



**Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2018**

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Coconino County Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018

COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott
District 1

Elizabeth C. Archuleta
District 2

Matthew G. Ryan
District 3
Chair

Jim Parks
District 4

Lena Fowler
District 5
Vice Chair

COCONINO COUNTY MANAGEMENT

James Jayne
County Manager

Mike Townsend
Deputy County Manager

Lucinda Andreani
Interim Deputy County Manager

Finance Team

Bonny Lynn, MPA, Chief Financial Officer
Thomas Johnson, CPA, Accounting Manager
Nancy Ho, MBA, Senior Accountant
Chyenne Schmidt, CPA, Senior Accountant
Marsha Westling, Accountant

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INTRODUCTORY SECTION

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March 27, 2019

The Honorable Board of Supervisors and Citizens of Coconino County, Arizona:

We are pleased to provide you the Comprehensive Annual Financial Report (CAFR) of Coconino County for the fiscal year ended June 30, 2018. The report provides additional information to the Board and citizens on the County's financial position and results of operations. Pursuant to Arizona Revised Statute (A.R.S.) 41-1279.21 the Coconino County CAFR was audited in accordance with generally accepted auditing standards for the year ended June 30, 2018 and has been issued an unmodified ("clean") opinion.

This report consists of management's representations concerning the finances of Coconino County. Consequently management assumes full responsibility for the accuracy of the information and completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Arizona Office of the Auditor General has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

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

The County's CAFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes §41-725. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Coconino County Profile

Coconino County was established on February 19, 1891 by the 16th Territorial Assembly with an initial population count of 4,000. The County encompasses approximately 18,617 square miles – it is the largest county in Arizona and the second largest in the United States. Despite its size, Coconino County is one of the most sparsely populated counties in Arizona with a population of 7.3 per square mile (2010 Census). Only 12% of the County's total square miles are private property. The remainder is a combination of state, federal and reservation land.

The estimated 2018 population of Coconino County is 144,057. Flagstaff is the County seat and the largest city in the County. The County is home to the Grand Canyon, four other federal recreation areas and three state parks. The County is also home to reservation land belonging to the Navajo, Hopi, Havasupai, Hualapai and Paiute tribes.

Coconino County's government consists of an elected Board of Supervisors (Board). There are five districts, each represented by a Supervisor who resides in the district. The Board holds the policy-making and legislative authority for the County. It is responsible for the overall management and approval of all departmental budgets and tax rates. The Board appoints a County Manager who serves as the Chief Administrative Officer for the County. Departments are either headed by an appointed official, appointed by the Board, or an elected official. Elected offices are statutorily determined and include the Sheriff, County Attorney, Recorder, Treasurer, Assessor, Superintendent of Schools, Constable, Clerk of the Superior Court, and the Judiciary.

Coconino County provides a full range of services including law enforcement and public safety, health services, sanitation, welfare programs, highway construction and maintenance, parks and recreation, and education.

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

The Board and the County Manager use a ten-year financial plan, along with fiscal management policies, budget management policies, and strategic goals and priorities to guide the overall development and management of the budget. Annually, departments are required to provide revenue and expenditure estimates for the current fiscal year and planned operations for the following year. These estimates are used to

update the ten-year financial plan. Departments submit their budgets which are evaluated using criteria and strategies adopted by the Board of Supervisors and budget recommendations are based on these evaluations. Final budget decisions are also subject to the availability of funds within the context of the ten-year financial plans; conformance with fiscal and budget management policies; and meeting the County's strategic goals and priorities.

The final budget must be adopted by the Board on or before the third Monday in July. The tax rate and levy must be set on or before the third Monday in August each year. The level of budgetary control is at the department level within a fund. Transfers between these levels must be approved by the Board. Additionally, actual expenditures may legally not exceed the final budget.

Assessing Coconino County's Economic Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Economic Outlook. In July 2017, as reported by The Washington Post, the International Monetary Fund (IMF) cut its U.S. growth forecast; projecting economic growth at a rate of 2.1% for both 2017 and 2018. The 2017 calendar year ended with 2.3% real GDP, which is the new normal rate of growth. Arizona continued to grow in overall economy and employment during fiscal year 2018. According to the Phoenix Business Journal, Arizona averaged 3.2% real GDP growth in all of 2017 with projections of 3.4% for 2018. According to Arizona economists, Arizona historically outpaces the nation in GDP growth and continues to do so. Job growth has been steady and wage growth is gaining momentum. Minimum wage ballot measures were approved by voters across the State and locally in Flagstaff; contributing to wage growth. Housing prices and permits increased. In December 2018 Zillow reports the median listing price of homes in Flagstaff at \$459,950 with a median home value of \$368,000, reported as 7.6% over the prior year. Building permits were up by 11% in Coconino County for FY18 over FY17. The State continues to add jobs and residents at a faster pace than the nation, and is expected to continue to do so over the next three years. The local and State economy are very dependent on visitors to the State, which adds to our largest source of revenue, the sales tax.

Coconino County budgeted a total of 5% in salary increases for all employees, between merit and market for FY18. The budget also included a public safety pay range adjustment and pilot program to assist with retention and officer recruitment. Deputy Sheriff positions have been difficult to fill as the nationwide focus on law enforcement increases.

Impact of State Economic Condition. Although the County's sound long-term financial planning considers and includes a recessionary growth model based on prior recessions, cost shifts and State impacts to local government continues to impact County revenues. The County anticipates potential reduced and reallocated State and Federal Highways and Streets revenues, shifts in mandated State costs to counties,

and further cuts to County funding for Public Safety, Courts, Health and Social Services programs. This causes continued uncertainty for counties across the state and into the foreseeable future. The County will continue to work with the Governor, State Legislators, County Supervisors Association and the Arizona Association of Counties to find solutions to state cost shifts to counties.

Local economy. The economy of Coconino County is based primarily on tourism, public administration, the service industry, wholesale and retail trade. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. The list of major employers remained the same in FY18 as in the prior year. The list of major employers includes; Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, Twin Arrows Navajo Casino and Resort, City of Flagstaff, Walmart, Grand Canyon Railway, SCA Tissue, Coconino Community College, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, and Nestle-Purina.

Tourism significantly impacts the local economy. Old Route 66 runs across most of the County as well as U.S. Interstate 40. Attractions include National Parks, National Monuments and State Parks, some of which are: the Grand Canyon, Sedona/Oak Creek Canyon, Glen Canyon National Recreation Area, Wupatki National Monument, Sunset Crater National Monument, Walnut Canyon National Monument, and Slide Rock State Park. The tourism sector saw an increase of 4.6% in revenue at year end 2018 over the prior year, according to the Arizona Office of Tourism (latest data available). Arizona State Parks is reporting an increase in visitors to State Parks within Coconino County, in 7 of the first 9 months of 2018.

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year (FY) 2007. In FY18 the County continued to expand on the Strategic Budget Process begun in FY10. The goal of the process is to provide consistent delivery of essential services to its residents in times of economic growth or recession, and to identify opportunities for cost containment through prevention efforts. Keys to this process are: 1) a ten-year financial plan, 2) aligning high probability revenue types with mission critical expenditures, 3) balancing recurring expenditures with recurring revenue, 4) building prudent reserves, 5) planning the budget to include employee compensation, facilities R & R, and IT, 6) continued development of the Strategic Budgeting Process, and 7) development of new revenue sources.

The County, as a member of the Northern Arizona Public Employee Benefit Trust (NAPEBT), has successfully achieved lower than average growth in health insurance costs over the past several years. Through becoming a self-funded trust and implementing a wellness program, claims experience has stayed well below national averages. In the FY18 budget, health insurance premiums increased on average 9% over the three different plans offered to County employees. This was only the second increase in five years and is well below the national average for health plan premium increases.

Budget Management Policy

- The Board uses the approved County fiscal policies and strategic priorities to guide the County's budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.
- During the budget process, departments are asked to develop and evaluate a line item budget for both revenues and expenditures and present program performance measures and outcomes. Funding for all County programs is submitted to the Budget Team and County Manager, for a recommendation to the Board of Supervisors for approval of funding. Requests for increases to program funding must demonstrate the estimated return on investment, efficiency, or be clearly tied to a specific strategic priority outcome indicator, as adopted by the Board of Supervisors.

Coconino County's fiscal policies promote long-term stability, provide perspective to the financial picture of the County in its entirety rather than single issues, link long-term financial planning to day-to-day operations, and provide a framework for the Board of Supervisors and the citizens for measuring the fiscal impact of government services against established fiscal parameters. The fiscal policies include:

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

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

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

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

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

Major Initiatives/Impacts

Public Pension Plans

The state oversees all of the public pension systems which benefit Coconino County employees. The Elected Officials Retirement Program (EORP) and the Public Safety Personnel Retirement System (PSPRS) are two pension systems which were modified by action of the State Legislature in prior years. Two lawsuits were filed in response to the changes; the Hall Case and the Parker Case. During FY17 the changes to the plans were found to be unconstitutional by the Superior Court. The result of the Superior Court findings was that public employers were required to refund the excess contributions plus interest earned on those funds, both pre-judgement and post-judgement. Coconino County processed the repayments in FY18. The total amount of principle and interest refunded was \$ 974,322.

A future financial impact to Coconino County will come as the result of the unfunded liability in the EORP plan. Currently the County pays a 23.5% contribution rate. The actuarially determined rate to eliminate the unfunded liability will result in a rate of 61.5% beginning in Fiscal Year 2019.

Legislative changes have been made to the public pension systems to address the unfunded liabilities outstanding. In the PSPRS system a proactive plan has been developed which changed the amortization period to allow for full funding in 20 – 25 years, the assumed rate of return was adjusted down to better reflect market trends, which resulted in an increase in contribution rates over the next five years. The Coconino County Board of Supervisors took an action to make an extra payment to pay down the unfunded liability. In FY18 the Board authorized an additional payment of \$390,000. This followed a payment of \$10.0 million at the end of Fiscal Year 2016.

Capital Investments

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

Fiscal Year 2018 began the twelve-month implementation process to bring on-board a new ERP system which will replace the current financial system and payroll and human resources applications as well. The current system has been in-place for 20 years and operates with a “green screen” type of user interface. The new ERP system, from Tyler Corporation, called Munis, is a modern, Windows based application. It will provide greater user access to reports and queries and it is anticipated that it will eliminate the use of ghost applications in county departments, with which they track spending and budget comparisons on a frequent basis, rather than waiting 30 days for the monthly reports created in the current financial system.

Funding set aside in FY18, added to prior fiscal year FMP funding allows for the Master Plan to get back on track, after being put on hold for several years following the economic downturn. A new space for the Medical Examiner’s Office is the first project, expected to be completed in FY19. Also, in the works is the County/City partnership on a co-located courthouse. The courthouse project started with an RFI (Request for

Information) in FY17 which involved the community and explored potential public/private partnerships. In addition, the County purchased a lot near 4th Street in East Flagstaff, adjacent to the King Street Health and Community Services Building, for future expansion.

Compensation plan

As the economy continues to improve, we are cognizant of the potential risks of increased employee turnover. Beginning in FY14 the Board of Supervisors has taken steps to address compensation. This was continued in FY18 with employees receiving a 2.5% base adjustment to wages and a 2.5% merit increase for all eligible County staff. The budget also included a public safety pay range adjustment and pilot program to assist with retention and officer recruitment. Coconino County continued innovative one-time monetary and non-monetary compensation programs, such as, the Personal Day Purchase Program (a type of voluntary furlough), as well as a Vacation Sell Back Program. The Board added funding to the Tuition Reimbursement Program, which has become very popular with employees. The program was expanded to include more educational/degree options than in the original program.

Commissioned Officer and Detention Officer Retention Program Pilot

The County is piloting a program to help in both recruitment and retention of law enforcement and detention employees. The Board approved a program designed to set-aside a lump sum of either \$10,000 or \$20,000 dollars for all current eligible employees and at the time a law enforcement or detention officer is hired. This sum is invested and is eligible to be paid out upon reaching specific longevity mileposts. The first payout is at 5 years of service, at 25% of the lump sum. The second payout is at 8 years of service, at 50% of the total lump sum. The final payout is at 10 years of service and will be for the remaining balance, or 100% of the initial lump sum. There is also a requirement that employees eligible at the date of inception, January 2018, must remain employed through December 31, 2019. The first payout, based on vesting, will be March 1, 2020. The straight-line amortization of future liability is stated in Note 6.

In June 2018 the Board of Supervisors adopted the Commissioned Officer and Detention Officer Retention Program. The Program includes a loan option for the sole purpose of buying a primary residence. The details of the home loan/down payment option will be laid out in FY19.

Joint Land Use Study (JLUS)

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

The goal of the Study is to provide multiple outcomes, including: drafting strategies to reduce light pollution impacts around the Naval Observatory, develop conflict resolution strategies to perpetuate existing compatible land uses, recommend a tool box of policies, regulations, and ordinances to address existing incompatibility issues and guide future compatible development that protects and preserves military readiness/defense capabilities, recommend development of a process at the local level

to support compatibility between development of regional renewable energy resources and military operations, to facilitate the siting of renewable energy projects, and to develop recommendations for transportation infrastructure investments that would serve future military mission needs and future development in the area.

Navajo Generating Station Proposed Closure; Economic Impact

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

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

Other

Single Audit

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

Expenditure Limitation

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

Awards

Coconino County has received The Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for fiscal years 2009, 2010, 2011, 2012, 2014, 2015, 2016 and 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, Coconino County has received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2017. In order to qualify for the award the County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

Acknowledgments

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

Respectfully submitted,

James Jayne
County Manager

Michael Townsend
Deputy County Manager, CFO

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Government Finance Officers Association

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

Presented to

**Coconino County
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

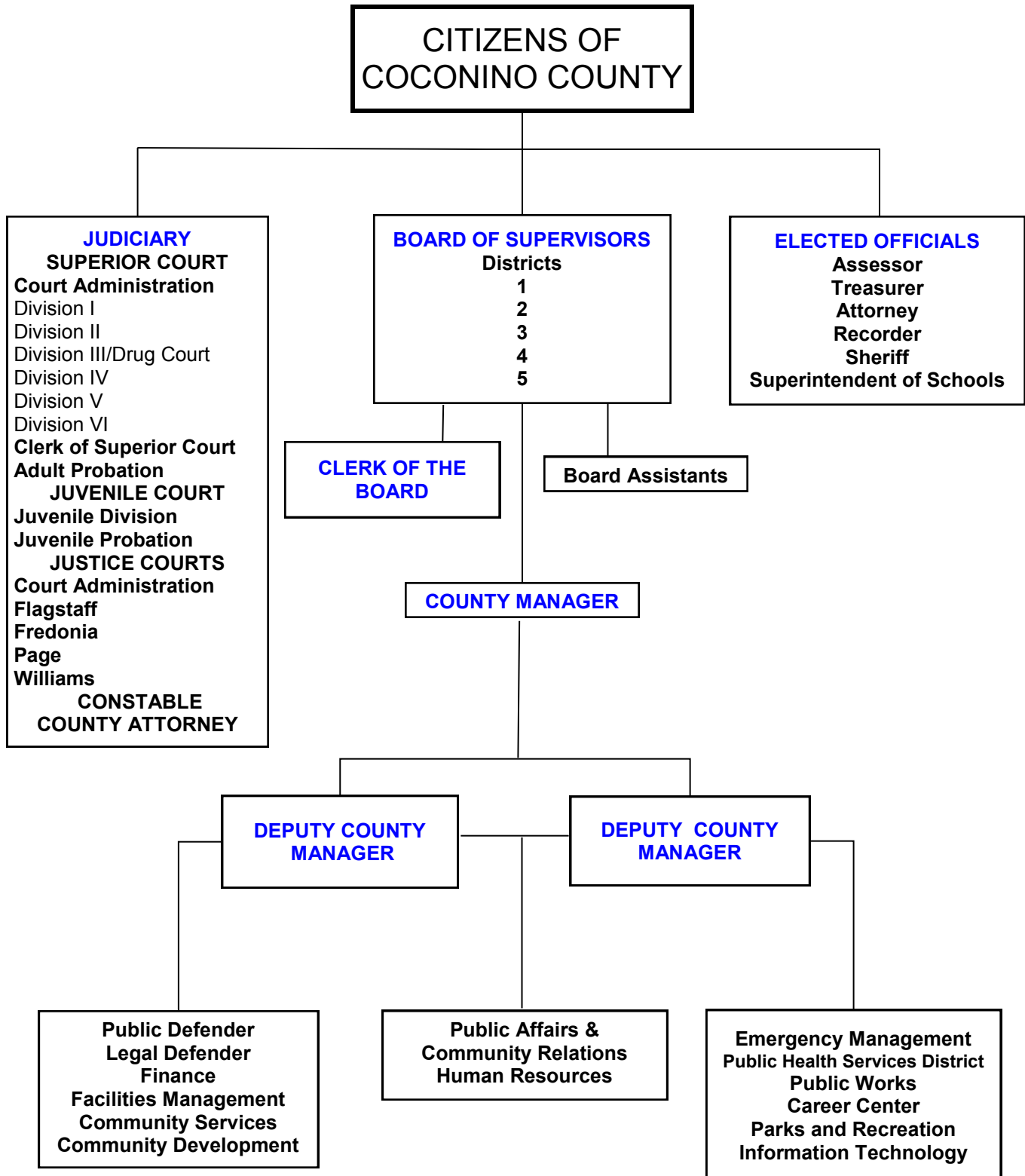
June 30, 2017

Christopher P. Morrill

Executive Director/CEO

COCONINO COUNTY

Organizational Chart



COCONINO COUNTY

County Officials

BOARD OF SUPERVISORS

District 1	Art Babbott
District 2	Elizabeth C. Archuleta
District 3	Matthew G. Ryan, Chair
District 4	Jim Parks
District 5	Lena Fowler, Vice Chair
County Manager	James Jayne
Deputy County Manager	Mike Townsend
Deputy County Manager (Interim).....	Lucinda Andreani
Clerk of the Board	Wendy Escoffier

ELECTED OFFICIALS

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

APPOINTED DEPARTMENT HEADS

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

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FINANCIAL SECTION

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MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Coconino County, Arizona

Report on the financial statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of matter

As discussed in Note 2 to the financial statements, for the year ended June 30, 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 24 through 36, budgetary comparison schedules on pages 102 through 107, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on page 108, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 109 through 110, schedule of County pension contributions on pages 111 through 112, and schedule of changes in the County's total OPEB liability on page 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

Compliance over the use of Highway User Revenue Fund 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 Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019, 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 results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Lindsey Perry, CPA, CFE
Auditor General

March 27, 2019

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

Coconino County
Management's Discussion and Analysis
June 30, 2018

Management's Discussion and Analysis (MD&A) of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter on pages 3-11 and the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2018

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$144.97 million (net position). The unrestricted net deficit in the amount of \$104.74 million consists of positive net position in the amount of \$39.05 million that may be used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted net position in the amount of \$143.79 million is primarily the result of the County's unfunded pension and OPEB obligations.
- The decrease in the County's net position was \$6.84 million in fiscal year 2018.
- At the close of fiscal year 2018, the County's governmental funds reported combined ending fund balances of \$106.15 million, an increase of \$10.33 million.
- The General Fund reported an unassigned fund balance of \$25.72 million at the close of fiscal year 2018, a decrease of \$5.57 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting.

Coconino County
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The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

When viewed over a period of time, increases and decreases in net position are a useful indicator of an improving or deteriorating County financial condition. In addition to this change, other financial and non-financial factors should be considered.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flow. Therefore, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, and expenses pertaining to earned but unused vacation and sick leave.

All of the County's basic services are considered to be governmental activities, including general government, health, welfare, public safety, highways and streets, culture and recreation, education, and sanitation. Sales taxes, property taxes, intergovernmental revenues and user fees finance most of these activities. *The government-wide financial statements can be found on pages 39-41 of this report.*

Fund Financial Statements

The fund financial statements provide detailed information about the most significant County funds – not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the Board of Supervisors establishes other funds to help control and manage money for particular purposes or to show that legal responsibilities are being achieved for using certain taxes, grants and other money. All of the County's funds can be divided into three categories: *governmental, proprietary, and fiduciary.*

Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's operations and the basic services it provides. Governmental fund information helps determine financial resources that can be spent in the near future to finance the County's programs.

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

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works/HURF Fund, Jail District Fund, Public Health Services District Fund and Parks Open Spaces Tax Projects Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregate presentation. Individual fund data for these nonmajor governmental funds are provided in the form of combining statements elsewhere in this report. *The basic governmental fund financial statements can be found on pages 42-48 of this report.*

Proprietary funds—The County has one proprietary fund, an internal service fund, to report fleet service activities provided to the County's other programs and activities. The County's internal service fund only provides services to County departments; as such it is reported as a governmental activity in the Statement of Net Position and the Statement of Activities. *The basic proprietary fund financial statements can be found on pages 49-51 of this report.*

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the County's programs. *The basic fiduciary funds financial statements can be found on pages 52-53 of this report.*

Notes to the Financial Statements and Required Supplementary Information

Notes to the financial statements—The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 56-100 of this report.*

Required supplementary information—In addition to the basic statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's Proportionate Share of the Net Pension Liability for Cost Sharing Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios for Agent Pension Plans, the Schedule of County Pension Contributions, and the Schedule of Changes in the County's Total OPEB Liability. *Required supplementary information can be found on pages 102-115 of this report.*

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The Statement of Net Position presents the financial position of the County at the end of the fiscal year, including all assets and deferred outflows, all liabilities and deferred inflows. The following table summarizes the County's assets and deferred outflows, liabilities and deferred inflows, and net position on June 30, 2018 and June 30, 2017. Net Position may serve over time as a useful indicator of a County's financial position.

	Governmental Activities (in millions)	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$117.68	\$107.11
Capital assets	<u>170.00</u>	<u>169.29</u>
Total assets	287.68	276.40
Deferred outflows of resources	23.19	26.55
Current liabilities	9.51	9.44
Long-term liabilities outstanding	<u>150.76</u>	<u>131.83</u>
Total liabilities	160.27	141.27
Deferred inflows of resources	5.63	9.87
Net position:		
Net investment in capital assets	169.98	169.22
Restricted	79.73	64.17
Unrestricted	<u>(104.74)</u>	<u>(81.58)</u>
Total net position	<u>\$144.97</u>	<u>\$151.81</u>

The County's net position from governmental activities at the end of the fiscal year was \$144.97 million. The decrease in net position of \$6.84 million as recorded in the Statement of Activities is primarily the result of an increase in program expenses in Highways and Streets and Public Safety and the implementation of GASB 75.

In fiscal year 2018 the County implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of GASB 75, which included a restatement of net position, contributed an increase of \$0.57 million in total deferred outflows of resources, an increase of \$2.01 million in OPEB liability, and a decrease of \$1.44 million in unrestricted net position.

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Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the County's net position that are applicable to a future reporting period. In fiscal year 2018 the County implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Due to the implementation, in fiscal year 2018, of the above mentioned GASB, and to changes in actuarial estimates related to the County's net pension liability, deferred outflows of resources decreased \$3.36 million compared to fiscal year 2017 which was \$26.55 million (see Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Liabilities

Total liabilities increased \$19.00 million compared to fiscal year 2017 due to an increase in long term liabilities of \$18.93 million. The increase in long term liabilities is attributable to future postemployment health benefit (OPEB) liability and net pension liability (see Note 6 – LONG-TERM LIABILITIES).

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position by the County that are applicable to a future reporting period. In fiscal year 2018 the County implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Due to the implementation, in fiscal year 2018, of the above mentioned GASB, and to changes in actuarial estimates related to the County's net pension liability, deferred inflows of resources decreased \$4.24 million compared to fiscal year 2017 which was \$9.87 million (see Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Net Investment in Capital Assets

The County's net investment in capital assets increased by \$0.76 million in the current fiscal year, with total net investment in capital assets of \$169.98 million. Capital assets include land, buildings, equipment, and infrastructure. The \$0.76 million includes Public Works purchases of heavy equipment and fleet vehicles to replace obsolete and outdated equipment and vehicles. It also includes purchase of land in East Flagstaff near the King Street Health and Community Services Building. Land was purchased for future facilities. These assets are used to provide services to citizens, but are not available for future spending.

Restricted Net Position

Expendable restricted net position includes resources in which the County is legally obligated to spend the resources in accordance with restrictions provided by external parties. The portion of the County's net position which is subject to external restrictions is \$79.73 million. The County's restricted net position increased by \$15.56 million in the current fiscal year. This is mainly attributable to the allocation of funds to the Facilities Master Plan for the County/City co-location municipal court project.

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Unrestricted Net Position

Unrestricted net position is not subject to externally imposed stipulations; however, most of these resources have been designated for particular capital projects and for the County's unfunded pension and OPEB liabilities. The reported negative balance of the County's net position, \$104.74 million, is unrestricted and consists of, positive net position in the amount of \$39.05 million that may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements, and negative unrestricted net position in the amount of \$143.79 million which is primarily the result of the County's unfunded pension and OPEB liabilities (see Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Net Position

The County's total net position from governmental activities at the end of the fiscal year was \$144.97 million. The County's total net position decreased by \$6.84 million compared to fiscal year 2017. The major cause of the decrease is due to a combination of increase in local and sales tax revenues and operating grants and contributions, increases in program expenses primarily in Highways and Streets and Public Safety, an increase in net pension liability, and changes in unrestricted net position as a result of implementing in fiscal year 2018 GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Statement of Activities

The Statement of Activities presents information on how the County's net position changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2018 compared to the prior year.

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Management's Discussion and Analysis
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	Governmental Activities (in millions)	
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues:		
Charges for services	\$ 14.44	\$ 14.90
Operating grants and contributions	36.04	30.45
Capital grants and contributions	<u>1.09</u>	<u>0.61</u>
Total program revenue	51.57	45.96
General revenues:		
State shared revenue	26.65	25.90
Sales taxes	42.66	39.95
Property taxes	21.03	20.75
Grants and contributions not restricted to specific programs	4.24	2.69
Investment earnings	0.35	0.35
Gain on disposal of capital assets	0.66	0.40
Miscellaneous	<u>0.05</u>	<u>0.10</u>
Total general revenue	<u>95.64</u>	<u>90.14</u>
Total revenues	<u>147.21</u>	<u>136.10</u>
Program Expenses		
General government	41.68	38.02
Public safety	49.97	41.65
Highways and streets	23.62	13.11
Sanitation	2.20	2.52
Health	15.01	13.47
Welfare	5.21	4.58
Culture and recreation	7.75	6.76
Education	7.17	4.71
Interest on long-term debt		0.01
Total program expenses	<u>152.61</u>	<u>124.83</u>
Change in net position	<u>(5.40)</u>	<u>11.27</u>
Net position - beginning	<u>151.81</u>	<u>140.54</u>
Prior period adjustment	(1.44)	
Net position - beginning, as restated	<u>150.37</u>	
Net position - ending	<u><u>\$ 144.97</u></u>	<u><u>\$ 151.81</u></u>

Overall program revenues increased by \$5.61 million in the current fiscal year. This increase was primarily due to an increase in operating grants and contributions of \$5.59 million primarily from additional grants for Education purposes.

