

REPORT HIGHLIGHTS
FINANCIAL STATEMENT AUDIT

Subject

Pinal County issues a Comprehensive Annual Financial Report. The County is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the auditors, our job is to determine whether the County has met its responsibilities.

Our Conclusion

The information in the financial statements is fairly stated in all material respects and the financial statements can be relied on. The financial statements include data for the Pinal County Long-Term Care Fund. The Fund, which had over \$7.1 million in assets and \$4 million in long-term debt, was audited by a local public accounting firm. Our opinion is based, in part, on the work of those auditors.



2003

Year Ended June 30, 2003

The County Completes Construction Projects

Significant construction activity has occurred at the County during the past year on a new Superior Court Judicial Facility and a Sheriff's Administration Facility. The Superior Court Judicial Facility will contain ten courtrooms, judicial chambers, court administration offices, clerk of the court offices, and the county attorney and adult probation offices. The Sheriff's Administration Facility will consist of offices, evidence

storage, and dispatch facilities. Expenditures for these projects totaled \$16.2 million for the fiscal year. At year-end, construction was approximately 62 percent complete and the costs to complete the projects are approximately \$13.2 million. The Sheriff's Administration Facility was opened in August of 2003. The County estimates that the Superior Court Judicial Facility will be completed and ready for occupancy March 2004.

County's Condensed Financial Information

The tables below present summarized versions of the County's government-wide Statement of Net Assets and

Statement of Activities as of and for the years ended June 30, 2003 and 2002.

Statement of Net Assets
June 30, 2003 and 2002
(in thousands)

	Total Governmental and Business-type Activities	
	2003	2002
Current and other assets	\$ 67,989	\$ 75,170
Capital assets	65,119	45,349
Total assets	<u>133,108</u>	<u>120,519</u>
Current and other liabilities	8,035	4,879
Long-term liabilities	60,783	64,462
Total liabilities	<u>68,818</u>	<u>69,341</u>
Net assets		
Invested in capital assets, net of related debt	33,708	25,813
Restricted net assets	23,125	20,459
Unrestricted net assets	7,457	4,906
Total net assets	<u>\$ 64,290</u>	<u>\$ 51,178</u>

Statement of Activities
Year Ended June 30, 2003 and 2002
(in thousands)

	Total Governmental and Business-type Activities	
	2003	2002
Program revenues:		
Governmental activities	\$ 57,287	\$ 48,547
Business-type activities	36,830	29,186
General revenues:		
Governmental activities	75,123	73,855
Business-type activities	268	371
Total revenues	<u>169,508</u>	<u>151,959</u>
Expenses:		
Governmental activities	120,179	109,566
Business-type activities	36,217	29,835
Total expenses	<u>156,396</u>	<u>139,401</u>
Change in net assets	13,112	12,558
Net assets—beginning	51,178	38,620
Net assets—ending	<u>\$ 64,290</u>	<u>\$ 51,178</u>



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Doug Haywood

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Year Ended June 30, 2003