | - |
| Buildings and improvements | 572 | - |
| Machinery and equipment | 1,254 | - |
| Infrastructure | 7,372 | - |
| Less accumulated depreciation | <u>(3,517)</u> | <u>-</u> |
| Net capital assets | <u>5,963</u> | <u>-</u> |
| Total noncurrent assets | <u>5,963</u> | <u>-</u> |
| Total assets | <u>7,442</u> | <u>458</u> |
| Deferred Outflows of Resources | | |
| Deferred outflows related to pensions | <u>61</u> | <u>21</u> |
| Total deferred outflows of resources | <u>61</u> | <u>21</u> |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 30 | 6 |
| Accrued payroll and employee benefits | 13 | 2 |
| Due to other funds | - | 561 |
| Unearned revenue | 35 | - |
| Compensated absences | <u>14</u> | <u>-</u> |
| Total current liabilities | <u>92</u> | <u>569</u> |
| Noncurrent liabilities: | | |
| Net pension liability | 343 | 121 |
| Compensated absences | <u>14</u> | <u>-</u> |
| Total noncurrent liabilities | <u>357</u> | <u>121</u> |
| Total liabilities | <u>449</u> | <u>690</u> |
| Deferred Inflows of Resources | | |
| Deferred inflows related to pensions | <u>44</u> | <u>15</u> |
| Total deferred inflows of resources | <u>44</u> | <u>15</u> |
| Net Position | | |
| Investment in capital assets | 5,963 | - |
| Unrestricted (deficit) | <u>1,047</u> | <u>(226)</u> |
| Total net position | <u>7,010</u> | <u>(226)</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, 2019
(Amounts expressed in thousands)

| | Business-type Activities- Nonmajor Enterprise Funds | Governmental Activities- Internal Service Funds |
|------------------------------------|---|---|
| | <u> </u> | <u> </u> |
| Operating revenues: | | |
| Charges for services | \$ - | \$ 20,583 |
| Rentals | 754 | - |
| Miscellaneous | 690 | 544 |
| Total operating revenues | <u>1,444</u> | <u>21,127</u> |
| Operating expenses: | | |
| Personal services | 309 | 118 |
| Supplies | 206 | 93 |
| Depreciation | 350 | - |
| Repairs and maintenance | 184 | 16 |
| Professional services | 253 | 17 |
| Medical claims and services | - | 20,703 |
| Public utility service | 56 | - |
| Miscellaneous | 23 | 14 |
| Total operating expenses | <u>1,381</u> | <u>20,961</u> |
| Operating income (loss) | <u>63</u> | <u>166</u> |
| Nonoperating revenues: | | |
| Intergovernmental | 295 | - |
| Gain on investments | 24 | 1 |
| Gain on sale of capital assets | 7 | - |
| Total nonoperating revenues | <u>326</u> | <u>1</u> |
| Net income (loss) before transfers | 389 | 167 |
| Transfers in | 86 | 269 |
| Change in net position | 475 | 436 |
| Net position - July 1, 2018 | <u>6,535</u> | <u>(662)</u> |
| Net position - June 30, 2019 | <u>\$ 7,010</u> | <u>\$ (226)</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, 2019
(Amounts expressed in thousands)

| | Business-type Activities- Nonmajor Enterprise Funds | Governmental Activities- Internal Service Funds |
|---|---|---|
| Cash flows from operating activities: | | |
| Receipts from operations | \$ 1,256 | \$ 52 |
| Receipts from employee contributions | - | 22,780 |
| Payments to suppliers and providers of goods and services | (1,246) | (164) |
| Payments for employee wages and benefits | (335) | (128) |
| Payments for claims | - | (22,953) |
| Net cash used for operating activities | (325) | (413) |
| Cash flows from noncapital financing activities: | | |
| Receipts from federal and local agencies | 282 | - |
| Cash received from other funds | 86 | 412 |
| Net cash provided by noncapital financing activities | 368 | 412 |
| Cash flows from capital financing activities: | | |
| Gain on sale of capital assets | 7 | - |
| Purchase and construction of capital assets | (52) | - |
| Net cash used for capital financing activities | (45) | - |
| Cash flows from investing activities: | | |
| Interest received on investments | 24 | 1 |
| Net cash provided by investing activities | 24 | 1 |
| Net increase in cash and cash equivalents | 22 | - |
| Cash and cash equivalents, July 1, 2018 | 1,109 | - |
| Cash and cash equivalents, June 30, 2019 | \$ 1,131 | \$ - |

(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, 2019
(Concluded)
(Amounts expressed in thousands)

| | Business-type Activities- Nonmajor Enterprise Funds | Governmental Activities- Internal Service Funds |
|---|---|---|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | |
| Operating income (loss) | \$ 63 | \$ 166 |
| Adjustments to reconcile operating income (loss) to net cash (used for) operating activities: | | |
| Depreciation expense | 350 | - |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | |
| Net pension liability | (25) | (46) |
| Deferred outflows of resources related to pensions | (16) | - |
| Deferred inflows of resources related to pensions | 14 | 1 |
| Accounts receivable | (4) | (458) |
| Notes receivable | 11 | - |
| Accounts payable | (524) | (73) |
| Accrued payroll and employee benefits | 1 | (3) |
| Accrued compensated absences | - | - |
| Unearned revenue | (195) | - |
| Total adjustments and changes | (388) | (579) |
| Net cash provided by (used for) operating activities | \$ (325) | \$ (413) |

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

PINAL COUNTY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019
(Amounts expressed in thousands)

| | Investment Trust Funds | Agency Funds |
|---|---------------------------|-----------------|
| Assets | | |
| Cash, cash equivalents and investments | \$ 220,250 | \$ 9,524 |
| Interest receivable | 465 | - |
| Total assets | 220,715 | 9,524 |
| Liabilities | | |
| Deposits held for others | - | 9,524 |
| Total liabilities | - | \$ 9,524 |
| Net Position | | |
| Held in trust for investment trust participants | \$ 220,715 | |

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, 2019
(Amounts expressed in thousands)

| | Investment Trust Funds |
|-------------------------------|---------------------------|
| Additions: | |
| Contributions by participants | \$ 628,580 |
| Investment earnings | 4,306 |
| Total additions | 632,886 |
| Deductions: | |
| Distributions to participants | 632,579 |
| Total deductions | 632,579 |
| Change in net position | 307 |
| Net position - July 1, 2018 | 220,408 |
| Net position - June 30, 2019 | \$ 220,715 |

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(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).

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 |
| Various Street Lighting Districts | Operates and maintains street lighting in areas outside local city jurisdictions; the County's Board of Supervisors serve as board of directors and County management has operational responsibility | Blended | Not available |

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

| Component Unit | Description; Criteria for Inclusion | Reporting Method | For Separate Financial Statements |
|---|---|---------------------|---|
| 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 |
| 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 |

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 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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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:

- 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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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 Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues are primarily from the investment earnings, debt proceeds and transfers in.

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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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.

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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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.

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. Postemployment Benefits

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

J. Fund Balance Classifications

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

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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.

K. Investment Earnings

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

L. 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 December 31st 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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(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, 2019, 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 | Debt Service Fund | Other Governmental Funds | |
| Fund balances: | | | | | | | | |
| Nonspendable | \$ 2 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 110 | \$ 112 |
| Restricted for: | | | | | | | | |
| Air pollution | - | - | - | - | - | - | 700 | 700 |
| Bridge construction | - | - | - | - | - | - | 727 | 727 |
| Other capital projects | - | - | - | - | 2,518 | - | 2,070 | 4,588 |
| Education | - | - | - | - | - | - | 2,571 | 2,571 |
| Environmental health | - | - | - | - | - | - | 33 | 33 |
| Financial services | - | - | - | - | - | - | 216 | 216 |
| Flood control | - | - | - | - | - | - | 3,736 | 3,736 |
| Highways and streets | - | - | - | 22,176 | - | - | 3,901 | 26,077 |
| Housing rehabilitation | - | - | - | - | - | - | 768 | 768 |
| Judicial activities | - | - | - | - | - | - | 2,584 | 2,584 |
| Justice courts | - | - | - | - | - | - | 1,004 | 1,004 |
| Law enforcement | - | - | - | - | - | - | 1,243 | 1,243 |
| Library services | - | - | - | - | - | - | 766 | 766 |
| Parks and recreation | - | - | - | 4,296 | - | - | - | 4,296 |
| Pinel animal care | - | - | - | - | - | - | 301 | 301 |
| Probation | - | - | - | - | - | - | 1,970 | 1,970 |
| Prosecution | - | - | - | - | - | - | 2,273 | 2,273 |
| Public health | - | - | - | - | - | - | 4,015 | 4,015 |
| Public safety | - | - | - | 3,239 | - | - | - | 3,239 |
| Road maintenance/construct. | - | 15,599 | 22,267 | - | - | - | 321 | 38,187 |
| Waste tire disposal | - | - | - | - | - | - | 715 | 715 |
| Other purposes | - | - | - | - | - | - | 388 | 388 |
| Total restricted | - | 15,599 | 22,267 | 29,711 | 2,518 | - | 30,302 | 100,397 |
| Committed to: | | | | | | | | |
| Prosecution | - | - | - | - | - | - | 3 | 3 |
| Judicial enhancements | - | - | - | - | - | - | 2,313 | 2,313 |
| Total committed | - | - | - | - | - | - | 2,316 | 2,316 |
| Assigned to: | | | | | | | | |
| Public safety | - | - | - | - | - | - | 4 | 4 |
| Other capital projects | - | - | - | - | - | - | 414 | 414 |
| Debt service | - | - | - | - | - | 411 | - | 411 |
| Total assigned | - | - | - | - | - | 411 | 418 | 829 |
| Unassigned | 31,503 | - | - | - | - | - | (1,181) | 30,322 |
| Total fund balances | \$ 31,505 | \$ 15,599 | \$ 22,267 | \$ 29,711 | \$ 2,518 | \$ 411 | \$ 31,965 | \$ 133,976 |

PINAL COUNTY
Notes to the Financial Statements
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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, 2019, the balance was \$21,891 which is included in unassigned fund balance.

Note 4 – 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. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors' service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk - Statutes require pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposits unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

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

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

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

Deposits—At June 30, 2019, the carrying amount of the County's deposits was \$13,395 and the bank balance was \$27,318.

PINAL COUNTY
Notes to the Financial Statements
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Investments—The County's investments at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

| | Fair value measurement using | | | |
|---|------------------------------|--|---|--|
| | Amount | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Investments by fair value level | | | | |
| U.S. Treasury Securities | \$ 16,942 | \$ 16,942 | \$ - | \$ - |
| U.S. Agency Securities | 260,989 | - | 260,989 | - |
| Corporate bonds | 20,988 | - | 20,988 | - |
| Pooled CDs | 1,740 | - | 1,740 | - |
| CD held by Treasurer | 51 | - | 51 | - |
| Total investment by fair value | 300,710 | 16,942 | 283,768 | - |
| External investment pools measured at fair value | | | | |
| State Treasurer's investment pools | 411 | | | |
| Total investments measured at fair value | 301,121 | | | |
| Investments measured at amortized cost | | | | |
| Repurchase agreement | 54,000 | | | |
| Total investments measured at amortized cost | 54,000 | | | |
| Total investments | \$ 355,121 | | | |

The investments categorized as Level 1 of the fair value hierarchy are valued from market sources and integrate relative credit information, observed market movements, and sector news into the evaluated pricing applications and models. 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.

PINAL COUNTY
Notes to the Financial Statements
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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, 2019, credit risk for the County’s investments was as follows:

| <u>Investment Type</u> | <u>Rating</u> | <u>Rating agency</u> | <u>Amount</u> |
|---|---------------|----------------------|-------------------|
| U.S. Agency Securities | AA+ | S&P | \$ 260,989 |
| U.S. Corporate Bonds | A+ | S&P | 2,001 |
| U.S. Corporate Bonds | A | S&P | 11,992 |
| U.S. Corporate Bonds | AA- | S&P | 1,999 |
| U.S. Treasury | NR | Not Applicable | 16,942 |
| Corporate Bonds | A- | S&P | 2,999 |
| Corporate Bonds | NR | Not Applicable | 1,997 |
| State Treasurer's Investment Pool 7 | NR | Not Applicable | 411 |
| Repurchase agreements (implicitly guaranteed) | NR | Not Applicable | 54,000 |
| CD Held by Treasurer | NR | Not Applicable | 51 |
| Pooled CDs | NR | Not Applicable | 1,740 |
| | | | <u>\$ 355,121</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, 2019, 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 7.9 percent, 21.6 percent, 20.4 percent, and 18.0 percent, respectively, of the County’s total investments.

PINAL COUNTY
Notes to the Financial Statements
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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, 2019, 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 | \$ 260,989 | \$ 113,435 | \$ 147,554 |
| U.S. Treasury Securities | 16,942 | 16,942 | - |
| Corporate Bonds | 20,988 | 8,995 | 11,993 |
| State Treasurer's Investment Pool 7 | 411 | 411 | - |
| Repurchase agreements | 54,000 | 54,000 | - |
| CD Held by Treasurer | 51 | 51 | - |
| Pooled CDs | 1,740 | 1,242 | 498 |
| | <u>\$ 355,121</u> | <u>\$ 195,076</u> | <u>\$ 160,045</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:

| <u>Cash, deposits and investments</u> | |
|---------------------------------------|-------------------|
| Cash on hand | \$ 113 |
| Amount of deposits | 13,395 |
| Amount of investments | 355,121 |
| Total | <u>\$ 368,629</u> |

| | Governmental Activities | Business-Type Activities | Investment Trust Funds | Agency Funds | Total |
|--|----------------------------|-----------------------------|---------------------------|-----------------|-------------------|
| <u>Statement of Net Position:</u> | | | | | |
| Cash, cash equivalents and investments | \$ 124,456 | \$ 1,131 | \$ 220,250 | \$ 9,524 | \$ 355,361 |
| Cash, cash equivalents and investments - restricted | 12,837 | - | - | - | 12,837 |
| Cash and investments held by trustees | 431 | - | - | - | 431 |
| Total | <u>\$ 137,724</u> | <u>\$ 1,131</u> | <u>\$ 220,250</u> | <u>\$ 9,524</u> | <u>\$ 368,629</u> |

PINAL COUNTY
Notes to the Financial Statements
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Note 5 – Capital Assets

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

| | Balance July 1, 2018 | Increases | Decreases | Balance June 30, 2019 |
|--|-------------------------|-----------|-----------|--------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 201,842 | \$ 31,920 | \$ - | \$ 233,762 |
| Construction in progress | 23,072 | 28,140 | 18,958 | 32,254 |
| Total capital assets not being depreciated | 224,914 | 60,060 | 18,958 | 266,016 |
| Capital assets being depreciated: | | | | |
| Buildings & improvements | 186,005 | 4,096 | 45 | 190,056 |
| Machinery & equipment | 83,485 | 8,385 | 5,930 | 85,940 |
| Intangible - software | 22,728 | - | - | 22,728 |
| Infrastructure | 270,848 | 27,589 | - | 298,437 |
| Total capital assets being depreciated | 563,066 | 40,070 | 5,975 | 597,161 |
| Less accumulated depreciation for: | | | | |
| Buildings & improvements | 83,107 | 5,703 | - | 88,810 |
| Machinery & equipment | 66,835 | 5,537 | 5,875 | 66,497 |
| Intangible - software | 1,563 | 2,275 | - | 3,838 |
| Infrastructure | 98,564 | 8,601 | - | 107,165 |
| Total accumulated depreciation | 250,069 | 22,116 | 5,875 | 266,310 |
| Total capital assets being depreciated, net | 312,997 | 17,954 | 100 | 330,851 |
| Governmental activities capital assets, net | \$ 537,911 | \$ 78,014 | \$ 19,058 | \$ 596,867 |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | 282 | - | - | 282 |
| Total capital assets not being depreciated | 282 | - | - | 282 |
| Capital assets being depreciated: | | | | |
| Buildings & improvements | 572 | - | - | 572 |
| Machinery & equipment | 1,271 | 52 | 69 | 1,254 |
| Infrastructure | 7,372 | - | - | 7,372 |
| Total capital assets being depreciated | 9,215 | 52 | 69 | 9,198 |
| Less accumulated depreciation for: | | | | |
| Buildings & improvements | 78 | 22 | - | 100 |
| Machinery & equipment | 1,008 | 83 | 69 | 1,022 |
| Infrastructure | 2,150 | 245 | - | 2,395 |
| Total accumulated depreciation | 3,236 | 350 | 69 | 3,517 |
| Total capital assets being depreciated, net | 5,979 | (298) | - | 5,681 |
| Business-type activities capital assets, net | \$ 6,261 | \$ (298) | \$ - | \$ 5,963 |

PINAL COUNTY
Notes to the Financial Statements
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Depreciation expense was charged to functions as follows:

| | |
|---|------------------|
| Governmental activities: | |
| General government | \$ 6,195 |
| Public safety | 4,356 |
| Highways and streets | 10,831 |
| Sanitation | 33 |
| Health | 312 |
| Welfare | 364 |
| Culture and recreation | 25 |
| Total governmental activities depreciation expense | <u>\$ 22,116</u> |
| Business-type activities: | |
| Sheriff Inmate Services | \$ 67 |
| Airport Economic Development | 283 |
| Total business-type activities depreciation expense | <u>\$ 350</u> |

Note 6 – Construction Commitments

Pinal County was engaged in multiple construction projects as of June 30, 2019. The following commitments with contractors are as follows:

| Project | Spent-to-Date | Remaining Commitment |
|---|---------------|-------------------------|
| Development Services Building | \$ 449 | \$ 602 |
| Hunt Highway Phase IV / Design & Construction | 696 | 7 |
| Hunt Highway Phase IV / Flood Control | 1,806 | 33 |
| Hunt Highway Phase IV / Gantzel Rd Phase D2 | 7,909 | 391 |
| Hunt Highway Phase IV / Gantzel Rd Phase D3 | 8,555 | 554 |
| Hunt Highway Phase V / Design | 188 | 486 |
| Meridian Road Improvements | 106 | 751 |
| Ocotillo Rd / Ironwood Dr / Kenworthy Rd | 758 | 1,362 |
| Oracle Maintenance Facility | 1,397 | 150 |
| Santa Cruz River Wash Construction | 2,569 | 165 |
| Sunland Gin Road Reconstruction | 172 | 427 |
| Remaining Contractual Commitments | 8,906 | 2,558 |

The remaining contractual commitments amount of \$2,558, include design and/or studies of street construction and the maintenance of existing streets.

PINAL COUNTY
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Note 7 – Due from Other Governments

Of the \$15,981 reported as due from other governments in the General Fund at June 30, 2019, \$6,158 is for an intergovernmental agreement with the City of Apache Junction. The 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 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 agreement, payments are scheduled to commence in 2023. Accordingly, the amount has been reported as deferred inflow of resources in the General Fund. The remaining outstanding amounts are primarily due from taxes to be collected from the State of Arizona and other contractual obligations.

Note 8 – Long-Term Liabilities

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

| | Balance July 1, 2018 | Additions | Reductions | Balance June 30, 2019 | Due within one year |
|--|-------------------------|------------------|------------------|--------------------------|------------------------|
| Governmental activities: | | | | | |
| Loans payable | \$ 2,080 | \$ - | \$ 2,080 | \$ - | \$ - |
| Unamortized premium | 2 | - | 2 | - | - |
| Bonds payable | 145,150 | 38,370 | 8,830 | 174,690 | 9,495 |
| Unamortized premium/discount | 13,295 | 426 | 2,046 | 11,675 | 1,919 |
| Note payable | 487 | - | - | 487 | 487 |
| Capital leases | 823 | 39 | 198 | 664 | 214 |
| Net OPEB liabilities | 538 | 111 | - | 649 | - |
| Net pension liabilities | 226,623 | - | 14,678 | 211,945 | - |
| Compensated absences | 12,205 | 11,284 | 10,608 | 12,881 | 6,744 |
| Estimated liabilities for claims and judgments | 833 | 561 | 665 | 729 | 365 |
| Total governmental activities long-term liabilities | <u>\$ 402,036</u> | <u>\$ 50,791</u> | <u>\$ 39,107</u> | <u>\$ 413,720</u> | <u>\$ 19,224</u> |
| Business-type activities: | | | | | |
| Net pension liabilities | \$ 368 | \$ - | \$ 25 | \$ 343 | \$ - |
| Compensated absences | 28 | 20 | 20 | 28 | 14 |
| Total business-type activities long-term liabilities | <u>\$ 396</u> | <u>\$ 20</u> | <u>\$ 45</u> | <u>\$ 371</u> | <u>\$ 14</u> |

The Greater Arizona Development Authority Loans

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.

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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 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. In the current year, the principal and interest payments were \$2,080 and \$44, respectively. The loans were paid off during the fiscal year.

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 Certificates of Participation were paid off December 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 \$18,092 payable through August 2035. State shared revenues have averaged \$33.5 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$15.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$36,898 and \$17,852, respectively. In the current year, the principal and interest payments were \$2,585 and \$685, 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 loan was paid off August 1, 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.

PINAL COUNTY
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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 \$111,475 payable through 2034. State shared revenues have averaged \$33.5 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$15.6 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$18.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$36,898 and \$17,852, respectively, and vehicle license tax revenues recognized by the County were \$21,113. In the current year, principal and interest payments were \$3,535 and \$3,909, respectively.

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 Certificates of Participation were paid off May 13, 2015. 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 \$50,898 payable through 2030. State shared revenues have averaged \$33.5 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$15.6 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$18.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$36,898 and \$17,852, respectively, and vehicle license tax revenues recognized by the County were \$21,113. In the current year, the principal and interest payments were \$2,710 and \$1,918 respectively.

Pledged Revenue Bonds Payable, Qualified Tax-Exempt, Series 2018

On August 9, 2018, the County issued \$7,360 in Pledged Revenue Obligations, Series 2018 with a premium of \$426. The net proceeds of \$7,500 (after payment of underwriting fees and other issuance costs) will be used to pay for the construction of new facilities and enhancement of existing County facilities to accommodate the re-districting and consolidation of the Pinal County Justice of the Peace precincts from eight to six. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 3.0% to 4.0%, payable semiannually on February 1 and August 1 of each year through 2038.

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Pledged Revenue Bonds Payable, Taxable, Series 2018

On December 12, 2018, the County issued \$31,010 in Pledged Revenue Obligations, Series 2018. The net proceeds of \$29,940 (after payment of underwriting fees and other issuance costs) were used to acquire approximately 496 acres of real property located in the City of Casa Grande, Pinal County, Arizona. The County acquired the property for economic development purposes and has entered into a lease-purchase agreement with Lucid Motors USA Inc. in connection with the development of facilities on the property to be used for automobile manufacturing, assembling, testing and related uses. The bonds, which may be subject to redemption prior to maturity, have interest rates ranging from 3.47% to 4.97%, payable semiannually on February 1 and August 1 of each year through 2048.

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 2018 bond issuances. Total principal and interest payments remaining on the bonds are \$70,876 payable through 2048. State shared revenues have averaged \$33.5 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$15.6 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$18.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$36,898 and \$17,852, respectively, and vehicle license tax revenues recognized by the County were \$21,113. In the current year, the interest payments were \$118.

Bonds outstanding at June 30, 2019, 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% | \$ 9,270 |
| Pledged Revenue Refunding Obligations, Series 2010 | \$ 18,380 | 2017-2021 | 2.5% to 5.0% | 4,750 |
| 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 | 2.0% to 5.0% | 29,850 |
| 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% | 675 |
| Pledged Revenue Obligations, Tax-Exempt Series 2018 | \$ 7,360 | 2019-2038 | 3.00% to 4.00% | 7,360 |
| Pledged Revenue Obligations, Taxable Series 2018 | \$ 31,010 | 2023-2048 | 3.47% to 4.97% | 31,010 |
| | | | | <u>\$ 174,690</u> |

PINAL COUNTY
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The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2019:

| Year Ending June 30 | Governmental Activities | |
|---------------------|-------------------------|------------------|
| | Principal | Interest |
| 2020 | \$ 9,495 | \$ 8,054 |
| 2021 | 9,860 | 7,461 |
| 2022 | 10,570 | 6,962 |
| 2023 | 11,100 | 6,473 |
| 2024 | 12,230 | 5,949 |
| 2025-2029 | 54,545 | 21,161 |
| 2030-2034 | 35,980 | 11,033 |
| 2035-2039 | 14,555 | 5,166 |
| 2040-2044 | 7,190 | 3,208 |
| 2045-2049 | 9,165 | 1,184 |
| Total | \$ 174,690 | \$ 76,651 |

Note payable

The Housing department has a note payable to the Arizona Department of Housing of \$487 at June 30, 2019. The note is secured by the land and buildings under signed Deeds of Trust. The note payable has reached maturity as of September 30, 2019 and therefore has been forgiven in accordance with the loan agreement.

