

# 2023

Annual Comprehensive Financial Report



**PIMA COUNTY, ARIZONA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

**BOARD OF SUPERVISORS**

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**COUNTY ADMINISTRATOR**

Jan Leshner

**Prepared by the Department of Finance and Risk Management**

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Linda House  
Robert Walls  
Victoria Duran  
Zane Caramella

PIMA COUNTY, ARIZONA  
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2023

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**FINANCIAL REPORT**

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**INTRODUCTORY SECTION**

- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Organizational Chart

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**FINANCIAL SECTION**

**STATISTICAL SECTION**



## **INTRODUCTORY SECTION**

The purpose of the Introductory Section in an Annual Comprehensive Financial Report (ACFR) is to familiarize readers with the organizational structure of the government, the nature and scope of the services it provides, and the specifics of its legal operating environment.





## COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER  
115 N. CHURCH AVE., 2<sup>nd</sup> FLOOR, Suite 231, TUCSON, AZ 85701-1317  
520-724-8661, FAX 520-724-8171

JAN LESHER  
County Administrator

February 29, 2024

To the Honorable Board of Supervisors and Citizens of Pima County, Arizona:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Pima County for the fiscal year ended June 30, 2023. This report presents comprehensive financial and operating information about the County's activities for the fiscal year.

We believe that the financial information, as presented, is accurate in all material aspects; that it is presented in a manner designed to openly disclose the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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 Auditor General is required to audit financial transactions and accounts kept by counties. The Auditor General has issued an unmodified ("clean") opinion on the Pima County financial statements for the year ended June 30, 2023. The Auditor General's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### *Pima County Profile*

Covering an area of approximately 9,200 square miles, Pima County is one of the oldest continuously inhabited areas of the United States. It is situated in the southern part of Arizona with a portion of its southern boundary bordering Mexico. Created in 1864, Pima County includes a large portion of southern Arizona acquired from Mexico by the Gadsden Purchase of 1854. Pima County has purchased thousands of acres of open space and ranches to preserve and protect the stunning landscapes and historic and cultural sites. The County's population has grown from 395 in 1820 to an estimated population of 1,079,998 in 2023, according to the Arizona Office of Economic Opportunity. The County has a vibrant multicultural diversity. A major commercial and academic hub, Pima County is home to Tucson, the second largest city in Arizona. Although the County has five incorporated cities and towns, more than a third of the population lives outside of any incorporated cities or towns.

A five-member Board of Supervisors is responsible for implementing the County's governmental and administrative affairs. Each member is elected from a designated district to serve a four-year term. The chairman is selected by the

Board from among its members. The Board is responsible for establishing the policies of the County, which provide guidance to the various County constitutional officers and departments. The Board has the legal authority and responsibility to establish spending limits and approve the budgets of all County departments, and also sets the amount of taxes to be levied. The Board appoints a County Administrator who is responsible for the general administrative and overall operations of the various departments of the County. The County has several other elected officials including the Assessor, County Attorney, Recorder, Sheriff, Clerk of the Superior Court, the Constables, Superintendent of Schools, Treasurer, and Judges for the Superior Courts, Juvenile Courts, and Justice Courts.

Pima County includes in its financial statements all funds, agencies, boards, commissions, and authorities for which the Pima County Board of Supervisors is financially accountable. As the primary government, Pima County is financially accountable if it appoints a voting majority of an organization's governing body and either it is able to impose its will on that organization or a potential exists for that organization to provide specific benefits to, or impose specific financial burdens on, Pima County. Additionally, the County may be financially accountable if an organization is fiscally dependent on the County.

Pima County offers a wide variety of governmental services that are organized into the following functional areas for Fiscal Year 2023-2024:

- General Government Services primarily provides internal administrative and support services to County departments directly serving the public. The departments comprising this function include Analytics & Data Governance; Assessor; Board of Supervisors; Clerk of the Board; County Administrator; Economic Development; Elections; Facilities Management; Finance & Risk Management; Fleet Services; Human Resources; Information Technology; Office of Emergency Management & Homeland Security; Procurement; Recorder; Rocking K South Community Facilities District; Treasurer; Wildflower Community Facilities District and Wireless Integrated Network.
- Community Resources provides educational, cultural, social, economic development and recreational programs to the public. The departments in this functional area are Attractions & Tourism; Communications Office; Community & Workforce Development; County Free Library; Grants Management & Innovation; School Superintendent; and the Stadium District - Kino Sports Complex.
- Health Services provides various public health, death investigation, and animal control services, as well as medical assistance to indigents. The component departments are Behavioral Health; Health; Medical Examiner and Pima Animal Care Center.
- Justice and Law Enforcement provides public safety, felony and misdemeanor investigation, and prosecution services for victims, witnesses, and those needing fiduciary assistance. Services are also provided in the areas of indigent defense, civil representation, correctional housing, and juvenile detention. Judicial services include jury selection, adjudication of trials, sentencing, and probation supervision. The child support services include Title IV-0 and non-Title IV-0 administrative functions such as maintaining child support, spousal maintenance, and special paternity case information; processing court orders; preparing and serving wage assignments; and receiving and processing court ordered payments. The departments within this area are the Clerk of the Superior Court; Constables; County Attorney; Justice Court Ajo; Justice Court Green Valley; Justice Court Tucson; Justice Services; Juvenile Court; Public Defense Services; Sheriff; and Superior Court.
- Public Works provides construction, operations, and maintenance services related to the County infrastructure and related planning and environmental issues. The departments within this area are the Capital Program Office; Capital Projects; Development Services; Environmental Quality; Natural Resources, Parks and Recreation; Office of Sustainability & Conservation; Real Property Services; Regional Flood Control District; Regional Wastewater Reclamation; and Transportation.

Pima County is responsible for reporting the financial activities of its component units. These units are either discretely presented or blended. Although they are separate legal entities, blended component units are substantially a part of the County's financial activities and are combined with data for the County.

The County's component units include the following:

- The *Pima County Stadium District*, the *Regional Flood Control District*, the *Library District*, the *Community Facilities Districts*, and the *Improvement and Other Districts* are reported as blended component units in special revenue funds in the accompanying financial statements.
- The *Southwestern Fair Commission* is reported as a separate component unit (discrete presentation) in the accompanying financial statements.

Additional information on the legally separate entities and the blended component units can be found in the notes to the financial statements (see Note 1).

The County also has various independently governed school districts, irrigation districts, fire districts, a health district (Ajo-Lukeville), and other entities for which the County is not financially accountable. These entities include the Industrial Development Authority, Pima Association of Governments, Pima Council on Aging, the Workforce Investment Board, Regional Transportation Authority, and Sun Corridor, Inc. The financial statements of such districts and entities are not included in the accompanying financial statements except to reflect amounts held in a fiduciary capacity by the County Treasurer.

Following receipt of the County Administrator’s Recommended Budget and public discussion of the Recommended Budget, the Board of Supervisors historically adopts a budget in June. A budget must be adopted on or before the first Monday in August. The Adopted Budget sets a ceiling on expenditures that may be incurred for the County as a whole. This annual budget serves as the foundation for Pima County’s financial planning and control. Pima County has implemented a program-oriented presentation of its budget. All departments are budgeted on a cost unit/object line item basis. Departments may modify line-item amounts within their own budgets provided the total program budgeted amount remains unchanged. Changes to the adopted budget that require a transfer between funds are evaluated by the County Administrator prior to recommendation of approval to the Board of Supervisors. Should the County Administrator recommend the change to the Board of Supervisors, the recommendation will be considered at a regularly scheduled, open meeting of the Board.

On an annual basis, the County Administrator’s office prepares a five-year Capital Improvement Plan and a one-year Capital Improvement Budget.

### *Economic Outlook*

Pima County’s major employers are Raytheon, University of Arizona, Banner – University Medical Center, Davis-Monthan Air Force Base, Pima County Government, Tucson Unified School District and State of Arizona. Major manufacturers include Ventana Medical Systems, IBM, Caterpillar, and several aerospace and aircraft companies including Raytheon, Bombardier Aerospace, Sargent Aerospace and Defense, and Honeywell Aerospace. Employment by industry is led by government; trade, transportation and utilities; educational and health services; professional and business services; and leisure and hospitality. The average Pima County unemployment rate for 2022 decreased to 3.8% as the job market remained strong despite several Federal Reserve interest rate increases intended to cool the economy. Nearly half of Pima County’s population is in the prime working age range of 18 to 54.

A sunny, mild, dry climate with an average temperature of 71°F and a unique desert location help promote travel and tourism as a major industry in Pima County. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses. These sales support jobs for Pima County residents and contribute tax revenues to local and state governments. According to recent research data released by the Arizona Office of Tourism, Pima County direct travel spending generated approximately \$3.27 billion (11.6% of Arizona direct travel spending) in 2022. This direct travel spending generated 21,710 direct jobs, \$812 million in direct earnings and \$222 million in local and state tax revenues. These amounts exceeded the results from 2021 as the travel industry continued to rebound from the COVID-19 pandemic. Unlike other industries, taxes generated by travel industry spending are paid by visitors rather than residents. These visitors bring new money into Pima County’s economy and generate revenue in the County. Some of the best world-class attractions in Arizona are found in Pima County, such as the Arizona-Sonora Desert Museum and the Pima Air and Space Museum.