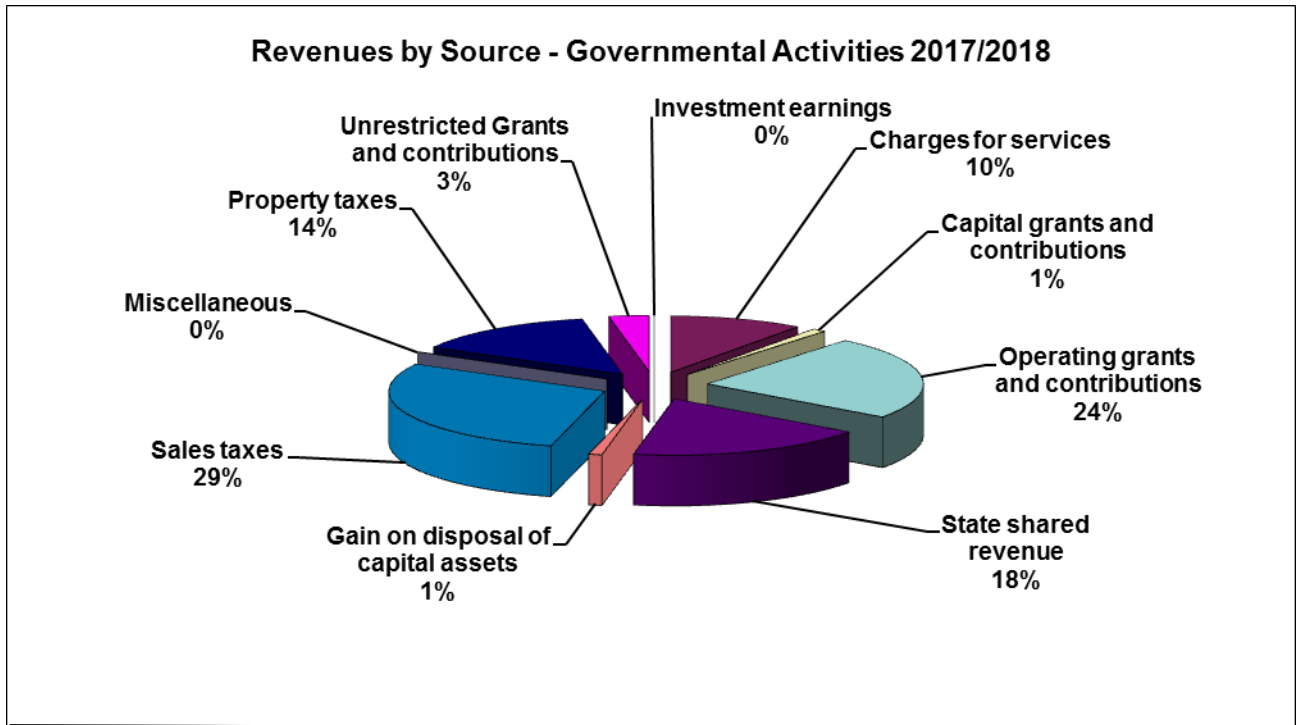
Coconino County
 Management's Discussion and Analysis
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Program expenses increased by \$27.78 million in the current fiscal year, primarily due to an increase in General Government expenses related to a new ERP software system, an increase in Public Safety expenses for previously deferred repair and replacement projects, and a significant increase in Highways and Streets expenses due to major heavy equipment replacement schedule and road maintenance projects.

Total general revenue increased by \$5.50 million in fiscal year 2018. This was due in large part to increased local county sales tax collections of \$2.71 million, an increase in property tax collections of \$0.28 million, an increase in grants and contributions not restricted to specific programs of \$1.55 million, and an increase in gain on sale of capital assets of \$0.26 million.

Local county sales tax revenue increase is due in large part to the improving local economy.

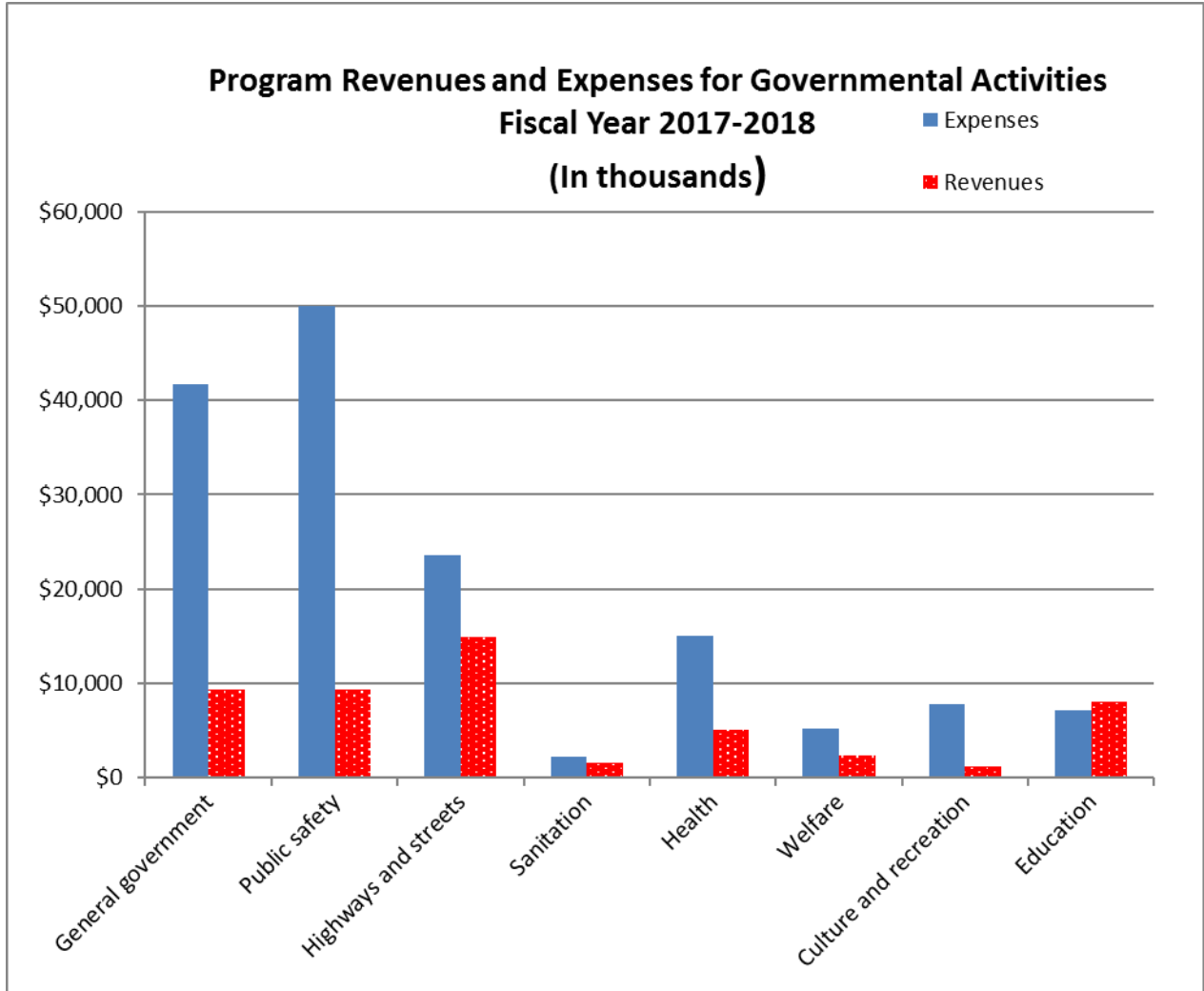
State shared revenue increased \$0.75 million due in part to a moderate increase in taxable sales at the state level.



As shown in the “Revenues by Source - Governmental Activities” chart above and “Program Revenues and Expenses for Governmental Activities” chart on the following page, for governmental activities overall, without regard to program, sales taxes are the largest single source of funds (29%), followed by operating grants and contributions (24%), and State shared revenue (18%).

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Public safety is the largest functional area in expense (33%), followed by general government (27%), highways and streets (15%) and health (10%).



General Government expenses increased \$3.66 million in the current fiscal year due in large part to purchase of a new ERP software system and hardware to support it during 2018. Public Safety expenses increased \$8.32 million due to transfers to establish the new Law Enforcement Retention program, additional payment to the Public Safety Personnel Retirement System to pay down unfunded net pension liability, and expenses for previously deferred repair and replacement projects. Highways and streets expenses increased \$10.51 million due to major street and road construction and maintenance projects and the replacement and enhancement of heavy equipment and fleet vehicles.

The County uses credit cards to pay certain vendors for goods and services and for employee travel expenses. The County received a financial consideration resulting from credit card payments for the year ended June 30, 2018 in the amount of \$43,448.

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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported five major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, and Parks and Open Spaces Tax Projects Fund. At year-end the County's governmental funds reported combined fund balances of \$106.15 million, which is an increase of \$10.33 million from last year, or an increase of 10.78%. Of the total, \$105.65 million (99.53%) constitutes spendable fund balance.

Revenues for governmental functions overall increased by 7.06% and expenditures for governmental functions overall decreased by 1.38%. The revenue increases were the result of an increase in local sales tax, increase in property tax revenue, and increases in intergovernmental revenues. On the expenditure side, the decrease was due to deferred projects carried over into FY19. Governmental fund revenues exceeded governmental fund expenditures by \$9.96 million in the current fiscal year and the fund balance increased by \$10.33 million.

The General Fund is the County's primary operating fund. At the end of the current fiscal year the spendable fund balance of the General Fund was \$26.58 million. Spendable fund balance represents 98.55% of the General Fund's total fund balance. The General Fund's fund balance decreased by \$5.10 million over fiscal year 2017.

The Public Works/HURF Fund, fund balance increased by \$3.20 million in the current fiscal year. The increase was from revenues exceeding expenditures. Many road maintenance projects which had been deferred for several years were completed in FY18 from the Road Maintenance Sales Tax Revenue, and a large number of heavy iron road equipment vehicles were replaced, but due to timing, not all planned projects were completed prior to June 30.

The Jail District Fund, fund balance increased by \$3.02 million in the current fiscal year. It increased primarily due to increases in local sales tax revenue, increased Jail bed rentals by outside agencies and, for the second year, deferring a budgeted Jail holding expansion project in Page, Arizona into a future fiscal year.

The Public Health Services District Fund, fund balance decreased by \$0.62 million in the current fiscal year. The change in fund balance was attributable to loss of grant funding.

The Parks and Open Spaces Tax Projects Fund, fund balance decreased by \$0.89 million in the current fiscal year. This decrease was due to completion of planned FY18 projects.

General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund at year-end were \$8.28 million less than the original adopted budget. This change was primarily due to budget adjustments for unawarded grants and delayed construction projects.

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 Management's Discussion and Analysis
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- For the General Fund, actual expenditures were \$20.59 million less than the final budget. The expenditures variance was primarily unexpended contingency funds, salary savings from vacancies and turn over, and fiscal reserves.
- The final budgeted revenues for the General Fund at year-end did not change significantly from the original adopted budget. For the General Fund, actual revenues exceeded the final budget by \$4.61 million. The increase was primarily due to better than expected State Shared Sales tax and County Sales Tax revenues.

Capital Assets and Debt Administration

Capital Assets (Note 5)

During the current fiscal year, the County added \$0.27 million to its land ownership. The County purchased a lot near 4th Street in East Flagstaff, adjacent to the King Street Health and Community Services Building for future expansion. The County added \$1.67 million in buildings and other improvements, and the County added to its machinery and equipment inventory by \$2.82 million. The addition in machinery and equipment was to replace old, inefficient heavy equipment and vehicles which had been kept running, beyond expected life-cycle, awaiting the passage of the Road Maintenance Sales Tax. The County added \$5.92 million to its infrastructure inventory. The increase in infrastructure inventory includes culverts, drainage improvements and other road improvements across the County. Construction in progress decreased by \$4.70 million, the majority of which includes a newly remodeled Quad at Fort Tuthill, that was completed in fiscal year 2018. The County's overall estimated value of capital asset inventory increased \$0.71 million net of increases in depreciation (see Note 5 – CAPITAL ASSETS found on page 69 of this report).

The following table reflects the changes in capital assets for the County for the fiscal year 2018 compared to fiscal year 2017.

	Governmental Activities (net of depreciation) (in millions)	
	2018	2017
Land	\$ 46.95	\$ 46.68
Buildings and other improvements	49.33	50.17
Machinery and equipment	13.13	9.39
Infrastructure	56.56	54.33
Construction in progress	4.03	8.72
Total	\$170.00	\$169.29

Long-term Debt (Note 6)

At the end of the current fiscal year the County had \$12,000 in special assessment debt outstanding. The long-term liability for future postemployment health benefit (OPEB) liability has increased by \$3.24 million to \$10.39 million in the current year. This change is the result

Coconino County
Management's Discussion and Analysis
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of changes in actuarial estimates related to the County's net pension liability and the implementation of GASB 75 during fiscal year 2018 (see Note 6 – LONG-TERM LIABILITIES found on page 70 of this report).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County utilizes a Ten-Year Financial Plan, which is updated regularly, to forecast the County's financial future. The largest single revenue source is local and State shared sales taxes. Local and State shared sales taxes constitute approximately 47% of the County's government-wide total revenues and approximately 66% of General Fund revenues. This makes the County's revenues sensitive to both improvements and downturns in the economy. County staff incorporated historical financial trends, and local, national and global economic trends into the County's fiscal 2018 budget. State shared sales tax and County sales tax revenues continue a five year upward trend.

The key elements of the fiscal year 2018 budget are based on the assumption that economic recovery began in fiscal year 2011, and we are now showing significant recovery in our state and local revenues. The County continues to see reduced levels of funding in federal and State grant revenue, and uncertainty in federal allocations for Payments In Lieu of Taxes and the Secure Rural Schools Act.

The County established the following Financial Planning Milestones in next year's fiscal 2019 budget:

Strategic Investment Plan

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

The proposed investment plan addresses the following priorities:

- Improvement of law enforcement services in our community by increasing uniformed positions and implementing a Law Enforcement Retention Plan to retain quality team members.
- A commitment to value our teachers by establishing a Teacher Professional Development Program Reserve Fund that will allow for the continuity of programs during grant funding uncertainty.
- Funding of a Collective Impact Model that acts as an intervention tool to assist families that have multi-generational members with significant justice system contact.

Coconino County
Management's Discussion and Analysis
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- Implementation of the Criminal Justice Coordinating Council's strategic plan, addressing behavioral health and substance abuse issues.
- Gearing up for Census 2020, in which we must ensure a full, accurate and complete count of all our residents.
- Managing the financial sustainability of our Public Health Services District, which will save the County's general funds.
- The reduction of the risk of wildfire and subsequent flooding.

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

- Competitive employee compensation, including an FY19 base salary adjustment as well as a pay-for-performance pilot program.
- Provide opportunities for conferences and/or speakers to facilitate transformational leadership.
- Development and implementation of a Diversity and Inclusion Plan.
- Employment enhancement opportunities to include telecommuting and flexible schedules.
- A pilot program focusing on workforce housing.
- Innovative technology and security upgrades that allow for variable work locations, as well as an investment in an electronic document management system.

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

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

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Finance Department, Coconino County, 219 East Cherry Avenue, Flagstaff, Arizona 86001.

BASIC FINANCIAL STATEMENTS

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Coconino County
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 97,660,403
Investments	592,151
Cash and investments held by trustee	34,983
Receivables (net of allowances for uncollectibles):	
Property taxes	578,233
Accounts	594,373
Special assessments	56,038
Road sales tax	1,810,052
Jail District sales tax	3,035,089
Accrued interest	414,385
Due from other governments	12,570,611
Inventories	184,947
Prepaid items	146,499
Capital assets, not being depreciated	50,974,837
Capital assets, being depreciated, net	119,023,688
Total assets	287,676,289
 Deferred Outflows of Resources	
Deferred outflows related to pensions and other postemployment benefits	23,190,577
Total deferred outflows of resources	23,190,577
 Liabilities	
Accounts payable	5,530,156
Accrued payroll and employee benefits	3,818,935
Deposits held for others	138,658
Unearned revenues	19,123
Noncurrent liabilities	
Due within 1 year	3,848,571
Due in more than 1 year	146,912,152
Total liabilities	160,267,595
 Deferred Inflows of Resources	
Deferred inflows related to pensions and other postemployment benefits	5,626,635
Total deferred inflows of resources	5,626,635
 Net Position	
Net investment in capital assets	169,978,898
Restricted for:	
Public safety	22,727,767
Highways and streets	29,705,060
Sanitation	1,280,162
Health	2,443,222
Welfare	51,498
Culture and recreation	557,978
Education	4,112,721
Debt service	79,673
Capital projects	14,625,723
Other purposes	4,154,933
Unrestricted (deficit)	(104,744,999)
Total net position	\$ 144,972,636

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

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Coconino County
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
			Capital Grants and Contributions	Total
Primary government:				
Governmental activities:				
General government	41,678,895	6,509,855	2,773,582	\$ (32,395,458)
Public safety	49,967,549	3,506,116	5,764,119	(40,697,314)
Highways and streets	23,621,323	103,148	13,744,720	1,084,230 (8,689,225)
Sanitation	2,195,628	1,332,133	267,662	847 (594,986)
Health	15,010,305	1,442,250	3,567,717	(10,000,338)
Welfare	5,208,145	99,530	2,168,698	(2,939,917)
Culture and recreation	7,751,156	936,312	245,492	(6,569,352)
Education	7,171,546	515,183	7,503,032	846,669
Interest on long-term debt	1,448			(1,448)
Total governmental activities	<u>\$ 152,605,995</u>	<u>\$ 14,444,527</u>	<u>\$ 36,035,022</u>	<u>\$ 1,085,077</u> <u>\$ (101,041,369)</u>
General revenues				
Taxes:				
Property taxes, levied for general purposes				10,051,064
Property taxes, levied for library				4,233,867
Property taxes, levied for flood control				2,608,064
Property taxes, levied for health services				4,139,443
Property taxes, levied for accommodation school				8
General county sales tax				16,226,059
Road sales tax				9,953,869
Jail District sales tax				16,226,626
Parks and open spaces sales tax				6,121
Excise tax				136,045
Franchise tax				105,862
Shared revenue - state sales tax				22,634,786
Shared revenue - state vehicle license tax				4,018,571
Grants and contributions not restricted to specific programs				4,237,499
Investment earnings				351,064
Gain on disposal of capital assets				662,876
Miscellaneous				53,648
Total general revenues				<u>95,645,472</u>
Change in net position				(5,395,897)
Net position, July 1, 2017, beginning, before restatement				151,811,002
Prior period adjustment (Note 2)				(1,442,469)
Net position, July 1, 2017, as restated				<u>150,368,533</u>
Net position, June 30, 2018				<u>\$ 144,972,636</u>

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

Public Health Services District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,992,798	\$ 2,954,254	\$ 27,182,496	\$ 97,003,483
		592,151	592,151
		34,983	34,983
114,657		206,917	578,233
5,307		181,764	499,232
		56,038	56,038
			1,810,052
			3,035,089
12,101	11,070	89,671	412,443
			350,000
55		3,227,074	6,177,380
951,835	528	1,731,072	12,570,611
68,203		33,799	146,499
<u>\$ 3,144,956</u>	<u>\$ 2,965,852</u>	<u>\$ 33,335,965</u>	<u>\$ 123,266,194</u>
\$ 196,810	\$	\$ 1,641,430	5,424,041
262,214	2,990	434,325	3,572,200
		350,000	350,000
156,081		2,647,060	6,615,514
		129,485	138,658
			19,123
<u>615,105</u>	<u>2,990</u>	<u>5,202,300</u>	<u>16,119,536</u>
86,629		155,303	434,969
		56,038	56,038
231,382		10,227	489,358
		4,628	19,252
		30	141
<u>318,011</u>		<u>226,226</u>	<u>999,758</u>
68,203		33,799	496,499
2,143,637	2,962,862	28,060,823	77,666,204
			2,450,000
		(187,183)	25,534,197
<u>2,211,840</u>	<u>2,962,862</u>	<u>27,907,439</u>	<u>106,146,900</u>
<u>\$ 3,144,956</u>	<u>\$ 2,965,852</u>	<u>\$ 33,335,965</u>	<u>\$ 123,266,194</u>

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Coconino County
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2018

Fund balances – total governmental funds	\$ 106,146,900
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	168,817,452
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	999,758
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund are included in governmental activities in the Statement of Net Position.	1,531,545
Long-term liabilities, including bonds payable, compensated absences payable, and claims and judgments payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(6,919,602)
Net pension and other postemployment benefits (OPEB) liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(143,141,339)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions and OPEB	23,126,232
Deferred inflows of resources related to pensions and OPEB	(5,588,310)
Net position of governmental activities	\$ 144,972,636

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

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Public Works/HURF Fund	Jail District Fund
Revenues:			
Property taxes	\$ 10,059,156	\$	\$
County sales taxes	16,472,660	9,953,869	16,226,626
Special assessments			
Licenses and permits	1,644,992	40,469	
Fees, fines, and forfeits	1,402,445		
Intergovernmental	32,112,955	13,250,587	164,152
Charges for services	2,484,137	11,305	600,089
Investment earnings	108,992	90,732	56,887
Contributions	212,306		18,000
Miscellaneous	146,005	23,868	1,500
Total revenues	<u>64,643,648</u>	<u>23,370,830</u>	<u>17,067,254</u>
Expenditures:			
Current:			
General government	32,834,533		
Public safety	16,178,450		15,217,833
Highways and streets	463,697	21,877,453	
Sanitation			
Health	12,228		
Welfare	1,286,264		
Culture and recreation	1,964,302		
Education	470,102		
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	<u>53,209,576</u>	<u>21,877,453</u>	<u>15,217,833</u>
Excess (deficiency) of revenues over expenditures	<u>11,434,072</u>	<u>1,493,377</u>	<u>1,849,421</u>
Other financing sources (uses):			
Sale of capital assets		544,844	
Transfers in	1,732,693	1,338,488	2,518,776
Transfers out	(18,261,999)	(175,633)	(1,351,061)
Total other financing sources (uses)	<u>(16,529,306)</u>	<u>1,707,699</u>	<u>1,167,715</u>
Net change in fund balances	(5,095,234)	3,201,076	3,017,136
Fund balances, July 1, 2017	<u>32,068,186</u>	<u>23,310,698</u>	<u>16,562,897</u>
Fund balances, June 30, 2018	<u>\$ 26,972,952</u>	<u>\$ 26,511,774</u>	<u>\$ 19,580,033</u>

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

Public Health Services District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,141,601	\$	\$ 6,836,677	\$ 21,037,434
2,047	6,121		42,661,323
		81,367	81,367
646,175		23,958	2,355,594
		598,015	2,000,460
3,719,189		17,019,774	66,266,657
641,373		4,036,445	7,773,349
10,245	46,575	56,699	370,130
104,466		266,370	601,142
(110)		473,562	644,825
<u>9,264,986</u>	<u>52,696</u>	<u>29,392,867</u>	<u>143,792,281</u>
		2,327,131	35,161,664
940,073		8,755,257	41,091,613
		69,654	22,410,804
		1,867,750	1,867,750
13,476,123			13,488,351
		3,180,913	4,467,177
		4,838,911	6,803,213
		6,351,179	6,821,281
	1,069,682	627,228	1,696,910
		18,000	18,000
		1,448	1,448
<u>14,416,196</u>	<u>1,069,682</u>	<u>28,037,471</u>	<u>133,828,211</u>
<u>(5,151,210)</u>	<u>(1,016,986)</u>	<u>1,355,396</u>	<u>9,964,070</u>
		22,446	567,290
4,659,919	130,000	11,644,910	22,024,786
(133,443)		(2,302,650)	(22,224,786)
<u>4,526,476</u>	<u>130,000</u>	<u>9,364,706</u>	<u>367,290</u>
(624,734)	(886,986)	10,720,102	10,331,360
2,836,574	3,849,848	17,187,337	95,815,540
<u>\$ 2,211,840</u>	<u>\$ 2,962,862</u>	<u>\$ 27,907,439</u>	<u>\$ 106,146,900</u>

Coconino County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of the Governmental Funds
 to the Statement of Activities
 Year Ended June 30, 2018

Net change in fund balances – total governmental funds \$ 10,331,360

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	7,980,067	
Depreciation expense	<u>(7,553,108)</u>	426,959

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Increase in retention programs	(668,000)	
Increase in compensated absences	(454,927)	
Decrease in claims and judgments	<u>667,399</u>	(455,528)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal repaid		45,763
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		1,750,797
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County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

County pension/OPEB contributions		8,518,764
Pension and OPEB expense		(26,339,802)

Internal service fund is used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The activities of the internal service fund are reported with governmental activities.

	<u>325,790</u>
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Change in net position of governmental activities	<u><u>\$ (5,395,897)</u></u>
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The accompanying notes are an integral part of these basic financial statements.