Capital Leases

The County has acquired copier equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a transfer of ownership by the end of the lease term. The assets acquired did not meet the County's capitalization thresholds.

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2019.

| Year Ending June 30, | Principal | Interest |
|----------------------|---------------|--------------|
| 2020 | \$ 214 | \$ 23 |
| 2021 | 208 | 15 |
| 2022 | 183 | 8 |
| 2023 | 58 | 2 |
| 2024 | 1 | - |
| | \$ 664 | \$ 48 |

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.

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Compensated absences and claims and judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim.

During fiscal year 2019, the County paid for governmental-type activity compensated absences as follows: 73 percent from the General Fund, 9 percent from the Public Works Highway Fund, and 18 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

Note 9 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and 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.

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.

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Note 10 – 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 (PSPRS), and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

At June 30, 2019, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

| Statement of Net Position and Statement of Activities | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------|
| Net OPEB asset | \$ 1,609 | \$ - | \$ 1,609 |
| Net OPEB liability | 649 | - | 649 |
| Net pension liability | 211,945 | 343 | 212,288 |
| Deferred outflows of resources related to OPEB | 1,047 | - | 1,047 |
| Deferred outflows of resources related to pensions | 50,594 | 61 | 50,655 |
| Deferred inflows of resources related to OPEB | 1,296 | - | 1,296 |
| Deferred inflows of resources related to pensions | 29,990 | 44 | 30,034 |
| OPEB expense | 343 | - | 343 |
| Pension expense (revenue) | (1,227) | 9 | (1,218) |

The County's accrued payroll and employee benefits includes \$1,139 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2019. Also, the County reported \$18,956 of pension contributions and \$316 OPEB contributions as expenditures in the governmental funds related to all pension and OPEB plans to which it contributes.

The ASRS, CORP Detention, CORP Dispatchers, CORP AOC, PSPRS – Pinal County Sheriff, and EORP pension plans are described below. The OPEB plans are not described due to their relative insignificance to the County's financial statements.

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. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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

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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, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.64 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.18 percent for retirement of the active members' annual covered payroll.

In addition, the County was required by statute to contribute at the actuarially determined rate of 10.41 percent for retirement of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2019, were \$7,801.

During fiscal year 2019, the County paid for ASRS pension contributions as follows: 67 percent from the General Fund, 13 percent from major funds, and 20 percent from other funds.

Liability – At June 30, 2019, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

| ASRS | Net pension liability |
|---------|-----------------------|
| Pension | \$ 97,904 |

The net pension liability was measured as of June 30, 2018. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate

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from 8 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

The County's proportion of the net 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, 2018. The County's proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

| ASRS | Proportion June 30, 2018 % | Increase (decrease) from June 30, 2017 |
|-------------|---|---|
| Pension | 0.7020 | 0.0398 |

Expense – For the year ended June 30, 2019, the County recognized the following pension expense.

| ASRS | Pension Expense |
|-------------|------------------------|
| Pension | \$ 2,176 |

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

| ASRS | <u>Deferred outflows of resources</u> | <u>Deferred inflows of resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 2,697 | \$ 540 |
| Changes of assumptions or other inputs | 2,591 | 8,680 |
| Net difference between projected and actual earnings on pension plan investments | - | 2,354 |
| Changes in proportion and differences between county contributions and proportionate share of contributions | 4,168 | 1,020 |
| County contributions subsequent to the measurement date | <u>7,801</u> | <u>-</u> |
| Total | <u><u>\$ 17,257</u></u> | <u><u>\$ 12,594</u></u> |

The \$7,801 reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

| <u>Year Ending June 30</u> | |
|----------------------------|----------|
| 2020 | \$ 1,986 |
| 2021 | (497) |
| 2022 | (3,571) |
| 2023 | (1,056) |

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

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

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

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

Discount Rate – At June 30, 2018, the discount rate used to measure the total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 7.5 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

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| ASRS | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|--|---------------------|----------------------------------|---------------------|
| County's proportionate share of the net pension liability | \$ 139,565 | \$ 97,904 | \$ 63,098 |

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) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers an agent multiple-employer defined benefit pension plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County's financial statements.

County detention officers, county dispatchers, and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP) or the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The CORP administers an agent multiple-employer defined benefit pension plan for county detention officers and county dispatchers (agent plans), which were closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost-sharing plan). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC Probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP. Detention officers, County dispatchers, and juvenile detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available 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.

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

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| | | |
|-------|--------------------------|--|
| PSPRS | Initial membership date: | |
| | Before January 1, 2012 | On or after January 1, 2012 and before July 1, 2017 |

Retirement and disability

| | | |
|--|---|---|
| Years of service and age required to receive benefit | 20 years of service, any age 15 years of service, age 62 | 25 years of service or 15 years of credited service, age 52.5 |
| Final average salary is based on | Highest 36 consecutive months of last 20 years | Highest 60 consecutive months of last 20 years |

Benefit percent

| | | |
|-------------------|--|--|
| Normal Retirement | 50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80% | 1.5% to 2.5% per year of credited service, not to exceed 80% |
|-------------------|--|--|

Accidental Disability Retirement 50% or normal retirement, whichever is greater

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

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 and before July 1, 2018 |

Retirement and disability

| | | |
|--|---|--|
| 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

Benefit percent

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

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| CORP | Initial membership date: | |
|---|--|--|
| | Before January 1, 2012 | On or after January 1, 2012 and before July 1, 2018 |
| 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 |
| Total and permanent disability retirement | 50% or normal retirement if more than 25 years of credited service | |
| Ordinary disability retirement | 2.5% per year of credited service | |

Survivor Benefit

| | |
|-----------------|---|
| Retired Members | 80% of retired member's pension benefit |
| Active Members | 40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries 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 inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees covered by benefit terms – At June 30, 2019, the following employees were covered by the agent pension plans' benefit terms:

| | PSPRS Sheriff | CORP Detention | CORP Dispatchers |
|--|------------------|-------------------|---------------------|
| Inactive employees or beneficiaries currently receiving benefits | 113 | 40 | 2 |
| Inactive employees entitled to but not yet receiving benefits | 27 | 30 | 10 |
| Active employees | 191 | 162 | 7 |
| Total | 331 | 232 | 19 |

Contributions – 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 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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

| | Active member- pension | County-pension |
|------------------|---------------------------|----------------|
| PSPRS Sheriff | 7.65% - 11.65% | 42.20% |
| CORP Detention | 8.41% | 23.06% |
| CORP Dispatchers | 7.96% | 27.58% |
| CORP AOC | 8.41% | 32.43% |

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

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Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

| | Pension |
|------------------|---------|
| PSPRS Sheriff | 29.50% |
| CORP Detention | 13.57% |
| CORP Dispatchers | 19.71% |
| CORP AOC | 24.49% |

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

| | Pension |
|------------------|----------|
| PSPRS Sheriff | \$ 5,572 |
| CORP Detention | 1,751 |
| CORP Dispatchers | 97 |
| CORP AOC | 2,118 |

During fiscal year 2019, the County paid for PSPRS and CORP pension contributions as follows: 85 percent from the General Fund and 15 percent from other non-major funds.

Liability – At June 30, 2019, the County reported the following net pension liabilities:

| | Net Pension Liability |
|---|-----------------------|
| PSPRS Sheriff | \$ 58,018 |
| CORP Detention | 13,590 |
| CORP Dispatchers | 1,205 |
| CORP AOC (County's proportionate share) | 19,566 |

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

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

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

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

Discount rates - At June 30, 2018, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.40 percent, which was the same as the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability

| | Pension Increase (decrease) | | |
|--|-----------------------------------|--------------------------------------|---------------------------------------|
| | Total pension liability (a) | Plan fiduciary net pension (b) | Net pension liability (a) - (b) |
| Balances at June 30, 2018 | \$ 97,400 | \$ 49,689 | \$ 47,711 |
| Changes for the year: | | | |
| Service cost | 2,740 | - | 2,740 |
| Interest on the total liability | 7,133 | - | 7,133 |
| Differences between expected and actual experience in the measurement of the liability | 8,935 | - | 8,935 |
| Contributions – employer | - | 5,590 | (5,590) |
| Contributions – employee | - | 1,212 | (1,212) |
| Net investment income | - | 3,348 | (3,348) |
| Benefit payments, including refunds of employee contributions | (4,770) | (4,770) | - |
| Hall/Parker Settlement | - | (1,885) | 1,885 |
| Administrative expenses | - | (52) | 52 |
| Other changes | - | 288 | (288) |
| Net changes | <u>14,038</u> | <u>3,731</u> | <u>10,307</u> |
| Balances at June 30, 2019 | <u>\$ 111,438</u> | <u>\$ 53,420</u> | <u>\$ 58,018</u> |

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CORP - Detention

| | Pension Increase (decrease) | | |
|---|-----------------------------------|--------------------------------------|---------------------------------------|
| | Total pension liability (a) | Plan fiduciary net pension (b) | Net pension liability (a) - (b) |
| Balances at June 30, 2018 | \$ 40,958 | \$ 26,167 | \$ 14,791 |
| Changes for the year: | | | |
| Service cost | 1,446 | - | 1,446 |
| Interest on the pension liability | 3,025 | - | 3,025 |
| Changes of benefit terms | (2,665) | - | (2,665) |
| Differences between expected and actual experience in the measurement of the pension liability | 619 | - | 619 |
| Contributions – employer | - | 1,110 | (1,110) |
| Contributions – employee | - | 679 | (679) |
| Net investment income | - | 1,867 | (1,867) |
| Benefit payments, including refunds of employee contributions | (1,609) | (1,609) | - |
| Administrative expenses | - | (29) | 29 |
| Other changes | - | (1) | 1 |
| Net changes | 816 | 2,017 | (1,201) |
| Balances at June 30, 2019 | \$ 41,774 | \$ 28,184 | \$ 13,590 |

CORP - Dispatchers

| | Pension Increase (decrease) | | |
|---|-----------------------------------|--------------------------------------|---------------------------------------|
| | Total pension liability (a) | Plan fiduciary net pension (b) | Net pension liability (a) - (b) |
| Balances at June 30, 2018 | \$ 2,806 | \$ 1,598 | \$ 1,208 |
| Changes for the year: | | | |
| Service cost | 61 | - | 61 |
| Interest on the total liability | 205 | - | 205 |
| Changes of benefit terms | (168) | - | (168) |
| Difference between expected and actual experience in the measurement of the liability | 110 | - | 110 |
| Contributions - employer | - | 71 | (71) |
| Contributions - employee | - | 31 | (31) |
| Net investment income | - | 111 | (111) |
| Benefit payments, including refunds of employee contributions | (117) | (117) | - |
| Administrative expenses | - | (2) | 2 |
| Net changes | 91 | 94 | (3) |
| Balances at June 30, 2019 | 2,897 | 1,692 | 1,205 |

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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, 2018. The County's proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

| CORP AOC | Proportion June 30, 2018 % | Increase (decrease) from June 30, 2017 |
|----------|----------------------------------|--|
| Pension | 5.44% | 0.40% |

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 of 7.40 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate:

| | <u>1% Decrease (6.40%)</u> | <u>Current discount rate (7.40%)</u> | <u>1% Increase (8.40%)</u> |
|--|--------------------------------|--|--------------------------------|
| PSPRS Sheriff | | | |
| Net pension liability | \$ 74,223 | \$ 58,018 | \$ 44,951 |
| CORP Detention | | | |
| Net pension liability | \$ 20,681 | \$ 13,590 | \$ 7,933 |
| CORP Dispatchers | | | |
| Net pension liability | \$ 1,638 | \$ 1,205 | \$ 857 |
| CORP AOC | | | |
| County's proportionate share of the net pension liability | \$ 25,597 | \$ 19,566 | \$ 14,672 |

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/(revenue) – For the year ended June 30, 2019, the County recognized the following pension expense/(revenue):

| | <u>Pension Expense</u> |
|---|------------------------|
| PSPRS Sheriff | \$ 7,353 |
| CORP Detention | (1,087) |
| CORP Dispatchers | (55) |
| CORP AOC (County's proportionate share) | 528 |

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(Amounts expressed in thousands)

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

| | | |
|--|--|--|
| PSPRS - Sheriff | <u>Deferred outflows of resources</u> | <u>Deferred inflows of resources</u> |
| Differences between expected and actual experience | \$ 7,228 | \$ 3,606 |
| Changes of assumptions or other inputs | 6,771 | - |
| Net difference between projected and actual earnings on pension plan investments | 745 | - |
| County contributions subsequent to the measurement date | 5,572 | - |
| Total | <u>\$ 20,316</u> | <u>\$ 3,606</u> |
| | | |
| CORP - Detention | <u>Deferred outflows of resources</u> | <u>Deferred inflows of resources</u> |
| Differences between expected and actual experience | \$ 510 | \$ 2,726 |
| Changes of assumptions or other inputs | 1,415 | - |
| Net difference between projected and actual earnings on pension plan investments | 329 | - |
| County contributions subsequent to the measurement date | 1,751 | - |
| Total | <u>\$ 4,005</u> | <u>\$ 2,726</u> |
| | | |
| CORP - Dispatchers | <u>Deferred outflows of of resources</u> | <u>Deferred inflows of resources</u> |
| Differences between expected and actual experience | \$ 93 | \$ 131 |
| Changes of assumptions or other inputs | 55 | - |
| Net difference between projected and actual earnings on pension plan investments | 21 | - |
| County contributions subsequent to the measurement date | 97 | - |
| Total | <u>\$ 266</u> | <u>\$ 131</u> |
| | | |
| CORP - AOC | <u>Deferred Outflows of resources</u> | <u>Deferred inflows of resources</u> |
| Differences between expected and actual experience | \$ 73 | \$ 1,007 |
| Changes of assumptions or other inputs | 1,298 | - |
| Net difference between projected and actual earnings on pension plan investments | 354 | - |
| Changes in proportion and differences between county contributions and proportionate share of contributions | 1,681 | 357 |
| County contributions subsequent to the measurement date | 2,118 | - |
| Total | <u>\$ 5,524</u> | <u>\$ 1,364</u> |

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as 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 |
|--------------------|------------------|-------------------|---------------------|-------------|
| 2020 | \$ 3,408 | \$ (27) | \$ 10 | \$ 936 |
| 2021 | 3,049 | (223) | 13 | 557 |
| 2022 | 2,066 | (372) | 14 | 347 |
| 2023 | 2,037 | 75 | 1 | 202 |
| 2024 | 574 | 75 | - | - |
| Thereafter | 4 | - | - | - |

PSPDCRP plan – County sheriff employees, County attorney investigators, County detention officers, County dispatchers, and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2019, active PSPDCRP members were required by statute to contribute at least 9 percent (County sheriff employees and County attorney investigators) or 5 percent (County detention officers, County dispatchers, and AOC probation, surveillance, and juvenile detention officers) of the members' annual covered payroll, and the County was required by statute to contribute 9 percent or 5 percent, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the County's contributions each year as set forth in statute. The plan retains nonvested County contributions when forfeited because of employment terminations. For the year ended June 30, 2019, the County recognized pension expense of \$17.

C. Elected Officials Retirement Plan

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

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

| EORP | Initial membership date: | |
|--|--|---|
| | Before January 1, 2012 | On or after January 1, 2012 |
| Retirement and disability | | |
| Years of service and age required to receive benefit | 20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and 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% |
| Disability retirement | 80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service | 75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service |
| Survivor Benefit | | |
| Retired members | 75% of retired member's benefit | 50% of retired member's benefit |
| Inactive members and other inactive members | 75% of disability retirement benefit | 50% of disability retirement benefit |

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

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

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability, and designates a portion of certain court fees for the EORP. For the year ended June 30, 2019, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 61.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.5 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 to ASRS and EODCRS for these elected officials and judges. The County's contributions to the pension plan for the year ended June 30, 2019, were \$1,645.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

During fiscal year 2019, the county paid for EORP pension contributions as follows: 94% from the General Fund and 6% from other funds.

Liability – At June 30, 2019, 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 | \$ 22,005 | |
| State's proportionate share of the EORP net pension liability associated with the County | | 3,770 |
| Total | | \$ 25,775 |

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

The County’s proportion of the net pension liability was based on the County’s required contributions to the plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2018. The County’s proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017 were:

| | Proportion June 30, 2018 % | Increase (decrease) from June 30, 2017 |
|---------|-------------------------------|--|
| EORP | | |
| Pension | 3.49 | 0.21 |

Expense – For the year ended June 30, 2019, the County recognized pension expense for EORP of (\$10,133) and revenue of (\$1,072) for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

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

| | Deferred outflows of resources | Deferred inflows of resources |
|---|--------------------------------|-------------------------------|
| EORP | | |
| Differences between expected and actual experience | \$ - | \$ 343 |
| Changes of assumptions or other inputs | 137 | 9,161 |
| Net difference between projected and actual earnings on pension plan investments | 191 | - |
| Changes in proportion and differences between county contributions and proportionate share of contributions | 1,314 | 109 |
| County contributions subsequent to the measurement date | 1,645 | - |
| Total | \$ 3,287 | \$ 9,613 |

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

The amounts reported as deferred outflows of resources related to EORP pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as follows:

| Year Ending June 30 | | |
|---------------------|----|---------|
| 2020 | \$ | (7,379) |
| 2021 | | (514) |
| 2022 | | (81) |
| 2023 | | 3 |

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

| | |
|----------------------------|---|
| EORP | |
| Actuarial valuation date | June 30, 2018 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 7.40% |
| Wage inflation | 3.50% |
| Price inflation | 2.50% |
| Permanent benefit increase | Included |
| Mortality rates | RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience |

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

The long-term expected rate of return on EORP plan investments was determined to be 7.40 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:

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

Discount rate – At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent which was an increase of 3.49 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate – The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

| EORP | 1% Decrease (6.4%) | Current discount rate (7.4%) | 1% increase (8.4%) |
|--|-----------------------|---------------------------------|-----------------------|
| County's proportionate share of net pension liability | \$ 25,267 | \$ 22,005 | \$ 19,232 |

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

EODCRS plan - Elected officials and judges who 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. The EODCDP is not further disclosed because of its relative insignificance to the County's financial statements.

For the year ended June 30, 2019, 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. For the year ended June 30, 2019, the County recognized pension expense of \$59.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

Note 11 – Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2019 were as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------------------------|---------------------------|----------|
| General Fund | Other Governmental Funds | \$ 180 |
| | Internal Service Fund | 561 |
| | | 741 |
| Road Tax Districts Fund | Public Works Highway Fund | 13 |
| Bond Funded Capital Projects Fund | Other Governmental Funds | 113 |
| Other Governmental Funds | General Fund | 281 |
| | Public Works Highway Fund | 71 |
| | Other Governmental Funds | 45 |
| | | 397 |
| Total | | \$ 1,264 |

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2019, 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, 2019
(Amounts expressed in thousands)

Interfund transfers—Interfund transfers for the year ended June 30, 2019, were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> |
|-----------------------------------|---------------------------|------------------|
| General Fund | Debt Service Fund | \$ 9,697 |
| | Other Governmental Funds | 8,642 |
| | Internal Service Funds | 225 |
| | Enterprise Funds | 81 |
| | | <u>18,645</u> |
| Road Tax Districts Fund | Debt Service Fund | 414 |
| | Enterprise Funds | 5 |
| | | <u>419</u> |
| Public Works Highway Fund | General Fund | 1,743 |
| | Debt Service Fund | 414 |
| | Other Governmental Funds | 198 |
| | | <u>2,355</u> |
| Development Impact Fee Fund | Debt Service Fund | 6,532 |
| Bond Funded Capital Projects Fund | Other Governmental Funds | 281 |
| Other Governmental Funds | General Fund | 1,184 |
| | Public Works Highway Fund | 500 |
| | Debt Service Fund | 748 |
| | Other Governmental Funds | 4,682 |
| | Internal Service Fund | 44 |
| | <u>7,158</u> | |
| Total transfers | | <u>\$ 35,390</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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(Amounts expressed in thousands)

Note 12 – County Treasurer’s Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County 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 \$615 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 \$113 in cash on hand, \$12,837 cash and investments held by trustee, \$411 of investments in the State Treasurer’s Investment Pool, \$51 in Certificates of Deposit, and \$1,459 of other deposits. 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 4 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) | \$ 54,000 | 1.800% | Daily | \$ 54,000 |
| U.S. Agency securities | 261,126 | 1.05% - 3.12% 1.125% - | 7/19 - 8/22 | 260,989 |
| U.S. Treasury securities | 17,000 | 1.625% | 7/19 - 6/21 | 16,942 |
| Corporate Bonds | 21,000 | 0% - 2.7% | 7/19 - 8/20 | 20,988 |
| Pooled CDs | 1,741 | 1.90% - 2.35% | Daily | 1,740 |

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(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 | \$ 353,758 |
| Liabilities | - |
| Net Position | <u>\$ 353,758</u> |

| | |
|----------------------------------|-------------------|
| Net position held in trust for: | |
| Internal participants | \$ 133,508 |
| External participants | 220,250 |
| Total net position held in trust | <u>\$ 353,758</u> |

| | |
|--------------------------------------|--------------------|
| Statement of Changes in Net Position | |
| Total additions | \$ 1,016,639 |
| Total deductions | <u>(1,019,564)</u> |
| Net increase | <u>(2,925)</u> |
| Net position held in trust: | |
| July 1, 2018 | <u>356,683</u> |
| June 30, 2019 | <u>\$ 353,758</u> |

PINAL COUNTY
Notes to the Financial Statements
June 30, 2019
(amounts expressed in thousands)

Note 13 - Stewardship, Compliance and Accountability

At June 30, 2019 the following funds reported deficits in fund balance or net position.

| Fund | Deficit |
|--------------------------------|---------|
| Governmental Funds | |
| Miscellaneous Grants | \$ 57 |
| Internal Service Funds | |
| Public Works Fleet Management | \$ 155 |
| Pinal County Employee Benefits | 71 |

The deficit in fund balance for Miscellaneous Grants fund is attributed to the deferring of certain grant revenues. The County accrues grant revenue received within 60 days after year-end, as it is available and measurable. Revenues received after 60 days are considered not available and therefore not accrued.

The deficit in net position for the Public Works Fleet Management fund is attributed both to the reporting of noncurrent net pension liabilities as a result of GASB Statement No. 68, Accounting and Financial Reporting for Pensions and results from operations during the year and is expected to be corrected in future periods.

The deficit in net position for the Pinal County Employee Benefits fund is attributed to results from operations during the year, sepcifically higher premiums for medical services, and is expected to be corrected during normal operations in fiscal year 2020.

Note 14 - Subsequent Events

On September 10, 2019, the County issued Pledged Revenue Obligations, Series 2019, for \$56,330 with interest rates ranging from 3.00% to 5.00% and maturing from August 1, 2026 to August 1, 2044. The proceeds will be used for the construction of two County complex's in San Tan Valley and the City of Maricopa, and two new County buildings in the Town of Florence which will support multiple County departments.

The County recognizes that the note payable to the Arizona Department of Housing of \$487, referenced in Note 9, has reached maturity on September 30, 2019, and therefore was forgiven in accordance with the loan agreement.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may impact various parts of 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Required Supplementary Information



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PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 112,465 | \$ 112,465 | \$ 114,398 | \$ 1,933 |
| Licenses and permits | 4,942 | 4,942 | 5,025 | 83 |
| Intergovernmental | 50,635 | 50,630 | 51,683 | 1,053 |
| Charges for services | 8,704 | 8,704 | 9,521 | 817 |
| Fines and forfeits | 858 | 858 | 845 | (13) |
| Investment earnings | 300 | 300 | 897 | 597 |
| Rentals | 1,694 | 1,694 | 87 | (1,607) |
| Miscellaneous | 1,020 | 1,024 | 2,449 | 1,425 |
| Total revenues | 180,618 | 180,617 | 184,905 | 4,288 |
| Expenditures: | | | | |
| General Government | | | | |
| Assessor | 3,391 | 3,867 | 3,835 | 32 |
| Assistant County Manager-Admin | 42,527 | 46,184 | 21,870 | 24,314 |
| Assistant County Manager-Development | 6,078 | 6,468 | 6,044 | 424 |
| Board of Supervisors | 2,285 | 2,540 | 2,283 | 257 |
| County Manager | 51,830 | 36,601 | 39,338 | (2,737) |
| Recorder | 1,373 | 1,545 | 1,554 | (9) |
| Treasurer | 1,458 | 1,624 | 1,373 | 251 |
| Total General Government | 108,942 | 98,829 | 76,297 | 22,532 |
| Public Safety | | | | |
| Assistant County Manager-Admin | 978 | 1,013 | 991 | 22 |
| Assistant County Manager-Health | 7,746 | 8,114 | 7,902 | 212 |
| Attorney | 10,878 | 12,140 | 11,933 | 207 |
| Clerk of Superior Court | 4,325 | 4,950 | 4,731 | 219 |
| Courts | 23,777 | 27,316 | 27,446 | (130) |
| Sheriff | 44,669 | 50,659 | 50,416 | 243 |
| Total Public Safety | 92,373 | 104,192 | 103,419 | 773 |
| Highways and streets | | | | |
| Assistant County Manager-Admin | 105 | 105 | 43 | 62 |
| Total Highways and streets | 105 | 105 | 43 | 62 |

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, 2019

(Concluded)

(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Health | | | | |
| Assistant County Manager-Admin | 17,682 | 17,749 | 17,695 | 54 |
| Total Health | 17,682 | 17,749 | 17,695 | 54 |
| Welfare | | | | |
| Assistant County Manager-Admin | 1,418 | 1,485 | 1,640 | (155) |
| Total Welfare | 1,418 | 1,485 | 1,640 | (155) |
| Education | | | | |
| School Superintendent | 1,138 | 1,258 | 1,174 | 84 |
| Total Education | 1,138 | 1,258 | 1,174 | 84 |
| Total general fund expenditures | 221,658 | 223,618 | 200,268 | 23,350 |
| Excess of revenues over expenditures | (41,040) | (43,001) | (15,363) | 27,638 |
| Other financing sources (uses): | | | | |
| Issuance of debt | 32,500 | 32,500 | 31,010 | (1,490) |
| Insurance reimbursement | 100 | 100 | 76 | (24) |
| Proceeds from sale of capital assets | - | - | 1 | 1 |
| Transfers in | 3,666 | 3,666 | 2,927 | (739) |
| Transfers out | (21,810) | (19,850) | (18,645) | 1,205 |
| Total other financing sources (uses) | 14,456 | 16,416 | 15,369 | (1,047) |
| Net change in fund balances | (26,584) | (26,585) | 6 | 26,591 |
| Fund balances - July 1, 2018 | 26,584 | 26,585 | 31,497 | 4,912 |
| Increase in prepaid items | - | - | 2 | 2 |
| Fund balances - June 30, 2019 | \$ - | \$ - | \$ 31,505 | \$ 31,505 |

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, 2019
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|-----------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 8,357 | \$ 8,357 | \$ 9,179 | \$ 822 |
| Investment earnings | 100 | 100 | 709 | 609 |
| Contributions | 1,013 | 1,013 | 55 | (958) |
| Total revenues | <u>9,470</u> | <u>9,470</u> | <u>9,943</u> | <u>473</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and streets | <u>34,514</u> | <u>36,981</u> | <u>23,260</u> | <u>13,721</u> |
| Total expenditures | <u>34,514</u> | <u>36,981</u> | <u>23,260</u> | <u>13,721</u> |
| Excess (deficiency) of revenues over expenditures | <u>(25,044)</u> | <u>(27,511)</u> | <u>(13,317)</u> | <u>14,194</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(2,887)</u> | <u>(420)</u> | <u>(419)</u> | <u>1</u> |
| Total other financing sources (uses) | <u>(2,887)</u> | <u>(420)</u> | <u>(419)</u> | <u>1</u> |
| Net change in fund balances | (27,931) | (27,931) | (13,736) | 14,195 |
| Fund balance - July 1, 2018 | <u>27,931</u> | <u>27,931</u> | <u>29,335</u> | <u>1,404</u> |
| Fund balance - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,599</u> | <u>\$ 15,599</u> |

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

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Highway Fund
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|-----------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 30,246 | \$ 30,246 | \$ 31,689 | \$ 1,443 |
| Charges for services | - | - | 1 | 1 |
| Investment earnings | 250 | 250 | 746 | 496 |
| Contributions | 313 | 313 | 505 | 192 |
| Miscellaneous | 50 | 50 | 336 | 286 |
| Total revenues | <u>30,859</u> | <u>30,859</u> | <u>33,277</u> | <u>2,418</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and streets | 50,836 | 46,881 | 29,990 | 16,891 |
| Capital outlay | 1,200 | 7,622 | 1,954 | 5,668 |
| Total expenditures | <u>52,036</u> | <u>54,503</u> | <u>31,944</u> | <u>22,559</u> |
| Excess (deficiency) of revenues over expenditures | <u>(21,177)</u> | <u>(23,644)</u> | 1,333 | 24,977 |
| Other financing sources (uses): | | | | |
| Sale of capital assets | 50 | 50 | 203 | 153 |
| Transfers in | 1,700 | 1,700 | 500 | (1,200) |
| Transfers out | (5,169) | (2,703) | (2,355) | 348 |
| Total other financing sources (uses) | <u>(3,419)</u> | <u>(953)</u> | <u>(1,652)</u> | <u>(699)</u> |
| Net change in fund balances | (24,596) | (24,597) | (319) | 24,278 |
| Fund balance - July 1, 2018 | 24,596 | 24,597 | 22,586 | (2,011) |
| Fund balance - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,267</u> | <u>\$ 22,267</u> |

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

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Development Impact Fee Fund
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|-----------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 7,527 | \$ 7,527 | \$ 11,971 | \$ 4,444 |
| Investment earnings | - | 75 | 669 | 594 |
| Total revenues | <u>7,527</u> | <u>7,602</u> | <u>12,640</u> | <u>5,038</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 25,952 | 21,093 | 125 | 20,968 |
| Total expenditures | <u>25,952</u> | <u>21,093</u> | <u>125</u> | <u>20,968</u> |
| Excess (deficiency) of revenues over expenditures | <u>(18,425)</u> | <u>(13,491)</u> | <u>12,515</u> | <u>26,006</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 8,525 | 9,544 | - | (9,544) |
| Transfers out | <u>(10,525)</u> | <u>(16,478)</u> | <u>(6,532)</u> | <u>9,946</u> |
| Total other financing sources (uses) | <u>(2,000)</u> | <u>(6,934)</u> | <u>(6,532)</u> | <u>402</u> |
| Net change in fund balances | (20,425) | (20,425) | 5,983 | 26,408 |
| Fund balance - July 1, 2018 | 20,425 | 20,425 | 23,728 | 3,303 |
| Fund balance - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,711</u> | <u>\$ 29,711</u> |

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

Pinal County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2018
(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. For the fiscal year ended June 30, 2019 the Board of Supervisors elected to not appropriate transfers from the contingency account at the department level.

Note 2 - Budgetary Basis of Accounting

The County's budget is prepared on a basis consistent with U.S. generally accepted accounting principles except for the following unbudgeted items:

- The County did not legally adopt an annual budget for the Accommodation School.
- Present value of net minimum capital lease payments.

| | General Fund |
|--|---------------------------|
| Excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances | \$ (15,388) |
| Present value of net minimum capital lease payments | <u>25</u> |
| Excess (deficiency) of revenues over expenditures from the budgetary comparison schedule | <u><u>\$ (15,363)</u></u> |

PINAL COUNTY
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plans
June 30, 2019

(Amounts expressed in thousands)

ASRS

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|----------------|----------------|----------------|----------------|----------------|---|
| County's proportion of the net pension liability | 0.702% | 0.662% | 0.677% | 0.690% | 0.681% | |
| County's proportionate share of the net pension liability | \$ 97,904 | \$ 103,152 | \$ 109,192 | \$ 107,527 | \$ 100,718 | |
| County's covered payroll | \$ 67,258 | \$ 62,560 | \$ 65,244 | \$ 68,613 | \$ 61,388 | |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 145.6% | 164.9% | 167.4% | 156.7% | 164.1% | |
| Plan fiduciary net position as a percentage of the total pension liability | 73.40% | 69.92% | 67.06% | 68.35% | 69.49% | |

CORP - AOC

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|----------------|----------------|----------------|----------------|----------------|---|
| County's proportion of the net pension liability | 5.44% | 5.04% | 4.67% | 4.94% | 5.18% | |
| County's proportionate share of the net pension liability | \$ 19,566 | \$ 20,207 | \$ 13,164 | \$ 12,001 | \$ 11,623 | |
| County's covered payroll | \$ 5,944 | \$ 5,730 | \$ 5,138 | \$ 5,948 | \$ 5,570 | |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 329.2% | 352.7% | 256.2% | 201.8% | 208.9% | |
| Plan fiduciary net position as a percentage of the total pension liability | 53.72% | 49.21% | 54.81% | 57.89% | 58.59% | |

PINAL COUNTY
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plans
June 30, 2019

(Amounts expressed in thousands)

EORP

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|----------------|----------------|----------------|----------------|----------------|---|
| County's proportion of the net pension liability | 3.49% | 3.28% | 3.42% | 3.33% | 3.27% | |
| County's proportionate share of the net pension liability | \$ 22,005 | \$ 39,922 | \$ 32,353 | \$ 25,973 | \$ 22,006 | |
| State's proportionate share of the net pension liability associated with the County | \$ 3,770 | \$ 8,286 | \$ 6,680 | \$ 8,097 | \$ 6,747 | |
| Total | \$ 25,775 | \$ 48,208 | \$ 39,033 | \$ 34,070 | \$ 28,753 | |
| County's covered payroll | \$ 2,574 | \$ 2,730 | \$ 2,251 | \$ 2,723 | \$ 3,018 | |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 854.9% | 1462.3% | 1437.3% | 953.8% | 729.2% | |
| Plan fiduciary net position as a percentage of the total pension liability | 30.36% | 19.70% | 23.42% | 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, 2019

(Concluded)

(Amounts expressed in thousands)

PSPRS - Sheriff

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|-------------------|------------------|------------------|------------------|------------------|--|
| Total pension liability | | | | | | |
| Service cost | \$ 2,740 | \$ 2,807 | \$ 2,500 | \$ 2,671 | \$ 2,699 | |
| Interest on the total pension liability | 7,133 | 6,776 | 6,289 | 6,055 | 5,133 | |
| Changes of benefit terms | - | 1,405 | 3,614 | - | 1,569 | |
| Differences between expected and actual experience in the measurement of the pension liability | 8935 | (2,766) | (940) | (1,206) | (1,323) | |
| Changes of assumptions or other inputs | - | 2,820 | 3,490 | - | 7,654 | |
| Benefit payments, including refunds of employee contributions | (4,770) | (5,154) | (4,604) | (4,308) | (3,640) | |
| Net change in total pension liability | 14,038 | 5,888 | 10,349 | 3,212 | 12,092 | |
| Total pension liability – beginning | 97,400 | 91,512 | 81,163 | 77,951 | 65,859 | |
| Total pension liability – ending (a) | <u>\$ 111,438</u> | <u>\$ 97,400</u> | <u>\$ 91,512</u> | <u>\$ 81,163</u> | <u>\$ 77,951</u> | |
| Plan fiduciary net position | | | | | | |
| Contributions – employer | \$ 5,590 | \$ 3,702 | \$ 3,263 | \$ 2,917 | \$ 2,899 | |
| Contributions – employee | 1,212 | 1,464 | 1,487 | 1,389 | 1,434 | |
| Net investment income | 3,348 | 5,305 | 259 | 1,578 | 5,190 | |
| Benefit payments, including refunds of employee contributions | (4,770) | (5,154) | (4,604) | (4,308) | (3,640) | |
| Hall/Parker settlement | (1,885) | - | - | - | - | |
| Administrative expense | (52) | (47) | (38) | (39) | (42) | |
| Other changes | 288 | (245) | (89) | (252) | (108) | |
| Net change in plan fiduciary net position | 3,731 | 5,025 | 278 | 1,285 | 5,733 | |
| Plan fiduciary net position – beginning | 49,689 | 44,664 | 44,386 | 43,101 | 37,368 | |
| Plan fiduciary net position – ending (b) | <u>\$ 53,420</u> | <u>\$ 49,689</u> | <u>\$ 44,664</u> | <u>\$ 44,386</u> | <u>\$ 43,101</u> | |
| County's net pension liability – ending (a) – (b) | <u>\$ 58,018</u> | <u>\$ 47,711</u> | <u>\$ 46,848</u> | <u>\$ 36,777</u> | <u>\$ 34,850</u> | |
| Plan fiduciary net position as a percentage of the total pension liability | 47.94% | 51.02% | 48.81% | 54.69% | 55.29% | |
| Covered payroll | \$ 13,737 | \$ 13,045 | \$ 12,245 | \$ 13,423 | \$ 12,940 | |
| County's net pension liability as a percentage of covered payroll | 422.35% | 365.74% | 382.59% | 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, 2019

(Concluded)

(Amounts expressed in thousands)

CORP - Detention

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|------------------|------------------|------------------|------------------|------------------|--|
| Total pension liability | | | | | | |
| Service cost | \$ 1,446 | \$ 1,185 | \$ 1,151 | \$ 1,863 | \$ 1,929 | |
| Interest on the total pension liability | 3,025 | 2,408 | 2,333 | 2,436 | 2,283 | |
| Changes of benefit terms | (2,665) | 6,985 | 46 | - | 143 | |
| Differences between expected and actual experience in the measurement of the pension liability | 619 | (824) | (1,193) | (3,061) | (1,398) | |
| Changes of assumptions or other inputs | - | 442 | 1,483 | - | 1,377 | |
| Benefit payments, including refunds of employee contributions | (1,609) | (1,499) | (1,412) | (2,973) | (1,733) | |
| Net change in total pension liability | 816 | 8,697 | 2,408 | (1,735) | 2,601 | |
| Total pension liability – beginning | 40,958 | 32,261 | 29,853 | 31,588 | 28,987 | |
| Total pension liability – ending (a) | <u>\$ 41,774</u> | <u>\$ 40,958</u> | <u>\$ 32,261</u> | <u>\$ 29,853</u> | <u>\$ 31,588</u> | |
| Plan fiduciary net position | | | | | | |
| Contributions – employer | \$ 1,110 | \$ 766 | \$ 793 | \$ 938 | \$ 1,217 | |
| Contributions – employee | 679 | 617 | 683 | 851 | 1,066 | |
| Net investment income | 1,867 | 2,789 | 145 | 891 | 2,914 | |
| Benefit payments, including refunds of employee contributions | (1,609) | (1,499) | (1,412) | (2,973) | (1,733) | |
| Administrative expense | (29) | (25) | (21) | (23) | (23) | |
| Other changes | (1) | (108) | (666) | (14) | 39 | |
| Net change in plan fiduciary net position | 2,017 | 2,540 | (478) | (330) | 3,480 | |
| Plan fiduciary net position – beginning | 26,167 | 23,627 | 24,105 | 24,435 | 20,955 | |
| Plan fiduciary net position – ending (b) | <u>28,184</u> | <u>26,167</u> | <u>23,627</u> | <u>24,105</u> | <u>24,435</u> | |
| County's net pension liability – ending (a) – (b) | <u>\$ 13,590</u> | <u>\$ 14,791</u> | <u>\$ 8,634</u> | <u>\$ 5,748</u> | <u>\$ 7,153</u> | |
| Plan fiduciary net position as a percentage of the total pension liability | 67.47% | 63.89% | 73.24% | 80.75% | 77.35% | |
| Covered payroll | \$ 7,832 | \$ 7,550 | \$ 7,506 | \$ 11,308 | \$ 12,606 | |
| County's net pension liability as a percentage of covered payroll | 173.52% | 195.91% | 115.03% | 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, 2019

(Concluded)

(Amounts expressed in thousands)

CORP - Dispatchers

| | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 through 2010 information not available |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Total pension liability | | | | | | |
| Service cost | \$ 61 | \$ 61 | \$ 55 | \$ 89 | \$ 90 | |
| Interest on the total pension liability | 205 | 164 | 175 | 180 | 162 | |
| Changes of benefit terms | (168) | 396 | 6 | - | 22 | |
| Differences between expected and actual experience in the measurement of the pension liability | 110 | 24 | (221) | (154) | (54) | |
| Changes of assumptions or other inputs | - | 35 | 51 | - | 115 | |
| Benefit payments, including refunds of employee contributions | (117) | (67) | (145) | (173) | (59) | |
| Net change in total pension liability | 91 | 613 | (79) | (58) | 276 | |
| Total pension liability – beginning | 2,806 | 2,193 | 2,272 | 2,330 | 2,054 | |
| Total pension liability – ending (a) | <u>\$ 2,897</u> | <u>\$ 2,806</u> | <u>\$ 2,193</u> | <u>\$ 2,272</u> | <u>\$ 2,330</u> | |
| Plan fiduciary net position | | | | | | |
| Contributions – employer | \$ 71 | \$ 62 | \$ 53 | \$ 62 | \$ 68 | |
| Contributions – employee | 31 | 34 | 34 | 43 | 51 | |
| Net investment income | 111 | 168 | 9 | 53 | 176 | |
| Benefit payments, including refunds of employee contributions | (117) | (67) | (145) | (173) | (59) | |
| Administrative expense | (2) | (2) | (1) | (2) | (1) | |
| Other changes | - | - | - | (1) | - | |
| Net change in plan fiduciary net position | 94 | 195 | (50) | (18) | 235 | |
| Plan fiduciary net position – beginning | 1,598 | 1,403 | 1,453 | 1,471 | 1,236 | |
| Plan fiduciary net position – ending (b) | <u>\$ 1,692</u> | <u>\$ 1,598</u> | <u>\$ 1,403</u> | <u>\$ 1,453</u> | <u>\$ 1,471</u> | |
| County's net pension liability – ending (a) – (b) | <u>\$ 1,205</u> | <u>\$ 1,208</u> | <u>\$ 790</u> | <u>\$ 819</u> | <u>\$ 859</u> | |
| Plan fiduciary net position as a percentage of the total pension liability | 58.41% | 56.95% | 63.98% | 63.95% | 63.13% | |
| Covered payroll | \$ 362 | \$ 428 | \$ 379 | \$ 580 | \$ 648 | |
| County's net pension liability as a percentage of covered payroll | 332.87% | 282.24% | 208.44% | 141.21% | 132.60% | |

PINAL COUNTY
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2019
(Amounts expressed in thousands)

ASRS

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 information not available |
|---|-----------|-----------|-----------|-----------|-----------|-----------|--|
| Statorily required contribution | \$ 7,801 | \$ 7,605 | \$ 7,003 | \$ 7,002 | \$ 7,472 | \$ 6,565 | information not available |
| County's contributions in relation to the statorily required contribution | 7,801 | 7,605 | 7,003 | 7,002 | 7,472 | 6,565 | |
| County's contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| County's covered payroll | \$ 69,777 | \$ 67,258 | \$ 62,560 | \$ 65,244 | \$ 68,613 | \$ 61,388 | |
| County's contributions as a percentage of covered payroll | 11.18% | 11.31% | 11.19% | 10.73% | 10.89% | 10.69% | |

CORP - AOC

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 information not available |
|---|----------|----------|----------|----------|----------|----------|--|
| Statorily required contribution | \$ 2,118 | \$ 1,387 | \$ 1,196 | \$ 1,025 | \$ 885 | \$ 806 | information not available |
| County's contributions in relation to the statorily required contribution | 2,118 | 1,387 | 1,196 | 1,025 | 885 | 806 | |
| County's contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| County's covered payroll | \$ 6,531 | \$ 5,944 | \$ 5,730 | \$ 5,138 | \$ 5,948 | \$ 5,570 | |
| County's contributions as a percentage of covered payroll | 32.43% | 23.33% | 20.87% | 19.95% | 14.88% | 14.47% | |

PINAL COUNTY
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2019
(Amounts expressed in thousands)

PSPRS - Sheriff

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|---------------------------|
| Actuarially determined contribution | \$ 5,572 | \$ 5,225 | \$ 4,147 | \$ 3,957 | \$ 3,086 | \$ 2,899 | information not available |
| County's contributions in relation to the actuarially determined contribution | 5,572 | 3,340 | 3,792 | 3,333 | 3,086 | 2,899 | |
| County's contribution deficiency (excess) | \$ - | \$ 1,885 | \$ 355 | \$ 624 | \$ - | \$ - | |
| County's covered payroll | \$ 13,205 | \$ 12,773 | \$ 13,045 | \$ 12,245 | \$ 13,423 | \$ 12,940 | |
| County's contributions as a percentage of covered payroll | 42.20% | 26.15% | 29.07% | 27.22% | 22.99% | 22.40% | |

CORP - Detention

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 |
|---|----------|----------|----------|----------|-----------|-----------|---------------------------|
| Actuarially determined contribution | 1,751 | 1,072 | 824 | \$ 878 | \$ 1,029 | \$ 1,217 | information not available |
| County's contributions in relation to the actuarially determined contribution | 1,751 | 1,072 | 783 | 805 | 1,029 | 1,217 | |
| County's contribution deficiency(excess) | \$ - | \$ - | \$ 41 | \$ 73 | \$ - | \$ - | |
| County's covered payroll | \$ 7,594 | \$ 7,832 | \$ 7,550 | \$ 7,506 | \$ 11,308 | \$ 12,606 | |
| County's contributions as a percentage of covered payroll | 23.06% | 13.69% | 10.37% | 10.72% | 9.10% | 9.65% | |

PINAL COUNTY
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2019
(Concluded)
(Amounts expressed in thousands)

CORP - Dispatchers

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 information not available |
|---|--------|--------|--------|--------|--------|--------|--|
| Actuarially determined contribution | \$ 97 | \$ 66 | \$ 71 | \$ 62 | \$ 66 | \$ 68 | |
| County's contributions in relation to the actuarially determined contribution | 97 | 66 | 63 | 53 | 66 | 68 | |
| County's contribution deficiency (excess) | \$ - | \$ 8 | \$ 9 | \$ - | \$ - | \$ - | |
| County's covered payroll | \$ 352 | \$ 362 | \$ 428 | \$ 379 | \$ 580 | \$ 648 | |
| County's contributions as a percentage of covered payroll | 27.56% | 18.23% | 14.72% | 13.98% | 11.38% | 10.49% | |

EORP

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 through 2010 information not available |
|---|----------|----------|----------|----------|----------|----------|--|
| Statutorily required contribution | \$ 1,645 | \$ 605 | \$ 641 | \$ 529 | \$ 640 | \$ 699 | |
| County's contributions in relation to the statutorily required contribution | 1,645 | - | 641 | 529 | 640 | 699 | |
| County's contribution deficiency (excess) | \$ - | \$ 605 | \$ - | \$ - | \$ - | \$ - | |
| County's covered payroll | \$ 2,674 | \$ 2,574 | \$ 2,730 | \$ 2,251 | \$ 2,723 | \$ 3,018 | |
| County's contributions as a percentage of covered payroll | 61.52% | -% | 23.48% | 23.50% | 23.50% | 23.16% | |

PINAL COUNTY
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2019

(Amounts expressed in thousands)

Note 1 – Actuarially Determined Contribution Rates

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

| | |
|--|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percent-of-pay, closed |
| Remaining amortization period as of the 2017 actuarial valuation | 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 | In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. |
| Projected salary increases | In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS and from 4.0%-7.25% to 3.5%-6.5% for CORP. 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 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP. |
| Retirement age | Experience-based table of rates that is specific to the type of of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011. |
| Mortality | In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females). |

PINAL COUNTY
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2019

(Amounts expressed in thousands)

Note 2 – Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, PSPRS, CORP, CORP-AOC and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes increased the PSPRS, CORP, and CORP-AOC required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS, CORP, and CORP-AOC required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. PSPRS and CORP allowed the County to phase in the increased contributions for members who were retired as of the law's effective date over 3 years. As a result, the County's pension contributions were less than the actuarially determined contributions for 2016 and 2017. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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