Coconino County
Statement of Net Position
Proprietary Fund
June 30, 2018

	Governmental Activities - Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 656,920
Receivables (net of allowances for uncollectibles):	
Accounts	95,141
Accrued interest	1,942
Due from other funds	438,521
Inventories	184,947
Total current assets	1,377,471
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	28,990
Equipment, net	1,152,083
Capital assets, net	1,181,073
Total noncurrent assets	1,181,073
Total assets	2,558,544
Deferred Outflows of Resources	
Deferred outflows related to pensions and other postemployment benefits	64,345
Total deferred outflows of resources	64,345
Liabilities	
Current liabilities:	
Accounts payable	106,115
Accrued payroll and employee benefits	288,791
Due to other funds	387
Total current liabilities	395,293
Noncurrent liabilities:	
Net pension and other postemployment benefits liability	657,726
Total noncurrent liabilities	657,726
Total liabilities	1,053,019
Deferred Inflows of Resources	
Deferred inflows related to pensions and other postemployment benefits	38,325
Total deferred inflows of resources	38,325
Net Position	
Net investment in capital assets	1,181,073
Unrestricted	350,472
Total net position	\$ 1,531,545

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

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,756,894
Total operating revenues	2,756,894
Operating expenses:	
Personal services	548,588
Professional services	172,763
Supplies	1,584,752
Utilities	19,056
Repairs and maintenance	99,266
Travel	17,199
Depreciation	275,358
Total operating expenses	2,716,982
Operating Income	39,912
Nonoperating revenues:	
Investment earnings	3,252
Gain on disposal of capital assets	82,626
Total nonoperating revenues	85,878
Transfers in	200,000
Increase in net position	325,790
Net position, July 1, 2017, beginning, before restatement	1,218,646
Prior period adjustment (Note 2)	(12,891)
Net position, July 1, 2017, as restated	1,205,755
Net position, June 30, 2018	\$ 1,531,545

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

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2018

	Governmental Activities- Internal Service Fund
<u>Cash flows from operating activities:</u>	
Receipts from other funds for services provided	\$ 2,547,101
Payments to suppliers and providers of goods and services	(1,849,619)
Payments to employees	(566,644)
Net cash provided by operating activities	130,838
<u>Cash flows from noncapital financing activities:</u>	
Cash transfers from other funds	200,000
Net cash provided by noncapital financing activities	200,000
<u>Cash flows from capital and related financing activities:</u>	
Proceeds from sale of capital assets	93,429
Purchases of capital assets	(567,938)
Net cash used for capital and related financing activities	(474,509)
<u>Cash flows from investing activities:</u>	
Interest received on investments	6,528
Net decrease in fair value of investments	(3,003)
Net cash provided by investing activities	3,525
Net decrease in cash and cash equivalents	(140,146)
Cash and cash equivalents, July 1, 2017	797,066
Cash and cash equivalents, June 30, 2018	\$ 656,920
<u>Reconciliation of operating loss to net cash provided by operating activities:</u>	
Operating income	\$ 39,912
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	275,358
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in:	
Accounts receivable	(71,275)
Accounts payable	9,939
Accrued payroll and employee benefits	572
Due from other funds	(136,404)
Decrease in:	
Inventories	33,350
Prepaid items	128
Due to other funds	(2,114)
Deferred outflows related to pensions and other postemployment benefits	46,534
Net pension and other postemployment benefits liability	(30,804)
Deferred inflows related to pensions and other postemployment benefits	(34,358)
Net cash provided by operating activities	\$ 130,838

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

Coconino County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 127,200,450	\$ 4,309,200
Interest and dividends receivable	537,771	
Total assets	127,738,221	4,309,200
Liabilities		
Deposits held for others		3,947,402
Due to other governments		361,798
Total liabilities		\$ 4,309,200
Net Position		
Held in trust for investment trust participants	\$ 127,738,221	

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

Coconino County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

	Investment Trust Funds
Additions:	
Contribution from participants	\$ 321,226,159
Investment earnings:	
Interest and dividends	1,754,311
Net decrease in fair value of investments	(1,044,832)
Total investment earnings	709,479
Total additions	321,935,638
Deductions:	
Distributions to participants	326,625,423
Total deductions	326,625,423
Change in net position	(4,689,785)
Net position, July 1, 2017	132,428,006
Net position, June 30, 2018	\$ 127,738,221

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

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BASIC FINANCIAL STATEMENTS - NOTES

Coconino County
Notes to Financial Statements
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2018, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement No. 85, *Omnibus 2017*. GASB Statement No. 75 established standards for measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to other postemployment benefits (OPEB) provided through defined benefit OPEB plans. In addition, GASB Statement No. 75 requires disclosures of information related to OPEB.

A. Reporting Entity

The County is a general purpose local government that is governed by a separately elected board of five county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

As the Coconino County Board of Supervisors serves as the Board of Directors of all special districts discussed below, it is able to significantly influence the programs, projects, activities, and level of services provided by the Districts; the Board also establishes policy, appoints management, exercises budgetary control and determines tax rates. Further, the Districts provide services almost entirely for the benefit of the County; therefore, the Districts are considered blended component units of the County. Separate financial statements for the Districts are not available.

Coconino County
Notes to Financial Statements
June 30, 2018

The following table describes the County's component units:

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

Related Organization:

The Industrial Development Authority of Coconino County (Authority) is a legally separate entity that was created to assist in the financing of commercial activities, including a health care institution, residential real property for dwelling units located within the County, and industrial park facilities. The Authority fulfills its function through the issuance of tax exempt bonds. The County Board of Supervisors appoints the Authority's Board of Directors, but cannot remove a member of the Authority's Board at-will. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

Coconino County
Notes to Financial Statements
June 30, 2018

B. Basis of Presentation

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

Government-wide statements – Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include:

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

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

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

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

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as user charges in which each party receives and gives up essentially equal values are operating revenues. Other revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with revenues generated by

Coconino County
Notes to Financial Statements
June 30, 2018

ancillary activities. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets.

The County reports the following major governmental funds:

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

The *Public Works/HURF Fund* is a special revenue fund used to account for highway user fees restricted to the construction, repair, and maintenance of county roads that are funded primarily by a State-shared fuel tax and a County Road Maintenance Sales Tax.

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

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

The *Parks and Open Spaces Tax Projects Fund* is a capital projects fund used to account for parks and open space acquisitions and improvements that are funded by collections from a one-eighth cent sales tax and grants. Collections from the one-eighth cent sales tax ceased after September 2014.

The County also reports the following fund types:

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

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

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

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus 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.

Coconino County
Notes to Financial Statements
June 30, 2018

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

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

D. Cash and Investments

For the statement of cash flows, the County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash on deposit with the County Treasurer, highly liquid investments with a maturity of three months or less when purchased, and investments that may be called by the Treasurer at any time without penalty.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at time of purchase that are not in the County Treasurer's investment pool are stated at amortized cost. Tuba City Unified School District bonds are stated at amortized cost. All other investments are stated at fair value.

E. Inventories

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

The County accounts for its inventories in the governmental funds using the consumption method. Inventories of the governmental funds are recorded as assets when purchased and expensed when consumed. Amounts on hand at year-end are shown on the balance sheet

Coconino County
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as an asset and as nonspendable fund balance to indicate that they do not constitute “available spendable resources.” These inventories are stated at cost using the first-in, first-out method of valuation.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Amounts on hand at year-end are shown on the balance sheet as an asset and as nonspendable fund balance to indicate that they do not constitute “available spendable resources.”

G. Property Tax Calendar

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

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

H. Capital Assets

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Construction in progress	\$5,000	N/A	N/A
Buildings and other improvements	5,000	Straight-Line	5-50 Years
Machinery and equipment	5,000	Straight-Line	3-40 Years
Infrastructure	5,000	Straight-Line	7-50 Years

I. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized

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as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

J. Postemployment Benefits

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

K. Fund Balance Classifications

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

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

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

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

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

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the County will use restricted fund balance first. The County has no formal policy as to its disbursing of unrestricted fund balances.

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L. Investment Earnings

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

M. Compensated Absences

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

Employees may accumulate up to 240 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount. Upon terminating employment, the County pays all unused and unforfeited vacation benefits to employees. Any unused vacation hours in excess of the maximum amount at fiscal year-end is forfeited. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary fund's financial statements.

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

Employees will accrue paid sick time in accordance with the Arizona Fair Wages and Healthy Families Act on a fiscal year basis. Employees may accumulate up to 1,000 hours of paid time off. Generally, paid time off benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. However, for employees who terminate with a minimum of 20 years of continuous service, sick leave benefits do vest and will be compensated 25% of paid time off accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary fund's financial statements.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July 1, 2017, has been restated as follows for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), as amended by GASB Statement No. 85, *Omnibus 2017*.

Coconino County
Notes to Financial Statements
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	Governmental activities	Internal Service Fund
Net position as previously reported at June 30, 2017	\$ 151,811,002	\$ 1,218,646
Prior period adjustment		
Implementation of GASB 75:		
OPEB liability (measurement date as of June 30, 2016)	(9,160,979)	(81,872)
Deferred outflows—county contributions made during fiscal year 2017	569,744	5,092
Eliminate prior year OPEB obligation:		
Net OPEB obligation	<u>7,148,766</u>	<u>63,889</u>
Total prior period adjustment	<u>(1,442,469)</u>	<u>(12,891)</u>
Net position as restated, July 1, 2017	<u>\$ 150,368,533</u>	<u>\$ 1,205,755</u>

NOTE 3 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the County Treasurer to invest public monies in securities and deposits with a maximum maturity of five years. All public monies shall be invested in eligible investments, including: the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness including those of counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; commercial paper of prime quality issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk

Statutes have the following requirements for credit risk:

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

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Notes to Financial Statements
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Custodial credit risk

The Arizona State Treasurer's Office administers a State Wide Pooled Collateral Program. The purpose of the Pooled Collateral Program is to ensure all taxpayer funds on deposit with any federally insured depository in excess of any insurance is backed with 102% of eligible collateral and provide an efficient means for eligible depositories to aggregate collateral for public deposits. Under the Pooled Collateral Program, each financial institution with public deposits pledges a pool of collateral against all of the public deposits it holds for the state and local governments of the State of Arizona except as provided by law. That collateral is pledged to the Statewide Pooled Collateral Administrator who is responsible for monitoring the collateral on behalf of all public depositors. The Statewide Pooled Collateral Administrator ("Administrator") is established in the Arizona State Treasurer's Office and may adopt and enforce policies and procedures as necessary to carry out its duties pursuant to A.R.S. §35-1202 et seq. The Administrator is responsible for ensuring that eligible depositories have posted 102% collateral for each public depositor in excess of any federally insured deposits. Coconino County's deposits are covered under the State Wide Pooled Collateral 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, 2018, the carrying amount of the County's deposits was \$27,702,417 and the bank balance was \$33,652,448. The County does not have a formal policy with respect to custodial credit risk.

At June 30, 2018, \$1,038,271 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 1,038,271</u>
Total	<u>\$ 1,038,271</u>

Coconino County
Notes to Financial Statements
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Investments – The County’s investments at June 30, 2018, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment by fair value level				
U.S. agency securities	\$ 126,827,693		\$ 126,827,693	
Corporate bonds	33,011,057		33,011,057	
Commercial paper	19,152,588		19,152,588	
Municipal bonds	11,518,227		11,518,227	
Negotiable CDs	2,858,955		2,858,955	
U.S. treasury securities	1,642,526	\$ 1,642,526		
Mutual funds-debt	447,133	447,133		
Mutual funds-equity	252,630	252,630		
Money market mutual funds	162,079	162,079		
Total investment by fair value level	\$ 195,872,888	\$ 2,504,368	\$ 193,368,520	

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

The investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

External investment pools measured at fair value

State Treasurer’s investment pool #7	\$ 4,807,627
Total investment measured at fair value	\$ 4,807,627

Investments measured at amortized cost

Municipal bonds	\$ 1,084,709
Total investment measured at amortized cost	\$ 1,084,709
Total investments	\$ 201,765,224

Investments in the State Treasurer’s investment pool are valued at the pool’s share price multiplied by the number of shares the County held. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools.

Investments measured at amortized cost consist of school improvement bonds issued by the Tuba City Unified School District to the Coconino County Treasurer.

Coconino County
Notes to Financial Statements
June 30, 2018

Credit risk – The County Treasurer has a formal investment policy with respect to credit risk which mirrors A.R.S. 35-323. At June 30, 2018, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 126,827,693
Commercial paper	Unrated	Not Applicable	19,152,588
Corporate bonds	A2	Moody's	14,351,587
Corporate bonds	A1	Moody's	12,789,370
Corporate bonds	Aa1	Moody's	4,873,510
State Treasurer's investment pool #7	Unrated	Not Applicable	4,807,627
Municipal bonds	Aa1	Moody's	3,115,061
Negotiable CDs	Unrated	Not Applicable	2,858,955
Municipal bonds	Aa3	Moody's	2,510,080
Municipal bonds	A1	Moody's	1,930,340
U.S. treasury securities	AA+	Standard Poor's	1,642,526
Municipal bonds	Aa2	Moody's	1,472,040
Municipal bonds	Unrated	Not Applicable	1,084,709
Municipal bonds	AA	Standard Poor's	1,074,114
Corporate bonds	Aaa	Moody's	996,590
Municipal bonds	Aaa	Moody's	982,610
Municipal bonds	A+	Standard Poor's	298,846
Mutual funds-debt	Unrated	Not Applicable	447,133
Money market mutual funds	Aaa-mf	Moody's	162,079
Municipal bonds	A2	Moody's	135,136
			\$ 201,512,594

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party’s possession. The County does not have a formal policy with respect to custodial credit risk.

Concentration of credit risk – The County Treasurer has a formal policy with respect to concentration of credit risk. The policy allows more than 5% of the portfolio from any one issuer, with the exception of a corporate issuer. Corporate bonds in total shall not exceed 20% of the entire portfolio and no one corporate issuer shall exceed 5% of the entire portfolio. The County had investments at June 30, 2018, of five percent or more in Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank. These investments were 21.20%, 19.76%, 15.57%, and 6.33% respectively, of the County’s total investments.

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Notes to Financial Statements
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Interest rate risk – The County Treasurer has a formal policy with respect to interest rate risk, acknowledging that in a rising rate environment investments may have to be held to maturity rather than incur a loss of principle in a net trade situation. Diversification in the portfolio can be used to reduce the adverse effect of rising rates.

At June 30, 2018, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	126,827,693	2.092
U.S. treasury securities	1,642,526	0.504
Corporate bonds	33,011,057	1.748
Negotiable CDs	2,858,955	1.007
Commercial paper	19,152,588	0.221
Municipal bonds	12,602,936	1.856
Money market mutual funds	162,079	0.000
State Treasurer's investment pool #7	4,807,627	1.000
Mutual funds-debt	272,221	8.740
Mutual funds-debt	174,912	5.540
	<u>\$ 201,512,594</u>	

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

Cash, deposits, and investments:

Cash on hand	\$ 329,546
Amount of deposits	27,702,417
Amount of investments	201,765,224
Total	<u>\$229,797,187</u>

Statement of Net Position:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 97,660,403	\$ 127,200,450	\$ 4,309,200	\$229,170,053
Investments	592,151			592,151
Cash and investments held by trustee(s)	34,983			34,983
Total	<u>\$ 98,287,537</u>	<u>\$127,200,450</u>	<u>\$4,309,200</u>	<u>\$229,797,187</u>

Coconino County
Notes to Financial Statements
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NOTE 4 – RECEIVABLES

Due from other governments – Amounts due from other governments at June 30, 2018, include \$3,007,258 and \$1,946,441 in state-shared revenue from sales taxes and fuel taxes, respectively; \$256,736 from the State of Arizona for state vehicle license tax; \$2,986,564 in county sales tax; \$1,823,740 in grants from the federal government; and \$967,995 in grants from various state agencies. The remaining balance of \$1,581,877 is composed of miscellaneous receivables from federal, state, and local government.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

Governmental activities	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 46,679,658	\$ 269,379	\$	\$ 46,949,037
Construction in progress	8,723,332	4,006,031	8,703,563	4,025,800
Total capital assets not being depreciated	55,402,990	4,275,410	8,703,563	50,974,837
Capital assets being depreciated:				
Buildings and other improvements	93,458,549	1,666,434		95,124,983
Machinery and equipment	39,227,474	5,430,622	2,610,259	42,047,837
Infrastructure	119,589,848	5,922,416		125,512,264
Total	252,275,871	13,019,472	2,610,259	262,685,084
Less accumulated depreciation for:				
Buildings and other improvements	43,287,717	2,503,002		45,790,719
Machinery and equipment	29,836,137	1,657,318	2,570,527	28,922,928
Infrastructure	65,265,218	3,682,531		68,947,749
Total	138,389,072	7,842,851	2,570,527	143,661,396
Total capital assets being depreciated, net	113,886,799	5,176,621	39,732	119,023,688
Governmental activities capital assets, net	<u>\$ 169,289,789</u>	<u>\$ 9,452,031</u>	<u>\$ 8,743,295</u>	<u>\$ 169,998,525</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 938,325
Public safety	1,387,053
Highways and streets	4,054,295
Sanitation	189,410
Health	110,003
Welfare	35,002
Culture and recreation	751,062
Education	102,343
Internal service fund	275,358
Total governmental activities depreciation expense	<u>\$ 7,842,851</u>

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Notes to Financial Statements
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Construction and Other Significant Commitments – The County had major contractual commitments related to various capital projects at June 30, 2018, for the repair and construction of a road project, facilities upgrades, and a new ERP system. At June 30, 2018, the County had spent \$2,709,081 on these projects and had remaining contractual commitments with contractors totaling \$1,285,001. These projects are being financed by Flood Control property tax, highway user revenues, federal and state emergency management reimbursements, state grants, and the General Fund.

NOTE 6 – LONG-TERM LIABILITIES

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2018:

<u>Governmental Activities</u>	<u>Balance July 1, 2017, as restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Due within 1 year</u>
Bonds payable:					
Special assessment bonds					
with governmental commitment	\$ 30,000	\$	\$ 18,000	\$ 12,000	\$ 12,000
Total bonds payable	<u>30,000</u>	<u></u>	<u>18,000</u>	<u>12,000</u>	<u>12,000</u>
Capital lease payable	35,390		27,763	7,627	7,627
Compensated absences payable	5,053,523	3,732,347	3,282,115	5,503,755	3,671,876
Claims and judgments payable	1,437,675	342,692	1,010,091	770,276	157,068
Retention programs payable		668,000		668,000	
Net pension liability (Note 10)	118,127,932	15,284,727		133,412,659	
Other postemployment benefit (OPEB) liability (Note 10)	9,160,979	1,795,171	569,744	10,386,406	
Total Governmental activities long-term liabilities	<u>\$ 133,845,499</u>	<u>\$ 21,822,937</u>	<u>\$ 4,907,713</u>	<u>\$ 150,760,723</u>	<u>\$ 3,848,571</u>

Special Assessment Bonds – Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. The special assessment districts pledged these assessments to repay the principal amount of \$438,000 in special assessment debt. Payment made by the assessed property owners are 100 percent pledged to pay the scheduled principal and interest payments on special assessment bonds. In the event of default by the property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the default assessment. At June 30, 2018, future pledged revenues through final maturity at July 1, 2019 totaled \$12,588 consisting of \$12,000 for principal and \$588 for interest. Future principal and interest payments are expected to require 100 percent of pledged special assessment revenues. Principal and interest paid for the current year and total current year special assessment revenues were \$19,448 and \$81,367, respectively. While there is no legal obligation for the County to further secure the special assessment debt of the districts below, the County has made a moral commitment to take steps necessary to prevent default.

Coconino County
Notes to Financial Statements
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The following special assessment bonds were outstanding at June 30, 2018:

Description	Original Amount	Maturity Date	Interest Rates	Outstanding Principal
Special assessment bonds with governmental commitment	\$ 438,000	July 1, 2019	4.90%	\$ 12,000

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2018:

Year Ending June 30	<u>Governmental Activities</u>	
	Special Assessment Bonds	
	Principal	Interest
2019	12,000	588

Capital Lease – The County has acquired equipment under the provisions of a long-term lease agreement classified as a capital lease for accounting purposes because it provides for transfer of ownership by the end of the lease term.

The following assets were acquired through capital lease:

	Governmental activities
Machinery and equipment	66,786
Less: accumulated depreciation	55,655
Carrying value	<u>11,131</u>

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2018:

	Governmental activities
Year ending June 30 2019	<u>7,648</u>
Total minimum lease payments	7,648
Less amount representing interest	21
Present value of net minimum lease payments	<u>7,627</u>

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

Compensated Absences and Claims and Judgments – Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2018, the County paid for compensated absences as follows: 54.04 percent from the General Fund, 31.45 percent from major funds, and 14.51 percent from other funds. The County paid for claims and judgments from the General Fund.

Retention Programs – In support of the goal of the Board of Supervisors, Sheriff's Office and County Management to recruit and attract new Commissioned Deputies and to retain trained Deputies, Coconino County has created the Commissioned Law Enforcement Retention Program and Detention Officer Retention Program. Through these Programs, Individual Investment Accounts with interest earnings were established for existing eligible Deputies and Detention Officers, and new hires will be added. Each account is set-up in the employee's name and front load funded with a lump sum by the Coconino County Board of Supervisors for current eligible positions. If hired on or before December 31, 2011, the lump sum amount will be \$10,000. If hired on or after January 1, 2012, the lump sum amount will be \$20,000. The County holds the individual Investment Accounts and is required to distribute lump sum amounts and interest earned based on the programs' vesting schedules. On June 30, 2018 the liability for both Programs was \$668,000 and interest Earned but Not Paid was \$88.

Coconino County
Notes to Financial Statements
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NOTE 7 – FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2018, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Parks and Open Spaces Tax Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable:							
Advances	\$ 350,000					\$	\$ 350,000
Prepaid items	41,572	2,925		68,203		33,799	146,499
Total nonspendable	<u>391,572</u>	<u>2,925</u>		<u>68,203</u>		<u>33,799</u>	<u>496,499</u>
Restricted for:							
Debt Service						79,673	79,673
Highways and Streets		26,508,849				3,137,248	29,646,097
Jail and Sheriff			17,990,033			923,313	18,913,346
Flood Control						778,270	778,270
Culture and Recreation						531,384	531,384
Health				2,143,637			2,143,637
Capital Projects					2,962,862	11,662,861	14,625,723
Education						4,108,093	4,108,093
Sanitation						1,280,162	1,280,162
Welfare						123,545	123,545
Probation						1,441,310	1,441,310
Superior Court						610,026	610,026
Justice Courts						794,041	794,041
Public and Legal Defender						68,264	68,264
County Attorney						1,559,754	1,559,754
General Govt Services						962,879	962,879
Total restricted		<u>26,508,849</u>	<u>17,990,033</u>	<u>2,143,637</u>	<u>2,962,862</u>	<u>28,060,823</u>	<u>77,666,204</u>
Committed to:							
Retention programs	860,000		1,590,000				2,450,000
Total committed	<u>860,000</u>		<u>1,590,000</u>				<u>2,450,000</u>
Unassigned	25,721,380					(187,183)	25,534,197
Total fund balances	<u>\$26,972,952</u>	<u>\$26,511,774</u>	<u>\$19,580,033</u>	<u>\$ 2,211,840</u>	<u>\$ 2,962,862</u>	<u>\$ 27,907,439</u>	<u>\$ 106,146,900</u>

NOTE 8 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2018, the following nonmajor governmental funds reported a deficit in fund balance.

Fund	Deficit
Governmental Funds:	
Career Center Grants	\$ 84,126
Emergency Services Grants	102,697
	<u>\$ 186,823</u>

The fund balance deficit for the Career Center Grants Fund and Emergency Services Grants Fund resulted from operations during the year and is expected to be corrected during normal operations in fiscal year 2019.

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Notes to Financial Statements
June 30, 2018

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. These risks of loss are accounted for and financed by the following described insurance coverage and internal risk management program.

The County contracts with CopperPoint Mutual Insurance Company to meet Arizona statutory requirements on workers compensation coverage for its elected officials, employees, and volunteers. There is no deductible associated with this coverage and no loss limit per claim. The employer's liability section of our workers' compensation policy is insured with coverage limits at the \$1,000,000 level. There have been no claims against our employer's liability to date. Coconino County also provides HR services to State employees of the Clerk of Superior Court, Juvenile Court, Adult Probation, and Superior Court. These are separately insured by the State of Arizona and Arizona State Risk Management for workers' compensation and employer's liability. There have also been no claims to date from this source against employer's liability of Arizona State Risk Management.

The County also purchases coverage from insurers for property insurance, commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, automobile liability and physical damage, healthcare professional liability, cyber liability, environmental impairment liability, and non-owned aircraft liability.

The County self-insures liability claims for the first \$125,000 with the exception of a few specialty lines noted hereafter. The County self-insures environmental liability claims for the first \$50,000, crime insurance for the first \$25,000, automobile physical damage for the first \$25,000, and healthcare professional liability for the first \$100,000 on each claim. There is a \$50,000 deductible for cyber liability, and a \$25,000 deductible for Payment Card Industry Data Security Standard Assessments due to cyber breaches and a zero-dollar deductible for privacy event services for up to 500,000 persons affected by a cyber breach after a level of 100 affected persons is reached. A self-insurance retention fund has been established for these losses. There is no self-insured retention or deductible on our non-owned aircraft liability policy.

The County carries excess layers of liability with a combined limit of \$30,000,000 over our basic individual \$1,000,000 liability limits for commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, and automobile liability. We carry a separate \$5,000,000 on professional healthcare liability, \$1,000,000 on environmental impairment liability, \$5,000,000 on non-owned aircraft liability, and \$5,000,000 on cyber liability, which are not included in our excess liability insurance coverage. Our cyber liability coverage limit of \$5,000,000 contains a sublimit of \$2,500,000 per event for event management, and a sublimit of \$1,000,000 for credit card industry assessment fees if applicable to a cyber loss event.

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

On two separate dates early in 2018, the County detected suspicious activity within certain staff members' email accounts which resulted in two cyber event management responses coordinated through our cyber insurer. Both cyber incidents exceeded our deductible of \$50,000 with our cyber insurance paying for the balance of the forensics, and notification costs currently estimated at \$65,000 and \$83,000 respectively on these incidents.

No other claims from the past three years have exceeded or are currently reserved at amounts beyond Coconino County's commercial insurance deductibles or self-insured retentions, nor do they exceed any of the County's insurance coverages.

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The County contributes to the plans described below. The pension plans described in this note are component units of the State of Arizona.

At June 30, 2018, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liabilities	\$133,412,659
Deferred outflows of resources	21,480,874
Deferred inflows of resources	5,170,386
Pension expense	25,362,765

The County's accrued payroll and employee benefits includes \$256,980 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2018. Also, the County reported \$8,055,414 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

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A. Arizona State Retirement System

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

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:

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 equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members 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, 2018, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.34 percent of the members' annual covered payroll,

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and statute required the County to contribute at the actuarially determined rate of 10.9 percent of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.26 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2018, were \$4,545,898.

During fiscal year 2018, the County paid for ASRS pension contributions as follows: 55.6 percent from the General Fund, 31.3 percent from major funds, and 13.1 percent from other funds.

Pension liability – At June 30, 2018, the County reported a liability of \$64,845,194 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The County's proportion measured as of June 30, 2017, was 0.416 percent, which was an increase of 0.017 from its proportion measured as of June 30, 2016.

The net pension liability measured as of June 30, 2018, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County's net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2018, the County recognized pension expense for ASRS of \$2,883,454. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,944,417
Changes of assumptions or other inputs	2,816,376	1,938,987
Net difference between projected and actual earnings on pension plan investments	465,544	
Changes in proportion and differences between county contributions and proportionate share of contributions	2,392,338	80,931
County contributions subsequent to the measurement date	4,545,898	
Total	\$ 10,220,156	\$ 3,964,335

The amount reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2019	\$(1,418,089)
2020	3,649,209
2021	970,435
2022	(1,491,333)

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

ASRS	
Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

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The long-term expected rate of return on ASRS plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS		
Asset class	Target allocation	Long-term expected arithmetic real rate of return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
County’s proportionate share of the net pension liability	\$ 83,229,933	\$ 64,845,194	\$ 49,483,170

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

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

Plan descriptions – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan. 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.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan (agent plan) for county detention officers and a cost -sharing multiple-employer defined benefit pension plan (cost-sharing plan) for AOC officers. 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 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:

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

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PSPRS

Initial membership date:

Before January 1, 2012

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

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

Retirement and Disability

Years of service and age required to receive benefit

Sum of years and age equals 80
20 years, any age
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%

Accidental Disability Retirement

50% or normal retirement if more than 20 years of credited service

50% or normal retirement if more than 25 years of credited service

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Total and Permanent Disability Retirement 50% or normal retirement if more than 25 years of credited service

Ordinary Disability Retirement 2.5% per year of credited service

Survivor Benefit

Retired Members 80% of retired member's pension benefit

Active Members 40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received 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. The adjustments are based on inflation for PSPRS and excess investment earnings for CORP. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. 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, 2018, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	58	15
Inactive employees entitled to but not yet receiving benefits	16	68
Active employees	51	87
Total	125	170

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,

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2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Sheriff	CORP Detention	CORP AOC
Active members—Pension	7.65%-11.65%	8.41%	8.41%
County Pension	72.84%	10.04%	20.08%

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.

	PSPRS Sheriff	CORP Detention	CORP AOC
Pension	47.41%	5.37%	15.27%

The County's contributions to the plans for the year ended June 30, 2018, were:

	Pension
PSPRS Sheriff	\$2,229,486
CORP Detention	459,583
CORP AOC	819,922

PSPRS contributions include a voluntary \$390,000 excess contributions to reduce the unfunded liability.

During fiscal year 2018, the County paid for PSPRS and CORP pension contributions as follows: 69.1 percent from the General Fund, 14.2 percent from major funds, and 16.7 percent from other funds.

Pension liability – At June 30, 2018, the County reported the following net pension liabilities:

	Net Pension Liability
PSPRS Sheriff	\$ 24,302,536
CORP Detention	5,866,898
CORP AOC (County's proportionate share)	12,727,276

The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period

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ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for CORP and CORP AOC also reflect changes of benefit terms for a court decision that increased cost-of-living adjustments for retirees who became members before July 20, 2011. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the County's PSPRS net pension liabilities as a result of the refunds is not known.

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

PSPRS and CORP – Pension

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price Inflation	2.5%
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, 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 PSPRS and CORP pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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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%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Pension discount rates – At June 30, 2017, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.4 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability

PSPRS Sheriff	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2017	<u>42,384,877</u>	<u>19,873,457</u>	<u>22,511,420</u>
Changes for the year:			
Service cost	695,574		695,574
Interest on the total pension liability	3,104,578		3,104,578
Changes of benefit terms	557,123		557,123
Differences between expected and actual experience in the measurement of the pension liability	832,928		832,928
Changes of assumptions or other inputs	1,779,880		1,779,880
Contributions—employer		2,479,462	(2,479,462)
Contributions—employee		370,548	(370,548)
Net investment income		2,349,854	(2,349,854)
Benefit payments, including refunds of employee contributions	(2,676,590)	(2,676,590)	
Administrative expense		(21,192)	21,192
Other changes		295	(295)
Net changes	<u>4,293,493</u>	<u>2,502,377</u>	<u>1,791,116</u>
Balances at June 30, 2018	<u><u>46,678,370</u></u>	<u><u>22,375,834</u></u>	<u><u>24,302,536</u></u>

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CORP Detention	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2017	10,912,638	7,514,828	3,397,810
Changes for the year:			
Service cost	563,079		563,079
Interest on the total pension liability	815,477		815,477
Changes of benefit terms	2,373,340		2,373,340
Differences between expected and actual experience in the measurement of the pension liability	155,060		155,060
Changes of assumptions or other inputs	129,679		129,679
Contributions—employer		372,721	(372,721)
Contributions—employee		312,372	(312,372)
Net investment income		890,691	(890,691)
Benefit payments, including refunds of employee contributions	(642,296)	(642,296)	
Administrative expense		(8,191)	8,191
Other changes		(46)	46
Net changes	3,394,339	925,251	2,469,088
Balances at June 30, 2018	14,306,977	8,440,079	5,866,898

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, 2017. The County's proportion measured as of June 30, 2017 was 3.172 percent, which was a decrease of 0.126 from its proportion measured as of June 30, 2016.

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

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	1% Decrease (6.4%)	Current discount rate (7.4%)	1% Increase (8.4%)
PSPRS Sheriff			
Net pension liability	\$ 30,213,614	\$ 24,302,536	\$ 19,456,796
CORP Detention			
Net pension liability	\$ 8,352,705	\$ 5,866,898	\$ 3,912,728
CORP AOC			
County's proportionate share of the net pension liability	\$ 16,451,523	\$ 12,727,276	\$ 9,715,455

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

Pension expense – For the year ended June 30, 2018, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$4,474,671
CORP Detention	3,119,131
CORP AOC (County's proportionate share)	5,023,622

Pension deferred outflows/inflows of resources – At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 637,898	\$ 269,952
Changes of assumptions or other inputs	2,872,028	
Net difference between projected and actual earnings on pension plan investments	37,612	
County contributions subsequent to the measurement date	2,229,486	
Total	\$ 5,777,024	\$ 269,952

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CORP Detention	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,517	\$ 81,801
Changes of assumptions or other inputs	509,197	
Net difference between projected and actual earnings on pension plan investments	104,133	
County contributions subsequent to the measurement date	459,583	
Total	\$ 1,229,430	\$ 81,801

CORP AOC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 116,540	\$ 437,116
Changes of assumptions or other inputs	1,235,736	
Net difference between projected and actual earnings on pension plan investments	149,869	
Changes in proportion and differences between county contributions and proportionate share of contributions	233,415	194,674
County contributions subsequent to the measurement date	819,922	
Total	\$ 2,555,482	\$ 631,790

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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS Sheriff	CORP Detention	CORP AOC
2019	\$ 1,485,131	\$ 253,008	\$ 449,458
2020	988,476	266,523	420,957
2021	868,308	165,868	193,157
2022	(64,329)	2,647	40,198

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C. Elected Officials Retirement Plan

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

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 age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
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
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

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

Coconino County
Notes to Financial Statements
June 30, 2018

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

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2018, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute 23.5 percent of all active EORP members' annual covered payroll. The County's contributions to the pension plan for the year ended June 30, 2018, were \$47,148.

During fiscal year 2018, the County paid for EORP pension contributions as follows: 98.7 percent from the General Fund and 1.3 percent from major funds.

Pension liability – At June 30, 2018, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$25,670,755
State's proportionate share of the EORP net pension liability associated with the County	5,327,843
Total	<u>\$30,998,598</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liability also reflects changes-of-benefit terms for a court decision that increased cost-of-living adjustments for retirees and decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the net pension liability measured as of June 30, 2018, because of refunds of excess member contributions. The change in the County's net pension liability as a result of the refunds is not known.

Coconino County
Notes to Financial Statements
June 30, 2018

The County's proportion of the net pension liability was based on the County's actual contributions to the pension plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2017. The County's proportion measured as of June 30, 2017 was 1.921 percent, which was a decrease of 0.115 from its proportion measured as of June 30, 2016.

Pension expense – For the year ended June 30, 2018, the County recognized pension expense for EORP of \$9,861,887 and revenue of \$1,611,696 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

Pension deferred outflows/inflows of resources – At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 222,508
Changes of assumptions or other inputs	1,001,980	
Net difference between projected and actual earnings on pension plan investments	157,340	
Changes in proportion and differences between county contributions and proportionate share of contributions	492,314	
County contributions subsequent to the measurement date	47,148	
Total	\$ 1,698,782	\$ 222,508

The amount reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2019	1,209,624
2020	228,710
2021	41,574
2022	(50,782)

Coconino County
Notes to Financial Statements
June 30, 2018

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

EORP

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price Inflation	2.5%
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, 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 EORP pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP

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

Coconino County
Notes to Financial Statements
June 30, 2018

Discount rate – At June 30, 2017, the discount rate used to measure the EORP total pension liability was 3.91 percent, which was an increase of 0.23 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.4 percent was applied to periods of projected benefit payments through the year ended June 30, 2026. A municipal bond rate of 3.56 percent obtained from the Fidelity 20-year Municipal GO AA Index as of June 30, 2017, was applied to periods of projected benefit payments after June 30, 2026.

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 3.91 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 (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate:

EORP	1% Decrease (2.91%)	Current Discount Rate (3.91%)	1% Increase (4.91%)
County’s proportionate share of the net pension liability	\$ 30,323,942	\$ 25,670,755	\$21,875,772

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

D. Postemployment Healthcare Plan

The County follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75), for certain postemployment health care benefits provided by the Northern Arizona Public Employee Benefit Trust (NAPEBT). This Statement replaces the requirements of GASB Statement No. 45. As a result of the implementation of GASB Statement No. 75, a restatement of net position as of July 1, 2017 is required. See Note 2 - Change in Accounting Principle.

Plan Description—Employees retiring from Coconino County service, who receive monthly income from any of the Arizona State individual retirement plans, are eligible to continue insurance coverage through the same plan as active employees and their beneficiaries up to the age of 65 through NAPEBT. Coconino County is a member of NAPEBT and has a single-employer plan for postemployment healthcare benefits. Further the benefits and

Coconino County
Notes to Financial Statements
June 30, 2018

premium rates are approved by the Trust and the Board of Supervisors on an annual basis for active and retired members. Although Coconino County does not explicitly pay a portion of the retirees' premiums, because of the inclusion of this class in the insured pool, there is an implicit subsidy or "premium rate differential" that is incurred by the County.

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

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

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

OPEB Liability – At June 30, 2018, the County reported an other postemployment benefit (OPEB) liability for the NAPEBT plan of \$10,386,406. The plan's total OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as July 1, 2017. The total OPEB liability as of June 30, 2017, reflects the following changes of actuarial assumptions and benefit terms for the NAPEBT plan:

- Per capita health costs were recalculated based on more recent data.
- Future trend rates were updated. Retiree contributions were updated.
- Mortality, disability, turnover, salary increase, and retirement assumptions were updated to reflect those from the June 30, 2017 ASRS pension valuation.
- Spouse coverage election percentage decreased from 40% to 30% and 25% to 20% for males and females, respectively.
- The discount rate increased from 2.85% to 3.58%.

Coconino County
Notes to Financial Statements
June 30, 2018

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

Balance at June 30, 2017, as restated	<u>\$ 9,160,979</u>
Service cost	582,667
Interest	269,575
Differences between expected and actual experience	(515,811)
Changes of assumptions	1,458,740
Expected benefit payments	<u>(569,744)</u>
Net change in total OPEB liability	<u>1,225,427</u>
Balance at June 30, 2018	<u><u>\$ 10,386,406</u></u>

OPEB expense and deferred outflows/inflows of resources – For the year ended June 30, 2018, the County recognized OPEB expense of \$961,126. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 1,290,294	
Differences between expected and actual experience in the Total OPEB liability		\$ 456,249
County contributions subsequent to the measurement date	419,409	
Total	<u><u>\$ 1,709,703</u></u>	<u><u>\$ 456,249</u></u>

The amount reported as deferred outflows of resources related to OPEB resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	
2019	\$108,884
2020	108,884
2021	108,884
2022	108,884
Thereafter	398,509

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

Coconino County
Notes to Financial Statements
June 30, 2018

that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The County's actuarial methods and significant assumptions for the NAPEBT single-employer postemployment plan for the most recent actuarial valuation are as follows:

Actuarial valuation date: July 1, 2017
 Actuarial cost method: Entry age, level percent of salary
 Salary increases: Wage inflation rate of 2.70% plus a merit component
 Discount rate: 3.58%
 Health care cost trend range: 4.5% - 7.5%

Mortality Rates:

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

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

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

Benefit projections assume the specified premium amount will follow the current practice of being paid for entirely by the retiree or on behalf of the retiree. Actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

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

Sensitivity analysis - The following shows the net impact of the OPEB liability calculated using the discount rate of 3.58%, as well as what the County's liability would be if the discount rate is 1% less than and 1% greater than the current rate:

	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	\$11,485,671	\$10,386,406	\$9,418,408

Coconino County
Notes to Financial Statements
June 30, 2018

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$9,240,870	\$10,386,406	\$11,753,490

NOTE 11 – INTERFUND BALANCES AND ACTIVITY

Interfund Receivables and Payables – Interfund balances at June 30, 2018, were as follows:

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

Payable from	Payable to						Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	
General Fund	\$	\$ 12,726	\$104,412	\$	\$ 2,214,584	\$128,362	\$2,460,084
Public Works/HURF Fund	59,388				110,046	276,451	445,885
Jail District Fund	855,061				46,272	5,071	906,404
Public Health Services District Fund	139,546				23	16,512	156,081
Nonmajor Governmental Funds	1,685,216	93,670			856,049	12,125	2,647,060
Internal Service Fund	172	60		55	100		387
Total	\$2,739,383	\$ 106,456	\$ 104,412	\$ 55	\$ 3,227,074	\$ 438,521	\$ 6,615,901

Interfund Transfers – Interfund transfers for the year ended June 30, 2018, were as follows:

Transfer from	Transfer to							Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Parks and Open Spaces Tax Project Fund	Nonmajor Governmental Funds	Internal Service Fund	
General Fund	\$	\$	\$2,518,776	\$ 4,659,919	\$ 130,000	\$10,753,304	\$200,000	\$18,261,999
Public Works/HURF Fund	89,549					86,084		175,633
Jail District Fund	1,304,789					46,272		1,351,061
Public Health Services District Fund	133,443							133,443
Nonmajor Governmental Funds	204,912	1,338,488				759,250		2,302,650
Total	\$1,732,693	\$1,338,488	\$ 2,518,776	\$ 4,659,919	\$ 130,000	\$ 11,644,910	\$ 200,000	\$ 22,224,786

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

Coconino County
Notes to Financial Statements
June 30, 2018

Advances From/To Other Funds

The General Fund has advanced \$350,000 to the Flood Control District to provide cash to cover expenditures made for the catastrophic flooding.

<u>Advances To</u>	<u>Advances from General Fund</u>
Flood Control District	\$ 350,000

The \$350,000 advance to the Flood Control District is expected to be paid back in fiscal year 2019.

NOTE 12 – COUNTY TREASURER’S INVESTMENT POOL

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

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

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

The deposits and investments the County holds are included in the County Treasurer’s investment pool, except for \$4,951,149 of deposits, \$447,133 of investments in mutual funds-debt, \$4,807,627 in the State Treasurer’s Investment Pool #7, and \$252,630 of investments in equities. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 3 for the disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Amount</u>
U.S. agency securities	\$ 129,015,489	1.000-6.750%	07/20/2018-05/24/2023	\$ 126,827,693
U.S. treasury securities	1,647,938	1.250%	12/31/2018	1,642,526
Corporate bonds	33,526,774	1.600-2.500%	12/05/2018-09/15/2021	33,011,057
Negotiable CDs	2,871,412	1.620-2.350%	07/06/2018-01/20/2022	2,858,955
Commercial paper	19,152,588	1.900-2.540%	07/09/2018-03/15/2019	19,152,588
Municipal bonds	12,846,766	1.350-3.150%	07/01/2018-08/15/2021	12,602,936
Money market mutual funds	162,079	unknown	less than 1 year	162,079

Coconino County
Notes to Financial Statements
June 30, 2018

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

Statement of Net Position

Assets	\$ 219,961,255
Net position	<u>\$ 219,961,255</u>

Net position held in trust for:

Internal participants	\$ 96,890,316
External participants	<u>123,070,939</u>
Total net position held in trust	<u>\$ 219,961,255</u>

Statement of Changes in Net Position

Total additions	\$ 392,165,577
Total deletions	<u>380,150,267</u>
Net increase	12,015,310
Net position held in trust	
July 1, 2017	<u>207,945,945</u>
June 30, 2018	<u>\$ 219,961,255</u>

NOTE 13 – MAINTENANCE OF EFFORT

Coconino County is required to maintain statutory levels of support for the Coconino County Jail District and the Coconino County Public Health Services District. In accordance with A.R.S. Section 48-4024, Coconino County is required to make annual maintenance of effort payments (MOE) to the Coconino County Jail District, a special revenue fund type. The payments will be made through fiscal year 2027, and are determined by first establishing a base expenditure which was used as the initial fiscal year 1998 MOE payment. Subsequent payments are determined by adjusting the base expenditure by the annual change in the gross domestic product price deflator, obtained from the State of Arizona Economic Estimates Commission. These payments are recorded by the Jail District as transfers. The MOE payment for fiscal year 2018 was \$2,518,776. In accordance with A.R.S. Section 48-5802 Coconino County is required to maintain a specific level of expenditures for public health services. This is accomplished by transferring funds to the Public Health Services District, a special revenue fund type. The payment for fiscal year 2018 was \$ 4,659,919.

NOTE 14 – SUBSEQUENT EVENTS

On October 16, 2018, the Coconino County Board of Supervisors approved payments to pension liabilities that will result in a \$15 million savings over the next 20 years for county taxpayers. The Board approved a \$10 million, one-time payment to the Public Safety Personnel Retirement System (PSPRS), with funds from the Capital Facilities Fund. Additionally, the Board also approved the use of Jail District Fund Balance to pay an additional \$5.5 million contribution to the Arizona Correction Officers Retirement Plan (CORP). The payments to PSPRS and CORP were made on October 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 10,060,359	\$ 10,060,359	\$ 10,059,156	\$ (1,203)
County sales taxes	15,740,000	15,740,000	16,472,660	732,660
Licenses and permits	1,305,000	1,305,000	1,644,992	339,992
Fees, fines, and forfeits	1,149,350	1,149,350	1,402,445	253,095
Intergovernmental	29,327,875	29,327,875	32,112,955	2,785,080
Charges for services	1,919,305	1,919,775	2,484,137	564,362
Investment earnings	129,695	129,695	108,992	(20,703)
Contributions	201,000	201,000	212,306	11,306
Miscellaneous	199,075	199,075	146,005	(53,070)
Total revenues	<u>60,031,659</u>	<u>60,032,129</u>	<u>64,643,648</u>	<u>4,611,519</u>
Expenditures:				
General government				
Assessor	2,124,138	2,124,138	2,040,778	83,360
Board of Supervisors	1,440,245	1,459,723	1,418,829	40,894
Clerk of the Superior Court	1,336,162	1,336,162	1,217,124	119,038
Community Development	2,296,469	2,296,058	2,091,809	204,249
Community Initiatives	276,828	258,735	105,310	153,425
County Attorney	3,797,372	3,797,372	3,221,666	575,706
County Manager	1,677,138	1,677,138	1,330,674	346,464
Facilities	4,539,466	4,721,504	2,601,290	2,120,214
Finance/Budget	1,601,310	1,601,310	1,064,842	536,468
Flagstaff Justice Court	1,296,995	1,296,995	1,293,230	3,765
Fredonia Justice Court	204,903	204,903	199,101	5,802
Human Resources	1,386,638	1,456,712	894,262	562,450
Information Technology	2,671,851	2,671,851	1,465,264	1,206,587
Legal Defender	1,108,535	1,150,809	1,198,780	(47,971)
Non-departmental	26,863,673	18,144,093	3,524,243	14,619,850
Page Justice Court	404,851	404,851	428,751	(23,900)
Public Defender	2,502,627	2,502,627	2,534,051	(31,424)
Recorder	1,964,760	1,964,760	1,483,420	481,340
Superior Courts	3,549,807	3,614,781	3,863,443	(248,662)
Treasurer	676,427	676,427	398,254	278,173
Williams Justice Court	393,655	382,556	459,412	(76,856)
Total general government	<u>62,113,850</u>	<u>53,743,505</u>	<u>32,834,533</u>	<u>20,908,972</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

(continued)

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	1,856,304	1,856,304	1,774,254	82,050
Constable	96,184	96,184	96,337	(153)
Juvenile Probation	3,325,925	3,325,925	3,245,067	80,858
Sheriff	10,192,060	10,222,008	11,062,792	(840,784)
Total public safety	<u>15,470,473</u>	<u>15,500,421</u>	<u>16,178,450</u>	<u>(678,029)</u>
Highways and streets				
Information Technology	597,082	597,082	463,697	133,385
Health				
Information Technology	12,228	12,228	12,228	
Welfare				
Community Services	1,359,479	1,377,313	1,286,264	91,049
Culture and recreation				
Parks and Recreation	2,028,734	2,071,779	1,964,302	107,477
Education				
School Superintendent	498,764	498,764	470,102	28,662
Total expenditures	<u>82,080,610</u>	<u>73,801,092</u>	<u>53,209,576</u>	<u>20,591,516</u>
Excess (deficiency) of revenues over expenditures	(22,048,951)	(13,768,963)	11,434,072	25,203,035
Other financing sources (uses):				
Transfers in	1,742,863	1,807,367	1,732,693	(74,674)
Transfers out	(10,479,237)	(19,039,413)	(18,261,999)	777,414
Total other financing sources (uses)	<u>(8,736,374)</u>	<u>(17,232,046)</u>	<u>(16,529,306)</u>	<u>702,740</u>
Net change in fund balances	(30,785,325)	(31,001,009)	(5,095,234)	25,905,775
Fund balance, July 1, 2017	30,585,325	30,585,325	32,068,186	1,482,861
Fund balance, June 30, 2018	<u>\$ (200,000)</u>	<u>\$ (415,684)</u>	<u>\$ 26,972,952</u>	<u>\$ 27,388,636</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 8,931,169	\$ 8,931,169	\$ 9,953,869	1,022,700
Licenses and permits	25,000	25,000	40,469	15,469
Intergovernmental	12,176,533	12,176,533	13,250,587	1,074,054
Charges for services	5,200	5,200	11,305	6,105
Investment earnings	85,000	85,000	90,732	5,732
Miscellaneous			23,868	23,868
Total revenues	<u>21,222,902</u>	<u>21,222,902</u>	<u>23,370,830</u>	<u>2,147,928</u>
Expenditures:				
Highways and streets				
Public Works	<u>30,618,086</u>	<u>30,586,619</u>	<u>21,877,453</u>	<u>8,709,166</u>
Total expenditures	<u>30,618,086</u>	<u>30,586,619</u>	<u>21,877,453</u>	<u>8,709,166</u>
Excess (deficiency) of revenues over expenditures	(9,395,184)	(9,363,717)	1,493,377	10,857,094
Other financing sources (uses):				
Sale of capital assets	70,000	70,000	544,844	474,844
Transfers in	1,363,319	1,363,319	1,338,488	(24,831)
Transfers out	<u>(254,545)</u>	<u>(254,545)</u>	<u>(175,633)</u>	<u>78,912</u>
Total other financing sources (uses)	<u>1,178,774</u>	<u>1,178,774</u>	<u>1,707,699</u>	<u>528,925</u>
Net change in fund balances	(8,216,410)	(8,184,943)	3,201,076	11,386,019
Fund balance, July 1, 2017	<u>18,573,308</u>	<u>18,573,308</u>	<u>23,310,698</u>	<u>4,737,390</u>
Fund balance, June 30, 2018	<u>\$ 10,356,898</u>	<u>\$ 10,388,365</u>	<u>\$ 26,511,774</u>	<u>\$ 16,123,409</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 15,435,000	\$ 15,435,000	\$ 16,226,626	\$ 791,626
Intergovernmental	10,000	10,000	164,152	154,152
Charges for services	540,300	540,300	600,089	59,789
Investment earnings	185,000	185,000	56,887	(128,113)
Contributions		18,000	18,000	
Miscellaneous			1,500	1,500
Total revenues	<u>16,170,300</u>	<u>16,188,300</u>	<u>17,067,254</u>	<u>878,954</u>
Expenditures:				
Public safety				
Sheriff	<u>23,252,920</u>	<u>23,491,476</u>	<u>15,217,833</u>	<u>8,273,643</u>
Total expenditures	<u>23,252,920</u>	<u>23,491,476</u>	<u>15,217,833</u>	<u>8,273,643</u>
Excess (deficiency) of revenues over expenditures	(7,082,620)	(7,303,176)	1,849,421	9,152,597
Other financing sources (uses):				
Transfers in	2,700,805	2,700,805	2,518,776	(182,029)
Transfers out	<u>(1,351,816)</u>	<u>(1,348,465)</u>	<u>(1,351,061)</u>	<u>(2,596)</u>
Total other financing sources (uses)	<u>1,348,989</u>	<u>1,352,340</u>	<u>1,167,715</u>	<u>(184,625)</u>
Net change in fund balances	(5,733,631)	(5,950,836)	3,017,136	8,967,972
Fund balance, July 1, 2017	<u>16,260,741</u>	<u>16,260,741</u>	<u>16,562,897</u>	<u>302,156</u>
Fund balance, June 30, 2018	<u>\$ 10,527,110</u>	<u>\$ 10,309,905</u>	<u>\$ 19,580,033</u>	<u>\$ 9,270,128</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Services District Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,121,328	\$ 4,121,328	\$ 4,141,601	\$ 20,273
County sales taxes			2,047	2,047
Licenses and permits	592,020	592,020	646,175	54,155
Intergovernmental	4,303,012	4,967,958	3,719,189	(1,248,769)
Charges for services	490,956	490,486	641,373	150,887
Investment earnings	5,507	5,507	10,245	4,738
Contributions	29,640	29,640	104,466	74,826
Miscellaneous	200	200	(110)	(310)
Total revenues	<u>9,542,663</u>	<u>10,207,139</u>	<u>9,264,986</u>	<u>(942,153)</u>
Expenditures:				
Public safety				
Medical Examiner	761,991	1,314,019	940,073	373,946
Health				
Health Department	15,077,280	15,177,592	13,476,123	1,701,469
Total expenditures	<u>15,839,271</u>	<u>16,491,611</u>	<u>14,416,196</u>	<u>2,075,415</u>
Excess (deficiency) of revenues over expenditures	(6,296,608)	(6,284,472)	(5,151,210)	1,133,262
Other financing sources (uses):				
Transfers in	4,659,919	4,659,919	4,659,919	
Transfers out	(213,233)	(277,737)	(133,443)	144,294
Total other financing sources (uses)	<u>4,446,686</u>	<u>4,382,182</u>	<u>4,526,476</u>	<u>144,294</u>
Net change in fund balances	(1,849,922)	(1,902,290)	(624,734)	1,277,556
Fund balance, July 1, 2017	2,485,994	2,485,994	2,836,574	350,580
Fund balance, June 30, 2018	<u>\$ 636,072</u>	<u>\$ 583,704</u>	<u>\$ 2,211,840</u>	<u>\$ 1,628,136</u>

The Notes to the Budgetary Comparison Schedules are an integral part of this schedule.