Combining Statements and Individual Fund Schedules



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PINAL COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Amounts expressed in thousands)

| | Special Revenue Funds | Capital Projects Funds | Total |
|--|-----------------------------|------------------------------|-----------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 27,491 | \$ 4,356 | \$ 31,847 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | 121 | - | 121 |
| Accounts | 454 | 1 | 455 |
| Due from other funds | 397 | - | 397 |
| Due from other governments | 3,515 | - | 3,515 |
| Inventories | 59 | - | 59 |
| Prepaid items | 51 | - | 51 |
| Restricted assets: | | | |
| Cash and cash equivalents | 381 | - | 381 |
| Total assets | \$ 32,469 | \$ 4,357 | \$ 36,826 |
| Liabilities | | | |
| Accounts payable | \$ 717 | \$ 475 | \$ 1,192 |
| Accrued payroll and employee benefits | 926 | - | 926 |
| Retainage payable | - | 147 | 147 |
| Contracts payable | - | 680 | 680 |
| Due to other funds | 225 | 113 | 338 |
| Due to other governments | 12 | - | 12 |
| Deposits held for others | 94 | 4 | 98 |
| Unearned revenue | 368 | - | 368 |
| Total liabilities | 2,342 | 1,419 | 3,761 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | 103 | - | 103 |
| Unavailable revenue - intergovernmental | 997 | - | 997 |
| Total deferred inflows of resources | 1,100 | - | 1,100 |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | 59 | - | 59 |
| Prepaid items | 51 | - | 51 |
| Total nonspendable | 110 | - | 110 |
| Restricted | 27,184 | 3,118 | 30,302 |
| Committed | 2,316 | - | 2,316 |
| Assigned | 318 | 100 | 418 |
| Unassigned | (901) | (280) | (1,181) |
| Total fund balances | 29,027 | 2,938 | 31,965 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 32,469 | \$ 4,357 | \$ 36,826 |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Special Revenue Funds | Capital Projects Funds | Total |
|--|-----------------------------|------------------------------|-----------|
| Revenues: | | | |
| Taxes | \$ 9,442 | \$ - | \$ 9,442 |
| Licenses and permits | 2,143 | - | 2,143 |
| Intergovernmental | 25,938 | - | 25,938 |
| Charges for services | 5,398 | - | 5,398 |
| Fines and forfeits | 1,178 | - | 1,178 |
| Investment earnings | 883 | 89 | 972 |
| Contributions | 1,001 | 246 | 1,247 |
| Rentals | 380 | - | 380 |
| Miscellaneous | 957 | 16 | 973 |
| Total revenues | 47,320 | 351 | 47,671 |
| Expenditures: | | | |
| Current | | | |
| General government | 1,235 | 1,957 | 3,192 |
| Public safety | 17,193 | 60 | 17,253 |
| Highways and streets | 3,887 | 42 | 3,929 |
| Sanitation | 563 | - | 563 |
| Health | 13,331 | - | 13,331 |
| Welfare | 7,098 | - | 7,098 |
| Culture and recreation | 1,888 | - | 1,888 |
| Education | 5,582 | - | 5,582 |
| Debt Service | | | |
| Principal retirement | 54 | - | 54 |
| Interest | 14 | - | 14 |
| Capital outlay | - | 2,678 | 2,678 |
| Total expenditures | 50,845 | 4,737 | 55,582 |
| Deficiency of revenues over expenditures | (3,525) | (4,386) | (7,911) |
| Other financing sources (uses): | | | |
| Capital lease agreements | 14 | - | 14 |
| Sale of capital assets | 397 | - | 397 |
| Transfers in | 7,400 | 6,403 | 13,803 |
| Transfers out | (6,773) | (385) | (7,158) |
| Total other financing sources (uses) | 1,038 | 6,018 | 7,056 |
| Net change in fund balances | (2,487) | 1,632 | (855) |
| Fund balances - July 1, 2018 | 31,494 | 1,306 | 32,800 |
| Changes in nonspendable resources: | | | |
| Decrease in inventories | 22 | - | 22 |
| Increase in prepaid items | (2) | - | (2) |
| Fund balances - June 30, 2019 | \$ 29,027 | \$ 2,938 | \$ 31,965 |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Adult Probation | Air Quality | Animal Control |
|--|--------------------|-----------------|-------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 1,063 | \$ 1,080 | \$ 383 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | 79 | - | 2 |
| Due from other funds | 5 | - | - |
| Due from other governments | 1 | 14 | - |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 1,148</u> | <u>\$ 1,094</u> | <u>\$ 385</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 32 | \$ 28 | \$ 19 |
| Accrued payroll and employee benefits | 165 | 49 | 65 |
| Due to other funds | - | - | - |
| Due to other governments | 2 | - | - |
| Total current liabilities | <u>199</u> | <u>77</u> | <u>84</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | 317 | - |
| Total noncurrent liabilities | <u>-</u> | <u>317</u> | <u>-</u> |
| Total liabilities | <u>199</u> | <u>394</u> | <u>84</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | - | - | - |
| Restricted | 1,228 | 700 | 301 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | (279) | - | - |
| Total fund balances | <u>949</u> | <u>700</u> | <u>301</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 1,148</u> | <u>\$ 1,094</u> | <u>\$ 385</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Attorney | Capital Projects Replacement | Clerk of Courts |
|--|-----------------|---------------------------------|--------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 2,048 | \$ 301 | \$ 2,105 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | 5 | 15 | 58 |
| Due from other funds | 1 | - | - |
| Due from other governments | 199 | - | - |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 2,253</u> | <u>\$ 316</u> | <u>\$ 2,163</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 37 | \$ 2 | \$ - |
| Accrued payroll and employee benefits | 47 | - | 5 |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Total current liabilities | <u>84</u> | <u>2</u> | <u>5</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>84</u> | <u>2</u> | <u>5</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted | 2,273 | - | 878 |
| Committed | 3 | - | 1,280 |
| Assigned | - | 314 | - |
| Unassigned | (107) | - | - |
| Total fund balances | <u>2,169</u> | <u>314</u> | <u>2,158</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 2,253</u> | <u>\$ 316</u> | <u>\$ 2,163</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Courts | Employee Wellness | Health Services |
|--|-----------------|----------------------|--------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 1,274 | \$ 30 | \$ 38 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | 56 | - | - |
| Due from other funds | 205 | - | - |
| Due from other governments | 72 | - | 16 |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 1,607</u> | <u>\$ 30</u> | <u>\$ 54</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 45 | \$ - | \$ - |
| Accrued payroll and employee benefits | 16 | - | 5 |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Total current liabilities | <u>61</u> | <u>-</u> | <u>5</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>61</u> | <u>-</u> | <u>5</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted | 1,531 | 30 | 33 |
| Committed | 47 | - | - |
| Assigned | - | - | - |
| Unassigned | (32) | - | 16 |
| Total fund balances | <u>1,546</u> | <u>30</u> | <u>49</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 1,607</u> | <u>\$ 30</u> | <u>\$ 54</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Housing Grants | Justice Courts | Juvenile Probation |
|--|-------------------|-------------------|-----------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 462 | \$ 1,894 | \$ 735 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | 26 | 113 | 12 |
| Due from other funds | - | - | 70 |
| Due from other governments | 3 | - | 30 |
| Inventories | 59 | - | - |
| Prepaid items | 39 | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | 381 | - | - |
| Total assets | <u>\$ 970</u> | <u>\$ 2,007</u> | <u>\$ 847</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 24 | \$ 10 | \$ 50 |
| Accrued payroll and employee benefits | 35 | 14 | 81 |
| Due to other funds | - | - | - |
| Due to other governments | - | - | 10 |
| Total current liabilities | <u>59</u> | <u>24</u> | <u>141</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | 45 | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>45</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>104</u> | <u>24</u> | <u>141</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | 59 | - | - |
| Prepaid items | 39 | - | - |
| Total nonspendable | 98 | - | - |
| Restricted | 768 | 1,004 | 742 |
| Committed | - | 986 | - |
| Assigned | - | - | - |
| Unassigned | - | (7) | (36) |
| Total fund balances | <u>866</u> | <u>1,983</u> | <u>706</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 970</u> | <u>\$ 2,007</u> | <u>\$ 847</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Library Grants | Miscellaneous Fees | Miscellaneous Grants |
|--|-------------------|-----------------------|-------------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ - | \$ 242 | \$ 43 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | - | 1 | - |
| Due from other funds | - | - | - |
| Due from other governments | - | - | 52 |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | \$ - | \$ 243 | \$ 95 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ - | \$ - | \$ 49 |
| Accrued payroll and employee benefits | - | 10 | - |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Total current liabilities | - | 10 | 49 |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | 51 |
| Total noncurrent liabilities | - | - | 51 |
| Total liabilities | - | 10 | 100 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | 52 |
| Total deferred inflows of resources | - | - | 52 |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | - | - | - |
| Restricted | - | 289 | - |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | (56) | (57) |
| Total fund balances | - | 233 | (57) |
| Total liabilities, deferred inflows of resources and, fund balances | \$ - | \$ 243 | \$ 95 |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Public Defender | Public Works Roadways | Public Works Services |
|--|--------------------|--------------------------|--------------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 171 | \$ 3,981 | \$ 313 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | - | 8 | 25 |
| Due from other funds | - | - | 116 |
| Due from other governments | 11 | - | 459 |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 182</u> | <u>\$ 3,989</u> | <u>\$ 913</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 2 | \$ - | \$ 15 |
| Accrued payroll and employee benefits | 5 | 39 | 25 |
| Due to other funds | - | - | - |
| Due to other governments | - | - | - |
| Total current liabilities | <u>7</u> | <u>39</u> | <u>40</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | 49 | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>49</u> | <u>-</u> |
| Total liabilities | <u>7</u> | <u>88</u> | <u>40</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | - | - | 261 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>261</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted | 175 | 3,901 | 715 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | (103) |
| Total fund balances | <u>175</u> | <u>3,901</u> | <u>612</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 182</u> | <u>\$ 3,989</u> | <u>\$ 913</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Sheriff | Treasurer | Workforce Grants |
|--|-----------------|---------------|------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 540 | \$ 216 | \$ - |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | 5 | - | 32 |
| Due from other funds | - | - | - |
| Due from other governments | 678 | - | 344 |
| Inventories | - | - | - |
| Prepaid items | 12 | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 1,235</u> | <u>\$ 216</u> | <u>\$ 376</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 36 | \$ - | \$ 170 |
| Accrued payroll and employee benefits | - | - | 9 |
| Due to other funds | - | - | 175 |
| Due to other governments | - | - | - |
| Total current liabilities | <u>36</u> | <u>-</u> | <u>354</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>36</u> | <u>-</u> | <u>354</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | - | - |
| Unavailable revenue - intergovernmental | 399 | - | 7 |
| Total deferred inflows of resources | <u>399</u> | <u>-</u> | <u>7</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | 12 | - | - |
| Total nonspendable | <u>12</u> | <u>-</u> | <u>-</u> |
| Restricted | 1,243 | 216 | 15 |
| Committed | - | - | - |
| Assigned | 4 | - | - |
| Unassigned | (459) | - | - |
| Total fund balances | <u>800</u> | <u>216</u> | <u>15</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 1,235</u> | <u>\$ 216</u> | <u>\$ 376</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Desert Vista Sanitation District | Flood Control District | Library District |
|--|--|------------------------------|---------------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 30 | \$ 3,895 | \$ 802 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | 65 | 51 |
| Accounts | - | 9 | 3 |
| Due from other funds | - | - | - |
| Due from other governments | - | - | - |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | \$ 30 | \$ 3,969 | \$ 856 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ - | \$ 110 | \$ 23 |
| Accrued payroll and employee benefits | - | 26 | 24 |
| Due to other funds | - | 45 | - |
| Due to other governments | - | - | - |
| Total current liabilities | - | 181 | 47 |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | - | - | - |
| Total liabilities | - | 181 | 47 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | - | 52 | 43 |
| Unavailable revenue - intergovernmental | - | - | - |
| Total deferred inflows of resources | - | 52 | 43 |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | - | - | - |
| Restricted | 30 | 3,736 | 766 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total fund balances | 30 | 3,736 | 766 |
| Total liabilities, deferred inflows of resources and, fund balances | \$ 30 | \$ 3,969 | \$ 856 |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Lighting Special Districts | Public Health Services District | Queen Creek Domestic Water Improvement District |
|--|----------------------------------|---------------------------------------|--|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 10 | \$ 3,242 | \$ 20 |
| Receivables (net of allowances for uncollectibles): | | | |
| Property taxes | - | - | - |
| Accounts | - | 5 | - |
| Due from other funds | - | - | - |
| Due from other governments | - | 1,636 | - |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash and cash equivalents - restricted | - | - | - |
| Total assets | <u>\$ 10</u> | <u>\$ 4,883</u> | <u>\$ 20</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ - | \$ 65 | \$ - |
| Accrued payroll and employee benefits | - | 306 | - |
| Due to other funds | 5 | - | - |
| Due to other governments | - | - | - |
| Total current liabilities | <u>5</u> | <u>371</u> | <u>-</u> |
| Noncurrent liabilities: | | | |
| Deposits held for others | - | - | - |
| Unearned revenue | - | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>5</u> | <u>371</u> | <u>-</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | 1 | - | - |
| Unavailable revenue - intergovernmental | - | 278 | - |
| Total deferred inflows of resources | <u>1</u> | <u>278</u> | <u>-</u> |
| Fund Balances | | | |
| Nonspendable: | | | |
| Inventories | - | - | - |
| Prepaid items | - | - | - |
| Total nonspendable | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted | 4 | 4,015 | 20 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | 219 | - |
| Total fund balances | <u>4</u> | <u>4,234</u> | <u>20</u> |
| Total liabilities, deferred inflows of resources and, fund balances | <u>\$ 10</u> | <u>\$ 4,883</u> | <u>\$ 20</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019
(Amounts expressed in thousands)

| | Accommodation School | Total |
|--|-------------------------|-----------|
| Assets | | |
| Cash, cash equivalents and investments | \$ 2,573 | \$ 27,491 |
| Receivables (net of allowances for uncollectibles): | | |
| Property taxes | 5 | 121 |
| Accounts | - | 454 |
| Due from other funds | - | 397 |
| Due from other governments | - | 3,515 |
| Inventories | - | 59 |
| Prepaid items | - | 51 |
| Restricted assets: | | |
| Cash and cash equivalents - restricted | - | 381 |
| Total assets | \$ 2,578 | \$ 32,469 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | \$ - | \$ 717 |
| Accrued payroll and employee benefits | - | 926 |
| Due to other funds | - | 225 |
| Due to other governments | - | 12 |
| Total current liabilities | - | 1,880 |
| Noncurrent liabilities: | | |
| Deposits held for others | - | 94 |
| Unearned revenue | - | 368 |
| Total noncurrent liabilities | - | 462 |
| Total liabilities | - | 2,342 |
| Deferred Inflows of Resources | | |
| Unavailable revenue - property taxes | 7 | 103 |
| Unavailable revenue - intergovernmental | - | 997 |
| Total deferred inflows of resources | 7 | 1,100 |
| Fund Balances | | |
| Nonspendable: | | |
| Inventories | - | 59 |
| Prepaid items | - | 51 |
| Total nonspendable | - | 110 |
| Restricted | 2,571 | 27,184 |
| Committed | - | 2,316 |
| Assigned | - | 318 |
| Unassigned | - | (901) |
| Total fund balances | 2,571 | 29,027 |
| Total liabilities, deferred inflows of resources and, fund balances | \$ 2,578 | \$ 32,469 |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Adult Probation | Air Quality | Animal Control |
|--|--------------------|----------------|-------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | 1,216 | 238 |
| Intergovernmental | 3,777 | 510 | - |
| Charges for services | 894 | - | 275 |
| Fines and forfeits | - | - | 13 |
| Investment earnings | 40 | 21 | 9 |
| Contributions | - | - | 69 |
| Rentals | - | - | - |
| Miscellaneous | - | 2 | 1 |
| Total revenues | <u>4,711</u> | <u>1,749</u> | <u>605</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | 5,161 | - | - |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | 1,510 | 2,207 |
| Welfare | - | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | 12 | - | 5 |
| Interest | 3 | - | 1 |
| Total expenditures | <u>5,176</u> | <u>1,510</u> | <u>2,213</u> |
| Excess (deficiency) of revenues over expenditures | <u>(465)</u> | <u>239</u> | <u>(1,608)</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | 6 | 4 |
| Transfers in | - | - | 1,525 |
| Transfers out | - | (180) | (31) |
| Total other financing sources (uses) | <u>-</u> | <u>(174)</u> | <u>1,498</u> |
| Net change in fund balances | (465) | 65 | (110) |
| Fund balances (deficit) - July 1, 2018 | 1,414 | 635 | 411 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 949</u> | <u>\$ 700</u> | <u>\$ 301</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Attorney | Capital Projects Replacement | Clerk of Courts |
|--|-----------------|---------------------------------|--------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 1,420 | - | - |
| Charges for services | 2 | - | 602 |
| Fines and forfeits | 1,143 | - | - |
| Investment earnings | 66 | 40 | 52 |
| Contributions | - | - | - |
| Rentals | - | - | - |
| Miscellaneous | 60 | 43 | - |
| Total revenues | <u>2,691</u> | <u>83</u> | <u>654</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | 2,729 | - | 106 |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Welfare | - | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>2,729</u> | <u>-</u> | <u>106</u> |
| Excess (deficiency) of revenues over expenditures | <u>(38)</u> | <u>83</u> | <u>548</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | 11 | 346 | - |
| Transfers in | 299 | 248 | - |
| Transfers out | (56) | (3,707) | (199) |
| Total other financing sources (uses) | <u>254</u> | <u>(3,113)</u> | <u>(199)</u> |
| Net change in fund balances | 216 | (3,030) | 349 |
| Fund balances (deficit) - July 1, 2018 | 1,953 | 3,344 | 1,809 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 2,169</u> | <u>\$ 314</u> | <u>\$ 2,158</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Courts | Employee Wellness | Health Services |
|--|-----------------|----------------------|--------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 572 | - | 113 |
| Charges for services | 542 | - | - |
| Fines and forfeits | 1 | - | - |
| Investment earnings | 32 | 1 | 2 |
| Contributions | - | - | - |
| Rentals | - | - | - |
| Miscellaneous | 20 | 10 | - |
| Total revenues | <u>1,167</u> | <u>11</u> | <u>115</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | 1,471 | - | - |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | 7 | 126 |
| Welfare | - | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | 27 | - | - |
| Interest | 6 | - | - |
| Total expenditures | <u>1,504</u> | <u>7</u> | <u>126</u> |
| Excess (deficiency) of revenues over expenditures | <u>(337)</u> | <u>4</u> | <u>(11)</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | 14 | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | 541 | - | - |
| Transfers out | (52) | - | - |
| Total other financing sources (uses) | <u>503</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 166 | 4 | (11) |
| Fund balances (deficit) - July 1, 2018 | 1,380 | 26 | 60 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 1,546</u> | <u>\$ 30</u> | <u>\$ 49</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Housing Grants | Justice Courts | Juvenile Probation |
|--|-------------------|-------------------|-----------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 4,519 | 58 | 2,809 |
| Charges for services | - | 792 | 130 |
| Fines and forfeits | - | 1 | - |
| Investment earnings | - | 54 | 25 |
| Contributions | - | - | - |
| Rentals | 208 | - | - |
| Miscellaneous | 229 | - | 1 |
| Total revenues | <u>4,956</u> | <u>905</u> | <u>2,965</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | - | 527 | 2,947 |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Welfare | 4,777 | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | 4 | - |
| Interest | - | 2 | - |
| Total expenditures | <u>4,777</u> | <u>533</u> | <u>2,947</u> |
| Excess (deficiency) of revenues over expenditures | <u>179</u> | <u>372</u> | <u>18</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | - | - | 9 |
| Transfers out | - | (316) | (11) |
| Total other financing sources (uses) | <u>-</u> | <u>(316)</u> | <u>(2)</u> |
| Net change in fund balances | 179 | 56 | 16 |
| Fund balances (deficit) - July 1, 2018 | 668 | 1,927 | 690 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | 22 | - | - |
| Increase (decrease) in prepaid | (3) | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 866</u> | <u>\$ 1,983</u> | <u>\$ 706</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Library Grants | Miscellaneous Fees | Miscellaneous Grants |
|--|-------------------|-----------------------|-------------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 23 | - | 311 |
| Charges for services | - | 373 | - |
| Fines and forfeits | - | - | - |
| Investment earnings | - | 6 | - |
| Contributions | - | - | - |
| Rentals | - | - | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>23</u> | <u>379</u> | <u>311</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | 409 | 271 |
| Public safety | - | - | 68 |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Welfare | - | - | - |
| Culture and recreation | 23 | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | 6 | - |
| Interest | - | 2 | - |
| Total expenditures | <u>23</u> | <u>417</u> | <u>339</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(38)</u> | <u>(28)</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | (38) | (28) |
| Fund balances (deficit) - July 1, 2018 | - | 271 | (29) |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ 233</u> | <u>\$ (57)</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Public Defender | Public Works Roadways | Public Works Services |
|--|--------------------|--------------------------|--------------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | 401 | - |
| Intergovernmental | 36 | - | 796 |
| Charges for services | - | 576 | 618 |
| Fines and forfeits | - | - | - |
| Investment earnings | 2 | 134 | 9 |
| Contributions | - | 373 | - |
| Rentals | - | - | 10 |
| Miscellaneous | - | 17 | 54 |
| Total revenues | <u>38</u> | <u>1,501</u> | <u>1,487</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | 533 |
| Public safety | 131 | - | 736 |
| Highways and streets | - | 961 | - |
| Sanitation | - | - | 560 |
| Health | - | - | - |
| Welfare | - | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>131</u> | <u>961</u> | <u>1,829</u> |
| Excess (deficiency) of revenues over expenditures | <u>(93)</u> | <u>540</u> | <u>(342)</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | 29 | - |
| Transfers in | 106 | - | 356 |
| Transfers out | - | (748) | - |
| Total other financing sources (uses) | <u>106</u> | <u>(719)</u> | <u>356</u> |
| Net change in fund balances | 13 | (179) | 14 |
| Fund balances (deficit) - July 1, 2018 | 162 | 4,080 | 598 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 175</u> | <u>\$ 3,901</u> | <u>\$ 612</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Sheriff | Treasurer | Workforce Grants |
|--|---------------|---------------|------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Intergovernmental | 2,162 | - | 2,152 |
| Charges for services | 82 | 93 | - |
| Fines and forfeits | 20 | - | - |
| Investment earnings | 42 | 5 | - |
| Contributions | 260 | - | - |
| Rentals | - | - | 162 |
| Miscellaneous | 96 | - | - |
| Total revenues | <u>2,662</u> | <u>98</u> | <u>2,314</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | 22 | - |
| Public safety | 3,317 | - | - |
| Highways and streets | - | - | - |
| Sanitation | - | - | - |
| Health | - | - | - |
| Welfare | - | - | 2,321 |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>3,317</u> | <u>22</u> | <u>2,321</u> |
| Excess (deficiency) of revenues over expenditures | <u>(655)</u> | <u>76</u> | <u>(7)</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | 1 | - | - |
| Transfers in | 61 | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | <u>62</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (593) | 76 | (7) |
| Fund balances (deficit) - July 1, 2018 | 1,388 | 140 | 26 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | 5 | - | (4) |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 800</u> | <u>\$ 216</u> | <u>\$ 15</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Desert Vista Sanitation District | Flood Control District | Library District |
|--|--|------------------------------|---------------------|
| Revenues: | | | |
| Taxes | \$ - | \$ 3,465 | \$ 2,404 |
| Licenses and permits | - | 24 | - |
| Intergovernmental | - | - | - |
| Charges for services | - | 20 | - |
| Fines and forfeits | - | - | - |
| Investment earnings | 1 | 155 | 34 |
| Contributions | - | - | - |
| Rentals | - | - | - |
| Miscellaneous | - | - | 97 |
| Total revenues | <u>1</u> | <u>3,664</u> | <u>2,535</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Highways and streets | - | 2,910 | - |
| Sanitation | 3 | - | - |
| Health | - | - | - |
| Welfare | - | - | - |
| Culture and recreation | - | - | 1,865 |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>3</u> | <u>2,910</u> | <u>1,865</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2)</u> | <u>754</u> | <u>670</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | - | - | - |
| Transfers out | - | (242) | (727) |
| Total other financing sources (uses) | <u>-</u> | <u>(242)</u> | <u>(727)</u> |
| Net change in fund balances | (2) | 512 | (57) |
| Fund balances (deficit) - July 1, 2018 | 32 | 3,224 | 823 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 30</u> | <u>\$ 3,736</u> | <u>\$ 766</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Lighting Special Districts | Public Health Services District | Queen Creek Domestic Water Improvement District |
|--|----------------------------------|---------------------------------------|--|
| Revenues: | | | |
| Taxes | \$ 18 | \$ 3,495 | \$ - |
| Licenses and permits | - | 264 | - |
| Intergovernmental | - | 4,255 | - |
| Charges for services | - | 389 | - |
| Fines and forfeits | - | - | - |
| Investment earnings | - | 91 | - |
| Contributions | - | 291 | - |
| Rentals | - | - | - |
| Miscellaneous | - | 5 | - |
| Total revenues | <u>18</u> | <u>8,790</u> | <u>-</u> |
| Expenditures: | | | |
| Current | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Highways and streets | 16 | - | - |
| Sanitation | - | - | - |
| Health | - | 9,481 | - |
| Welfare | - | - | - |
| Culture and recreation | - | - | - |
| Education | - | - | - |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>16</u> | <u>9,481</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>2</u> | <u>(691)</u> | <u>-</u> |
| Other financing sources (uses): | | | |
| Capital lease agreements | - | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | - | 1,207 | - |
| Transfers out | - | (504) | - |
| Total other financing sources (uses) | <u>-</u> | <u>703</u> | <u>-</u> |
| Net change in fund balances | 2 | 12 | - |
| Fund balances (deficit) - July 1, 2018 | 2 | 4,222 | 20 |
| Changes in nonspendable resources: | | | |
| Increase in inventories | - | - | - |
| Increase (decrease) in prepaid | - | - | - |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 4</u> | <u>\$ 4,234</u> | <u>\$ 20</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Accommodation School | Total |
|--|-------------------------|------------------|
| Revenues: | | |
| Taxes | \$ 60 | \$ 9,442 |
| Licenses and permits | - | 2,143 |
| Intergovernmental | 2,425 | 25,938 |
| Charges for services | 10 | 5,398 |
| Fines and forfeits | - | 1,178 |
| Investment earnings | 62 | 883 |
| Contributions | 8 | 1,001 |
| Rentals | - | 380 |
| Miscellaneous | 322 | 957 |
| Total revenues | <u>2,887</u> | <u>47,320</u> |
| Expenditures: | | |
| Current | | |
| General government | - | 1,235 |
| Public safety | - | 17,193 |
| Highways and streets | - | 3,887 |
| Sanitation | - | 563 |
| Health | - | 13,331 |
| Welfare | - | 7,098 |
| Culture and recreation | - | 1,888 |
| Education | 5,582 | 5,582 |
| Debt service | | |
| Principal retirement | - | 54 |
| Interest | - | 14 |
| Total expenditures | <u>5,582</u> | <u>50,845</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,695)</u> | <u>(3,525)</u> |
| Other financing sources (uses): | | |
| Capital lease agreements | - | 14 |
| Sale of capital assets | - | 397 |
| Transfers in | 3,048 | 7,400 |
| Transfers out | - | (6,773) |
| Total other financing sources (uses) | <u>3,048</u> | <u>1,038</u> |
| Net change in fund balances | 353 | (2,487) |
| Fund balances (deficit) - July 1, 2018 | 2,218 | 31,494 |
| Changes in nonspendable resources: | | |
| Increase in inventories | - | 22 |
| Increase (decrease) in prepaid | - | (2) |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 2,571</u> | <u>\$ 29,027</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

(Amounts expressed in thousands)

| | <u>Capital Projects Miscellaneous</u> | <u>Public Works Gantzel Road Fund</u> | <u>Kelvin Road Bridge Construction</u> | <u>Fairgrounds Construction</u> |
|---|---|---|--|-------------------------------------|
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 3,205 | \$ 325 | \$ 726 | \$ 100 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Accounts | - | - | 1 | - |
| Total assets | <u>3,205</u> | <u>325</u> | <u>727</u> | <u>100</u> |
| Liabilities | | | | |
| Accounts payable | 475 | - | - | - |
| Retainage payable | 147 | - | - | - |
| Contracts payable | 680 | - | - | - |
| Due to other funds | 113 | - | - | - |
| Deposits held for others | - | 4 | - | - |
| Total liabilities | <u>1,415</u> | <u>4</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Restricted | 2,070 | 321 | 727 | - |
| Assigned | - | - | - | 100 |
| Unassigned | (280) | - | - | - |
| Total fund balances (deficit) | <u>1,790</u> | <u>321</u> | <u>727</u> | <u>100</u> |
| Total liabilities and fund balances | <u>\$ 3,205</u> | <u>\$ 325</u> | <u>\$ 727</u> | <u>\$ 100</u> |

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2019

(Amounts expressed in thousands)

| | Total |
|---|--------------|
| Assets | |
| Cash, cash equivalents and investments | \$ 4,356 |
| Receivables (net of allowances for uncollectibles): | |
| Accounts | 1 |
| Total assets | 4,357 |
| Liabilities | |
| Accounts payable | 475 |
| Retainage payable | 147 |
| Contracts payable | 680 |
| Due to other funds | 113 |
| Deposits held for others | 4 |
| Total liabilities | 1,419 |
| Fund Balances | |
| Restricted | 3,118 |
| Assigned | 100 |
| Unassigned | (280) |
| Total fund balances (deficit) | 2,938 |
| Total liabilities and fund balances | \$ 4,357 |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Capital Projects Miscellaneous | Public Works Gantzel Road Fund | Kelvin Road Bridge Construction | Fairgrounds Construction |
|---|--------------------------------------|--------------------------------------|---------------------------------------|-----------------------------|
| Revenues: | | | | |
| Investment earnings | \$ 6 | \$ 59 | \$ 20 | \$ 4 |
| Contributions | - | 246 | - | - |
| Miscellaneous | 16 | - | - | - |
| Total revenues | <u>22</u> | <u>305</u> | <u>20</u> | <u>4</u> |
| Expenditures: | | | | |
| General government | 1,957 | - | - | - |
| Public safety | 60 | - | - | - |
| Highways and streets | - | - | 42 | - |
| Capital outlay | 2,616 | - | 62 | - |
| Total expenditures | <u>4,633</u> | <u>-</u> | <u>104</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,611)</u> | <u>305</u> | <u>(84)</u> | <u>4</u> |
| Other financing sources: | | | | |
| Transfers in | 6,403 | - | - | - |
| Transfers out | - | (385) | - | - |
| Total other financing sources (uses) | <u>6,403</u> | <u>(385)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1,792 | (80) | (84) | 4 |
| Fund balances (deficit) - July 1, 2018 | <u>(2)</u> | <u>401</u> | <u>811</u> | <u>96</u> |
| Fund balances (deficit) - June 30, 2019 | <u>\$ 1,790</u> | <u>\$ 321</u> | <u>\$ 727</u> | <u>\$ 100</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Total |
|---|----------|
| Revenues: | |
| Investment earnings | \$ 89 |
| Contributions | 246 |
| Miscellaneous | 16 |
| Total revenues | 351 |
| Expenditures: | |
| General government | 1,957 |
| Public safety | 60 |
| Highways and streets | 42 |
| Capital outlay | 2,678 |
| Total expenditures | 4,737 |
| Excess (deficiency) of revenues over expenditures | (4,386) |
| Other financing sources: | |
| Transfers in | 6,403 |
| Transfers out | (385) |
| Total other financing sources (uses) | 6,018 |
| Net change in fund balances | 1,632 |
| Fund balances (deficit) - July 1, 2018 | 1,306 |
| Fund balances (deficit) - June 30, 2019 | \$ 2,938 |

PINAL COUNTY
Special Revenue Funds
Adult Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 3,992 | \$ 3,793 | \$ 3,777 | \$ (16) |
| Charges for services | 1,000 | 1,000 | 894 | (106) |
| Investment earnings | - | - | 40 | 40 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>4,992</u> | <u>4,793</u> | <u>4,711</u> | <u>(82)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 6,141 | 5,942 | 5,161 | 781 |
| Debt service: | | | | |
| Principal retirement | - | - | 12 | (12) |
| Interest | - | - | 3 | (3) |
| Total expenditures | <u>6,141</u> | <u>5,942</u> | <u>5,176</u> | <u>766</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,149)</u> | <u>(1,149)</u> | <u>(465)</u> | <u>684</u> |
| Net change in fund balances | (1,149) | (1,149) | (465) | 684 |
| Fund balance (deficit) - July 1, 2018 | <u>1,149</u> | <u>1,149</u> | <u>1,414</u> | <u>265</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 949</u> | <u>\$ 949</u> |

PINAL COUNTY
Special Revenue Funds
Air Quality
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Licenses and permits | \$ 1,214 | \$ 1,214 | \$ 1,216 | \$ 2 |
| Intergovernmental | 422 | 422 | 510 | 88 |
| Investment earnings | - | - | 21 | 21 |
| Miscellaneous | - | - | 2 | 2 |
| Total revenues | <u>1,636</u> | <u>1,636</u> | <u>1,749</u> | <u>113</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health | <u>2,347</u> | <u>2,347</u> | <u>1,510</u> | <u>837</u> |
| Total expenditures | <u>2,347</u> | <u>2,347</u> | <u>1,510</u> | <u>837</u> |
| Excess (deficiency) of revenues over expenditures | <u>(711)</u> | <u>(711)</u> | <u>239</u> | <u>950</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 6 | 6 |
| Transfers in | 164 | 164 | - | (164) |
| Transfers out | <u>(343)</u> | <u>(343)</u> | <u>(180)</u> | <u>163</u> |
| Total other financing sources (uses) | <u>(179)</u> | <u>(179)</u> | <u>(174)</u> | <u>5</u> |
| Net change in fund balances | (890) | (890) | 65 | 955 |
| Fund balance (deficit) - July 1, 2018 | <u>890</u> | <u>890</u> | <u>635</u> | <u>(255)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 700</u> | <u>\$ 700</u> |

PINAL COUNTY
Special Revenue Funds
Animal Control
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | 245 | 245 | 238 | (7) |
| Charges for services | 275 | 275 | 275 | - |
| Fines and forfeits | 20 | 20 | 13 | (7) |
| Investment earnings | - | - | 9 | 9 |
| Contributions | 50 | 65 | 69 | 4 |
| Miscellaneous | 5 | 5 | 1 | (4) |
| Total revenues | <u>595</u> | <u>610</u> | <u>605</u> | <u>(5)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health | 2,507 | 2,534 | 2,207 | 327 |
| Debt service: | | | | |
| Principal retirement | - | - | 5 | (5) |
| Interest | - | - | 1 | (1) |
| Total expenditures | <u>2,507</u> | <u>2,534</u> | <u>2,213</u> | <u>321</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,912)</u> | <u>(1,924)</u> | <u>(1,608)</u> | <u>316</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 4 | 4 |
| Transfers in | 1,512 | 1,525 | 1,525 | - |
| Transfers out | (31) | (31) | (31) | - |
| Total other financing sources (uses) | <u>1,481</u> | <u>1,494</u> | <u>1,498</u> | <u>4</u> |
| Net change in fund balances | (431) | (430) | (110) | 320 |
| Fund balance (deficit) - July 1, 2018 | <u>431</u> | <u>430</u> | <u>411</u> | <u>(19)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 301</u> | <u>\$ 301</u> |

PINAL COUNTY
Special Revenue Funds
Attorney
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,612 | \$ 1,639 | \$ 1,420 | \$ (219) |
| Charges for services | - | - | 2 | 2 |
| Fines and forfeits | 460 | 460 | 1,143 | 683 |
| Investment earnings | 2 | 2 | 66 | 64 |
| Miscellaneous | 7 | 7 | 60 | 53 |
| Total revenues | <u>2,081</u> | <u>2,108</u> | <u>2,691</u> | <u>583</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>3,728</u> | <u>3,721</u> | <u>2,729</u> | <u>992</u> |
| Total expenditures | <u>3,728</u> | <u>3,721</u> | <u>2,729</u> | <u>992</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,647)</u> | <u>(1,613)</u> | <u>(38)</u> | <u>1,575</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 11 | 11 |
| Transfers in | 326 | 326 | 299 | (27) |
| Transfers out | <u>(201)</u> | <u>(236)</u> | <u>(56)</u> | <u>180</u> |
| Total other financing sources (uses) | <u>125</u> | <u>90</u> | <u>254</u> | <u>164</u> |
| Net change in fund balances | (1,522) | (1,523) | 216 | 1,739 |
| Fund balance (deficit) - July 1, 2018 | <u>1,522</u> | <u>1,523</u> | <u>1,953</u> | <u>430</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,169</u> | <u>\$ 2,169</u> |

PINAL COUNTY
Special Revenue Funds
Capital Projects Replacement
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 40 | \$ 40 |
| Miscellaneous | - | - | 43 | 43 |
| Total revenues | <u>-</u> | <u>-</u> | <u>83</u> | <u>83</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>83</u> | <u>83</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | 130 | 130 | 346 | 216 |
| Transfers in | 248 | 248 | 248 | - |
| Transfers out | <u>(3,706)</u> | <u>(3,706)</u> | <u>(3,707)</u> | <u>(1)</u> |
| Total other financing sources (uses) | <u>(3,328)</u> | <u>(3,328)</u> | <u>(3,113)</u> | <u>215</u> |
| Net change in fund balances | (3,328) | (3,328) | (3,030) | 298 |
| Fund balance (deficit) - July 1, 2018 | <u>3,328</u> | <u>3,328</u> | <u>3,344</u> | <u>16</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 314</u> | <u>\$ 314</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 450 | \$ 450 | \$ 602 | \$ 152 |
| Investment earnings | 12 | 12 | 52 | 40 |
| Total revenues | <u>462</u> | <u>462</u> | <u>654</u> | <u>192</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>1,169</u> | <u>1,169</u> | <u>106</u> | <u>1,063</u> |
| Total expenditures | <u>1,169</u> | <u>1,169</u> | <u>106</u> | <u>1,063</u> |
| Excess (deficiency) of revenues over expenditures | <u>(707)</u> | <u>(707)</u> | <u>548</u> | <u>1,255</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(762)</u> | <u>(762)</u> | <u>(199)</u> | <u>563</u> |
| Total other financing sources (uses) | <u>(762)</u> | <u>(762)</u> | <u>(199)</u> | <u>563</u> |
| Net change in fund balances | (1,469) | (1,469) | 349 | 1,818 |
| Fund balance (deficit) - July 1, 2018 | <u>1,469</u> | <u>1,469</u> | <u>1,809</u> | <u>340</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,158</u> | <u>\$ 2,158</u> |

PINAL COUNTY
Special Revenue Funds
Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 906 | \$ 919 | \$ 572 | \$ (347) |
| Charges for services | 533 | 533 | 542 | 9 |
| Fines and forfeits | - | - | 1 | 1 |
| Investment earnings | 5 | 5 | 32 | 27 |
| Miscellaneous | 9 | 9 | 20 | 11 |
| Total revenues | <u>1,453</u> | <u>1,466</u> | <u>1,167</u> | <u>(299)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 3,132 | 3,145 | 1,471 | 1,674 |
| Debt service: | | | | |
| Principal retirement | - | - | 27 | (27) |
| Interest | - | - | 6 | (6) |
| Total expenditures | <u>3,132</u> | <u>3,145</u> | <u>1,504</u> | <u>1,641</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,679)</u> | <u>(1,679)</u> | <u>(337)</u> | <u>1,342</u> |
| Other financing sources (uses): | | | | |
| Capital lease agreements | - | - | 14 | 14 |
| Transfers in | 644 | 644 | 541 | (103) |
| Transfers out | (220) | (220) | (52) | 168 |
| Total other financing sources (uses) | <u>424</u> | <u>424</u> | <u>503</u> | <u>79</u> |
| Net change in fund balances | (1,255) | (1,255) | 166 | 1,421 |
| Fund balance (deficit) - July 1, 2018 | <u>1,256</u> | <u>1,255</u> | <u>1,380</u> | <u>125</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ 1</u> | <u>\$ -</u> | <u>\$ 1,546</u> | <u>\$ 1,546</u> |

PINAL COUNTY
Special Revenue Funds
Employee Wellness
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 1 | \$ 1 |
| Miscellaneous | - | - | 10 | 10 |
| Total revenues | <u>-</u> | <u>-</u> | <u>11</u> | <u>11</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health | <u>10</u> | <u>10</u> | <u>7</u> | <u>3</u> |
| Total expenditures | <u>10</u> | <u>10</u> | <u>7</u> | <u>3</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10)</u> | <u>(10)</u> | <u>4</u> | <u>14</u> |
| Net change in fund balances | (10) | (10) | 4 | 14 |
| Fund balance (deficit) - July 1, 2018 | <u>10</u> | <u>10</u> | <u>26</u> | <u>16</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 30</u></u> | <u><u>\$ 30</u></u> |

PINAL COUNTY
Special Revenue Funds
Health Services
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 116 | \$ 116 | \$ 113 | \$ (3) |
| Investment earnings | 1 | 1 | 2 | 1 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>117</u> | <u>117</u> | <u>115</u> | <u>(2)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health | <u>117</u> | <u>117</u> | <u>126</u> | <u>(9)</u> |
| Total expenditures | <u>117</u> | <u>117</u> | <u>126</u> | <u>(9)</u> |
| Excess (deficiency) of revenues over expenditures | - | - | (11) | (11) |
| Net change in fund balances | - | - | (11) | (11) |
| Fund balance (deficit) - July 1, 2018 | - | - | 60 | 60 |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 49</u> | <u>\$ 49</u> |

PINAL COUNTY
Special Revenue Funds
Housing Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 220 | \$ 220 | \$ 4,519 | \$ 4,299 |
| Investment earnings | - | - | - | - |
| Rentals | - | - | 208 | 208 |
| Miscellaneous | - | - | 229 | 229 |
| Total revenues | <u>220</u> | <u>220</u> | <u>4,956</u> | <u>4,736</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Welfare | <u>220</u> | <u>220</u> | <u>4,777</u> | <u>(4,557)</u> |
| Total expenditures | <u>220</u> | <u>220</u> | <u>4,777</u> | <u>(4,557)</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>-</u> | <u>179</u> | <u>179</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>179</u> | <u>179</u> |
| Fund balance (deficit) - July 1, 2018 | <u>-</u> | <u>-</u> | <u>668</u> | <u>668</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | <u>-</u> | <u>-</u> | <u>22</u> | <u>22</u> |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>(3)</u> | <u>(3)</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 866</u> | <u>\$ 866</u> |

PINAL COUNTY
Special Revenue Funds
Justice Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 58 | \$ 58 | \$ - |
| Charges for services | 810 | 810 | 792 | (18) |
| Fines and forfeits | - | - | 1 | 1 |
| Investment earnings | - | - | 54 | 54 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>810</u> | <u>868</u> | <u>905</u> | <u>37</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 1,727 | 1,785 | 527 | 1,258 |
| Debt service: | | | | |
| Principal retirement | - | - | 4 | (4) |
| Interest | - | - | 2 | (2) |
| Total expenditures | <u>1,727</u> | <u>1,785</u> | <u>533</u> | <u>1,252</u> |
| Excess (deficiency) of revenues over expenditures | <u>(917)</u> | <u>(917)</u> | <u>372</u> | <u>1,289</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(351)</u> | <u>(351)</u> | <u>(316)</u> | <u>35</u> |
| Total other financing sources (uses) | <u>(351)</u> | <u>(351)</u> | <u>(316)</u> | <u>35</u> |
| Net change in fund balances | (1,268) | (1,268) | 56 | 1,324 |
| Fund balance (deficit) - July 1, 2018 | <u>1,268</u> | <u>1,269</u> | <u>1,927</u> | <u>658</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 1,983</u> | <u>\$ 1,982</u> |

PINAL COUNTY
Special Revenue Funds
Juvenile Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 3,007 | \$ 2,864 | \$ 2,809 | \$ (55) |
| Charges for services | 58 | 58 | 130 | 72 |
| Investment earnings | - | - | 25 | 25 |
| Miscellaneous | - | - | 1 | 1 |
| Total revenues | <u>3,065</u> | <u>2,922</u> | <u>2,965</u> | <u>43</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>3,579</u> | <u>3,435</u> | <u>2,947</u> | <u>488</u> |
| Total expenditures | <u>3,579</u> | <u>3,435</u> | <u>2,947</u> | <u>488</u> |
| Excess (deficiency) of revenues over expenditures | <u>(514)</u> | <u>(513)</u> | <u>18</u> | <u>531</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 9 | 9 | 9 | - |
| Transfers out | <u>(17)</u> | <u>(17)</u> | <u>(11)</u> | <u>6</u> |
| Total other financing sources (uses) | <u>(8)</u> | <u>(8)</u> | <u>(2)</u> | <u>6</u> |
| Net change in fund balances | (522) | (521) | 16 | 537 |
| Fund balance (deficit) - July 1, 2018 | <u>522</u> | <u>521</u> | <u>690</u> | <u>169</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 706</u> | <u>\$ 706</u> |

PINAL COUNTY
Special Revenue Funds
Library Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 23 | \$ 23 | \$ 23 | \$ - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>23</u> | <u>23</u> | <u>23</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | <u>23</u> | <u>23</u> | <u>23</u> | <u>-</u> |
| Total expenditures | <u>23</u> | <u>23</u> | <u>23</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) - July 1, 2018 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

PINAL COUNTY
Special Revenue Funds
Miscellaneous Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 368 | \$ 368 | \$ 373 | \$ 5 |
| Investment earnings | - | - | 6 | 6 |
| Total revenues | <u>368</u> | <u>368</u> | <u>379</u> | <u>11</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 725 | 725 | 409 | 316 |
| Debt service: | | | | |
| Principal retirement | - | - | 6 | (6) |
| Interest | - | - | 2 | (2) |
| Total expenditures | <u>725</u> | <u>725</u> | <u>417</u> | <u>308</u> |
| Excess (deficiency) of revenues over expenditures | <u>(357)</u> | <u>(357)</u> | <u>(38)</u> | <u>319</u> |
| Net change in fund balances | (357) | (357) | (38) | 319 |
| Fund balance (deficit) - July 1, 2018 | <u>357</u> | <u>357</u> | <u>271</u> | <u>(86)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 233</u> | <u>\$ 233</u> |

PINAL COUNTY
Special Revenue Funds
Miscellaneous Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 548 | \$ 588 | \$ 311 | \$ (277) |
| Investment earnings | - | - | - | - |
| Total revenues | <u>548</u> | <u>588</u> | <u>311</u> | <u>(277)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 61 | 614 | 271 | 343 |
| Public safety | 593 | 80 | 68 | 12 |
| Total expenditures | <u>654</u> | <u>694</u> | <u>339</u> | <u>355</u> |
| Excess (deficiency) of revenues over expenditures | <u>(106)</u> | <u>(106)</u> | <u>(28)</u> | <u>78</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 55 | 55 | - | (55) |
| Total other financing sources (uses) | <u>55</u> | <u>55</u> | <u>-</u> | <u>(55)</u> |
| Net change in fund balances | (51) | (51) | (28) | 23 |
| Fund balance (deficit) - July 1, 2018 | <u>51</u> | <u>51</u> | <u>(29)</u> | <u>(80)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (57)</u> | <u>\$ (57)</u> |

PINAL COUNTY
Special Revenue Funds
Public Defender
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 37 | \$ 37 | \$ 36 | \$ (1) |
| Investment earnings | - | - | 2 | 2 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>37</u> | <u>37</u> | <u>38</u> | <u>1</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>266</u> | <u>266</u> | <u>131</u> | <u>135</u> |
| Total expenditures | <u>266</u> | <u>266</u> | <u>131</u> | <u>135</u> |
| Excess (deficiency) of revenues over expenditures | <u>(229)</u> | <u>(229)</u> | <u>(93)</u> | <u>136</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>110</u> | <u>110</u> | <u>106</u> | <u>(4)</u> |
| Total other financing sources (uses) | <u>110</u> | <u>110</u> | <u>106</u> | <u>(4)</u> |
| Net change in fund balances | (119) | (119) | 13 | 132 |
| Fund balance (deficit) - July 1, 2018 | <u>119</u> | <u>119</u> | <u>162</u> | <u>43</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 175</u> | <u>\$ 175</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Licenses and permits | \$ 703 | \$ 703 | \$ 401 | \$ (302) |
| Charges for services | 350 | 350 | 576 | 226 |
| Investment earnings | 30 | 30 | 134 | 104 |
| Contributions | 500 | 500 | 373 | (127) |
| Miscellaneous | - | - | 17 | 17 |
| Total revenues | <u>1,583</u> | <u>1,583</u> | <u>1,501</u> | <u>(82)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and streets | <u>3,339</u> | <u>3,339</u> | <u>961</u> | <u>2,378</u> |
| Total expenditures | <u>3,339</u> | <u>3,339</u> | <u>961</u> | <u>2,378</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,756)</u> | <u>(1,756)</u> | <u>540</u> | <u>2,296</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 29 | 29 |
| Transfers out | <u>(1,948)</u> | <u>(1,948)</u> | <u>(748)</u> | <u>1,200</u> |
| Total other financing sources (uses) | <u>(1,948)</u> | <u>(1,948)</u> | <u>(719)</u> | <u>1,229</u> |
| Net change in fund balances | (3,704) | (3,704) | (179) | 3,525 |
| Fund balance (deficit) - July 1, 2018 | <u>3,704</u> | <u>3,704</u> | <u>4,080</u> | <u>376</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,901</u> | <u>\$ 3,901</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 925 | \$ 967 | \$ 796 | \$ (171) |
| Charges for services | 565 | 565 | 618 | 53 |
| Investment earnings | 2 | 2 | 9 | 7 |
| Contributions | 25 | 25 | - | (25) |
| Rentals | 10 | 10 | 10 | - |
| Miscellaneous | 15 | 15 | 54 | 39 |
| Total revenues | <u>1,542</u> | <u>1,584</u> | <u>1,487</u> | <u>(97)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 862 | 962 | 533 | 429 |
| Public safety | 856 | 898 | 736 | 162 |
| Sanitation | 1,577 | 1,477 | 560 | 917 |
| Total expenditures | <u>3,295</u> | <u>3,337</u> | <u>1,829</u> | <u>1,508</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,753)</u> | <u>(1,753)</u> | <u>(342)</u> | <u>1,411</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>350</u> | <u>350</u> | <u>356</u> | <u>6</u> |
| Total other financing sources (uses) | <u>350</u> | <u>350</u> | <u>356</u> | <u>6</u> |
| Net change in fund balances | (1,403) | (1,403) | 14 | 1,417 |
| Fund balance (deficit) - July 1, 2018 | <u>1,403</u> | <u>1,403</u> | <u>598</u> | <u>(805)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 612</u> | <u>\$ 612</u> |