Coconino County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2018

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund and the Public Health Services District Fund, each fund includes only one department.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2018, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Sheriff	\$ 840,784
Superior Courts	248,662
Legal Defender	47,971
Public Defender	31,424
Page Justice Court	23,900
Williams Justice Court	76,856
Constable	153

Departments may exceed their department's budget for various reasons, including unexpected events. When departments exceed their budget, this is addressed with the departments in their subsequent budget meetings with the County Manager and the Board of Supervisors.

Coconino County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2018

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
County's proportion of the net pension liability	0.40%	0.40%	0.39%	0.40%	Information
County's proportionate share of the net pension liability	\$ 64,845,194	\$ 64,388,081	\$ 61,051,275	\$ 58,741,596	not available
County's covered payroll	\$ 39,261,016	\$ 37,520,908	\$ 36,081,751	\$ 35,786,206	
County's proportionate share of the net pension liability as a percentage of its covered payroll	165.16%	171.61%	169.20%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
County's proportion of the net pension liability	3.05%	3.05%	3.12%	3.24%	Information
County's proportionate share of the net pension liability	\$ 12,727,276	\$ 8,593,425	\$ 7,590,997	\$ 7,259,716	not available
County's covered payroll	\$ 3,458,591	\$ 3,364,379	\$ 3,530,713	\$ 3,481,917	
County's proportionate share of the net pension liability as a percentage of its covered payroll	367.99%	255.42%	215.00%	208.50%	
Plan fiduciary net position as a percentage of the total pension liability	49.21%	54.81%	57.89%	58.59%	

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
County's proportion of the net pension liability	2.04%	2.04%	1.87%	1.89%	Information
County's proportionate share of the net pension liability	\$ 25,670,755	\$ 19,237,196	\$ 14,583,025	\$ 12,687,065	not available
State's proportionate share of the net pension liability associated with the County	5,327,843	3,971,984	4,546,380	3,889,972	
Total	<u>\$ 30,998,598</u>	<u>\$ 23,209,180</u>	<u>\$ 19,129,405</u>	<u>\$ 16,577,037</u>	
County's covered payroll	\$ 1,652,059	\$ 1,677,173	\$ 1,695,740	\$ 1,740,635	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1553.86%	1147.00%	859.98%	728.88%	
Plan fiduciary net position as a percentage of the total pension liability	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2018

Public Safety Personnel Retirement System - Sheriff	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension liability					Information not available
Service cost	\$ 695,574	\$ 530,394	\$ 542,285	\$ 526,940	
Interest on the total pension liability	3,104,578	3,072,697	3,045,276	2,499,646	
Changes of benefit terms	557,123	(136,624)	-	1,149,553	
Differences between expected and actual experience in the measurement of the pension liability	832,928	(158,582)	(519,453)	40,499	
Changes of assumptions or other inputs	1,779,880	1,542,086	-	5,497,276	
Benefit payments, including refunds of employee contributions	(2,676,590)	(2,685,077)	(2,740,615)	(2,801,153)	
Net change in total pension liability	4,293,493	2,164,894	327,493	6,912,761	
Total pension liability—beginning	42,384,877	40,219,983	39,892,490	32,979,729	
Total pension liability—ending (a)	<u>\$ 46,678,370</u>	<u>\$ 42,384,877</u>	<u>\$ 40,219,983</u>	<u>\$ 39,892,490</u>	
Plan fiduciary net position					
Contributions—employer	\$ 2,479,462	\$ 12,388,778	\$ 1,798,480	\$ 1,717,418	
Contributions—employee	370,548	366,754	451,605	342,096	
Net investment income	2,349,854	59,803	360,105	1,251,743	
Benefit payments, including refunds of employee contributions	(2,676,590)	(2,685,077)	(2,740,615)	(2,801,153)	
Administrative expense	(21,192)	(9,005)	(9,163)	(10,081)	
Other changes	295	(79,223)	37,644	24,720	
Net change in plan fiduciary net position	2,502,377	10,042,030	(101,944)	524,743	
Plan fiduciary net position—beginning	19,873,457	9,831,427	9,933,371	9,408,628	
Plan fiduciary net position—ending (b)	<u>\$ 22,375,834</u>	<u>\$ 19,873,457</u>	<u>\$ 9,831,427</u>	<u>\$ 9,933,371</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 24,302,536</u>	<u>\$ 22,511,420</u>	<u>\$ 30,388,556</u>	<u>\$ 29,959,119</u>	
Plan fiduciary net position as a percentage of the total pension liability	47.94%	46.89%	24.44%	24.90%	
Covered payroll	\$ 3,268,096	\$ 3,198,513	\$ 3,241,732	\$ 3,069,559	
County's net pension liability as a percentage of covered payroll	743.63%	703.81%	937.42%	976.01%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2018

Correction Officers Retirement Plan - Detention	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension liability					Information not available
Service cost	\$ 563,079	\$ 494,690	\$ 486,259	\$ 536,007	
Interest on the total pension liability	815,477	758,183	694,602	588,300	
Changes of benefit terms	2,373,340	20,410	-	43,775	
Differences between expected and actual experience in the measurement of the pension liability	155,060	(74,152)	(79,768)	124,233	
Changes of assumptions or other inputs	129,679	454,705	-	448,734	
Benefit payments, including refunds of employee contributions	(642,296)	(304,477)	(286,223)	(437,813)	
Net change in total pension liability	3,394,339	1,349,359	814,870	1,303,236	
Total pension liability—beginning	10,912,638	9,563,279	8,748,409	7,445,173	
Total pension liability—ending (a)	<u>\$ 14,306,977</u>	<u>\$ 10,912,638</u>	<u>\$ 9,563,279</u>	<u>\$ 8,748,409</u>	
Plan fiduciary net position					
Contributions—employer	\$ 372,721	\$ 381,483	\$ 296,134	\$ 313,756	
Contributions—employee	312,372	318,137	312,482	320,700	
Net investment income	890,691	44,475	246,544	788,339	
Benefit payments, including refunds of employee contributions	(642,296)	(304,477)	(286,223)	(437,813)	
Administrative expense	(8,191)	(6,689)	(6,468)	(6,198)	
Other changes	(46)	(32,613)	(5,389)	(67,789)	
Net change in plan fiduciary net position	925,251	400,316	557,080	910,995	
Plan fiduciary net position—beginning	7,514,828	7,114,512	6,557,432	5,646,437	
Plan fiduciary net position—ending (b)	<u>\$ 8,440,079</u>	<u>\$ 7,514,828</u>	<u>\$ 7,114,512</u>	<u>\$ 6,557,432</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 5,866,898</u>	<u>\$ 3,397,810</u>	<u>\$ 2,448,767</u>	<u>\$ 2,190,977</u>	
Plan fiduciary net position as a percentage of the total pension liability	58.99%	68.86%	74.39%	74.96%	
Covered payroll	\$ 3,545,718	\$ 3,710,052	\$ 3,705,907	\$ 3,669,661	
County's net pension liability as a percentage of covered payroll	165.46%	91.58%	66.08%	59.71%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2018

Arizona State Retirement System	Reporting Fiscal Year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 4,545,898	\$ 4,232,338	\$ 4,071,019	\$ 3,929,303	\$ 3,829,124	Information not available
County's contributions in relation to the statutorily required contribution	4,545,898	4,232,338	4,071,019	3,929,303	3,829,124	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	<u>\$41,705,479</u>	<u>\$39,261,016</u>	<u>\$ 37,520,908</u>	<u>\$36,081,751</u>	<u>\$35,786,206</u>	
County's contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%	10.70%	

Correction Officer Retirement Plan - Administrative Office of the Courts	Reporting Fiscal Year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 819,922	\$ 694,485	\$ 642,596	\$ 525,370	\$ 503,137	Information not available
County's contributions in relation to the statutorily required contribution	819,922	694,485	642,596	525,370	503,137	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	<u>\$ 3,642,477</u>	<u>\$ 3,458,591</u>	<u>\$ 3,364,379</u>	<u>\$ 3,530,713</u>	<u>\$ 3,481,917</u>	
County's contributions as a percentage of covered payroll	22.51%	20.08%	19.10%	14.88%	14.45%	

Elected Officials Retirement Plan	Reporting Fiscal Year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 378,048	\$ 388,234	\$ 394,136	\$ 398,499	\$ 403,131	Information not available
County's contributions in relation to the actuarially determined contribution	47,148	388,234	394,136	398,499	403,131	
County's contribution deficiency (excess)	<u>\$ 330,900</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
County's covered payroll	<u>\$ 1,608,717</u>	<u>\$ 1,652,059</u>	<u>\$ 1,677,173</u>	<u>\$ 1,695,740</u>	<u>\$ 1,740,635</u>	
County's contributions as a percentage of covered payroll	2.93%	23.50%	23.50%	23.50%	23.16%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Schedule of County Pension Contributions
 June 30, 2018

Public Safety Personnel Retirement System - Sheriff

	Reporting Fiscal Year					2013 through 2009
	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 2,179,438	\$ 2,380,481	\$ 2,403,682	\$ 1,819,260	\$ 1,717,418	Information not available
County's contributions in relation to the actuarially determined contribution	2,229,486	2,380,481	12,403,682	1,819,260	1,717,418	
County's contribution deficiency (excess)	\$ (50,048)	\$	\$(10,000,000)	\$	\$	
County's covered payroll	\$ 3,523,747	\$ 3,268,096	\$ 3,198,513	\$ 3,241,732	\$ 3,069,559	
County's contributions as a percentage of covered payroll	63.27%	72.84%	387.80%	56.12%	55.95%	

Correction Officer Retirement Plan - Detention

	Reporting Fiscal Year					2013 through 2009
	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 459,583	\$ 355,990	\$ 378,425	\$ 295,361	\$ 313,756	Information not available
County's contributions in relation to the actuarially determined contribution	459,583	355,990	378,425	295,361	313,756	
County's contribution deficiency (excess)	\$	\$	\$	\$	\$	
County's covered payroll	\$ 3,839,458	\$ 3,545,718	\$ 3,710,052	\$ 3,705,907	\$ 3,669,661	
County's contributions as a percentage of covered payroll	11.97%	10.04%	10.20%	7.97%	8.55%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 June 30, 2018

Note 1 – Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2016 actuarial valuation	21 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 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 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% 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 eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Coconino County
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2018

Note 2 - Factors That Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, 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 also 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 will increase 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.

In fiscal year 2018, the County made a \$390,000 excess payment to reduce the PSPRS unfunded liability which significantly affected the trends in the amounts reported. Had the County only made the actuarially determined contribution, the County's contribution as a percentage of covered payroll would have been 61.85% for the 2018 fiscal year.

Coconino County
 Required Supplementary Information
 Schedule of Changes in the County's
 Total OPEB Liability
 June 30, 2018

Northern Arizona Public Employees Benefit Trust	Reporting Fiscal Year (Measurement Date)	
	2018 (2017)	2017 through 2009
Total OPEB liability		Information
Service cost	\$ 582,667	not available
Interest on the total OPEB liability	269,575	
Changes of benefit terms		
Differences between expected and actual experience	(515,811)	
Changes of assumptions	1,458,740	
Benefit payments	(569,744)	
Net change in total OPEB liability	1,225,427	
Total OPEB liability—beginning	9,160,979	
Total OPEB liability—ending	\$ 10,386,406	
 Covered payroll ⁽¹⁾	 \$ 47,871,291	
 County's total OPEB liability as a percentage of covered payroll	 21.70%	

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

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS**

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Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2018

Special Revenue Funds

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

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

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

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

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

Conciliation Court – this program provides a means for the reconciliation of spouses and the amicable settlement of domestic and family controversies. This program is funded by fees collected under A.R.S. 25-381.

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

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

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

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

Facilities – accounts for building upgrades for energy efficiency and conservation projects.

Flood Control District Fund – accounts for flood control services that are funded by a \$0.4000 per \$100 of assessed valuation property tax.

Inmate Welfare – accounts for funds held in trust for the benefit and welfare of inmates, established under A.R.S. 31-121. Revenues are derived from sales of commissary items to inmates and pay phone usage.

Jail Enhancement – accounts for state funds established under A.R.S. 41-2401.D.9. to be used to enhance county jail facilities and operations.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2018
(Continued)

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

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

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

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

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

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

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

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

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

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

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

Taxpayer Information Fund – accounts for fees collected by the County Treasurer, established by A.R.S. 11-495, to be used to upgrade an automated taxpayer information system.

Other Special Revenue Funds – accounts for other small grants and fees.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2018
(Continued)

Debt Service Fund

County Improvement Districts – Debt Service – accounts for special assessment collected for the payment of principal and interest on the revenue bonds issued for special assessment bonds issued by various county improvement districts, or National Forest Fees loans, for road improvements.

Capital Projects Funds

Accommodation School – accounts for various grants used to fund capital improvements for the Accommodation School.

County Improvement Districts – Capital Projects – accounts for the construction of road improvements in various county improvement districts, funded by special assessment bonds, assessment payments by benefiting property owners and National Forest Fees contributions or loans.

Other Capital Projects Funds – accounts for other small capital projects funded by fees, grants and transfers from the General Fund.

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 734,323	\$ 3,737	\$	\$ 216,744
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	200			
Special assessments				
Accrued interest	6,074		78	984
Due from:				
Other funds	40,341		6,301	
Other governments	29,388		145,776	
Prepaid items	804		360	
Total assets	<u>\$ 811,130</u>	<u>\$ 3,737</u>	<u>\$ 152,515</u>	<u>\$ 217,728</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 44,439	\$ 55	\$ 12,981	\$ 5,334
Accrued payroll and employee benefits	111,936		28,016	
Advances from other funds				
Due to:				
Other funds	35,065		195,644	
Deposits held for others				
Total liabilities	<u>191,440</u>	<u>55</u>	<u>236,641</u>	<u>5,334</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental				
Unavailable revenue - charges for services				
Unavailable revenue - other				
Total deferred inflows of resources				
Fund balances:				
Nonspendable	804		360	
Restricted	618,886	3,682		212,394
Unassigned			(84,486)	
Total fund balances	<u>619,690</u>	<u>3,682</u>	<u>(84,126)</u>	<u>212,394</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 811,130</u>	<u>\$ 3,737</u>	<u>\$ 152,515</u>	<u>\$ 217,728</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Assets				
Cash and cash equivalents	\$	\$ 33,293	\$ 969,791	\$ 1,283,560
Investments			447,133	
Cash and investments held by trustee			34,983	
Receivables (net of allowances for uncollectibles):				
Property taxes				97
Accounts	8,485	200		116,562
Special assessments				
Accrued interest	494	155	4,048	5,249
Due from:				
Other funds	1,371,444	3,167	121,140	22,674
Other governments	230,410	4,072	43,837	
Prepaid items	12,079			
Total assets	<u>\$ 1,622,912</u>	<u>\$ 40,887</u>	<u>\$ 1,620,932</u>	<u>\$ 1,428,142</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 126,064	\$ (1,071)	\$ 4,042	\$ 94,805
Accrued payroll and employee benefits	46,295	1,574	20,311	24,894
Advances from other funds				
Due to:				
Other funds	1,209,737		36,825	5,471
Deposits held for others	105,192			22,820
Total liabilities	<u>1,487,288</u>	<u>503</u>	<u>61,178</u>	<u>147,990</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental				
Unavailable revenue - charges for services				
Unavailable revenue - other				
Total deferred inflows of resources				
Fund balances:				
Nonspendable	12,079			
Restricted	123,545	40,384	1,559,754	1,280,152
Unassigned				
Total fund balances	<u>135,624</u>	<u>40,384</u>	<u>1,559,754</u>	<u>1,280,152</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,622,912</u>	<u>\$ 40,887</u>	<u>\$ 1,620,932</u>	<u>\$ 1,428,142</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			
	County Library District	Emergency Services Grants	Facilities Grants and Fees	Flood Control District Fund
Assets				
Cash and cash equivalents	\$ 381,161	\$	\$ 25,831	\$ 1,153,146
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes	118,841			87,979
Accounts				
Special assessments				
Accrued interest	1,394			4,732
Due from:				
Other funds		143,682	795	
Other governments				38,579
Prepaid items				
Total assets	<u>\$ 501,396</u>	<u>\$ 143,682</u>	<u>\$ 26,626</u>	<u>\$ 1,284,436</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 261,274	\$ 20,971	\$	\$ 74,136
Accrued payroll and employee benefits		8,891		15,819
Advances from other funds				350,000
Due to:				
Other funds		209,517		1,091
Deposits held for others				
Total liabilities	<u>261,274</u>	<u>239,379</u>	<u></u>	<u>441,046</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	90,183			65,120
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental		7,000		
Unavailable revenue - charges for services				
Unavailable revenue - other				
Total deferred inflows of resources	<u>90,183</u>	<u>7,000</u>	<u></u>	<u>65,120</u>
Fund balances:				
Nonspendable				
Restricted	149,939		26,626	778,270
Unassigned		(102,697)		
Total fund balances	<u>149,939</u>	<u>(102,697)</u>	<u>26,626</u>	<u>778,270</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 501,396</u>	<u>\$ 143,682</u>	<u>\$ 26,626</u>	<u>\$ 1,284,436</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			
	Inmate Welfare	Jail Enhancement	Justice Courts Grants and Fees	Juvenile Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 186,530	\$ 492,358	\$ 1,159,224	\$ 903,448
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	7,724	485		
Special assessments				
Accrued interest	530	1,964	4,333	5,754
Due from:				
Other funds			292	131,664
Other governments		19,899	11,387	28,659
Prepaid items		7,152		
Total assets	<u>\$ 194,784</u>	<u>\$ 521,858</u>	<u>\$ 1,175,236</u>	<u>\$ 1,069,525</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 13,702	\$ 53,329	\$ 21,485	\$ 61,001
Accrued payroll and employee benefits	5,514		6,474	77,484
Advances from other funds				
Due to:				
Other funds			353,236	108,616
Deposits held for others				
Total liabilities	<u>19,216</u>	<u>53,329</u>	<u>381,195</u>	<u>247,101</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental				
Unavailable revenue - charges for services				
Unavailable revenue - other		30		
Total deferred inflows of resources		<u>30</u>		
Fund balances:				
Nonspendable		7,152		
Restricted	175,568	461,347	794,041	822,424
Unassigned				
Total fund balances	<u>175,568</u>	<u>468,499</u>	<u>794,041</u>	<u>822,424</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 194,784</u>	<u>\$ 521,858</u>	<u>\$ 1,175,236</u>	<u>\$ 1,069,525</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			
	Legal Defender Grants and Fees	National Forest Fees	Parks and Recreation Grants and Fees	Public Defender Grants and Fees
Assets				
Cash and cash equivalents	\$ 9,431	\$ 3,200,708	\$ 390,138	\$ 57,565
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Special assessments				
Accrued interest	39	20,698	1,776	235
Due from:				
Other funds	6,577			60,183
Other governments	706			6,813
Prepaid items			11,970	704
Total assets	<u>\$ 16,753</u>	<u>\$ 3,221,406</u>	<u>\$ 403,884</u>	<u>\$ 125,500</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,818	\$	\$ 2,297	\$ 5,491
Accrued payroll and employee benefits			6,699	650
Advances from other funds				
Due to:				
Other funds	6,129	84,169		59,197
Deposits held for others			1,473	
Total liabilities	<u>7,947</u>	<u>84,169</u>	<u>10,469</u>	<u>65,338</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental				
Unavailable revenue - charges for services				
Unavailable revenue - other				
Total deferred inflows of resources				
Fund balances:				
Nonspendable			11,970	704
Restricted	8,806	3,137,237	381,445	59,458
Unassigned				
Total fund balances	<u>8,806</u>	<u>3,137,237</u>	<u>393,415</u>	<u>60,162</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,753</u>	<u>\$ 3,221,406</u>	<u>\$ 403,884</u>	<u>\$ 125,500</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			
	Recorder Storage and Retrieval	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste
Assets				
Cash and cash equivalents	\$ 689,364	\$ 3,033,872	\$ 197,074	\$
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts		41,825		1,722
Special assessments				
Accrued interest	2,631	12,250	1,108	
Due from:				
Other funds		555,120	79,617	243,078
Other governments		970,432	62,021	120,321
Prepaid items				
Total assets	<u>\$ 691,995</u>	<u>\$ 4,613,499</u>	<u>\$ 339,820</u>	<u>\$ 365,121</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 99,155	\$ 484,166	\$ 14,911	\$ 146,221
Accrued payroll and employee benefits		16,612	34,120	2,677
Advances from other funds				
Due to:				
Other funds			1,164	216,213
Deposits held for others				
Total liabilities	<u>99,155</u>	<u>500,778</u>	<u>50,195</u>	<u>365,111</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				
Unavailable revenue - intergovernmental			3,227	
Unavailable revenue - charges for services		4,628		
Unavailable revenue - other				
Total deferred inflows of resources		<u>4,628</u>	<u>3,227</u>	
Fund balances:				
Nonspendable				
Restricted	592,840	4,108,093	286,398	10
Unassigned				
Total fund balances	<u>592,840</u>	<u>4,108,093</u>	<u>286,398</u>	<u>10</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 691,995</u>	<u>\$ 4,613,499</u>	<u>\$ 339,820</u>	<u>\$ 365,121</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Special Revenue			Debt Service
	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Districts-Debt Service
Assets				
Cash and cash equivalents	\$ 335,298	\$ 89,264	\$	\$ 74,695
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	191	13	115	4,242
Special assessments				56,038
Accrued interest	1,342	351		736
Due from:				
Other funds	316,579		124,420	
Other governments	12,884			
Prepaid items	730			
Total assets	\$ 667,024	\$ 89,628	\$ 124,535	\$ 135,711
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 34,758	\$ 2,675	\$ 23	\$
Accrued payroll and employee benefits	16,210		4,815	
Advances from other funds				
Due to:				
Other funds	5,300		119,686	
Deposits held for others				
Total liabilities	56,268	2,675	124,524	
Deferred Inflows of Resources				
Unavailable revenue - property taxes				
Unavailable revenue - special assessments				56,038
Unavailable revenue - intergovernmental				
Unavailable revenue - charges for services				
Unavailable revenue - other				
Total deferred inflows of resources				56,038
Fund balances:				
Nonspendable	730			
Restricted	610,026	86,953	11	79,673
Unassigned				
Total fund balances	610,756	86,953	11	79,673
Total liabilities, deferred inflows of resources, and fund balances	\$ 667,024	\$ 89,628	\$ 124,535	\$ 135,711

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

	Capital Projects County			Total Nonmajor Governmental Funds
	Accommodation School	Improvement Districts-Capital Projects	Other Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ 139,344	\$ 314,361	\$ 11,108,236	\$ 27,182,496
Investments		73,004	72,014	592,151
Cash and investments held by trustee				34,983
Receivables (net of allowances for uncollectibles):				
Property taxes				206,917
Accounts				181,764
Special assessments				56,038
Accrued interest	595	1,531	10,590	89,671
Due from:				
Other funds				3,227,074
Other governments	5,888			1,731,072
Prepaid items				33,799
Total assets	\$ 145,827	\$ 388,896	\$ 11,190,840	\$ 33,335,965
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$ 62,702	\$ 1,641,430
Accrued payroll and employee benefits				434,325
Advances from other funds				350,000
Due to:				
Other funds				2,647,060
Deposits held for others				129,485
Total liabilities			62,702	5,202,300
Deferred Inflows of Resources				
Unavailable revenue - property taxes				155,303
Unavailable revenue - special assessments				56,038
Unavailable revenue - intergovernmental				10,227
Unavailable revenue - charges for services				4,628
Unavailable revenue - other				30
Total deferred inflows of resources				226,226
Fund balances:				
Nonspendable				33,799
Restricted	145,827	388,896	11,128,138	28,060,823
Unassigned				(187,183)
Total fund balances	145,827	388,896	11,128,138	27,907,439
Total liabilities, deferred inflows of resources, and fund balances	\$ 145,827	\$ 388,896	\$ 11,190,840	\$ 33,335,965

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	2,441,275		1,004,127	17,232
Charges for services	713,723			65,235
Investment earnings	1,355		(90)	1,255
Contributions				
Miscellaneous				
Total revenues	<u>3,156,353</u>	<u></u>	<u>1,004,037</u>	<u>83,722</u>
Expenditures:				
Current:				
General government		2,501		167,278
Public safety	3,250,252			
Highways and streets				
Sanitation				
Welfare			1,055,805	
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>3,250,252</u>	<u>2,501</u>	<u>1,055,805</u>	<u>167,278</u>
Excess (deficiency) of revenues over expenditures	<u>(93,899)</u>	<u>(2,501)</u>	<u>(51,768)</u>	<u>(83,556)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	4,731		10,000	
Transfers out				
Total other financing sources (uses)	<u>4,731</u>	<u></u>	<u>10,000</u>	<u></u>
Net changes in fund balances	(89,168)	(2,501)	(41,768)	(83,556)
Fund balances, July 1, 2017	708,843	6,183	(42,358)	295,950
Fund balances, June 30, 2018	<u>\$ 619,675</u>	<u>\$ 3,682</u>	<u>\$ (84,126)</u>	<u>\$ 212,394</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