PINAL COUNTY
Special Revenue Funds
Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,678 | \$ 3,246 | \$ 2,162 | \$ (1,084) |
| Charges for services | 122 | 122 | 82 | (40) |
| Fines and forfeits | 18 | 18 | 20 | 2 |
| Investment earnings | 8 | 8 | 42 | 34 |
| Contributions | 50 | 50 | 260 | 210 |
| Miscellaneous | 77 | 77 | 96 | 19 |
| Total revenues | <u>1,953</u> | <u>3,521</u> | <u>2,662</u> | <u>(859)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>3,571</u> | <u>5,200</u> | <u>3,317</u> | <u>1,883</u> |
| Total expenditures | <u>3,571</u> | <u>5,200</u> | <u>3,317</u> | <u>1,883</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,618)</u> | <u>(1,679)</u> | <u>(655)</u> | <u>1,024</u> |
| Other financing sources (uses): | | | | |
| Sale of capital assets | 25 | 25 | 1 | (24) |
| Transfers in | <u>24</u> | <u>86</u> | <u>61</u> | <u>(25)</u> |
| Total other financing sources (uses) | <u>49</u> | <u>111</u> | <u>62</u> | <u>(49)</u> |
| Net change in fund balances | (1,569) | (1,568) | (593) | 975 |
| Fund balance (deficit) - July 1, 2018 | <u>1,569</u> | <u>1,568</u> | <u>1,388</u> | <u>(180)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>5</u> | <u>5</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 800</u> |

PINAL COUNTY
Special Revenue Funds
Treasurer
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Charges for services | \$ 55 | \$ 55 | \$ 93 | \$ 38 |
| Investment earnings | - | - | 5 | 5 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>55</u> | <u>55</u> | <u>98</u> | <u>43</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | <u>177</u> | <u>177</u> | <u>22</u> | <u>155</u> |
| Total expenditures | <u>177</u> | <u>177</u> | <u>22</u> | <u>155</u> |
| Excess (deficiency) of revenues over expenditures | <u>(122)</u> | <u>(122)</u> | <u>76</u> | <u>198</u> |
| Net change in fund balances | <u>(122)</u> | <u>(122)</u> | <u>76</u> | <u>198</u> |
| Fund balance (deficit) - July 1, 2018 | <u>122</u> | <u>122</u> | <u>140</u> | <u>18</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 216</u> | <u>\$ 216</u> |

PINAL COUNTY
Special Revenue Funds
Workforce Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental | \$ 2,405 | \$ 2,405 | \$ 2,152 | \$ (253) |
| Rentals | 166 | 166 | 162 | (4) |
| Total revenues | <u>2,571</u> | <u>2,571</u> | <u>2,314</u> | <u>(257)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Welfare | <u>2,569</u> | <u>2,569</u> | <u>2,321</u> | <u>248</u> |
| Total expenditures | <u>2,569</u> | <u>2,569</u> | <u>2,321</u> | <u>248</u> |
| Excess (deficiency) of revenues over expenditures | <u>2</u> | <u>2</u> | <u>(7)</u> | <u>(9)</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(2)</u> | <u>(2)</u> | <u>-</u> | <u>2</u> |
| Total other financing sources (uses) | <u>(2)</u> | <u>(2)</u> | <u>-</u> | <u>2</u> |
| Net change in fund balances | - | - | (7) | (7) |
| Fund balance (deficit) - July 1, 2018 | <u>-</u> | <u>-</u> | <u>26</u> | <u>26</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>(4)</u> | <u>(4)</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15</u> | <u>\$ 15</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Charges for services | 88 | 88 | - | (88) |
| Investment earnings | - | - | 1 | 1 |
| Total revenues | <u>88</u> | <u>88</u> | <u>1</u> | <u>(87)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Sanitation | <u>120</u> | <u>120</u> | <u>3</u> | <u>117</u> |
| Total expenditures | <u>120</u> | <u>120</u> | <u>3</u> | <u>117</u> |
| Excess (deficiency) of revenues over expenditures | <u>(32)</u> | <u>(32)</u> | <u>(2)</u> | <u>30</u> |
| Net change in fund balances | (32) | (32) | (2) | 30 |
| Fund balance (deficit) - July 1, 2018 | <u>32</u> | <u>32</u> | <u>32</u> | <u>-</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30</u> | <u>\$ 30</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 3,415 | \$ 3,415 | \$ 3,465 | \$ 50 |
| Licenses and permits | 15 | 15 | 24 | 9 |
| Charges for services | 15 | 15 | 20 | 5 |
| Investment earnings | 40 | 40 | 155 | 115 |
| Rentals | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>3,485</u> | <u>3,485</u> | <u>3,664</u> | <u>179</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and streets | <u>5,386</u> | <u>5,386</u> | <u>2,910</u> | <u>2,476</u> |
| Total expenditures | <u>5,386</u> | <u>5,386</u> | <u>2,910</u> | <u>2,476</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,901)</u> | <u>(1,901)</u> | <u>754</u> | <u>2,655</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(238)</u> | <u>(238)</u> | <u>(242)</u> | <u>(4)</u> |
| Total other financing sources (uses) | <u>(238)</u> | <u>(238)</u> | <u>(242)</u> | <u>(4)</u> |
| Net change in fund balances | (2,139) | (2,139) | 512 | 2,651 |
| Fund balance (deficit) - July 1, 2018 | <u>2,139</u> | <u>2,139</u> | <u>3,224</u> | <u>1,085</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,736</u> | <u>\$ 3,736</u> |

PINAL COUNTY
Special Revenue Funds
Library District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 2,319 | \$ 2,319 | \$ 2,404 | \$ 85 |
| Investment earnings | 7 | 7 | 34 | 27 |
| Miscellaneous | 90 | 90 | 97 | 7 |
| Total revenues | <u>2,416</u> | <u>2,416</u> | <u>2,535</u> | <u>119</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 2,466 | 2,466 | 1,865 | 601 |
| Total expenditures | <u>2,466</u> | <u>2,466</u> | <u>1,865</u> | <u>601</u> |
| Excess (deficiency) of revenues over expenditures | <u>(50)</u> | <u>(50)</u> | <u>670</u> | <u>720</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(727)</u> | <u>(727)</u> | <u>(727)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(727)</u> | <u>(727)</u> | <u>(727)</u> | <u>-</u> |
| Net change in fund balances | <u>(777)</u> | <u>(777)</u> | <u>(57)</u> | <u>720</u> |
| Fund balance (deficit) - July 1, 2018 | <u>777</u> | <u>777</u> | <u>823</u> | <u>46</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | - | - | - | - |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 766</u> | <u>\$ 766</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 18 | \$ 18 | \$ 18 | \$ - |
| Investment earnings | - | - | - | - |
| Total revenues | <u>18</u> | <u>18</u> | <u>18</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Highways and streets | <u>24</u> | <u>24</u> | <u>16</u> | <u>8</u> |
| Total expenditures | <u>24</u> | <u>24</u> | <u>16</u> | <u>8</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6)</u> | <u>(6)</u> | <u>2</u> | <u>8</u> |
| Net change in fund balances | (6) | (6) | 2 | 8 |
| Fund balance (deficit) - July 1, 2018 | <u>6</u> | <u>6</u> | <u>2</u> | <u>(4)</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4</u> | <u>\$ 4</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|----------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ 3,149 | \$ 3,149 | \$ 3,495 | \$ 346 |
| Licenses and permits | 257 | 257 | 264 | 7 |
| Intergovernmental | 4,169 | 4,169 | 4,255 | 86 |
| Charges for services | 441 | 441 | 389 | (52) |
| Investment earnings | 25 | 25 | 91 | 66 |
| Contributions | 103 | 103 | 291 | 188 |
| Miscellaneous | - | - | 5 | 5 |
| Total revenues | <u>8,144</u> | <u>8,144</u> | <u>8,790</u> | <u>646</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health | <u>12,342</u> | <u>12,342</u> | <u>9,481</u> | <u>2,861</u> |
| Total expenditures | <u>12,342</u> | <u>12,342</u> | <u>9,481</u> | <u>2,861</u> |
| Excess (deficiency) of revenues over expenditures | <u>(4,198)</u> | <u>(4,198)</u> | <u>(691)</u> | <u>3,507</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 1,395 | 1,395 | 1,207 | (188) |
| Transfers out | <u>(692)</u> | <u>(692)</u> | <u>(504)</u> | <u>188</u> |
| Total other financing sources (uses) | <u>703</u> | <u>703</u> | <u>703</u> | <u>-</u> |
| Net change in fund balances | (3,495) | (3,495) | 12 | 3,507 |
| Fund balance (deficit) - July 1, 2018 | <u>3,495</u> | <u>3,495</u> | <u>4,222</u> | <u>727</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,234</u> | <u>\$ 4,234</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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Investment earnings | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | <u>20</u> | <u>20</u> | - | <u>20</u> |
| Total expenditures | <u>20</u> | <u>20</u> | - | <u>20</u> |
| Excess (deficiency) of revenues over expenditures | <u>(20)</u> | <u>(20)</u> | - | <u>20</u> |
| Other financing sources (uses): | | | | |
| Insurance reimbursement | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (20) | (20) | - | 20 |
| Fund balance (deficit) - July 1, 2018 | <u>20</u> | <u>20</u> | <u>20</u> | <u>-</u> |
| Changes in nonspendable resources: | | | | |
| Decrease in inventory | - | - | - | - |
| Increase in prepaid items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20</u> | <u>\$ 20</u> |

PINAL COUNTY
Capital Projects
Capital Projects Miscellaneous
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 6 | \$ 6 |
| Miscellaneous | - | 10 | 16 | 6 |
| Total revenues | - | 10 | 22 | 12 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 13,621 | 9,769 | 1,957 | 7,812 |
| Public safety | - | - | 60 | (60) |
| Capital outlay | 300 | 4,162 | 2,616 | 1,546 |
| Total expenditures | 13,921 | 13,931 | 4,633 | 9,298 |
| Deficiency of revenues over expenditures | (13,921) | (13,921) | (4,611) | 9,310 |
| Other financing sources: | | | | |
| Issuance of debt | 7,500 | 7,500 | - | (7,500) |
| Transfers in | 6,121 | 6,121 | 6,403 | 282 |
| Total other financing sources | 13,621 | 13,621 | 6,403 | (7,218) |
| Net change in fund balance | (300) | (300) | 1,792 | 2,092 |
| Fund balance (deficit) - July 1, 2018 | 300 | 300 | (2) | (302) |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,790</u> | <u>\$ 1,790</u> |

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, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 59 | \$ 59 |
| Contributions | - | - | 246 | 246 |
| Total revenues | - | - | 305 | 305 |
| Expenditures: | | | | |
| Current: | | | | |
| Total expenditures | - | - | - | - |
| Deficiency of revenues over expenditures | - | - | 305 | 305 |
| Other financing sources: | | | | |
| Transfers out | (385) | (385) | (385) | - |
| Total other financing sources | (385) | (385) | (385) | - |
| Net change in fund balance | (385) | (385) | (80) | 305 |
| Fund balance (deficit) - July 1, 2018 | 385 | 385 | 401 | 16 |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 321</u> | <u>\$ 321</u> |

PINAL COUNTY
Capital Projects
Kelvin Road Bridge Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|--------------|-------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment earnings | \$ 1 | \$ 1 | \$ 20 | \$ 19 |
| Total revenues | <u>1</u> | <u>1</u> | <u>20</u> | <u>19</u> |
| Expenditures: | | | | |
| Highways and streets | 54 | 54 | 42 | 12 |
| Capital outlay | <u>350</u> | <u>350</u> | <u>62</u> | <u>288</u> |
| Total expenditures | <u>404</u> | <u>404</u> | <u>104</u> | <u>300</u> |
| Deficiency of revenues over expenditures | <u>(403)</u> | <u>(403)</u> | <u>(84)</u> | <u>319</u> |
| Other financing sources: | | | | |
| Transfers in | <u>350</u> | <u>350</u> | <u>-</u> | <u>(350)</u> |
| Total other financing sources | <u>350</u> | <u>350</u> | <u>-</u> | <u>(350)</u> |
| Net change in fund balance | (53) | (53) | (84) | (31) |
| Fund balance (deficit) - July 1, 2018 | <u>53</u> | <u>53</u> | <u>811</u> | <u>758</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 727</u> | <u>\$ 727</u> |

PINAL COUNTY
Capital Projects
Fairgrounds Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 4 | \$ 4 |
| Total revenues | <u>-</u> | <u>-</u> | <u>4</u> | <u>4</u> |
| Expenditures: | | | | |
| Capital outlay | <u>97</u> | <u>97</u> | <u>-</u> | <u>97</u> |
| Total expenditures | <u>97</u> | <u>97</u> | <u>-</u> | <u>97</u> |
| Deficiency of revenues over expenditures | <u>(97)</u> | <u>(97)</u> | <u>4</u> | <u>101</u> |
| Net change in fund balance | <u>(97)</u> | <u>(97)</u> | <u>4</u> | <u>101</u> |
| Fund balance (deficit) - July 1, 2018 | <u>97</u> | <u>97</u> | <u>96</u> | <u>(1)</u> |
| Fund balance (deficit) - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 100</u> | <u>\$ 100</u> |

PINAL COUNTY
Bond Funded Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|--|--------------------|-----------------|-------------------|-------------------------------|
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 239 | \$ 239 |
| Miscellaneous | - | - | 1 | 1 |
| Total revenues | <u>-</u> | <u>-</u> | <u>240</u> | <u>240</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 500 | 500 | - | 500 |
| Public safety | - | - | 202 | (202) |
| Highways and streets | 4,490 | 5,840 | - | 5,840 |
| Costs of issuance | - | - | 286 | (286) |
| Capital outlay | - | - | 11,952 | (11,952) |
| Total expenditures | <u>4,990</u> | <u>6,340</u> | <u>12,440</u> | <u>(6,100)</u> |
| Deficiency of revenues over expenditures | <u>(4,990)</u> | <u>(6,340)</u> | <u>(12,200)</u> | <u>(5,860)</u> |
| Other financing sources: | | | | |
| Issuance of debt | - | - | 7,360 | 7,360 |
| Premium on refunding bonds | - | - | 426 | 426 |
| Transfers out | - | - | (281) | (281) |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>7,505</u> | <u>7,505</u> |
| Net change in fund balances | <u>(4,990)</u> | <u>(6,340)</u> | <u>(4,695)</u> | <u>1,645</u> |
| Fund balance, beginning - July 1, 2018 | <u>4,990</u> | <u>6,340</u> | <u>7,213</u> | <u>873</u> |
| Fund balance, ending - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,518</u> | <u>\$ 2,518</u> |

PINAL COUNTY
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget |
|--|--------------------|-----------------|-------------------|-------------------------------|
| Revenues: | | | | |
| Investment earnings | \$ - | \$ - | \$ 40 | \$ 40 |
| Miscellaneous | - | - | 1 | 1 |
| Total revenues | <u>-</u> | <u>-</u> | <u>41</u> | <u>41</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 4,486 | 1,946 | 5 | 1,941 |
| Debt service: | | | | |
| Principal retirement | 11,175 | 11,455 | 11,455 | - |
| Interest | 6,446 | 6,706 | 6,705 | 1 |
| Total expenditures | <u>22,107</u> | <u>20,107</u> | <u>18,165</u> | <u>1,942</u> |
| Deficiency of revenues over expenditures | <u>(22,107)</u> | <u>(20,107)</u> | <u>(18,124)</u> | <u>1,983</u> |
| Other financing sources: | | | | |
| Transfers in | <u>21,388</u> | <u>19,388</u> | <u>17,805</u> | <u>(1,583)</u> |
| Total other financing sources | <u>21,388</u> | <u>19,388</u> | <u>17,805</u> | <u>(1,583)</u> |
| Net change in fund balances | (719) | (719) | (319) | 400 |
| Fund balance, beginning - July 1, 2018 | <u>719</u> | <u>719</u> | <u>730</u> | <u>11</u> |
| Fund balance, ending - June 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 411</u> | <u>\$ 411</u> |

PINAL COUNTY
Combining Statement of Net Position
Nonmajor Internal Service Funds
June 30, 2019
(Amounts expressed in thousands)

| | Public Works Fleet Management | Pinal County Employee Benefits | Total |
|---------------------------------------|--|--------------------------------------|-----------------|
| Assets | | | |
| Current assets: | | | |
| Accounts | \$ - | \$ 458 | \$ 458 |
| Total current assets | <u>-</u> | <u>458</u> | <u>458</u> |
| Total assets | <u>-</u> | <u>458</u> | <u>458</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows related to pensions | <u>21</u> | <u>-</u> | <u>21</u> |
| Total deferred outflows of resources | <u>21</u> | <u>-</u> | <u>21</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | - | 6 | 6 |
| Accrued payroll and employee benefits | 2 | - | 2 |
| Due to other funds | <u>38</u> | <u>523</u> | <u>561</u> |
| Total current liabilities | <u>40</u> | <u>529</u> | <u>569</u> |
| Noncurrent liabilities: | | | |
| Net pension liability | <u>121</u> | <u>-</u> | <u>121</u> |
| Total noncurrent liabilities | <u>121</u> | <u>-</u> | <u>121</u> |
| Total liabilities | <u>161</u> | <u>529</u> | <u>690</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows related to pensions | <u>15</u> | <u>-</u> | <u>15</u> |
| Total deferred inflows of resources | <u>15</u> | <u>-</u> | <u>15</u> |
| NET POSITION | | | |
| Unrestricted (deficit) | <u>(155)</u> | <u>(71)</u> | <u>(226)</u> |
| Total net position | <u>\$ (155)</u> | <u>\$ (71)</u> | <u>\$ (226)</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Internal Service Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Public Works Fleet Management | Pinal County Employee Benefits | Total |
|--|--|--------------------------------------|-----------------|
| Operating revenues: | | | |
| Charges for services | \$ - | \$ 20,583 | \$ 20,583 |
| Miscellaneous | 52 | 492 | 544 |
| Total operating revenues | <u>52</u> | <u>21,075</u> | <u>21,127</u> |
| Operating expenses: | | | |
| Personal services | 118 | - | 118 |
| Supplies | 93 | - | 93 |
| Repairs and maintenance | 16 | - | 16 |
| Professional services | - | 17 | 17 |
| Medical claims and services | - | 20,703 | 20,703 |
| Miscellaneous | 14 | - | 14 |
| Total operating expenses | <u>241</u> | <u>20,720</u> | <u>20,961</u> |
| Operating income (loss) | <u>(189)</u> | <u>355</u> | <u>166</u> |
| Nonoperating revenues: | | | |
| Gain on investments | - | 1 | 1 |
| Total nonoperating revenues | <u>-</u> | <u>1</u> | <u>1</u> |
| Net income (loss) before transfers | (189) | 356 | 167 |
| Transfers in | 269 | - | 269 |
| Change in net position | 80 | 356 | 436 |
| Net position (deficit) - July 1, 2018 | <u>(235)</u> | <u>(427)</u> | <u>(662)</u> |
| Net position (deficit) - June 30, 2019 | <u>\$ (155)</u> | <u>\$ (71)</u> | <u>\$ (226)</u> |

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Public Works Fleet Management | Pinal County Employee Benefits | Total |
|---|--|---|-----------------|
| Cash flows from operating activities: | | | |
| Other receipts from operations | \$ 52 | - | 52 |
| Receipts from employee contributions | - | 22,780 | 22,780 |
| Payments to suppliers and providers of goods and services | (164) | - | (164) |
| Payments for employee wages and benefits | (128) | - | (128) |
| Payments for claims | - | (22,953) | (22,953) |
| Net cash provided by (used for) operating activities | <u>(240)</u> | <u>(173)</u> | <u>(413)</u> |
| Cash flows from noncapital financing activities: | | | |
| Cash received from other funds | <u>240</u> | <u>172</u> | <u>412</u> |
| Net cash provided by (used for) noncapital financing activities | <u>240</u> | <u>172</u> | <u>412</u> |
| Cash flows from investing activities: | | | |
| Interest received on investments | <u>-</u> | <u>1</u> | <u>1</u> |
| Net cash provided by investing activities | <u>-</u> | <u>1</u> | <u>1</u> |
| Net increase (decrease) in cash and cash equivalents | - | - | - |
| Cash and cash equivalents - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and cash equivalents - ending | <u><u>\$ -</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
Year Ended June 30, 2019
(Concluded)
(Amounts expressed in thousands)

| | <u>Public Works Fleet Management</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 income (loss) | \$ (189) | 355 | 166 |
| 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: | | | |
| Net pension liability | (46) | - | (46) |
| Deferred outflows related to pensions | - | - | - |
| Deferred inflows related to pensions | 1 | - | 1 |
| Accounts receivable | - | (458) | (458) |
| Accounts payable | (3) | (70) | (73) |
| Accrued payroll and employee benefits | (3) | - | (3) |
| Total adjustments and changes | <u>(51)</u> | <u>(528)</u> | <u>(579)</u> |
| Net cash provided by (used for) operating activities | <u>\$ (240)</u> | <u>(173)</u> | <u>(413)</u> |

PINAL COUNTY
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

(Amounts expressed in thousands)

| | Sheriff Inmate Services | Airport Economic Development | Total |
|---|-------------------------------|------------------------------------|-----------------|
| Assets | | | |
| Current assets: | | | |
| Cash, cash equivalents and investments | \$ 633 | \$ 498 | \$ 1,131 |
| Receivables (net of allowances for uncollectibles): | | | |
| Accounts | 1 | 51 | 52 |
| Notes receivable | - | 280 | 280 |
| Due from other governments | - | 16 | 16 |
| Total current assets | <u>634</u> | <u>845</u> | <u>1,479</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | - | 282 | 282 |
| Buildings and improvements | 56 | 516 | 572 |
| Machinery and equipment | 872 | 382 | 1,254 |
| Infrastructure | - | 7,372 | 7,372 |
| Less accumulated depreciation | <u>(682)</u> | <u>(2,835)</u> | <u>(3,517)</u> |
| Total noncurrent assets | <u>246</u> | <u>5,717</u> | <u>5,963</u> |
| Total assets | <u>880</u> | <u>6,562</u> | <u>7,442</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows related to pensions | <u>17</u> | <u>44</u> | <u>61</u> |
| Total deferred outflows of resources | <u>17</u> | <u>44</u> | <u>61</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 8 | 22 | 30 |
| Accrued payroll and employee benefits | 4 | 9 | 13 |
| Unearned revenue | - | 35 | 35 |
| Compensated absences | <u>2</u> | <u>12</u> | <u>14</u> |
| Total current liabilities | <u>14</u> | <u>78</u> | <u>92</u> |
| Noncurrent liabilities: | | | |
| Net pension liability | 96 | 247 | 343 |
| Compensated absences | <u>3</u> | <u>11</u> | <u>14</u> |
| Total noncurrent liabilities | <u>99</u> | <u>258</u> | <u>357</u> |
| Total liabilities | <u>113</u> | <u>336</u> | <u>449</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows related to pensions | <u>12</u> | <u>32</u> | <u>44</u> |
| Total deferred inflows of resources | <u>12</u> | <u>32</u> | <u>44</u> |
| Net Position | | | |
| Investment in capital assets | 246 | 5,717 | 5,963 |
| Unrestricted (deficit) | <u>526</u> | <u>521</u> | <u>1,047</u> |
| Total net position | <u>\$ 772</u> | <u>\$ 6,238</u> | <u>\$ 7,010</u> |

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Sheriff Inmate Services | Airport Economic Development | Total |
|---|-------------------------------|------------------------------------|-----------------|
| Operating revenues: | | | |
| Rentals | \$ - | \$ 754 | \$ 754 |
| Miscellaneous | 580 | 110 | 690 |
| Total operating revenues | <u>580</u> | <u>864</u> | <u>1,444</u> |
| Operating expenses: | | | |
| Personal services | 84 | 225 | 309 |
| Supplies | 167 | 39 | 206 |
| Depreciation | 67 | 283 | 350 |
| Repairs and maintenance | - | 184 | 184 |
| Professional services | 48 | 205 | 253 |
| Public utility service | - | 56 | 56 |
| Miscellaneous | 2 | 21 | 23 |
| Total operating expenditures | <u>368</u> | <u>1,013</u> | <u>1,381</u> |
| Operating income (loss) | <u>212</u> | <u>(149)</u> | <u>63</u> |
| Nonoperating revenues: | | | |
| Intergovernmental | - | 295 | 295 |
| Gain on investments | 18 | 6 | 24 |
| Gain on sale of capital assets | 4 | 3 | 7 |
| Total nonoperating revenues | <u>22</u> | <u>304</u> | <u>326</u> |
| Net position (deficit) before transfers | 234 | 155 | 389 |
| Transfers in | - | 86 | 86 |
| Change in net position | 234 | 241 | 475 |
| Net position (deficit) - July 1, 2018 | 538 | 5,997 | 6,535 |
| Net position (deficit) - June 30, 2019 | <u>\$ 772</u> | <u>\$ 6,238</u> | <u>\$ 7,010</u> |

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | Sheriff Inmate Services | Airport Economic Development | Total |
|---|-------------------------------|------------------------------------|-----------------|
| Cash flows from operating activities: | | | |
| Other receipts from operations | \$ 371 | \$ 885 | \$ 1,256 |
| Payments to suppliers and providers of goods and services | (338) | (908) | (1,246) |
| Payments for employee wages and benefits | (96) | (239) | (335) |
| Net cash used for operating activities | <u>(63)</u> | <u>(262)</u> | <u>(325)</u> |
| Cash flows from noncapital financing activities: | | | |
| Receipts from federal and local agencies | - | 282 | 282 |
| Cash transfers from other funds | - | 86 | 86 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>368</u> | <u>368</u> |
| Cash flows from capital financing activities: | | | |
| Gain on sale of capital assets | 4 | 3 | 7 |
| Purchase and construction of capital assets | (52) | - | (52) |
| Net cash provided by (used for) noncapital financing activities | <u>(48)</u> | <u>3</u> | <u>(45)</u> |
| Cash flows from investing activities: | | | |
| Interest received on investments | 18 | 6 | 24 |
| Net cash provided by investing activities | <u>18</u> | <u>6</u> | <u>24</u> |
| Net increase (decrease) in cash and cash equivalents | (93) | 115 | 22 |
| Cash and cash equivalents - beginning | 726 | 383 | 1,109 |
| Cash and cash equivalents - ending | <u>\$ 633</u> | <u>\$ 498</u> | <u>\$ 1,131</u> |

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2019
(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) | \$ 212 | \$ (149) | \$ 63 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation | 67 | 283 | 350 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | | |
| Net pension liability | (8) | (17) | (25) |
| Deferred outflows of resources related to pensions | (4) | (12) | (16) |
| Deferred inflows of resources related to pensions | 4 | 10 | 14 |
| Accounts receivable | - | (4) | (4) |
| Notes receivable | - | 11 | 11 |
| Accounts payable | (121) | (403) | (524) |
| Accrued payroll and employee benefits | (1) | 2 | 1 |
| Accrued compensated absences | (3) | 3 | - |
| Unearned revenue | (209) | 14 | (195) |
| Total adjustments and changes | (275) | (113) | (388) |
| Net cash provided by (used for) operating activities | \$ (63) | \$ (262) | \$ (325) |

PINAL COUNTY
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2019
(Amounts expressed in thousands)

| | Treasurer's Pool Investment | Individual Investment Accounts | Total |
|---|--|---|--------------|
| Assets | | | |
| Cash, cash equivalents and investments | \$ 219,840 | \$ 410 | \$ 220,250 |
| Interest receivable | 465 | - | 465 |
| Total assets | 220,305 | 410 | 220,715 |
| Net Position | | | |
| Held in trust for investment trust participants | 220,305 | 410 | 220,715 |

PINAL COUNTY
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2019
(Amounts expressed in thousands)

| | <u>Special Purpose</u> | <u>Other Agency</u> | <u>Total</u> |
|--|----------------------------|-------------------------|-----------------|
| Assets | | | |
| Cash, cash equivalents and investments | <u>\$ 577</u> | <u>\$ 8,947</u> | <u>\$ 9,524</u> |
| Liabilities | | | |
| Deposits held for others | <u>\$ 577</u> | <u>\$ 8,947</u> | <u>\$ 9,524</u> |

PINAL COUNTY
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
Year Ended June 30, 2019
(Amount expressed in thousands)

| | Treasurer's Pool Investment | Individual Investment Accounts | Total |
|-------------------------------|--|---|-------------------|
| Additions: | | | |
| Contributions by participants | \$ 628,580 | \$ - | \$ 628,580 |
| Investment earnings | 4,294 | 12 | 4,306 |
| Total additions | <u>632,874</u> | <u>12</u> | <u>632,886</u> |
| Deductions: | | | |
| Distributions to participants | 632,579 | - | 632,579 |
| Total deductions | <u>632,579</u> | <u>-</u> | <u>632,579</u> |
| Change in net position | 295 | 12 | 307 |
| Net position - July 1, 2018 | <u>220,010</u> | <u>398</u> | <u>220,408</u> |
| Net position - June 30, 2019 | <u>\$ 220,305</u> | <u>\$ 410</u> | <u>\$ 220,715</u> |

PINAL COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2019
(Amounts expressed in thousands)

| | <u>Balance</u> <u>June 30, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2019</u> |
|--|--|------------------|------------------|--|
| Special Purpose: | | | | |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 592 | \$ 1,764 | \$ 1,779 | \$ 577 |
| Liabilities | | | | |
| Deposits held for others | \$ 592 | \$ 1,764 | \$ 1,779 | \$ 577 |
| Other Agency: | | | | |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 8,940 | \$ 67,320 | \$ 67,313 | \$ 8,947 |
| Liabilities | | | | |
| Deposits held for others | \$ 8,940 | \$ 67,320 | \$ 67,313 | \$ 8,947 |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 9,532 | \$ 69,084 | \$ 69,092 | \$ 9,524 |
| Liabilities | | | | |
| Deposits held for others | \$ 9,532 | \$ 69,084 | \$ 69,092 | \$ 9,524 |

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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 | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| | | | | | | | | | (as restated) | (as restated) |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 410,828 | \$ 390,480 | \$ 361,945 | \$ 348,084 | \$ 280,480 | \$ 325,742 | \$ 317,867 | \$ 311,004 | \$ 306,347 | \$ 300,467 |
| Restricted | 99,721 | 106,249 | 97,069 | 87,255 | 96,330 | 92,483 | 90,734 | 94,611 | 91,943 | 101,343 |
| Unrestricted (deficit) | (155,035) | (177,734) | (155,023) | (142,639) | (87,284) | 41,547 | 56,415 | 58,237 | 57,200 | 44,931 |
| Total governmental activities net position | <u>\$ 355,514</u> | <u>\$ 318,995</u> | <u>\$ 303,991</u> | <u>\$ 292,700</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> |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 5,963 | \$ 5,724 | \$ 3,046 | \$ 3,245 | \$ 3,502 | \$ 2,132 | \$ 2,269 | \$ 1,608 | \$ 3,333 | \$ 2,341 |
| Restricted | - | - | - | - | - | 155 | 139 | 450 | 3,426 | 3,745 |
| Unrestricted (deficit) | 1,047 | 811 | 728 | 387 | (818) | (57) | 786 | 2,663 | 5,109 | 4,598 |
| Total business-type activities net position | <u>\$ 7,010</u> | <u>\$ 6,535</u> | <u>\$ 3,774</u> | <u>\$ 3,632</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> |
| Net Position | | | | | | | | | | |
| Net investment in capital assets | \$ 416,791 | \$ 396,204 | \$ 364,991 | \$ 351,329 | \$ 283,982 | \$ 327,874 | \$ 320,136 | \$ 312,612 | \$ 309,680 | \$ 302,808 |
| Restricted | 99,721 | 106,249 | 97,069 | 87,255 | 96,330 | 92,638 | 90,873 | 95,061 | 95,369 | 105,088 |
| Unrestricted (deficit) | (153,988) | (176,923) | (154,295) | (142,252) | (88,102) | 41,490 | 57,201 | 60,900 | 62,309 | 49,529 |
| Total net position | <u>\$ 362,524</u> | <u>\$ 325,530</u> | <u>\$ 307,765</u> | <u>\$ 296,332</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> |

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

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 51,642 | \$ 54,662 | \$ 45,590 | \$ 45,406 | \$ 50,653 | \$ 41,218 | \$ 43,152 | \$ 46,024 | \$ 68,581 | \$ 67,143 |
| Public safety | 121,670 | 133,840 | 123,252 | 115,375 | 114,103 | 113,921 | 116,653 | 113,497 | 96,425 | 93,431 |
| Highways and streets | 39,341 | 39,387 | 36,327 | 33,461 | 30,896 | 32,877 | 29,183 | 28,937 | 30,614 | 30,514 |
| Sanitation | 431 | 997 | 397 | 416 | 303 | 301 | 324 | 422 | 444 | 707 |
| Health | 30,663 | 32,480 | 30,750 | 30,694 | 30,820 | 30,880 | 31,132 | 33,182 | 27,702 | 24,496 |
| Welfare | 9,094 | 8,369 | 9,057 | 8,545 | 5,900 | 7,213 | 8,161 | 6,217 | 6,017 | 5,683 |
| Culture and recreation | 2,032 | 1,668 | 1,601 | 1,653 | 1,498 | 1,954 | 1,942 | 2,002 | 2,116 | 1,819 |
| Education | 6,756 | 6,310 | 6,256 | 5,952 | 6,076 | 5,976 | 6,431 | 6,733 | 9,027 | 8,487 |
| Interest on long-term debt | 5,265 | 4,692 | 5,004 | 4,503 | 12,742 | 6,599 | 6,673 | 7,039 | 7,408 | 7,968 |
| Cost of Insurance | 1,282 | | | | | | | | | |
| Total governmental activities expenses | <u>268,176</u> | <u>282,405</u> | <u>258,234</u> | <u>246,005</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> |
| Business-type activities | | | | | | | | | | |
| Long Term Care | | - | - | - | - | - | 68 | 16,623 | 61,555 | 61,404 |
| Sheriff Inmate Services | 368 | 233 | 191 | 394 | 797 | 752 | 836 | 742 | 519 | 633 |
| Home Health | | - | - | - | - | - | - | 1,953 | 6,210 | 5,117 |
| Fairgrounds | | - | - | - | - | - | - | 85 | 479 | 520 |
| Adult Day Care | | - | - | - | - | - | - | - | - | - |
| Airport Economic Development (1) | 1,013 | 835 | 835 | 3,086 | 1,098 | 1,346 | 515 | 417 | 281 | - |
| Total business-type activities | <u>1,381</u> | <u>1,068</u> | <u>1,026</u> | <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> |
| Total primary government expenses | <u>\$ 269,557</u> | <u>\$ 283,473</u> | <u>\$ 259,260</u> | <u>\$ 249,485</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> |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 8,342 | \$ 8,019 | \$ 8,023 | \$ 10,960 | \$ 4,730 | \$ 4,583 | \$ 4,510 | \$ 3,749 | \$ 4,963 | \$ 5,211 |
| Public Safety | 12,784 | 12,713 | 11,480 | 16,621 | 14,875 | 23,764 | 25,615 | 25,089 | 26,923 | 22,596 |
| Other activities | 17,026 | 18,247 | 11,822 | 10,760 | 8,493 | 7,722 | 6,170 | 4,635 | 4,764 | 6,480 |
| Operating grants and contributions | 48,288 | 51,952 | 48,532 | 22,795 | 18,866 | 19,806 | 33,498 | 32,172 | 31,607 | 34,514 |
| Capital grants and contributions | 16,521 | 11,102 | 10,495 | 21,301 | 34,162 | 22,642 | 21,031 | 23,146 | 22,157 | 25,501 |
| Total governmental activities program revenues | <u>102,961</u> | <u>102,033</u> | <u>90,352</u> | <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> |

| | Fiscal Year | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Business-type activities | | | | | | | | | | |
| Business-type activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Long Term Care | - | - | - | - | - | - | - | 16,089 | 62,678 | 61,588 |
| Home Health | - | - | - | - | - | - | - | 2,070 | 7,253 | 5,599 |
| Other activities | 754 | 542 | 507 | 644 | 298 | 93 | 602 | 240 | 304 | 307 |
| Operating grants and contributions | 295 | 15 | 47 | 2,227 | 211 | 386 | 625 | 122 | 705 | 60 |
| Total business-type activities program revenues | 1,049 | 557 | 554 | 2,871 | 509 | 479 | 1,227 | 18,521 | 70,940 | 67,554 |
| Total primary government program revenues | \$ 104,010 | \$ 102,890 | \$ 90,906 | \$ 84,914 | \$ 81,635 | \$ 78,996 | \$ 92,051 | \$ 107,312 | \$ 161,354 | \$ 161,856 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (165,215) | \$ (180,372) | \$ (167,882) | \$ (163,568) | \$ (171,865) | \$ (162,422) | \$ (152,827) | \$ (155,262) | \$ (157,920) | \$ (145,946) |
| Business-type activities | (332) | (511) | (472) | (609) | (1,386) | (1,619) | (192) | (1,299) | 1,896 | (120) |
| Total primary government net expenses | \$ (165,547) | \$ (180,883) | \$ (168,354) | \$ (164,177) | \$ (173,251) | \$ (164,041) | \$ (153,019) | \$ (156,561) | \$ (156,024) | \$ (146,066) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Government Activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 97,911 | \$ 93,906 | \$ 88,122 | \$ 87,782 | \$ 84,095 | \$ 78,709 | \$ 87,584 | \$ 93,350 | \$ 112,674 | \$ 108,755 |
| General county sales tax | 17,852 | 16,358 | 14,976 | 14,561 | 14,007 | 13,554 | 12,800 | 12,460 | 12,104 | 12,065 |
| Share of State sales taxes | 36,898 | 35,411 | 32,823 | 31,633 | 30,565 | 29,450 | 27,586 | 26,700 | 20,921 | 18,812 |
| Road improvement tax | 9,179 | 8,298 | 7,820 | 7,550 | 7,107 | 6,877 | 6,530 | 6,341 | 4,798 | 4,481 |
| Other taxes | 30,065 | 28,949 | 27,067 | 23,665 | 24,932 | 24,173 | 15,564 | 15,056 | 14,559 | 14,022 |
| Miscellaneous state assistance | 550 | - | - | - | 550 | 550 | - | - | - | 304 |
| Grants and contrib not restricted to specific programs | 1,386 | 550 | 1,311 | - | 2,000 | - | - | - | - | - |
| Investment earnings: | | | | | | | | | | |
| Interest on investments | 4,273 | 756 | 396 | 957 | 574 | 434 | 360 | 690 | 995 | 1,504 |
| Miscellaneous | 3,706 | 10,600 | 6,682 | 1,200 | (588) | 3,376 | 1,547 | 2,178 | 2,007 | 1,998 |
| Reassignment of debt | - | - | - | - | - | - | - | (2,131) | - | - |
| Transfers | (86) | - | (24) | (1,000) | - | 55 | 2,020 | 8,980 | 1,654 | 2,559 |
| Total governmental activities | 201,734 | 194,828 | 179,173 | 166,348 | 163,242 | 157,178 | 153,991 | 163,624 | 169,712 | 164,500 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings: | | | | | | | | | | |
| Interest on investments | 24 | 2 | (3) | - | - | 3 | 7 | 37 | 137 | 198 |
| Miscellaneous | 697 | 530 | 593 | 525 | 473 | 699 | 678 | 964 | 1,055 | 858 |
| Reassignment of debt | - | - | - | - | - | - | - | 2,131 | - | - |
| Extraordinary item: Insurance recovery | - | - | - | - | - | 8 | - | - | - | - |
| Transfers | 86 | - | 24 | 1,000 | - | (55) | (2,020) | (8,980) | (1,654) | (2,559) |
| Total business-type activities | 807 | 532 | 614 | 1,525 | 473 | 655 | (1,335) | (5,848) | (462) | (1,503) |
| Total primary government | \$ 202,541 | \$ 195,360 | \$ 179,787 | \$ 167,873 | \$ 163,715 | \$ 157,833 | \$ 152,656 | \$ 157,776 | \$ 169,250 | \$ 162,997 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 36,519 | \$ 14,456 | \$ 11,291 | \$ 2,780 | \$ (8,623) | \$ (5,244) | \$ 1,164 | \$ 8,362 | \$ 11,792 | \$ 18,554 |
| Business-type Activities | 475 | 21 | 142 | 916 | (913) | (964) | (1,527) | (7,147) | 1,434 | (1,623) |
| Total Primary Government | \$ 36,994 | \$ 14,477 | \$ 11,433 | \$ 3,696 | \$ (9,536) | \$ (6,208) | \$ (363) | \$ 1,215 | \$ 13,226 | \$ 16,931 |

(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 | | | | | | | | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| | | | | | | | | (as restated) | (as restated) | (as restated) |
| General Fund (1) | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 327 |
| Unreserved | - | - | - | - | - | - | - | - | - | 43,210 |
| Nonspendable | 2 | - | - | - | - | - | - | - | 1,344 | - |
| Restricted | - | - | - | 715 | 715 | 715 | 715 | 715 | 715 | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 31,503 | 31,497 | 28,444 | 22,438 | 19,271 | 35,791 | 47,326 | 43,014 | 42,309 | - |
| Total general fund | <u>\$ 31,505</u> | <u>\$ 31,497</u> | <u>\$ 28,444</u> | <u>\$ 23,153</u> | <u>\$ 19,986</u> | <u>\$ 36,506</u> | <u>\$ 48,041</u> | <u>\$ 43,729</u> | <u>\$ 44,368</u> | <u>\$ 43,537</u> |
| All Other Governmental Funds (1) | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 207 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | - | 84,879 |
| Capital projects funds | - | - | - | - | - | - | - | - | - | 14,618 |
| Debt service funds | - | - | - | - | - | - | - | - | - | 5,016 |
| Nonspendable | 110 | 90 | 114 | 100 | 84 | 71 | 108 | 98 | 96 | - |
| Restricted | 100,397 | 110,885 | 122,642 | 137,292 | 156,283 | 93,363 | 91,314 | 96,598 | 101,452 | - |
| Committed | 2,316 | 1,982 | 2,150 | 1,688 | 2,429 | 2,442 | 2,632 | 4,915 | 4,539 | - |
| Assigned | 829 | 4,173 | 2,552 | 1,166 | 1,535 | 2,990 | 4,479 | 8,105 | 3,163 | - |
| Unassigned | (1,181) | (738) | (1,530) | (225) | (1,819) | (167) | - | - | (148) | - |
| Total all other governmental funds | <u>\$ 102,471</u> | <u>\$ 116,392</u> | <u>\$ 125,928</u> | <u>\$ 140,021</u> | <u>\$ 158,512</u> | <u>\$ 98,699</u> | <u>\$ 98,533</u> | <u>\$ 109,716</u> | <u>\$ 109,102</u> | <u>\$ 104,720</u> |

(1) Starting with FY 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 | | | | | | | | | |
|---|--------------------|-------------------|-------------------|--------------------|------------------|--------------------|-------------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 133,019 | \$ 126,779 | \$ 118,546 | \$ 112,714 | \$ 108,149 | \$ 105,166 | \$ 111,292 | \$ 115,068 | \$ 130,923 | \$ 126,338 |
| Licenses and permits | 7,168 | 7,794 | 6,753 | 5,525 | 5,128 | 4,717 | 3,546 | 3,005 | 2,758 | 3,330 |
| Intergovernmental | 109,310 | 104,827 | 96,844 | 102,947 | 94,514 | 89,292 | 91,258 | 91,928 | 81,164 | 81,699 |
| Charges for services | 26,891 | 29,009 | 22,451 | 24,639 | 18,357 | 29,065 | 29,309 | 28,925 | 27,661 | 27,353 |
| Fines and forfeits | 2,023 | 1,656 | 2,456 | 2,871 | 2,034 | 2,122 | 4,152 | 3,482 | 4,474 | 3,381 |
| Investment earnings | 4,272 | 750 | 354 | 957 | 574 | 434 | 360 | 690 | 995 | 1,504 |
| Contributions | 1,807 | 5,401 | 3,199 | 628 | 1,571 | 337 | 805 | 393 | 372 | 575 |
| Rentals | 467 | 528 | 516 | 450 | 487 | 487 | 396 | 430 | 524 | 840 |
| Miscellaneous | 3,760 | 5,559 | 4,146 | 1,440 | 1,051 | 2,141 | 1,385 | 1,138 | 1,438 | 1,518 |
| Total revenues | <u>288,717</u> | <u>282,303</u> | <u>255,265</u> | <u>252,171</u> | <u>231,865</u> | <u>233,761</u> | <u>242,503</u> | <u>245,059</u> | <u>250,309</u> | <u>246,538</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 48,450 | 40,043 | 36,042 | 34,820 | 35,638 | 35,239 | 35,916 | 40,156 | 66,438 | 62,495 |
| Public safety | 120,758 | 117,297 | 110,385 | 116,161 | 115,220 | 115,788 | 117,950 | 112,448 | 96,791 | 92,175 |
| Highways and streets | 57,222 | 45,191 | 36,737 | 36,474 | 29,532 | 24,650 | 26,525 | 23,140 | 24,157 | 24,738 |
| Sanitation | 563 | 1,126 | 421 | 416 | 303 | 301 | 324 | 422 | 444 | 696 |
| Health | 31,026 | 32,223 | 31,949 | 30,694 | 30,715 | 31,115 | 31,130 | 32,945 | 27,589 | 24,297 |
| Welfare | 8,738 | 8,116 | 8,724 | 8,186 | 5,727 | 6,692 | 7,804 | 5,902 | 5,759 | 6,024 |
| Culture and recreation | 2,013 | 1,644 | 1,571 | 1,653 | 1,433 | 1,915 | 1,888 | 1,906 | 2,059 | 2,122 |
| Education | 6,756 | 6,310 | 6,256 | 5,952 | 6,076 | 5,976 | 6,431 | 6,733 | 9,027 | 8,672 |
| Capital outlay | 46,608 | 19,947 | 19,144 | 20,644 | 6,230 | 8,335 | 6,449 | 7,952 | 7,009 | 4,218 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 11,653 | 10,884 | 8,081 | 7,822 | 59,158 | 10,507 | 10,746 | 10,240 | 11,511 | 10,953 |
| Interest and fiscal charges | 6,740 | 6,889 | 7,192 | 7,481 | 11,097 | 6,582 | 6,982 | 7,292 | 7,038 | 7,804 |
| Cost of issuance | 1,282 | - | - | - | 440 | - | - | - | 440 | - |
| Other | - | - | - | - | 1,159 | 4 | 3 | 3 | 4 | 8 |
| Total expenditures | <u>341,809</u> | <u>289,670</u> | <u>266,502</u> | <u>270,303</u> | <u>302,728</u> | <u>247,104</u> | <u>252,148</u> | <u>249,139</u> | <u>258,266</u> | <u>244,202</u> |
| Excess (deficiency) of revenues over expenditures | <u>(53,092)</u> | <u>(7,367)</u> | <u>(11,237)</u> | <u>(18,132)</u> | <u>(70,863)</u> | <u>(13,343)</u> | <u>(9,645)</u> | <u>(4,080)</u> | <u>(7,957)</u> | <u>2,336</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 35,035 | 41,241 | 40,627 | 35,483 | 24,212 | 28,597 | 25,265 | 30,453 | 29,671 | 28,383 |
| Transfers out | (35,390) | (41,521) | (38,032) | (33,232) | (24,515) | (28,542) | (23,245) | (25,484) | (28,005) | (25,824) |
| Proceeds from sale of capital assets | 601 | 703 | 1,282 | 156 | 127 | 234 | 134 | 341 | 427 | 426 |
| Capital lease agreements | 39 | 461 | 582 | - | - | - | - | - | - | 2,098 |
| Loan proceeds | - | - | - | - | - | - | - | - | - | - |
| Insurance reimbursement | 76 | 24 | 182 | 99 | 2,126 | 1,682 | 610 | 87 | 126 | 255 |
| Bond proceeds | 38,370 | - | - | - | 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 | 426 | - | - | - | 19,631 | - | - | - | 1,588 | - |
| Loan issued | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources | <u>39,157</u> | <u>908</u> | <u>4,641</u> | <u>2,506</u> | <u>114,144</u> | <u>1,971</u> | <u>2,764</u> | <u>5,397</u> | <u>14,361</u> | <u>5,338</u> |
| Net change in fund balances | <u>\$ (13,935)</u> | <u>\$ (6,459)</u> | <u>\$ (6,596)</u> | <u>\$ (15,626)</u> | <u>\$ 43,281</u> | <u>\$ (11,372)</u> | <u>\$ (6,881)</u> | <u>\$ 1,317</u> | <u>\$ 6,404</u> | <u>\$ 7,674</u> |
| Debt Service as a percentage of noncapital expenditures | 7.10% | 7.10% | 6.50% | 6.40% | 24.7% | 7.2% | 7.4% | 7.4% | 7.8% | 8.1% |