	Special Revenue			County Improvement Districts-Special Revenue
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	
Revenues:				
Property taxes	\$	\$	\$	\$
Special assessments				11,400
Licenses and permits				
Fees, fines, and forfeits			577,464	
Intergovernmental	1,084,213	8,799	593,569	2,676
Charges for services	8,700	45,756	26,785	1,206,807
Investment earnings	978	143	(2,025)	6,379
Contributions	117,102			
Miscellaneous	46,711	7,430		21,546
Total revenues	<u>1,257,704</u>	<u>62,128</u>	<u>1,195,793</u>	<u>1,248,808</u>
Expenditures:				
Current:				
General government		62,121	733,367	
Public safety				
Highways and streets				
Sanitation				1,263,418
Welfare	2,125,108			
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,125,108</u>	<u>62,121</u>	<u>733,367</u>	<u>1,263,418</u>
Excess (deficiency) of revenues over expenditures	<u>(867,404)</u>	<u>7</u>	<u>462,426</u>	<u>(14,610)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	1,255,098		151,762	
Transfers out	(206,162)		(71,981)	(6,830)
Total other financing sources (uses)	<u>1,048,936</u>		<u>79,781</u>	<u>(6,830)</u>
Net changes in fund balances	181,532	7	542,207	(21,440)
Fund balances, July 1, 2017	(45,914)	40,377	1,017,547	1,301,592
Fund balances, June 30, 2018	<u>\$ 135,618</u>	<u>\$ 40,384</u>	<u>\$ 1,559,754</u>	<u>\$ 1,280,152</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

Special Revenue

	County Library District	Emergency Services Grants	Facilities	Flood Control District Fund
Revenues:				
Property taxes	\$ 4,237,021	\$	\$	\$ 2,599,648
Special assessments				
Licenses and permits				5,958
Fees, fines, and forfeits				
Intergovernmental		212,424		38,579
Charges for services		1,190		
Investment earnings	5,944			931
Contributions	86,793			10,292
Miscellaneous				
Total revenues	<u>4,329,758</u>	<u>213,614</u>	<u></u>	<u>2,655,408</u>
Expenditures:				
Current:				
General government			947	
Public safety		467,047		1,553,860
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	4,389,231			
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>4,389,231</u>	<u>467,047</u>	<u>947</u>	<u>1,553,860</u>
Excess (deficiency) of revenues over expenditures	<u>(59,473)</u>	<u>(253,433)</u>	<u>(947)</u>	<u>1,101,548</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		143,682		
Transfers out	(99,803)			
Total other financing sources (uses)	<u>(99,803)</u>	<u>143,682</u>	<u></u>	<u></u>
Net changes in fund balances	(159,276)	(109,751)	(947)	1,101,548
Fund balances, July 1, 2017	309,215	7,054	27,573	(323,278)
Fund balances, June 30, 2018	<u>\$ 149,939</u>	<u>\$ (102,697)</u>	<u>\$ 26,626</u>	<u>\$ 778,270</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

Special Revenue

	Inmate Welfare	Jail Enhancement	Justice Courts Grants and Fees	Juvenile Court Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
Special assessments				
Licenses and permits				
Fees, fines, and forfeits			20,551	
Intergovernmental		197,578	19,381	2,292,343
Charges for services	129,535		720,499	39,073
Investment earnings	984	3,105	2,774	3,326
Contributions	200			
Miscellaneous	31,050			299
Total revenues	<u>161,769</u>	<u>200,683</u>	<u>763,205</u>	<u>2,335,041</u>
Expenditures:				
Current:				
General government			284,091	
Public safety	194,509	347,691		2,305,052
Highways and streets				
Sanitation				
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>194,509</u>	<u>347,691</u>	<u>284,091</u>	<u>2,305,052</u>
Excess (deficiency) of revenues over expenditures	<u>(32,740)</u>	<u>(147,008)</u>	<u>479,114</u>	<u>29,989</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in				3,674
Transfers out			(318,811)	
Total other financing sources (uses)			<u>(318,811)</u>	<u>3,674</u>
Net changes in fund balances	(32,740)	(147,008)	160,303	33,663
Fund balances, July 1, 2017	208,308	615,507	633,738	788,761
Fund balances, June 30, 2018	<u>\$ 175,568</u>	<u>\$ 468,499</u>	<u>\$ 794,041</u>	<u>\$ 822,424</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

	Special Revenue			
	Legal Defender Grants and Fees	National Forest Fees	Parks and Recreation Grants and Fees	Public Defender Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	2,264	2,255,987	79,160	21,860
Charges for services			445,869	
Investment earnings	38	4,506	1,325	340
Contributions				
Miscellaneous			(114)	
Total revenues	<u>2,302</u>	<u>2,260,493</u>	<u>526,240</u>	<u>22,200</u>
Expenditures:				
Current:				
General government	3,125			33,405
Public safety				
Highways and streets				
Sanitation				
Welfare				
Culture and recreation			449,680	
Education		1,766,360		
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>3,125</u>	<u>1,766,360</u>	<u>449,680</u>	<u>33,405</u>
Excess (deficiency) of revenues over expenditures	<u>(823)</u>	<u>494,133</u>	<u>76,560</u>	<u>(11,205)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	6,577	3,296		59,197
Transfers out	(6,129)	(1,338,488)	(106,150)	(59,197)
Total other financing sources (uses)	<u>448</u>	<u>(1,335,192)</u>	<u>(106,150)</u>	
Net changes in fund balances	(375)	(841,059)	(29,590)	(11,205)
Fund balances, July 1, 2017	9,181	3,978,296	423,004	71,367
Fund balances, June 30, 2018	<u>\$ 8,806</u>	<u>\$ 3,137,237</u>	<u>\$ 393,414</u>	<u>\$ 60,162</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

	Special Revenue			
	Recorder Storage and Retrieval	School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste
Revenues:				
Property taxes	\$	\$ 8	\$	\$
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	2,095	5,740,553	442,277	264,986
Charges for services	120,060	149,512	51,257	97,583
Investment earnings	2,547	7,261	1,828	
Contributions		37,598	10,415	
Miscellaneous		364,004		(30)
Total revenues	<u>124,702</u>	<u>6,298,936</u>	<u>505,777</u>	<u>362,539</u>
Expenditures:				
Current:				
General government	164,374			
Public safety			636,846	
Highways and streets				
Sanitation				604,332
Welfare				
Culture and recreation				
Education		4,584,819		
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>164,374</u>	<u>4,584,819</u>	<u>636,846</u>	<u>604,332</u>
Excess (deficiency) of revenues over expenditures	<u>(39,672)</u>	<u>1,714,117</u>	<u>(131,069)</u>	<u>(241,793)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		55,120	57,160	241,790
Transfers out				
Total other financing sources (uses)		<u>55,120</u>	<u>57,160</u>	<u>241,790</u>
Net changes in fund balances	(39,672)	1,769,237	(73,909)	(3)
Fund balances, July 1, 2017	632,512	2,338,861	360,308	16
Fund balances, June 30, 2018	<u>\$ 592,840</u>	<u>\$ 4,108,098</u>	<u>\$ 286,399</u>	<u>\$ 13</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

	Special Revenue			Debt Service
	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds	County Improvement Districts-Debt Service
Revenues:				
Property taxes	\$	\$	\$	\$
Special assessments				69,967
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental	197,840			
Charges for services	200,439	12,713	1,709	
Investment earnings	1,078	321		712
Contributions	3,970			
Miscellaneous	1,919			
Total revenues	405,246	13,034	1,709	70,679
Expenditures:				
Current:				
General government	812,484	6,974	56,464	
Public safety				
Highways and streets			69,654	
Sanitation				
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				18,000
Interest and other charges				1,448
Total expenditures	812,484	6,974	126,118	19,448
Excess (deficiency) of revenues over expenditures	(407,238)	6,060	(124,409)	51,231
Other financing sources (uses):				
Sale of capital assets				
Transfers in	528,403		124,420	
Transfers out				(18,330)
Total other financing sources (uses)	528,403		124,420	(18,330)
Net changes in fund balances	121,165	6,060	11	32,901
Fund balances, July 1, 2017	489,591	80,893	12	46,772
Fund balances, June 30, 2018	\$ 610,756	\$ 86,953	\$ 23	\$ 79,673

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2018

	Capital Projects			Total Nonmajor Governmental Funds
	Accommodation School	County Improvement Districts-Capital Projects	Other Capital Projects Funds	
Revenues:				
Property taxes	\$	\$	\$	\$ 6,836,677
Special assessments				81,367
Licenses and permits			18,000	23,958
Fees, fines, and forfeits				598,015
Intergovernmental	71,032		29,524	17,019,774
Charges for services				4,036,445
Investment earnings	575	2,471	8,638	56,699
Contributions				266,370
Miscellaneous		747		473,562
Total revenues	<u>71,607</u>	<u>3,218</u>	<u>56,162</u>	<u>29,392,867</u>
Expenditures:				
Current:				
General government				2,327,131
Public safety				8,755,257
Highways and streets				69,654
Sanitation				1,867,750
Welfare				3,180,913
Culture and recreation				4,838,911
Education				6,351,179
Capital outlay	42,153		585,075	627,228
Debt service:				
Principal				18,000
Interest and other charges				1,448
Total expenditures	<u>42,153</u>	<u></u>	<u>585,075</u>	<u>28,037,471</u>
Excess (deficiency) of revenues over expenditures	<u>29,454</u>	<u>3,218</u>	<u>(528,913)</u>	<u>1,355,396</u>
Other financing sources (uses):				
Sale of capital assets			22,446	22,446
Transfers in			9,000,000	11,644,910
Transfers out		(70,769)		(2,302,650)
Total other financing sources (uses)		<u>(70,769)</u>	<u>9,022,446</u>	<u>9,364,706</u>
Net changes in fund balances	29,454	(67,551)	8,493,533	10,720,102
Fund balances, July 1, 2017	116,373	456,447	2,634,606	17,187,337
Fund balances, June 30, 2018	<u>\$ 145,827</u>	<u>\$ 388,896</u>	<u>\$ 11,128,139</u>	<u>\$ 27,907,439</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 2,088,326	\$ 2,486,885	\$ 2,441,275	\$ (45,610)
Charges for services	629,000	629,000	713,723	84,723
Investment earnings	9,035	9,035	1,355	(7,680)
Total revenues	<u>2,726,361</u>	<u>3,124,920</u>	<u>3,156,353</u>	<u>31,433</u>
Expenditures:				
Public safety				
Adult Probation	<u>3,408,494</u>	<u>3,520,403</u>	<u>3,250,252</u>	<u>270,151</u>
Total expenditures	<u>3,408,494</u>	<u>3,520,403</u>	<u>3,250,252</u>	<u>270,151</u>
Excess (deficiency) of revenues over expenditures	(682,133)	(395,483)	(93,899)	301,584
Other financing sources (uses):				
Transfers in	<u>347,321</u>	<u>60,242</u>	<u>4,731</u>	<u>(55,511)</u>
Total other financing sources (uses)	<u>347,321</u>	<u>60,242</u>	<u>4,731</u>	<u>(55,511)</u>
Net changes in fund balances	(334,812)	(335,241)	(89,168)	246,073
Fund balance, July 1, 2017	600,565	600,565	708,843	108,278
Fund balance, June 30, 2018	<u>\$ 265,753</u>	<u>\$ 265,324</u>	<u>\$ 619,675</u>	<u>\$ 354,351</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$	\$	\$	\$
Expenditures:				
General government				
Assessor	5,177	6,183	2,501	3,682
Total expenditures	5,177	6,183	2,501	3,682
Excess (deficiency) of revenues over expenditures	(5,177)	(6,183)	(2,501)	3,682
Net changes in fund balances	(5,177)	(6,183)	(2,501)	3,682
Fund balance, July 1, 2017	5,177	5,177	6,183	1,006
Fund balance, June 30, 2018	\$	\$ (1,006)	\$ 3,682	\$ 4,688

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,521,902	\$ 1,534,811	\$ 1,004,127	\$ (530,684)
Investment earnings			(90)	(90)
Total revenues	<u>1,521,902</u>	<u>1,534,811</u>	<u>1,004,037</u>	<u>(530,774)</u>
Expenditures:				
Welfare				
Career Center	<u>1,531,902</u>	<u>1,500,974</u>	<u>1,055,805</u>	<u>445,169</u>
Total expenditures	<u>1,531,902</u>	<u>1,500,974</u>	<u>1,055,805</u>	<u>445,169</u>
Excess (deficiency) of revenues over expenditures	(10,000)	33,837	(51,768)	(85,605)
Other financing sources (uses):				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	
Net changes in fund balances		43,837	(41,768)	(85,605)
Fund balance, July 1, 2017	<u>43</u>	<u>43</u>	<u>(42,358)</u>	<u>(42,401)</u>
Fund balance, June 30, 2018	<u>\$ 43</u>	<u>\$ 43,880</u>	<u>\$ (84,126)</u>	<u>\$ (128,006)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of the Superior Court Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 15,000	\$ 15,000	\$	\$ (15,000)
Intergovernmental	68,905	68,905	17,232	(51,673)
Charges for services	60,300	60,300	65,235	4,935
Investment earnings	2,000	2,000	1,255	(745)
Total revenues	146,205	146,205	83,722	(62,483)
Expenditures:				
General government				
Clerk of the Superior Court	278,373	278,373	167,278	111,095
Total expenditures	278,373	278,373	167,278	111,095
Excess (deficiency) of revenues over expenditures	(132,168)	(132,168)	(83,556)	48,612
Other financing sources (uses):				
Transfers in	17,355	17,355		(17,355)
Total other financing sources (uses)	17,355	17,355		(17,355)
Net changes in fund balances	(114,813)	(114,813)	(83,556)	31,257
Fund balance, July 1, 2017	309,369	309,369	295,950	(13,419)
Fund balance, June 30, 2018	\$ 194,556	\$ 194,556	\$ 212,394	\$ 17,838

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,169,746	\$ 1,222,432	\$ 1,084,213	\$ (138,219)
Charges for services	11,594	11,331	8,700	(2,631)
Investment earnings	2,000	2,000	978	(1,022)
Contributions	196,635	224,127	117,102	(107,025)
Miscellaneous	37,800	37,710	46,711	9,001
Total revenues	<u>1,417,775</u>	<u>1,497,600</u>	<u>1,257,704</u>	<u>(239,896)</u>
Expenditures:				
Welfare				
Community Services	<u>2,621,279</u>	<u>2,635,530</u>	<u>2,125,108</u>	<u>510,422</u>
Total expenditures	<u>2,621,279</u>	<u>2,635,530</u>	<u>2,125,108</u>	<u>510,422</u>
Excess (deficiency) of revenues over expenditures	(1,203,504)	(1,137,930)	(867,404)	270,526
Other financing sources (uses):				
Transfers in	1,160,821	1,374,052	1,255,098	(118,954)
Transfers out	<u>(206,162)</u>	<u>(206,162)</u>	<u>(206,162)</u>	<u>(118,954)</u>
Total other financing sources (uses)	<u>1,160,821</u>	<u>1,167,890</u>	<u>1,048,936</u>	<u>(118,954)</u>
Net changes in fund balances	(42,683)	29,960	181,532	151,572
Fund balance, July 1, 2017	57,923	57,923	(45,914)	(103,837)
Fund balance, June 30, 2018	<u>\$ 15,240</u>	<u>\$ 87,883</u>	<u>\$ 135,618</u>	<u>\$ 47,735</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,799	\$ 799
Charges for services	40,500	40,500	45,756	5,256
Investment earnings	250	250	143	(107)
Miscellaneous	7,000	7,000	7,430	430
Total revenues	55,750	55,750	62,128	6,378
Expenditures:				
General government				
Superior Courts	65,126	65,126	62,121	3,005
Total expenditures	65,126	65,126	62,121	3,005
Excess (deficiency) of revenues over expenditures	(9,376)	(9,376)	7	9,383
Net changes in fund balances	(9,376)	(9,376)	7	9,383
Fund balance, July 1, 2017	30,161	30,161	40,377	10,216
Fund balance, June 30, 2018	\$ 20,785	\$ 20,785	\$ 40,384	\$ 19,599

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 450,000	\$ 450,000	\$ 577,464	\$ 127,464
Intergovernmental	437,086	633,932	593,569	(40,363)
Charges for services	35,531	35,531	26,785	(8,746)
Investment earnings	7,100	7,100	(2,025)	(9,125)
Total revenues	929,717	1,126,563	1,195,793	69,230
Expenditures:				
General government				
County Attorney	1,227,954	1,442,607	733,367	709,240
Total expenditures	1,227,954	1,442,607	733,367	709,240
Excess (deficiency) of revenues over expenditures	(298,237)	(316,044)	462,426	778,470
Other financing sources (uses):				
Transfers in	134,496	152,359	151,762	(597)
Transfers out	(54,827)	(72,190)	(71,981)	209
Total other financing sources (uses)	79,669	80,169	79,781	(388)
Net changes in fund balances	(218,568)	(235,875)	542,207	778,082
Fund balance, July 1, 2017	1,080,825	1,080,825	1,017,547	(63,278)
Fund balance, June 30, 2018	\$ 862,257	\$ 844,950	\$ 1,559,754	\$ 714,804

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 11,400	\$ 11,400	\$ 11,400	
Intergovernmental			2,676	2,676
Charges for services	1,170,600	1,170,600	1,206,807	36,207
Investment earnings	9,400	9,400	6,379	(3,021)
Miscellaneous	20,000	20,000	21,546	1,546
Total revenues	<u>1,211,400</u>	<u>1,211,400</u>	<u>1,248,808</u>	<u>37,408</u>
Expenditures:				
Sanitation				
KVID	<u>1,814,534</u>	<u>1,779,534</u>	<u>1,263,418</u>	<u>516,116</u>
Total expenditures	<u>1,814,534</u>	<u>1,779,534</u>	<u>1,263,418</u>	<u>516,116</u>
Excess (deficiency) of revenues over expenditures	(603,134)	(568,134)	(14,610)	553,524
Other financing sources (uses):				
Transfers out			(6,830)	(6,830)
Total other financing sources (uses)			<u>(6,830)</u>	<u>(6,830)</u>
Net changes in fund balances	(603,134)	(568,134)	(21,440)	546,694
Fund balance, July 1, 2017	<u>957,746</u>	<u>957,746</u>	<u>1,301,592</u>	<u>343,846</u>
Fund balance, June 30, 2018	<u>\$ 354,612</u>	<u>\$ 389,612</u>	<u>\$ 1,280,152</u>	<u>\$ 890,540</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 4,213,645	\$ 4,213,645	\$ 4,237,021	\$ 23,376
County sales taxes				
Investment earnings			5,944	5,944
Contributions			86,793	86,793
Total revenues	4,213,645	4,213,645	4,329,758	116,113
Expenditures:				
Culture and recreation				
Library District	4,358,279	4,358,279	4,389,231	(30,952)
Total expenditures	4,358,279	4,358,279	4,389,231	(30,952)
Excess (deficiency) of revenues over expenditures	(144,634)	(144,634)	(59,473)	85,161
Other financing sources (uses):				
Transfers out	(99,803)	(99,803)	(99,803)	
Total other financing sources (uses)	(99,803)	(99,803)	(99,803)	
Net changes in fund balances	(244,437)	(244,437)	(159,276)	85,161
Fund balance, July 1, 2017	244,437	244,437	309,215	64,778
Fund balance, June 30, 2018	244,437	244,437	\$ 149,939	\$ 149,939

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 277,193	\$ 277,193	\$ 212,424	\$ (64,769)
Charges for services			1,190	\$ 1,190
Miscellaneous	1,281,000	1,201,771		(1,201,771)
Total revenues	1,558,193	1,478,964	213,614	(1,265,350)
Expenditures:				
Public safety				
County Manager	417,019	417,733	467,047	(49,314)
Public Works	1,281,000	1,201,771		1,201,771
Total expenditures	1,698,019	1,619,504	467,047	1,152,457
Excess (deficiency) of revenues over expenditures	(139,826)	(140,540)	(253,433)	(112,893)
Other financing sources (uses):				
Transfers in	142,968	143,682	143,682	
Total other financing sources (uses)	142,968	143,682	143,682	
Net changes in fund balances	3,142	3,142	(109,751)	(112,893)
Fund balance, July 1, 2017	14,964	14,964	7,054	(7,910)
Fund balance, June 30, 2018	\$ 18,106	\$ 18,106	\$ (102,697)	\$ (120,803)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Facilities
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$	\$	\$	\$
Expenditures:				
General government				
Facilities	18,129	17,233	947	16,286
Total expenditures	18,129	17,233	947	16,286
Excess (deficiency) of revenues over expenditures	(18,129)	(17,233)	(947)	16,286
Net changes in fund balances	(18,129)	(17,233)	(947)	16,286
Fund balance, July 1, 2017	28,119	28,119	27,573	(546)
Fund balance, June 30, 2018	\$ 9,990	\$ 10,886	\$ 26,626	\$ 15,740

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Flood Control District Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget-
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Property taxes	\$ 2,606,609	\$ 2,606,609	\$ 2,599,648	\$ (6,961)
Licenses and permits			5,958	5,958
Intergovernmental			38,579	38,579
Investment earnings			931	931
Contributions	10,000	10,000	10,292	292
Total revenues	<u>2,616,609</u>	<u>2,616,609</u>	<u>2,655,408</u>	<u>38,799</u>
Expenditures:				
Public Safety				
Flood Control	2,051,734	2,123,521	1,553,860	569,661
Total expenditures	<u>2,051,734</u>	<u>2,123,521</u>	<u>1,553,860</u>	<u>569,661</u>
Excess (deficiency) of revenues over expenditures	564,875	493,088	1,101,548	608,460
Other financing sources (uses):				
Transfers in	54,589	54,589		(54,589)
Total other financing sources (uses)	<u>54,589</u>	<u>54,589</u>		<u>(54,589)</u>
Net change in fund balances	619,464	547,677	1,101,548	553,871
Fund balance, July 1, 2017	(631,645)	(631,645)	(323,278)	308,367
Fund balance, June 30, 2018	<u>\$ (12,181)</u>	<u>\$ (83,968)</u>	<u>\$ 778,270</u>	<u>\$ 862,238</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 110,000	\$ 110,000	\$ 129,535	\$ 19,535
Investment earnings	2,000	2,000	984	(1,016)
Contributions			200	200
Miscellaneous	140,250	140,250	31,050	(109,200)
Total revenues	252,250	252,250	161,769	(90,481)
Expenditures:				
Public safety				
Sheriff	375,159	375,159	194,509	180,650
Total expenditures	375,159	375,159	194,509	180,650
Excess (deficiency) of revenues over expenditures	(122,909)	(122,909)	(32,740)	90,169
Net changes in fund balances	(122,909)	(122,909)	(32,740)	90,169
Fund balance, July 1, 2017	158,683	158,683	208,308	49,625
Fund balance, June 30, 2018	\$ 35,774	\$ 35,774	\$ 175,568	\$ 139,794

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 197,578	\$ (15,940)
Investment earnings	2,500	2,500	3,105	605
Total revenues	216,018	216,018	200,683	(15,335)
Expenditures:				
Public safety				
Sheriff	858,516	591,688	347,691	243,997
Total expenditures	858,516	591,688	347,691	243,997
Excess (deficiency) of revenues over expenditures	(642,498)	(375,670)	(147,008)	228,662
Net changes in fund balances	(642,498)	(375,670)	(147,008)	228,662
Fund balance, July 1, 2017	669,524	669,524	615,507	(54,017)
Fund balance, June 30, 2018	\$ 27,026	\$ 293,854	\$ 468,499	\$ 174,645

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 24,300	\$ 24,300	\$ 20,551	\$ (3,749)
Intergovernmental		71,458	19,381	(52,077)
Charges for services	587,135	587,135	720,499	133,364
Investment earnings	5,550	5,550	2,774	(2,776)
Total revenues	616,985	688,443	763,205	74,762
Expenditures:				
General government				
Flagstaff Justice Court	214,061	276,736	173,937	102,799
Fredonia Justice Court	28,682	28,682	24,484	4,198
Page Justice Court	97,928	106,711	31,924	74,787
Williams Justice Court	83,742	83,742	53,746	29,996
Total expenditures	424,413	495,871	284,091	211,780
Excess (deficiency) of revenues over expenditures	192,572	192,572	479,114	286,542
Other financing sources (uses):				
Transfers out	(298,530)	(298,530)	(318,811)	(20,281)
Total other financing sources (uses)	(298,530)	(298,530)	(318,811)	(20,281)
Net changes in fund balances	(105,958)	(105,958)	160,303	266,261
Fund balance, July 1, 2017	531,215	531,215	633,738	102,523
Fund balance, June 30, 2018	\$ 425,257	\$ 425,257	\$ 794,041	\$ 368,784

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,030,619	\$ 2,447,976	\$ 2,292,343	\$ (155,633)
Charges for services	51,310	51,310	39,073	(12,237)
Investment earnings	3,000	3,000	3,326	326
Miscellaneous	425,000	425,000	299	(424,701)
Total revenues	2,509,929	2,927,286	2,335,041	(592,245)
Expenditures:				
Public safety				
Juvenile Probation	3,485,770	3,710,029	2,305,052	1,404,977
Total expenditures	3,485,770	3,710,029	2,305,052	1,404,977
Excess (deficiency) of revenues over expenditures	(975,841)	(782,743)	29,989	812,732
Other financing sources (uses):				
Transfers in	231,458	21,802	3,674	(18,128)
Total other financing sources (uses)	231,458	21,802	3,674	(18,128)
Net changes in fund balances	(744,383)	(760,941)	33,663	794,604
Fund balance, July 1, 2017	751,175	751,175	788,761	37,586
Fund balance, June 30, 2018	\$ 6,792	\$ (9,766)	\$ 822,424	\$ 832,190

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,264	\$ 264
Investment earnings	91	91	38	(53)
Total revenues	2,091	2,091	2,302	211
Expenditures:				
General government				
Legal Defender	2,455	2,455	3,125	(670)
Total expenditures	2,455	2,455	3,125	(670)
Excess (deficiency) of revenues over expenditures	(364)	(364)	(823)	(459)
Other financing sources (uses):				
Transfers in	6,159	6,159	6,577	418
Transfers out	(6,133)	(6,133)	(6,129)	4
Total other financing sources (uses)	26	26	448	422
Net changes in fund balances	(338)	(338)	(375)	(37)
Fund balance, July 1, 2017	8,197	8,197	9,181	984
Fund balance, June 30, 2018	\$ 7,859	\$ 7,859	\$ 8,806	\$ 947