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 |
|-------------|-----------|--------------------|------------------------|---|
| 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% |
| 2016/17 | Primary | 2,119,751 | 20,091,668 | 10.6% |
| | Secondary | 2,583,823 | 24,505,311 | 10.5% |
| 2017/18 | Primary | 2,239,027 | 21,243,904 | 10.5% |
| | Secondary | 2,699,117 | 25,571,320 | 10.6% |
| 2018/19 | Primary | 2,355,433 | 22,283,528 | 10.6% |
| | Secondary | 2,774,864 | 26,211,155 | 10.6% |

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 |
|----------|---------------------|----------------------|----------------|----------|------------------------------|-----------------------|-------------------------|---|
| 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% |
| 2016 | 508,805 | 1,326,227 | 262,787 | 21,932 | 2,119,751 | 4.2014% | 20,091,668 | 10.55% |
| 2017 | 530,329 | 1,418,170 | 264,023 | 26,505 | 2,239,027 | 4.2001% | 21,243,904 | 10.54% |
| 2018 | 602,105 | 1,513,386 | 213,177 | 26,766 | 2,355,434 | 4.1601% | 22,283,528 | 10.57% |

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)

| Fiscal Year | Assessed Value | County Primary Rate | Library | Flood | Fire | Mary C. O'Brien School | Total |
|--------------------|-----------------------|----------------------------|----------------|--------------|-------------|-------------------------------|--------------|
| 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 |
| 2016/17 | 2,119,751 | 3.8699 | 0.0965 | 0.1693 | 0.0657 | N/A | 4.2014 |
| 2017/18 | 2,239,027 | 3.8699 | 0.0965 | 0.1693 | 0.0644 | N/A | 4.2001 |
| 2018/19 | 2,355,434 | 3.8300 | 0.0965 | 0.1693 | 0.0643 | N/A | 4.1601 |

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>2019</u> | | | <u>2010</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 | \$ 79,107 | 1 | 3.36% | \$ 86,886 | 1 | 3.02% |
| CCA Propertites of Arizona Inc | 39,006 | 2 | 1.66% | 20,587 | 3 | 0.71% |
| ASARCO LLC / Ray Copper Complex | 35,422 | 3 | 1.50% | 64,357 | 2 | 2.23% |
| Kinder Morgan (former: El Paso Natural Gas Co.) | 21,907 | 4 | 0.93% | 18,022 | 4 | 0.63% |
| Unisource Energy Corporation (EPF) | 17,960 | 5 | 0.76% | | | |
| Corrections Corporation of America | 15,427 | 6 | 0.65% | | | |
| Union Pacific Railroad Co | 13,887 | 7 | 0.59% | | | |
| Arizona Water Company | 13,439 | 8 | 0.57% | | | |
| Union Pacific Railroad | 12,969 | 9 | 0.55% | | | |
| Johnson Utilities LLC | 10,711 | 10 | 0.45% | | | |
| Qwest Corporation | | | | 16,385 | 5 | 0.57% |
| Southwest Gas | | | | 12,782 | 6 | 0.44% |
| WP Casa Grande Retail LLC | | | | 10,853 | 7 | 0.38% |
| Federal National Mortgage Association | | | | 8,010 | 8 | 0.28% |
| Wal-Mart Stores East, LP | | | | 7,342 | 9 | 0.25% |
| SFPP LP dba Kinder Morgan Energy | | | | 6,625 | 10 | 0.23% |
| Total | <u>259,835</u> | | <u>11.03%</u> | <u>251,849</u> | | <u>8.74%</u> |
| Total Assessed Value | <u>\$ 2,355,433</u> | | | <u>\$ 2,880,552</u> | | |

Source: County Treasurer Tax Records

PINAL COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years
(\$ Amounts expressed in thousands)

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2010 | \$ 101,628 | \$ 95,122 | 93.60% | \$ 6,169 | \$ 101,291 | 99.67% |
| 2011 | 109,076 | 98,065 | 89.91% | 10,144 | 108,209 | 99.21% |
| 2012 | 91,738 | 81,278 | 88.60% | 8,381 | 89,659 | 97.73% |
| 2013 | 87,103 | 77,831 | 89.36% | 8,128 | 85,959 | 98.69% |
| 2014 | 80,497 | 72,250 | 89.75% | 6,815 | 79,065 | 98.22% |
| 2015 | 81,182 | 73,613 | 90.68% | 4,506 | 78,119 | 96.23% |
| 2016 | 87,317 | 79,270 | 90.77% | 6,401 | 85,671 | 98.11% |
| 2017 | 87,221 | 83,732 | 96.00% | 2,667 | 86,399 | 99.06% |
| 2018 | 92,079 | 90,029 | 97.77% | 1,532 | 91,561 | 99.44% |
| 2019 | 95,942 | 94,403 | 98.39% | - | 94,403 | 98.40% |

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 ¹ | Per Capita ² | Certificates of Participation | Note Payable | Capital Leases | Loans |
| 2009/2010 | \$ - | N/A | 24 | \$ 83,740 | \$ 487 | \$ 10,669 | \$ 68,863 |
| 2010/2011 | 30,380 | 1.19% | 23 | 61,685 | 487 | 6,985 | 64,458 |
| 2011/2012 | 30,349 | 1.40% | 25 | 59,798 | 487 | 4,414 | 62,949 |
| 2012/2013 | 28,434 | 1.32% | 25 | 57,618 | 487 | 2,073 | 58,361 |
| 2013-2014 | 26,780 | 1.35% | 26 | 55,351 | 487 | 566 | 53,601 |
| 2014-2015 | 179,445 | 8.95% | 27 | - | 487 | 416 | 7,904 |
| 2015-2016 | 174,608 | 8.49% | 28 | - | 487 | - | 6,032 |
| 2016-2017 | 166,754 | 7.14% | 28 | - | 487 | 521 | 4,093 |
| 2017-2018 | 158,445 | 6.48% | 29 | - | 487 | 823 | 2,082 |
| 2018-2019 | 186,365 | 7.09% | 30 | - | 487 | 664 | - |

| Fiscal Year | Business -Type Activities | | | Total Primary Government | Percentage of Personal Income ² | Per Capita ² |
|-------------|---------------------------|----------|------------|--------------------------|--|-------------------------|
| | Capital Leases | Loans | | | | |
| 2009/2010 | \$ 103 | \$ 2,592 | \$ 166,454 | 1.97% | 24 | |
| 2010/2011 | 69 | 2,347 | 166,411 | 1.88% | 23 | |
| 2011/2012 | - | - | 157,997 | 1.70% | 25 | |
| 2012/2013 | - | - | 146,973 | 1.54% | 25 | |
| 2013-2014 | - | - | 136,785 | 1.36% | 26 | |
| 2014-2015 | - | - | 188,252 | 1.77% | 27 | |
| 2015-2016 | - | - | 181,127 | 1.61% | 28 | |
| 2016-2017 | - | - | 171,855 | 1.45% | 28 | |
| 2017-2018 | - | - | 161,837 | 1.28% | 29 | |
| 2018-2019 | - | - | 187,236 | 1.37% | 30 | |

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.

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

²See the Schedule of Demographic and Economic Statistics on page 189 for personal income and population data.

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

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <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> | <u>2016/2017</u> | <u>2017/2018</u> | <u>2018/2019</u> |
| Debt Limit | \$ 203,926 | \$ 160,405 | \$ 133,118 | \$ 130,621 | \$ 120,321 | \$ 122,445 | \$ 147,015 | \$ 155,029 | \$ 161,947 | \$ 166,492 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <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> | <u>\$ 155,029</u> | <u>\$ 161,947</u> | <u>\$ 166,492</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 2018/2019

Assessed Value:

Secondary

\$ 2,774,864

Debt Limit

\$ 166,492

(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

\$ 166,492

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)

| 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 | | | |
| | | Principal | Interest | | | | | Principal | Interest | Coverage | |
| 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 | |
| 2016/17 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| 2017/18 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| 2018/19 | 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 | | | | | | | |
|-------------|---|----------------------------------|--|------------------------------|--------------|----------|----------|--|
| | Gross State Shared Sales Tax Revenue(1) | Less: AHCCCS/ALTCS Contributions | Net Available State Shared Sales Tax Revenue | County Excise Tax Revenue(1) | Debt Service | | Coverage | |
| | | | | | Principal | Interest | | |
| 2009/10 | \$ 18,812 | \$ 10,326 | \$ 8,486 | \$ 12,065 | \$ 3,315 | \$ 3,208 | 130.09% | |
| 2010/11 | 20,921 | 13,551 | 7,370 | 12,104 | 4,150 | 3,605 | 95.04% | |
| 2011/12 | 26,700 | 18,550 | 8,150 | 12,460 | 4,600 | 4,119 | 93.47% | |
| 2012/13 | 27,586 | 17,955 | 9,631 | 12,800 | 6,310 | 3,931 | 94.04% | |
| 2013/14 | 29,450 | 18,453 | 10,997 | 13,554 | 6,815 | 3,708 | 104.50% | |
| 2014/15 | 30,565 | 18,507 | 12,058 | 14,007 | 4,390 | 5,497 | 121.96% | |
| 2015/16 | 31,633 | 18,761 | 12,872 | 14,561 | 7,735 | 7,460 | 84.71% | |
| 2016/17 | 32,823 | 18,128 | 14,695 | 14,976 | 8,020 | 7,189 | 96.62% | |
| 2017/18 | 35,411 | 18,060 | 17,351 | 16,358 | 10,725 | 6,859 | 98.67% | |
| 2018/19 | 36,898 | 16,879 | 20,019 | 17,852 | 11,455 | 6,705 | 110.24% | |

Source: County financial and tax records

(1) See Note 8 - Long Term Liabilities, page 51 for details.

PINAL COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years

(Amounts expressed in thousands)

| Fiscal Year | Population¹ | Personal Income² | Per Capita Income² | Unemployment Rate¹ |
|--------------------|-------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| 2009/10 | 376 | \$ 8,449,965 | 22 | 10.9% |
| 2010/11 | 384 | 8,848,824 | 23 | 10.9% |
| 2011/12 | 389 | 9,301,945 | 24 | 9.1% |
| 2012/13 | 394 | 9,537,601 | 24 | 8.6% |
| 2013/14 | 396 | 10,027,602 | 25 | 7.3% |
| 2014/15 | 406 | 10,665,065 | 26 | 6.6% |
| 2015/16 | 413 | 11,259,846 | 27 | 5.8% |
| 2016/17 | 428 | 11,827,274 | 28 | 5.2% |
| 2017/18 | 441 | 12,609,714 | 29 | 5.2% |
| 2018/19 | 453 | 13,701,923 | 30 | 5.5% |

¹ Population and unemployment data was obtained from Arizona Department of Administration, Office of Economic Opportunity (www.population.az.gov and www.laborstats.az.gov/local-area-unemployment-statistics).

² Personal income and per capita income data is obtained from Arizona REAP Project - www.arizona.reaproject.org.

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

| Employer | 2019 | | | 2010 | | |
|---|------------------------|------|---------------------------------------|------------------------|------|---------------------------------------|
| | Employees ¹ | Rank | Percentage of Total County Employment | Employees ¹ | Rank | Percentage of Total County Employment |
| State of Arizona | 2,025 | 1 | 3.24% | 3,030 | 1 | 2.74% |
| Pinal County Government | 1,989 | 2 | 3.18% | 2,554 | 2 | 2.31% |
| Walmart | 1,980 | 3 | 3.16% | 1,750 | 5 | 1.58% |
| Corrections Corporation of America | 1,398 | 4 | 2.23% | 2,480 | 3 | 2.24% |
| ASARCO LLC | 1,370 | 5 | 2.19% | | | |
| Pinal County Community College District | 1,131 | 6 | 1.80% | | | |
| Ceasars Entertainment Operating Company Inc | 800 | 7 | 1.28% | | | |
| Casa Grande Community Hospital | 625 | 8 | 1.00% | 800 | 7 | 0.72% |
| AZ Training Center Coolidge | 600 | 9 | 0.96% | | | |
| Marana Aerospace Solutions | 373 | 10 | 0.60% | | | |
| Gila River Indian Community | | | | 2,040 | 4 | 1.84% |
| Ray Mines Plant | | | | 810 | 6 | 0.73% |
| Hu Hu Kam Memorial Hospital | | | | 790 | 8 | 0.71% |
| Pinal County Community College | | | | 790 | 9 | 0.71% |
| Casa Grande Elementary School District | | | | 740 | 10 | 0.67% |

¹Estimated number of full-time equivalent employees
2019 Source: Maricopa Association of Governments, Arizona Employment Map
2010 Source: FY09-10 Pinal County CAFR

PINAL COUNTY
General Fund 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) |
|--|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| County General Excise Tax Revenues | \$ 13,554 | \$ 14,007 | \$ 14,561 | \$ 14,976 | \$ 16,358 | \$ 17,852 | \$ 18,801 |
| Gross State Shared Revenues | \$ 29,450 | \$ 30,565 | \$ 31,633 | \$ 32,823 | \$ 35,411 | \$ 36,898 | \$ 38,675 |
| Less: ALTCS contribution (b) | (15,247) | (15,294) | (15,540) | (14,900) | (15,344) | (13,853) | (13,755) |
| Less: AHCCCS contribution (c) | (2,988) | (2,995) | (3,003) | (3,010) | (3,017) | (3,026) | (3,038) |
| Net State Shared Revenues | \$ 11,215 | \$ 12,276 | \$ 13,090 | \$ 14,913 | \$ 17,050 | \$ 20,019 | \$ 21,882 |
| Vehicle License Tax Revenues | \$ 8,818 | \$ 9,485 | \$ 10,259 | \$ 10,211 | \$ 11,853 | \$ 12,701 | \$ 13,325 |
| Total County Excise Tax Revenues, Net State Shared Revenues and Vehicle License Tax Revenues | \$ 33,587 | \$ 35,768 | \$ 37,910 | \$ 40,100 | \$ 45,261 | \$ 50,572 | \$ 54,008 |

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" obtained from Adopted Budget Book.
- (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 | | | | | | | | | |
|--------------------------------|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Governmental activities | | | | | | | | | | |
| General government | 344 | 349 | 322 | 324 | 328 | 332 | 330 | 328 | 350 | 409 |
| Public safety | 1,213 | 1,198 | 1,207 | 1,176 | 1,224 | 1,275 | 1,340 | 1,315 | 1,257 | 1,313 |
| Highways and streets | 212 | 200 | 198 | 184 | 177 | 157 | 170 | 181 | 181 | 184 |
| Sanitation | 4 | 4 | 3 | 3 | 3 | 2 | 2 | 3 | 6 | 7 |
| Health | 165 | 162 | 160 | 152 | 150 | 255 | 148 | 151 | 150 | 167 |
| Welfare | 28 | 29 | 32 | 32 | 33 | 26 | 35 | 33 | 36 | 36 |
| Culture and recreation | 8 | 8 | 8 | 9 | 8 | 16 | 11 | 11 | 12 | 11 |
| Education | 11 | 11 | 11 | 77 | 76 | 80 | 66 | 70 | 69 | 75 |
| Total governmental activities | <u>1,985</u> | <u>1,961</u> | <u>1,941</u> | <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> |
| Business-type activities | | | | | | | | | | |
| Long Term Care | - | - | - | - | - | - | - | - | 73 | 80 |
| Sheriff/Inmate Services | 1 | 1 | 1 | 1 | 4 | 3 | 2 | 3 | 3 | 3 |
| Home Health | - | - | - | - | - | - | - | - | 328 | 257 |
| Fairgrounds | - | - | - | - | - | - | - | - | 4 | 12 |
| Adult Day Care | - | - | - | - | - | - | - | - | - | - |
| Airport Economic Development | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | - |
| Total business-type activities | <u>4</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>6</u> | <u>5</u> | <u>4</u> | <u>5</u> | <u>410</u> | <u>352</u> |
| Total | <u><u>1,989</u></u> | <u><u>1,964</u></u> | <u><u>1,944</u></u> | <u><u>1,960</u></u> | <u><u>2,005</u></u> | <u><u>2,148</u></u> | <u><u>2,106</u></u> | <u><u>2,097</u></u> | <u><u>2,471</u></u> | <u><u>2,554</u></u> |

Source:

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 2016 does not include temporary election workers

PINAL COUNTY
Operating Indicators by Function/Program
Last Eight Fiscal Years and Current

| Function/Program | Fiscal Year 2018/2019 (1) | Fiscal Year 2017/2018 | Fiscal Year 2016/2017 | Fiscal Year 2015/2016 | 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 | 228,840 | 224,506 | 222,783 | 221,312 | 220,508 | 219,444 | 219,020 | 217,421 | 215,834 |
| County Recorder | | | | | | | | | |
| Documents recorded | 99,181 | 98,058 | 92,608 | 83,475 | 80,054 | 97,979 | 110,658 | 104,779 | 113,844 |
| Development Services | | | | | | | | | |
| Building permits issued | 4,126 | 3,837 | 3,134 | 2,498 | 3,592 | 3,949 | 3,524 | 2,937 | 2,817 |
| Elections | | | | | | | | | |
| Active registered voters | 202,079 | 197,650 | 189,462 | 171,357 | 163,749 | 160,282 | 156,689 | 160,985 | 161,813 |
| Elections held | 2 | 1 | 2 | 3 | 3 | 3 | 5 | 6 | 4 |
| Ballots cast and counted | 189,809 | 47,061 | 179,560 | 122,324 | 115,653 | 35,159 | 160,584 | 50,361 | 204,199 |
| Facilities | | | | | | | | | |
| Work order requests | 18,271 | 15,795 | 14,764 | 16,380 | 18,257 | 14,588 | 16,331 | 16,962 | 15,240 |
| Fleet | | | | | | | | | |
| Work Orders completed | 6,198 | 6,351 | 6,417 | 6,373 | 6,295 | 5,802 | 6,024 | 6,021 | 6,325 |
| <u>Public Safety</u> | | | | | | | | | |
| County Attorney | | | | | | | | | |
| Adult felonies charged | 3,039 | 2,874 | 3,401 | 3,824 | 3,954 | 2,700 | 2,036 | 2,813 | 2,386 |
| Child support collected (2) | N/A | N/A | N/A | N/A | N/A | N/A | \$ 21,994 | \$ 22,383 | \$ 22,600 |
| Victim Restitution for bad checks collected (3) | N/A | N/A | N/A | N/A | \$ 19 | \$ 54 | \$ 85 | \$ 110 | \$ 105 |
| Sheriff | | | | | | | | | |
| Sworn Deputies | 206 | 203 | 216 | 199 | 209 | 214 | 162 | 207 | 140 |
| Service calls | 91,450 | 90,077 | 87,970 | 84,676 | 89,393 | 101,864 | 104,450 | 99,122 | 88,706 |
| Total bookings | 10,613 | 4,118 | 11,218 | 11,545 | 10,984 | 17,659 | 17,906 | 16,172 | 15,592 |
| Adult Probation | | | | | | | | | |
| Probationers (includes absconders) | 3,418 | 3,279 | 4,645 | 4,420 | 3,208 | 2,706 | 2,818 | 3,517 | 3,511 |
| Community work service hours | 50,174 | 22,777 | 2,018 | 33,456 | 32,858 | 30,120 | 30,520 | 16,445 | 16,817 |
| Victim restitution collected | \$ 293,852 | \$ 88 | \$ 479 | \$ 433 | \$ 459 | \$ 436 | \$ 582 | \$ 435 | \$ 348 |
| Flood Control District | | | | | | | | | |
| Floodplain use permit applications received | 64 | 90 | 145 | 24 | 27 | 21 | 27 | 29 | 45 |
| ALERT gauge installations | 3 | 3 | 4 | - | 4 | 4 | 4 | 3 | 4 |
| <u>Health</u> | | | | | | | | | |
| Court ordered evaluations | 374 | 270 | 126 | 172 | 249 | 253 | 148 | 157 | 174 |
| Forensic mental health clients | 268 | 229 | 193 | 263 | 193 | 261 | 150 | 151 | 159 |
| <u>Public Health</u> | | | | | | | | | |
| Birth certificates issued | 8,391 | 7,630 | 7,033 | 6,445 | 5,983 | 5,184 | 4,846 | 4,379 | 5,520 |
| Death certificates issued | 8,654 | 8,745 | 9,261 | 8,654 | 7,672 | 7,427 | 6,546 | 6,556 | 8,187 |
| Community health services clients | 22,216 | 17,415 | 21,396 | 20,537 | 20,819 | 15,190 | 19,587 | 20,386 | 19,758 |
| Immunization visits | 8,760 | 7,919 | 19,420 | 8,052 | 10,841 | 7,573 | 7,588 | 6,540 | 10,080 |
| WIC clients | 99,664 | 101,063 | 103,480 | 103,748 | 97,042 | 95,734 | 98,199 | 93,411 | 97,186 |

**Operating Indicators by Function/ Program
Last Eight Fiscal Years and Current**

| Function/Program | Fiscal Year 2018/2019 | Fiscal Year 2017/2018 | Fiscal Year 2016/2017 | Fiscal Year 2015/2016 | 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 | 1,577,271 | 1,317,606 | 1,296,117 | 1,356,015 | 1,381,283 | 1,405,537 | 1,430,329 | 1,508,320 | 1,558,678 |
| Website visits | 89,249 | 101,393 | 112,720 | 104,706 | 97,212 | 114,936 | 473,197 | 488,171 | 579,853 |
| Active Borrowers | 93,737 | 96,192 | 98,107 | 101,526 | 57,350 | 59,550 | 60,310 | 60,032 | 60,696 |
| <u>Welfare</u> | | | | | | | | | |
| Public Fiduciary clients | 193 | 190 | 195 | 183 | 217 | 253 | 279 | 284 | 279 |
| <u>Education</u> | | | | | | | | | |
| Superintendent of Schools | | | | | | | | | |
| School districts in Pinal County | 21 | 21 | 21 | 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 Eight Fiscal Years and Current

| Function/Program | Fiscal Year 2018/19 (1) | Fiscal Year 2017/18 | Fiscal Year 2016/17 | Fiscal Year 2015/16 | 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 | 1,289,006 | 1,223,111 | 1,223,111 | 1,179,191 | 1,161,194 | 1,184,253 | 1,171,460 | 1,103,847 | 1,111,174 |
| Fleet | | | | | | | | | |
| Vehicles maintained | 339 | 307 | 305 | 86 | 79 | 82 | 73 | 10 | 11 |
| Superior Court | | | | | | | | | |
| Divisions | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| <u>Public Safety</u> | | | | | | | | | |
| Sheriff | | | | | | | | | |
| Patrol Vehicles | 167 | 367 | 388 | 391 | 429 | 320 | 207 | 230 | 160 |
| Fleet | | | | | | | | | |
| Vehicles maintained | 304 | 430 | 436 | 510 | 145 | 124 | 434 | 414 | 390 |
| Flood Control | | | | | | | | | |
| Flood ALERT stations | 43 | 41 | 41 | 37 | 37 | 33 | 28 | 26 | 23 |
| <u>Highways and Streets</u> | | | | | | | | | |
| Fleet | | | | | | | | | |
| Vehicles maintained | 139 | 215 | 210 | 210 | 207 | 203 | 249 | 182 | 130 |
| Heavy Equipment maintained | 283 | 163 | 156 | 157 | 127 | 131 | 85 | 191 | 237 |
| Public Works | | | | | | | | | |
| Miles of paved roads | 978 | 1,026 | 1,029 | 1,024 | 1,028 | 1,031 | 1,023 | 1,020 | 1,018 |
| Miles of gravel roads | 1,009 | 1,015 | 1,024 | 1,017 | 1,044 | 1,040 | 1,042 | 1,039 | 1,050 |
| <u>Sanitation</u> | | | | | | | | | |
| Leased Landfill | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>Health</u> | | | | | | | | | |
| Animal Control | | | | | | | | | |
| Vehicles used in operations | 25 | 27 | 30 | 28 | 26 | 25 | 22 | 21 | 14 |
| Fleet | | | | | | | | | |
| Med Examiner Vehicles Maintained | 3 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 2 |
| Public Health | | | | | | | | | |
| Health facilities | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Mobile clinic | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| <u>Culture and Recreation</u> | | | | | | | | | |
| Parks and recreation | | | | | | | | | |
| County parks | 8 | 6 | 6 | 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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