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$ 2,255,987	\$ 2,255,987
Investment earnings	15,000	15,000	4,506	(10,494)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>2,260,493</u>	<u>2,245,493</u>
Expenditures:				
Education				
School Superintendent			1,766,360	(1,766,360)
Total expenditures			<u>1,766,360</u>	<u>(1,766,360)</u>
Excess (deficiency) of revenues over expenditures	15,000	15,000	494,133	479,133
Other financing sources (uses):				
Transfers in			3,296	3,296
Transfers out	(1,354,319)	(1,354,319)	(1,338,488)	15,831
Total other financing sources (uses)	<u>(1,354,319)</u>	<u>(1,354,319)</u>	<u>(1,335,192)</u>	<u>19,127</u>
Net changes in fund balances	(1,339,319)	(1,339,319)	(841,059)	498,260
Fund balance, July 1, 2017	3,644,097	3,644,097	3,978,296	334,199
Fund balance, June 30, 2018	<u>\$ 2,304,778</u>	<u>\$ 2,304,778</u>	<u>\$ 3,137,237</u>	<u>\$ 832,459</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Recreation Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 43,994	\$ 43,994	\$ 79,160	\$ 35,166
Charges for services	409,100	409,100	445,869	36,769
Investment earnings			1,325	1,325
Miscellaneous			(114)	(114)
Total revenues	453,094	453,094	526,240	73,146
Expenditures:				
Culture and recreation				
Parks and Recreation	420,956	420,956	449,680	(28,724)
Total expenditures	420,956	420,956	449,680	(28,724)
Excess (deficiency) of revenues over expenditures	32,138	32,138	76,560	44,422
Other financing sources (uses):				
Transfers out	(106,150)	(106,150)	(106,150)	
Total other financing sources (uses)	(106,150)	(106,150)	(106,150)	
Net changes in fund balances	(74,012)	(74,012)	(29,590)	44,422
Fund balance, July 1, 2017	269,208	269,208	423,004	153,796
Fund balance, June 30, 2018	\$ 195,196	\$ 195,196	\$ 393,414	\$ 198,218

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 17,000	\$ 17,000	\$ 21,860	\$ 4,860
Investment earnings	600	600	340	(260)
Total revenues	<u>17,600</u>	<u>17,600</u>	<u>22,200</u>	<u>4,600</u>
Expenditures:				
General government				
Public Defender	<u>42,837</u>	<u>52,858</u>	<u>33,405</u>	<u>19,453</u>
Total expenditures	<u>42,837</u>	<u>52,858</u>	<u>33,405</u>	<u>19,453</u>
Excess (deficiency) of revenues over expenditures	(25,237)	(35,258)	(11,205)	24,053
Other financing sources (uses):				
Transfers in	55,431	55,431	59,197	3,766
Transfers out	<u>(55,431)</u>	<u>(55,431)</u>	<u>(59,197)</u>	<u>(3,766)</u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net changes in fund balances	(25,237)	(35,258)	(11,205)	24,053
Fund balance, July 1, 2017	67,833	67,833	71,367	3,534
Fund balance, June 30, 2018	<u>\$ 42,596</u>	<u>\$ 32,575</u>	<u>\$ 60,162</u>	<u>\$ 27,587</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 2,095	\$ (29,905)
Charges for services	130,000	130,000	120,060	\$ (9,940)
Investment earnings	900	900	2,547	1,647
Total revenues	162,900	162,900	124,702	(38,198)
Expenditures:				
General government				
Recorder	223,378	634,084	164,374	469,710
Total expenditures	223,378	634,084	164,374	469,710
Excess (deficiency) of revenues over expenditures	(60,478)	(471,184)	(39,672)	431,512
Net changes in fund balances	(60,478)	(471,184)	(39,672)	431,512
Fund balance, July 1, 2017	625,387	625,387	632,512	7,125
Fund balance, June 30, 2018	\$ 564,909	\$ 154,203	\$ 592,840	\$ 438,637

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$	\$	\$ 8	\$ 8
Intergovernmental	5,956,094	6,035,162	5,740,553	(294,609)
Charges for services	211,732	211,732	149,512	(62,220)
Investment earnings	4,000	4,000	7,261	3,261
Contributions	44,600	44,600	37,598	(7,002)
Miscellaneous	20,000	20,000	364,004	344,004
Total revenues	<u>6,236,426</u>	<u>6,315,494</u>	<u>6,298,936</u>	<u>(16,558)</u>
Expenditures:				
Education				
School Superintendent	<u>6,508,806</u>	<u>6,587,875</u>	<u>4,584,819</u>	<u>2,003,056</u>
Total expenditures	<u>6,508,806</u>	<u>6,587,875</u>	<u>4,584,819</u>	<u>2,003,056</u>
Excess (deficiency) of revenues over expenditures	(272,380)	(272,381)	1,714,117	1,986,498
Other financing sources (uses):				
Transfers in	<u>66,652</u>	<u>66,652</u>	<u>55,120</u>	<u>(11,532)</u>
Total other financing sources (uses)	<u>66,652</u>	<u>66,652</u>	<u>55,120</u>	<u>(11,532)</u>
Net changes in fund balances	(205,728)	(205,729)	1,769,237	1,974,966
Fund balance, July 1, 2017	1,905,033	1,905,033	2,338,861	433,828
Fund balance, June 30, 2018	<u>\$ 1,699,305</u>	<u>\$ 1,699,304</u>	<u>\$ 4,108,098</u>	<u>\$ 2,408,794</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 709,838	\$ 737,333	\$ 442,277	\$ (295,056)
Charges for services	67,714	80,465	51,257	(29,208)
Investment earnings	1,400	1,400	1,828	428
Contributions	5,000	5,000	10,415	5,415
Miscellaneous	698,900	680,900		(680,900)
Total revenues	<u>1,482,852</u>	<u>1,505,098</u>	<u>505,777</u>	<u>(999,321)</u>
Expenditures:				
Public safety				
Sheriff	1,757,314	1,747,229	636,846	1,110,383
Total expenditures	<u>1,757,314</u>	<u>1,747,229</u>	<u>636,846</u>	<u>1,110,383</u>
Excess (deficiency) of revenues over expenditures	(274,462)	(242,131)	(131,069)	111,062
Other financing sources (uses):				
Transfers in	87,956	90,767	57,160	(33,607)
Transfers out				
Total other financing sources (uses)	<u>87,956</u>	<u>90,767</u>	<u>57,160</u>	<u>(33,607)</u>
Net changes in fund balances	(186,506)	(151,364)	(73,909)	77,455
Fund balance, July 1, 2017	339,810	339,810	360,308	20,498
Fund balance, June 30, 2018	<u>\$ 153,304</u>	<u>\$ 188,446</u>	<u>\$ 286,399</u>	<u>\$ 97,953</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 230,000	\$ 309,229	\$ 264,986	\$ (44,243)
Charges for services	135,000	135,000	97,583	(37,417)
Miscellaneous			(30)	(30)
Total revenues	<u>365,000</u>	<u>444,229</u>	<u>362,539</u>	<u>(81,690)</u>
Expenditures:				
Sanitation				
Public Works	<u>637,576</u>	<u>716,805</u>	<u>604,332</u>	<u>112,473</u>
Total expenditures	<u>637,576</u>	<u>716,805</u>	<u>604,332</u>	<u>112,473</u>
Excess (deficiency) of revenues over expenditures	(272,576)	(272,576)	(241,793)	30,783
Other financing sources (uses):				
Transfers in	<u>281,575</u>	<u>281,575</u>	<u>241,790</u>	<u>(39,785)</u>
Total other financing sources (uses)	<u>281,575</u>	<u>281,575</u>	<u>241,790</u>	<u>(39,785)</u>
Net changes in fund balances	8,999	8,999	(3)	(9,002)
Fund balance, July 1, 2017			16	16
Fund balance, June 30, 2018	<u>\$ 8,999</u>	<u>\$ 8,999</u>	<u>\$ 13</u>	<u>\$ (8,986)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 197,879	\$ 222,879	\$ 197,840	\$ (25,039)
Charges for services	193,000	193,000	200,439	7,439
Investment earnings	900	900	1,078	178
Contributions	9,250	9,250	3,970	(5,280)
Miscellaneous	19,500	19,500	1,919	(17,581)
Total revenues	420,529	445,529	405,246	(40,283)
Expenditures:				
General government				
Superior Courts	988,465	1,013,465	812,484	200,981
Total expenditures	988,465	1,013,465	812,484	200,981
Excess (deficiency) of revenues over expenditures	(567,936)	(567,936)	(407,238)	160,698
Other financing sources (uses):				
Transfers in	528,180	528,180	528,403	223
Transfers out	(17,355)	(17,355)		17,355
Total other financing sources (uses)	510,825	510,825	528,403	17,578
Net changes in fund balances	(57,111)	(57,111)	121,165	178,276
Fund balance, July 1, 2017	496,488	496,488	489,591	(6,897)
Fund balance, June 30, 2018	\$ 439,377	\$ 439,377	\$ 610,756	\$ 171,379

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 16,500	\$ 16,500	\$ 12,713	\$ (3,787)
Investment earnings	1,250	1,250	321	(929)
Total revenues	17,750	17,750	13,034	(4,716)
Expenditures:				
General government				
Treasurer	31,000	31,000	6,974	24,026
Total expenditures	31,000	31,000	6,974	24,026
Excess (deficiency) of revenues over expenditures	(13,250)	(13,250)	6,060	19,310
Net changes in fund balances	(13,250)	(13,250)	6,060	19,310
Fund balance, July 1, 2017	63,286	63,286	80,893	17,607
Fund balance, June 30, 2018	\$ 50,036	\$ 50,036	\$ 86,953	\$ 36,917

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,200	\$ 1,200	\$ 1,709	\$ 509
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,709</u>	<u>509</u>
Expenditures:				
General government				
Finance/Budget	57,795	57,795	56,464	1,331
Highways and streets				
Public Works	70,420	70,420	69,654	766
Total expenditures	<u>128,215</u>	<u>128,215</u>	<u>126,118</u>	<u>2,097</u>
Excess (deficiency) of revenues over expenditures	(127,015)	(127,015)	(124,409)	2,606
Other financing sources (uses):				
Transfers in	127,015	127,015	124,420	(2,595)
Total other financing sources (uses)	<u>127,015</u>	<u>127,015</u>	<u>124,420</u>	<u>(2,595)</u>
Net changes in fund balances			11	11
Fund balance, July 1, 2017			12	12
Fund balance, June 30, 2018	<u>\$</u>	<u>\$</u>	<u>\$ 23</u>	<u>\$ 23</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 18,865	\$ 18,865	\$ 69,967	\$ 51,102
Investment earnings			712	712
Total revenues	18,865	18,865	70,679	51,814
Expenditures:				
Debt service:				
Principal	17,000	17,000	18,000	(1,000)
Interest and other charges	1,865	1,865	1,448	417
Total expenditures	18,865	18,865	19,448	(583)
Excess (deficiency) of revenues over expenditures			51,231	51,231
Other financing sources (uses):				
Transfers out			(18,330)	(18,330)
Total other financing sources (uses)			(18,330)	(18,330)
Net changes in fund balances			32,901	32,901
Fund balance, July 1, 2017	(12,183)	(12,183)	46,772	58,955
Fund balance, June 30, 2018	\$ (12,183)	\$ (12,183)	\$ 79,673	\$ 91,856

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Open Spaces Tax Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
County sales taxes	\$	\$	\$ 6,121	\$ 6,121
Investment earnings	24,000	24,000	46,575	22,575
Miscellaneous	1,972	1,972		(1,972)
Total revenues	<u>25,972</u>	<u>25,972</u>	<u>52,696</u>	<u>26,724</u>
Expenditures:				
Capital outlay	<u>390,548</u>	<u>3,135,552</u>	<u>1,069,682</u>	<u>2,065,870</u>
Total expenditures	<u>390,548</u>	<u>3,135,552</u>	<u>1,069,682</u>	<u>2,065,870</u>
Excess (deficiency) of revenues over expenditures	(364,576)	(3,109,580)	(1,016,986)	2,092,594
Other financing sources (uses):				
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	
Total other financing sources (uses)	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	
Net changes in fund balances	(234,576)	(2,979,580)	(886,986)	2,092,594
Fund balance, July 1, 2017	<u>4,424,015</u>	<u>4,424,015</u>	<u>3,849,848</u>	<u>(574,167)</u>
Fund balance, June 30, 2018	<u>\$ 4,189,439</u>	<u>\$ 1,444,435</u>	<u>\$ 2,962,862</u>	<u>\$ 1,518,427</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 64,446	\$ 64,446	\$ 71,032	\$ 6,586
Investment earnings	700	700	575	(125)
Total revenues	65,146	65,146	71,607	6,461
Expenditures:				
Capital outlay	56,500	56,500	42,153	14,347
Total expenditures	56,500	56,500	42,153	14,347
Excess (deficiency) of revenues over expenditures	8,646	8,646	29,454	20,808
Net changes in fund balances	8,646	8,646	29,454	20,808
Fund balance, July 1, 2017	124,470	124,470	116,373	(8,097)
Fund balance, June 30, 2018	\$ 133,116	\$ 133,116	\$ 145,827	\$ 12,711

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$	\$	\$ 2,471	\$ 2,471
Miscellaneous			747	747
Total revenues			<u>3,218</u>	<u>3,218</u>
Expenditures:				
Capital outlay				
Total expenditures				
Excess (deficiency) of revenues over expenditures			3,218	3,218
Other financing sources (uses):				
Transfers in				
Transfers out			(70,769)	(70,769)
Total other financing sources (uses)			<u>(70,769)</u>	<u>(70,769)</u>
Net changes in fund balances			(67,551)	(67,551)
Fund balance, July 1, 2017	500,455	500,455	456,447	(44,008)
Fund balance, June 30, 2018	<u>\$ 500,455</u>	<u>\$ 500,455</u>	<u>\$ 388,896</u>	<u>\$ (111,559)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits		\$ 18,000	\$ 18,000	
Intergovernmental			29,524	29,524
Investment earnings	30,000	30,000	8,638	(21,362)
Total revenues	30,000	48,000	56,162	8,162
Expenditures:				
Capital outlay	2,807,455	3,619,300	585,075	3,034,225
Total expenditures	2,807,455	3,619,300	585,075	3,034,225
Excess (deficiency) of revenues over expenditures	(2,777,455)	(3,571,300)	(528,913)	3,042,387
Other financing sources (uses):				
Sale of capital assets			22,446	22,446
Transfers in	251,497	9,293,963	9,000,000	(293,963)
Transfers out				
Total other financing sources (uses)	251,497	9,293,963	9,022,446	(271,517)
Net changes in fund balances	(2,525,958)	5,722,663	8,493,533	2,770,870
Fund balance, July 1, 2017	2,596,836	2,596,836	2,634,606	37,770
Fund balance, June 30, 2018	\$ 70,878	\$ 8,319,499	\$ 11,128,139	\$ 2,808,640

Coconino County
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2018

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Assets			
Cash and cash equivalents	\$ 122,537,475	\$ 4,662,975	\$ 127,200,450
Interest and dividends receivable	537,771		537,771
Total assets	<u>123,075,246</u>	<u>4,662,975</u>	<u>127,738,221</u>
Liabilities			
Total liabilities			
Net position			
Held in trust for investment trust participants	<u>\$ 123,075,246</u>	<u>\$ 4,662,975</u>	<u>\$ 127,738,221</u>

Coconino County
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
Year Ended June 30, 2018

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 320,834,703	\$ 391,456	\$ 321,226,159
Investment earnings	709,479		709,479
Total additions	<u>321,544,182</u>	<u>391,456</u>	<u>321,935,638</u>
Deductions:			
Distributions to participants	<u>320,005,777</u>	<u>6,619,646</u>	<u>326,625,423</u>
Total deductions	<u>320,005,777</u>	<u>6,619,646</u>	<u>326,625,423</u>
Change in net position	1,538,405	(6,228,190)	(4,689,785)
Net position, July 1, 2017	121,536,841	10,891,165	132,428,006
Net position, June 30, 2018	<u>\$ 123,075,246</u>	<u>\$ 4,662,975</u>	<u>\$ 127,738,221</u>

Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and cash equivalents	\$ 3,257,863	\$ 72,350,425	\$ 71,299,088	\$ 4,309,200
Total assets	<u>\$ 3,257,863</u>	<u>\$ 72,350,425</u>	<u>\$ 71,299,088</u>	<u>\$ 4,309,200</u>
Liabilities				
Deposits held for others	\$ 2,999,896	\$ 68,519,211	\$ 67,571,705	\$ 3,947,402
Due to other governments	257,967	3,831,214	3,727,383	361,798
Total liabilities	<u>\$ 3,257,863</u>	<u>\$ 72,350,425</u>	<u>\$ 71,299,088</u>	<u>\$ 4,309,200</u>

STATISTICAL SECTION

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Coconino County
Statistical Section
Year Ended June 30, 2018

This part of the Coconino County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 177-181

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 186-188

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. 189-191

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. 192-196

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary government:										
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 129,694,889	\$ 128,372,030	\$ 145,814,515	\$ 142,964,843	\$ 145,559,259	\$ 145,480,845	\$ 149,872,339	\$ 150,901,461	\$ 169,224,399	\$ 169,978,898
Restricted	28,345,559	28,386,829	63,914,015	65,858,399	63,564,437	69,537,246	74,284,443	67,370,287	64,169,360	79,738,737
Unrestricted	52,251,638	53,636,533	22,113,670	23,547,699	22,747,752	18,591,785	(86,379,130)	(77,733,568)	(81,582,757)	(104,744,999)
Total governmental activities net position	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>	<u>\$ 231,842,200</u>	<u>\$ 232,370,941</u>	<u>\$ 231,871,448</u>	<u>\$ 233,609,876</u>	<u>\$ 137,777,652</u>	<u>\$ 140,538,180</u>	<u>\$ 151,811,002</u>	<u>\$ 144,972,636</u>

Source: Coconino County Single Audit Reporting Package

Note 1: Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015, net position for the year ended June 30, 2014 was restated, however this change was not reflected in this schedule.

Note 2: Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in fiscal year 2018, net position for the year ended June 30, 2017 was restated, however this change was not reflected in this schedule.

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

	Fiscal year			
	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 32,364,030	\$ 31,501,241	\$ 30,768,963	\$ 31,590,773
Public safety	33,164,905	31,592,406	36,552,608	33,763,301
Highways and streets	16,655,737	15,639,291	13,811,657	15,955,413
Sanitation	3,274,456	3,138,985	3,151,415	3,088,446
Health	12,692,864	11,216,546	11,045,264	11,550,850
Welfare	7,615,522	8,273,139	8,284,852	6,907,365
Culture and recreation	7,814,879	7,725,556	7,286,373	7,243,089
Education	4,892,986	5,278,556	4,767,625	5,232,363
Interest on long term debt	512,256	414,902		178,025
Defeasance of long-term debt				
Total expenses	\$ 118,987,635	\$ 114,780,622	\$ 115,668,757	\$ 115,509,625
Program Revenues				
Governmental activities:				
Charges for services:				
General government	7,316,495	7,169,300	6,022,842	4,995,911
Public safety	3,421,790	3,679,918	3,821,300	3,272,289
Highways and streets	1,152,294	69,689	93,370	93,636
Sanitation	1,375,437	1,321,418	1,386,848	1,402,290
Health	1,316,870	1,247,031	1,151,680	1,181,490
Welfare	1,262,876	2,101,024	1,905,924	1,802,447
Culture and recreation	1,170,109	794,306	865,254	760,863
Education	95,016	116,020	130,681	113,749
Operating grants and contributions	34,581,839	34,922,841	39,900,147	32,332,327
Capital grants and contributions	118,520	84,811	6,320,016	13,130
Total governmental activities program revenues	\$ 51,811,246	\$ 51,506,358	\$ 61,598,062	\$ 45,968,132
Net (expenses) revenues	\$ (67,176,389)	\$ (63,274,264)	\$ (54,070,695)	\$ (69,541,493)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes, levied for general purposes	7,935,524	8,185,332	8,405,307	8,807,267
Property taxes, levied for library	4,708,037	5,107,399	4,879,638	4,313,244
Property taxes, levied for flood control	2,011,055	1,959,193	1,849,054	3,179,252
Property taxes, levied for accommodation school	189,318	4,310	275	142
Property taxes, levied for health services			4,923,145	4,801,721
General county sales tax	11,497,627	10,774,208	11,118,458	11,369,591
Road sales tax				
Jail District sales tax	11,486,443	10,791,078	11,109,910	11,368,185
Parks and open spaces sales tax	2,871,495	2,689,346	2,775,886	2,832,704
Excise tax	92,118	68,688	118,795	107,980
Franchise tax	41,944	39,207	36,969	36,788
Shared revenue - state sales tax	15,287,328	14,353,390	15,670,801	17,208,420
Shared revenue - state vehicle license tax	5,240,676	4,971,307	4,932,200	4,676,609
Grants and contributions not restricted to specific programs	2,866,290	2,139,437	1,974,042	1,930,854
Investment earnings	2,388,053	2,090,720	684,904	1,162,458
Gain (loss) on disposal of capital assets	2,100	130,889	1,037,009	(882,441)
Miscellaneous	376,842	73,066	111,114	55,430
Donated capital			5,169,268	
Total general revenues	\$ 66,994,850	\$ 63,377,570	\$ 74,796,775	\$ 70,968,204
Change in net position	\$ (181,539)	\$ 103,306	\$ 20,726,080	\$ 1,426,711

Source: Coconino County Single Audit Reporting Package

Fiscal year						
2013	2014	2015	2016	2017	2018	
\$ 32,049,113	\$ 29,994,545	\$ 34,766,812	\$ 33,869,932	\$ 38,022,439	\$ 41,678,895	
37,609,509	42,122,131	42,398,679	40,947,920	41,654,185	49,967,549	
15,958,230	14,058,678	14,906,659	21,815,377	13,113,953	23,621,323	
2,102,071	1,611,107	2,007,358	2,235,478	2,520,023	2,195,628	
12,199,793	13,735,528	13,915,744	13,180,529	13,468,758	15,010,305	
6,642,756	4,932,758	4,486,667	4,254,709	4,576,781	5,208,145	
7,063,893	6,594,783	6,682,930	7,172,432	6,755,900	7,751,156	
5,941,255	7,332,953	6,708,189	5,336,344	4,707,587	7,171,546	
69,723	46,622	24,582	18,128	8,720	1,448	
<u>\$ 119,636,343</u>	<u>\$ 120,429,105</u>	<u>\$ 125,897,620</u>	<u>\$ 128,830,849</u>	<u>\$ 124,828,346</u>	<u>\$ 152,605,995</u>	
4,465,482	4,868,512	4,737,629	5,751,943	7,176,071	6,509,855	
3,107,973	2,937,416	2,538,879	3,159,188	3,265,470	3,506,116	
99,728	54,445	114,459	72,866	160,894	103,148	
1,346,328	1,342,276	1,327,150	1,348,145	1,367,001	1,332,133	
1,301,249	1,353,915	1,463,783	1,143,207	1,289,745	1,442,250	
1,467,637	795,045	243,096	123,744	126,427	99,530	
850,519	838,718	879,799	810,926	1,216,327	936,312	
171,298	183,275	180,507	373,206	299,328	515,183	
36,156,108	35,999,361	38,184,459	32,558,181	30,446,823	36,035,022	
(1,892)	14,217	6,821	701,451	612,546	1,085,077	
<u>\$ 48,964,430</u>	<u>\$ 48,387,180</u>	<u>\$ 49,676,582</u>	<u>\$ 46,042,857</u>	<u>\$ 45,960,632</u>	<u>\$ 51,564,626</u>	
<u>\$ (70,671,913)</u>	<u>\$ (72,041,925)</u>	<u>\$ (76,221,038)</u>	<u>\$ (82,787,992)</u>	<u>\$ (78,867,714)</u>	<u>\$ (101,041,369)</u>	
8,744,783	9,040,033	9,023,305	9,511,567	10,263,558	10,051,064	
4,157,084	3,906,545	3,848,918	3,924,459	4,039,059	4,233,867	
2,943,787	2,462,802	2,425,568	2,444,129	2,491,441	2,608,064	
33	(18)	8	8		4,139,443	
4,390,334	3,816,050	3,761,327	3,847,788	3,948,951	8	
11,705,643	12,271,635	13,579,820	14,123,077	15,226,954	16,226,059	
		3,778,550	8,426,665	9,253,718	9,953,869	
11,699,874	12,270,130	13,576,136	14,127,110	15,225,145	16,226,626	
2,923,093	3,065,409	997,627	27,012	16,427	6,121	
74,510	83,589	70,356	139,804	129,671	136,045	
47,198	58,608	94,022	97,267	103,255	105,862	
18,592,227	19,067,396	19,995,985	21,004,646	22,133,708	22,634,786	
3,082,023	3,180,936	3,301,848	3,570,541	3,768,292	4,018,571	
1,902,703	2,616,490	2,484,148	2,822,490	2,688,238	4,237,499	
(316,192)	1,420,929	700,571	1,037,145	353,751	351,064	
42,869	453,292	218,749	354,668	397,314	662,876	
182,451	66,527	86,637	90,144	101,054	53,648	
<u>\$ 70,172,420</u>	<u>\$ 73,780,353</u>	<u>\$ 77,943,575</u>	<u>\$ 85,548,520</u>	<u>\$ 90,140,536</u>	<u>\$ 95,645,472</u>	
<u>\$ (499,493)</u>	<u>\$ 1,738,428</u>	<u>\$ 1,722,537</u>	<u>\$ 2,760,528</u>	<u>\$ 11,272,822</u>	<u>\$ (5,395,897)</u>	

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

	Fiscal Year									
	2009	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 173,499	\$ 40,720	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved	24,956,598	22,206,572								
Nonspendable			85,029	1,509,973	1,541,383	1,556,369	1,517,238	1,055,053	778,832	391,572
Restricted						15,000				
Committed										860,000
Unassigned			26,368,723	28,450,416	29,184,907	26,643,317	26,126,347	28,961,573	31,289,354	25,721,380
Total general fund	<u>\$ 25,130,097</u>	<u>\$ 22,247,292</u>	<u>\$ 26,453,752</u>	<u>\$ 29,960,389</u>	<u>\$ 30,726,290</u>	<u>\$ 28,214,686</u>	<u>\$ 27,643,585</u>	<u>\$ 30,016,626</u>	<u>\$ 32,068,186</u>	<u>\$ 26,972,952</u>
All other governmental funds										
Reserved	\$ 384,735	\$ 592,136	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	52,444,661	58,066,418								
Capital project funds	1,176,745	842,548								
Debt service fund	46									
Nonspendable			84,711	271,992	231,804	139,493	104,770	117,597	87,823	104,927
Restricted			58,606,383	60,899,020	61,776,253	69,921,012	74,212,850	67,763,379	64,054,555	77,666,204
Committed										1,590,000
Unassigned						(2,077,795)	(3,303,500)	(1,238,800)	(395,024)	(187,183)
Total all other governmental funds	<u>\$ 54,006,187</u>	<u>\$ 59,501,102</u>	<u>\$ 58,691,094</u>	<u>\$ 61,171,012</u>	<u>\$ 62,008,057</u>	<u>\$ 67,982,710</u>	<u>\$ 71,014,120</u>	<u>\$ 66,642,176</u>	<u>\$ 63,747,354</u>	<u>\$ 79,173,948</u>

Source: Coconino County Single Audit Reporting Package

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Property taxes	\$ 14,683,323	\$ 15,286,914	\$ 19,877,174	\$ 21,134,274	\$ 20,320,244	\$ 19,255,927	\$ 18,966,331	\$ 19,701,750	\$ 20,870,854	\$ 21,037,434
County sales taxes	31,235,155	29,334,804	30,092,941	30,395,929	26,455,658	27,750,211	32,096,706	36,952,588	39,961,622	42,661,323
Special assessments	533,246	567,822	528,262	443,889	454,223	232,948	137,434	57,851	55,814	81,367
Licenses and permits	1,596,184	1,531,423	1,544,071	2,080,424	1,428,438	1,585,215	1,520,047	1,721,229	2,147,569	2,355,594
Fees, fines, and forfeits	2,636,342	2,475,047	1,912,702	1,536,208	1,434,276	1,890,338	1,609,332	1,887,642	2,382,906	2,000,460
Intergovernmental	52,131,109	51,035,314	61,706,361	51,173,921	60,388,098	60,348,857	60,921,308	61,905,784	59,453,303	66,266,657
Charges for services	10,616,158	11,421,254	11,176,829	9,280,931	8,764,702	7,751,499	7,004,301	6,923,006	7,898,370	7,773,349
Investment earnings	2,941,346	2,547,186	894,731	1,450,443	(360,692)	1,713,752	1,038,111	1,264,077	398,554	370,130
Contributions	498,811	654,529	582,801	629,849	674,720	658,818	600,116	679,203	667,591	601,142
Miscellaneous	1,039,999	411,152	547,255	491,740	613,048	531,987	565,043	1,439,331	477,409	644,825
Total revenues	\$ 117,911,673	\$ 115,265,445	\$ 128,863,127	\$ 118,617,608	\$ 120,172,715	\$ 121,719,552	\$ 124,458,729	\$ 132,532,461	\$ 134,313,992	\$ 143,792,281
Expenditures:										
Current:										
General government	\$ 31,104,566	\$ 30,537,222	\$ 30,019,684	\$ 30,768,104	\$ 31,049,633	\$ 29,107,514	\$ 31,139,164	\$ 31,421,859	\$ 34,369,247	\$ 35,161,664
Public safety	31,381,596	30,336,374	36,611,002	34,375,074	39,373,290	45,050,982	43,662,534	48,707,702	38,950,563	41,091,613
Highways and streets	16,992,456	13,181,875	10,912,173	12,105,577	13,312,515	10,949,715	13,734,826	22,936,771	20,878,220	22,410,804
Sanitation	3,146,581	2,978,416	2,919,328	2,874,688	1,820,482	1,413,555	1,941,069	2,065,123	2,036,484	1,867,750
Health	12,361,518	10,956,358	10,795,196	11,338,648	12,036,240	13,528,580	13,091,067	12,723,241	13,123,911	13,488,351
Welfare	7,517,819	8,149,363	8,109,040	6,806,132	6,464,632	4,936,174	4,091,392	4,024,951	4,412,375	4,467,177
Culture and recreation	8,045,985	7,607,898	19,136,103	6,650,038	6,122,803	5,986,724	6,598,582	5,924,896	6,099,745	6,803,213
Education	4,730,288	5,110,500	4,727,587	5,085,903	5,783,644	7,176,253	6,456,550	5,141,470	4,561,510	6,821,281
Capital outlay	1,434,116	771,393	1,049,137	148,465	2,213,866	147,146	1,281,468	1,872,994	11,025,516	1,696,910
Debt service:										
Principal	2,508,901	2,637,213	2,255,923	2,353,289	396,669	415,808	105,144	85,000	230,000	18,000
Interest and other charges	512,256	414,902	287,272	178,025	69,723	46,622	24,582	18,128	8,720	1,448
Total expenditures	\$ 119,736,082	\$ 112,681,514	\$ 126,822,445	\$ 112,683,943	\$ 118,643,497	\$ 118,759,073	\$ 122,126,378	\$ 134,922,135	\$ 135,696,291	\$ 133,828,211
Excess (deficiency) of revenues over expenditures	(1,824,409)	2,583,931	2,040,682	5,933,665	1,529,218	2,960,479	2,332,351	(2,389,674)	(1,382,299)	9,964,070
Other financing sources (uses):										
Capital lease agreement	\$	\$	\$	\$	\$	\$	\$	\$ 90,011	\$	\$
Sale of capital assets	2,100	28,179	1,329,950		20,194	502,570	127,958	361,335	539,037	567,290
Bond proceeds	795,000									
Transfers in	15,481,676	15,042,578	21,912,454	14,661,648	14,454,693	14,188,062	15,427,307	22,706,214	12,333,922	22,024,786
Transfers out	(15,508,755)	(15,042,578)	(21,894,634)	(14,608,758)	(14,401,159)	(14,188,062)	(15,427,307)	(22,766,789)	(12,333,922)	(22,224,786)
Total other financing sources and uses	770,021	28,179	1,347,770	52,890	73,728	502,570	127,958	390,771	539,037	367,290
Net changes in fund balances	\$ (1,054,388)	\$ 2,612,110	\$ 3,388,452	\$ 5,986,555	\$ 1,602,946	\$ 3,463,049	\$ 2,460,309	\$ (1,998,903)	\$ (843,262)	\$ 10,331,360
Debt service as a percentage of noncapital expenditures	2.62%	2.80%	2.06%	2.30%	0.42%	0.41%	0.12%	0.08%	0.21%	0.02%

Source: Coconino County Single Audit Reporting Package

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

Fiscal Year Ended June 30,	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Secured	Unsecured	Total			
2009	1,605,854,299	234,920,747	1,840,775,046	0.8791	17,790,931,957	10.3
2010	1,694,104,159	224,614,413	1,918,718,572	0.8340	17,143,465,763	11.2
2011	1,607,918,353	232,224,257	1,840,142,610	1.0820	15,460,396,890	11.9
2012	1,714,437,231	45,163,364	1,759,600,595	1.3170	14,840,670,920	11.9
2013	1,714,436,551	45,173,364	1,759,609,915	1.3347	14,840,650,090	11.9
2014	1,475,006,428	58,058,854	1,533,065,282	1.4522	13,008,153,658	11.8
2015	1,478,590,523	55,893,415	1,534,483,938	1.4702	13,223,453,140	11.6
2016	1,545,641,492	56,698,420	1,602,339,912	1.4702	14,061,706,204	11.4
2017	1,440,511,578	227,019,238	1,667,530,816	1.4844	14,061,706,204	11.9
2018	1,412,671,518	235,859,535	1,648,531,053	1.4734	16,127,059,905	10.2

Source: Coconino County Assessor

Note: Secured and Unsecured assessed property values and estimated market values are determined each calendar year. The tax rates are applicable beginning July 1st of the next fiscal year. The Board of Supervisors approves the tax rates on the third Monday of August.

Coconino County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Direct Rates

Fiscal Year	County Operating	Library District	Flood Control District	Public Health Service District	Total Direct
2009	0.4338	0.2293	0.2160		0.8791
2010	0.3973	0.2367	0.2000		0.8340
2011	0.3953	0.2367	0.2000	0.2500	1.0820
2012	0.4303	0.2367	0.4000	0.2500	1.3170
2013	0.4480	0.2367	0.4000	0.2500	1.3347
2014	0.5466	0.2556	0.4000	0.2500	1.4522
2015	0.5466	0.2556	0.4000	0.2500	1.4522
2016	0.5646	0.2556	0.4000	0.2500	1.4702
2017	0.5788	0.2556	0.4000	0.2500	1.4844
2018	0.5678	0.2556	0.4000	0.2500	1.4734

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
2008	0.1000		0.4865	0 - 1.5519	0.4100 - 2.7500	0 - 2.2300	0.0500 - 9.9025
2009	0.0972		0.4643	0 - 1.5169	0.4100 - 2.7500	0 - 2.2300	0.0500 - 10.9896
2010	0.0904	0.3306	0.4267	0 - 1.4913	0.3000 - 3.0000	0 - 2.9705	0.0500 - 9.9371
2011	0.0925	0.3564	0.4308	0 - 1.4845	0.2742 - 3.0000	0 - 2.6680	0.0500 - 8.4520
2012	0.0986	0.4259	0.4734	0 - 1.5283	0.0600 - 3.2500	0 - 1.5640	0.0500 - 8.5934
2013	0.1000	0.4717	0.4927	0 - 1.5497	0.3000 - 3.2500	0 - 1.6919	0.0500 - 10.7007
2014	0.1000	0.5123	0.5879	0 - 1.6795	0.3500 - 3.2500	0 - 3.3685	0.0500 - 11.9461
2015	0.1000	0.5123	0.5879	0 - 1.6784	0.4000 - 3.2500	0 - 1.6659	0.0500 - 11.9461
2016	0.1000	0.5089	0.6056	0 - 1.6784	0.4000 - 3.2500	0 - 1.6659	0.0500 - 13.0827
2017	0.1000	0.4875	0.6142	0 - 1.6599	0.6000 - 3.495	0 - 1.6273	0.0500 - 13.3731
2018	0.1000	0.4875	0.6142	0 - 1.6599	0.6000 - 3.495	0 - 1.6273	0.0500 - 13.3731

Source: Coconino County adopted tax rate schedules

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

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

Taxpayer	2018			2009 ¹		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 81,646,156	1	4.95%	\$77,017,813	1	4.18%
Transwestern Pipeline Company	23,568,594	2	1.43	35,331,053	2	1.92
BNSF Railway Company	23,497,814	3	1.43	16,356,913	7	0.89
Unisource Energy Corporation	20,559,255	4	1.25	18,541,722	4	1.01
W.L. Gore & Associates Inc.	18,878,525	5	1.15	18,043,975	5	0.98
Kinder Morgan (El Paso Natural Gas)	16,995,688	6	1.03	19,625,984	3	1.07
Nevada Power Company	10,611,595	7	0.64	9,866,303	9	
HTS-CHC (Sedona) LLC	5,465,256	8	0.33	5,431,114	10	0.30
Qwest Corporation	5,317,393	9	0.32	13,184,230	8	0.72
GCR Acquisitions, LLC	5,265,190	10	0.32			0.00
Total Principal Taxpayers	\$ 211,805,466		12.84%	\$ 213,399,107		11.61%
Total Coconino County Primary Assessed Value	\$ 1,648,531,053			\$1,840,775,046		

Source: Coconino County Assessor

¹ Arizona Department of Revenue, Central Information Services

**Coconino County
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	County Tax Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$14,061,783	\$ 13,583,453	96.60	\$ 457,643	\$ 14,041,096	99.85
2010	14,383,909	13,977,568	97.18	407,666	14,385,234	100.01
2011	19,513,519	18,641,220	95.53	747,856	19,389,076	99.36
2012	19,880,920	19,239,142	96.77	549,566	19,788,708	99.54
2013	19,356,876	18,811,741	97.18	446,528	19,258,269	99.49
2014	18,532,923	18,092,321	97.62	347,681	18,440,002	99.50
2015	18,693,720	18,610,772	99.56	33,979	18,644,751	99.74
2016	19,059,353	18,991,321	99.64	6,405	18,997,726	99.68
2017	19,623,017	19,199,980	97.84	394,805	19,594,785	99.86
2018	20,381,313	19,986,063	98.06	0	19,986,063	98.06

Fiscal Year Ended June 30,	County Tax Levied for the Fiscal Year				
	County Operating	Public Health Service District	Flood Control District	County Library	Total County
2009	7,328,876		2,014,075	4,718,832	14,061,783
2010	7,320,104		1,961,323	5,102,482	14,383,909
2011	7,631,149	5,153,351	1,849,827	4,879,193	19,513,519
2012	7,774,986	4,588,969	3,172,129	4,344,836	19,880,920
2013	7,836,325	4,397,524	2,959,452	4,163,575	19,356,876
2014	8,321,922	3,828,370	2,468,506	3,914,125	18,532,923
2015	8,541,404	3,820,326	2,426,088	3,905,901	18,693,720
2016	8,828,938	3,848,713	2,446,777	3,934,925	19,059,353
2017	9,142,852	3,949,055	2,493,595	4,037,514	19,623,017
2018	9,401,146	4,139,287	2,608,873	4,232,007	20,381,313

Source: Taxes levied and collections are obtained from the Coconino County Treasurer.

Note: Collections to date may exceed 100%, as the initial amount levied is not updated to reflect any adjustments or exemptions arising from taxpayer disputes.

Coconino County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Jail District Revenue Bonds</u>	<u>Special Assessments</u>	<u>Total</u>	<u>Percentage of Personal Income</u> ¹	<u>Per Capita</u> ¹
2009	8,340,000	2,364,178	10,704,178	0.24%	80.19
2010	6,145,000	2,016,964	8,161,964	0.18%	60.64
2011	3,855,000	1,646,042	5,501,042	0.12%	40.90
2012	1,970,000	1,262,673	3,232,673	0.07%	23.77
2013		866,084	866,084	0.02%	6.34
2014		450,276	450,276	0.01%	3.27
2015		345,131	345,131	0.01%	2.48
2016		260,000	260,000	0.00%	1.81
2017		30,000	30,000	0.00%	0.21
2018		12,000	12,000	NA ²	NA ²

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

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

² Personal income and population was not available for 2018.

Coconino County Legal Debt Margin Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 1,648,531,053
Debt limit (6% of assessed value)	98,911,863
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	98,911,863
Legal debt margin	\$ 98,911,863

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395	\$ 100,051,849	\$ 98,911,863
Total net debt applicable to the limit										
Legal debt margin	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036	\$ 96,140,395	\$ 100,051,849	\$ 98,911,863
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Coconino County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds							
Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net Available		Debt Service		Coverage
			Revenue	Principal	Interest		
2009	\$ 22,039,625	\$ 12,175,349	\$ 9,864,276	\$ 2,195,000	\$ 383,992	3.82	
2010	23,176,800	12,060,220	11,116,580	2,290,000	284,622	4.32	
2011	24,465,343	12,366,420	12,098,923	1,885,000	177,311	5.87	
2012	25,597,226	12,638,737	12,958,489	1,970,000	89,333	6.29	
2013	26,432,645	12,954,957	13,477,688		1,500		
2014	29,764,353	13,793,638	15,970,715				
2015	33,158,650	13,554,714	19,603,936				
2016	37,269,564	24,701,782	12,567,782				
2017	31,121,655	14,558,758	16,562,897				
2018	36,148,927	17,428,894	18,720,033				

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues ¹	Debt Service		Coverage
		Principal	Interest	
2009	\$ 1,082,701	\$ 313,901	\$ 128,264	2.45
2010	938,727	347,213	130,280	1.97
2011	1,001,654	370,923	109,961	2.08
2012	971,522	370,923	109,961	2.02
2013	931,380	396,669	68,223	2.00
2014	704,051	415,808	46,622	1.52
2015	371,959	105,144	24,582	2.87
2016	297,796	85,000	18,128	2.89
2017	285,494	230,000	8,720	1.20
2018	99,121	18,000	1,448	5.10

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

¹ Revenues included beginning fund balances and transfers in.

² Expenditures include transfers out.

Coconino County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2009	133,477	\$ 4,514,396	\$ 33,822	7.1%
2010	134,611	4,523,918	33,607	8.4
2011	134,105	4,617,232	34,430	8.2
2012	136,011	4,735,934	34,820	8.3
2013	136,539	4,906,294	35,933	7.9
2014	137,682	5,399,899	39,220	7.1
2015	139,097	5,705,476	41,018	6.4
2016	140,908	5,926,226	41,264	6.5
2017	140,776	6,513,074	46,266	5.6
2018	146,902	NA ¹	NA ¹	5.1

Sources: Population and personal income through 2017 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

Population projection for 2018 obtained from Office of Employment & Population Statistics, Arizona Department of Administration.

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

¹ Personal income estimates were not yet available for fiscal year 2018.

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Coconino County
Principal Employers
Current Year and Nine Years Ago

Employer	2018 ¹			2009 ²		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,571	1	3.58%	2,559	1	3.72%
Flagstaff Medical Center	2,200	2	3.07%	2,096	2	3.05%
W.L. Gore	1,950	3	2.72%	1,700	3	2.47%
Flagstaff Unified School District	1,375	4	1.92%			0.00%
Coconino County	1,200	5	1.67%	1,129	4	1.64%
City of Flagstaff	657	6	0.92%	875	5	1.27%
Twin Arrows Navajo Casino Resort	700	7	0.98%			0.00%
Walmart	630	8	0.88%			0.00%
Grand Canyon Railway	421	9	0.59%	400	6	0.58%
Dell Systems	250	10	0.35%			0.00%
SCA Tissue				300	7	0.44%
Walgreens Distribution Center				400	6	0.58%
Total Employment in Coconino County As of June 30 ³	71,767			68,783		

Sources: ¹ Flagstaff Chamber of Commerce

² Arizona Department of Economic Security, Arizona Labor Statistics

³ Arizona Unemployment Statistics Program, Research Administration

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2009	2010	2011	2012
General Government				
Assessor	27.08	27.00	25.00	25.00
Board of Supervisors	14.50	14.00	13.50	13.50
Clerk of the Superior Court	23.35	23.35	23.35	23.35
Community Development	23.50	23.50	22.50	22.50
County Attorney	43.00	42.00	42.00	42.00
County Manager	10.50	11.00	12.00	12.40
Facilities Management	28.00	28.00	26.00	26.00
Finance	18.00	18.00	17.00	18.25
Human Resources	10.00	10.00	10.00	9.73
Government Relations				
Information Technology	30.00	30.00	31.00	28.00
Justice Court - Flagstaff	24.50	23.50	22.75	22.75
Justice Court - Fredonia	2.50	2.50	2.50	2.50
Justice Court - Page	5.00	5.00	5.00	5.00
Justice Court - Williams	5.00	5.00	5.00	5.00
Legal Defender	5.00	5.00	5.00	5.00
Non-Departmental			4.00	3.00
Organizational Development	1.00	1.00		
Public Defender	22.00	21.00	21.00	21.00
Recorder	19.00	19.00	17.00	17.00
Superintendent of Schools	11.36	11.36	9.58	8.88
Superior Court	35.00	36.00	35.00	33.50
Treasurer	8.00	8.00	8.00	8.00
Public Safety				
Adult Probation	60.10	60.10	59.50	59.50
Constable	1.00	1.00	1.00	1.00
Emergency Management				
Jail District	168.83	168.83	166.83	169.63
Juvenile Court Services	75.28	72.08	71.20	69.58
Sheriff	94.50	96.50	97.50	97.50
Highways and Streets				
Public Works	136.40	136.40	121.15	120.50
Sanitation				
Kachina Village Imp. Dist.	8.00	8.00	8.00	8.00
Health				
Health	132.53	135.17	111.65	113.71
Welfare				
Career Center	13.88	13.00	13.00	12.00
Community Services	51.65	43.17	48.22	51.22
Culture and Recreation				
Parks and Recreation	21.00	21.00	19.75	19.75
Total	<u>1,129.46</u>	<u>1,119.46</u>	<u>1,074.98</u>	<u>1,074.75</u>

Source: Coconino County Budget Books 2008-2018

2013	2014	2015	2016	2017	2018
26.00	27.00	27.00	26.00	26.00	26.00
13.50	14.50	14.50	14.50	14.50	13.50
23.98	23.60	23.60	25.60	26.60	26.60
22.50	23.50	30.00	30.00	31.70	31.70
42.00	43.00	43.00	43.00	43.00	44.00
13.22	12.47	7.00	7.00	16.63	21.00
26.00	26.00	26.00	26.00	26.00	26.00
18.25	18.00	18.00	18.00	18.00	18.00
9.73	10.63	10.63	11.75	11.75	12.25
		4.00	4.00	4.00	4.00
24.00	24.00	24.00	24.25	24.25	25.25
22.75	21.50	21.50	21.50	21.50	21.50
2.50	2.50	2.50	2.75	2.75	2.75
5.00	5.00	5.00	5.00	5.00	5.00
5.00	6.00	6.00	6.00	6.00	6.00
5.00	6.00	6.00	6.25	7.25	6.75
21.00	20.00	20.00	20.00	21.76	22.00
17.00	17.50	17.50	17.50	17.50	18.50
11.66	10.83	10.00	10.71	10.38	10.38
34.33	34.33	36.33	36.33	37.33	37.33
8.00	8.00	8.00	8.00	8.00	8.00
58.80	56.80	56.80	57.81	56.80	60.80
1.00	1.00	1.00	1.00	1.00	1.00
		3.00	3.00	3.50	4.00
169.68	170.98	172.89	181.50	181.50	182.50
68.63	70.11	69.93	70.55	68.15	69.25
99.65	96.83	98.75	97.13	100.93	98.43
132.13	127.54	125.51	125.51	117.80	117.80
8.00	8.00	8.00	8.00	8.00	8.00
111.60	114.33	102.32	95.43	93.28	97.02
12.00	12.00	13.00	13.00	13.00	13.80
50.32	48.33	34.83	34.42	27.32	27.25
20.00	19.00	19.00	19.00	19.00	19.00
<u>1,083.23</u>	<u>1,079.28</u>	<u>1,065.59</u>	<u>1,070.49</u>	<u>1,070.18</u>	<u>1,085.36</u>

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

Function/Program	2009	2010	2011	2012
General Government				
Clerk of the Superior Court				
New Court Cases	3,910	3,950	4,575	4,583
Community Development				
Building Permits Issued	1,581	1,783	1,880	1,311
Building Inspection/Site Visits	6,295	4,624	5,545	2,629
County Attorney				
Adult Felony and Misdemeanor cases	7,518	7,009	6,278	7,002
Victim Restitution Collected for Bad Checks	\$ 35,028	\$ 24,150	\$ 15,231	\$ 16,000
Justice Courts				
Total Cases	27,596	26,801	26,506	26,833
Legal Defender				
Total Cases	466	400	370	451
Public Defender				
Total Cases	3,889	3,393	3,026	3,133
Recorder				
Documents Recorded by Fiscal Year	37,929	37,000	37,000	36,500
Registered Voters	71,000	66,000	67,000	68,000
Superior Court				
Total Number of Criminal Cases Filed	1,179	1,024	862	943
Total Number of Domestic Relations Cases Filed	692	766	711	608
Total Number of Civil Cases Filed	1,111	1,166	1,077	716
Treasurer				
Total Real Property Notices	77,100	73,796	74,000	74,786
Public safety				
Adult Probation				
Monthly Average Probationers Supervised	1,236	1,253	1,252	1,222
Restitution Collected	\$ 237,055	\$ 196,824	\$ 189,911	\$ 153,524
Jail District				
Average Local Population	366	372	372	407
Juvenile Court Services				
Delinquents and Incurable Petitions Filed	817	662	662	619
Contributed to Community Through Restitution Hours	\$ 54,433	\$ 46,906	\$ 30,584	\$ 34,707
Sheriff				
Calls for Service	40,656	50,311	52,815	56,195
Culture and recreation				
Parks and Recreation				
County Fair participants	45,049	41,711	45,441	45,095
Highways and streets				
Public Works				
Number of miles graded	2,382	2,303	2,500	2,400
Number of miles resurfaced	53	45	70	70
Miles of road chip sealed	21	60	55	80
Health				
Health Department				
Patient Vaccination visits	10,512	10,510	4,300	4,693
Restaurant/Public Facility Inspections	3,838	3,662	3,400	3,400
Welfare				
Community Services				
Home Delivered Meals	20,806	20,500	18,395	18,500
Congregate Meals	24,366	25,076	26,649	25,076

Source: County Department records and Adopted Budgets

Fiscal Year					
2013	2014	2015	2016	2017	2018
4,343	4,296	4,465	5,822	6,180	6,016
1,250	1,280	1,200	1,065	1,228	1,283
3,496	4,100	3,600	2,076	5,337	11,142
6,915	9,552	9,181	8,687	8,776	8,800
\$ 13,444	\$ 18,938	\$ 8,045	\$ 9,993	\$ 10,165	\$ 10,200
22,819	24,438	23,093	24,673	24,575	32,336
552	702	728	755	717	732
2,951	2,830	3,097	3,044	3,296	3,633
32,000	32,000	40,000	35,000	32,500	30,017
73,000	71,000	67,000	70,000	82,000	75,235
900	930	929	910	945	1,195
625	630	653	700	670	564
873	880	706	750	680	629
74,000	80,165	70,334	69,305	69,261	69,326
1,193	1,196	1,184	1,230	1,210	1,295
\$ 198,079	\$ 190,000	\$ 190,000	\$ 190,000	\$ 241,495	\$ 180,671
432	400	415	395	404	380
608	449	481	467	389	410
\$ 39,814	\$ 43,474	\$ 52,601	\$ 53,929	\$ 39,843	\$ 24,483
60,955	58,651	63,270	63,291	53,036	59,606
42,841	44,000	45,000	45,000	47,935	40,410
2,088	2,559	2,755	3,408	3,434	2,973
62	104	79	58	63	87
44		54	46	53	50
4,923	4,323	3,564	3,372	5,173	2,475
3,825	3,737	3,115	3,570	3,509	3,467
14,268	17,304	17,683	17,380	15,177	14,478
20,220	21,346	18,965	15,733	16,587	16,491

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Facilities square footage managed	684,914	684,914	684,914	684,914	684,914	679,914	682,455	682,455	680,365	688,768
Public safety										
Jails	2	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	8	7	7	7	6	6
Patrol vehicles	74	75	77	79	55	46	47	56	58	62
Medical Examiner	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Bridges	30	30	30	30	38	39	39	39	39	39
Miles of paved roads	323	323	332	319	319	333	323	322	326	326
Miles of unpaved roads	711	711	711	611	604	590	672	676	687	687
Sanitation										
Solid Waste transfer stations	10	10	10	8	8	2	2	2	1	1
Wastewater treatment facilities	1	1	1	1	1	1	1	1	1	1
Wells	5	5	5	5	5	5	5	5	5	5
Health										
Public health facilities	2	2	2	2	2	2	2	2	2	2
Animal transport vehicles	3	3	3	4	4	4	4	4	4	4
Culture and recreation										
Parks	9	9	9	9	9	9	9	9	9	9
Acres protected as open space	589	589	2,503	2,600	2,600	2,600	2,600	2,600	2,821	2,860
Trail miles available for public use	17	17	18	18	18	18	23	23	23	27
Education										
School building	2	2	2	2	2	2	2	2	2	2

Source: Coconino County capital asset records and county departments