Economic trends over the last year include the following:

- The housing market in Pima County leveled off in late 2022 and early 2023. Higher mortgage rates dampened demand as fewer prospective home buyers were able to qualify for a mortgage. On the supply side, fewer houses were available for sale as more homeowners with low interest rate mortgages chose to remain in their current homes. The net effect of lower demand and lower supply has been relatively stable housing prices with the median sales price of new houses for May 2023 up 6.5% from a year earlier and the median sales price of existing homes virtually flat over the same period. The decrease in demand also reduced permit activity for single family homes with an average of 227 permits issued each month between July 2022 and May 2023 compared to an average of 398 permits issued per month for the same period a year earlier. Despite the recent reduction in permit activity, continued population increases, and a relatively strong local jobs market mean Pima County has a need for more affordable housing, and construction of both single-family and multi-family units is expected to pick up again in the coming months.
- State-shared sales tax revenue increased to a record \$181M in FY 2022/23 as high levels of employment statewide encouraged continued consumer spending. Pima County is budgeting \$180M in state-shared sales tax revenue for FY 2023/24 based on forecasting provided by the State of Arizona and continued optimistic predictions of retail sales by the University of Arizona Economic Business & Research Center. This level of sales tax revenue could be negatively affected if Federal Reserve interest rate increases lead to a recession or if the mandated resumption of student loan payments starting in October 2023 significantly cuts into consumer spending.

Please refer to the MD&A beginning on page 14 for additional information regarding the County’s economic outlook.

### *Long-term Financial Planning*

Pima Prospers is Pima County’s ten-year comprehensive plan establishing a vision and overarching principles for the County in areas such as land use, physical infrastructure, human infrastructure, and economic development. The County’s annual budget, capital improvement plan, and debt management strategies are aligned with this comprehensive plan. Pima Prospers, including the planning for its financial impacts, can be found at [www.pimaprospers.com](http://www.pimaprospers.com).

Pima County’s Economic Development Plan is a shorter-term plan focusing on the County’s future actions to help create new jobs, protect our existing jobs, improve transportation, promote tourism, and enhance relationships with our economic partners. Regional infrastructure investment is a significant component of the County’s Economic Development Plan. Some of these economic development projects and financing can be seen in the Capital Improvement Plan and Debt Management sections below.

### *Capital Improvement Plan*

The Adopted Budget for fiscal year 2023-2024 includes \$232.6 million for the Capital Improvement Plan (CIP). Under this plan, five departments comprise 81% of the total CIP budget as follows:

- Facilities Management, with a budget of \$76.5 million
- Regional Wastewater Reclamation, with a budget of \$54.5 million
- Transportation, with a budget of \$23.6 million
- Regional Flood Control District, with a budget of \$21.0 million
- Natural Resources Parks & Recreation, with a budget of \$11.8 million

**Facilities Management** –Facilities Management has active projects with a total fiscal year 2023-2024 budget of \$76.5 million. Major projects include:

- Office of the Medical Examiner Building project is budgeted for \$27.1 million

- Northwest County Service Center project is budgeted for \$16.0 million
- Martha Cooper Library Expansion project is budgeted for \$6.5 million
- Adult Detention Security Replacement project is budgeted for \$5.0 million

**Regional Wastewater Reclamation** – The Regional Wastewater Reclamation Department (RWR) projects are predominantly funded by Sewer Revenue Obligations. RWR has a total fiscal year 2023-2024 budget of \$54.5 million. Major projects include:

- Tres Rios Class A Biosolids is budgeted for \$13.0 million
- Continental Ranch Pump Station – Second Force Main is budgeted for \$8.9 million
- System-wide Treatment Rehabilitation Program is budgeted for \$8.0 million
- System-wide Pipe Rehabilitation Program is budgeted for \$7.7 million
- Side Stream Anitamox Process is budgeted for \$6.0 million

**Transportation** - The Department of Transportation projects are funded by highway user revenues, vehicle license tax revenues and from funding received from the Pima County Regional Transportation Authority, a taxing entity distinct from Pima County. Transportation has a total fiscal year 2023-2024 budget of \$23.6 million. Major projects include:

- 22<sup>nd</sup> Street I-10 to Tucson Blvd Improvements are budgeted for \$9.2 million
- Valencia Road Kolb to Houghton project is budgeted for \$4.0 million
- Silverbell Road Blanca Wash Bridge project is budgeted for \$3.3 million

**Regional Flood Control District** – The Regional Flood Control District has active projects with a total budget of \$21.0 million. Major projects include:

- City of Tucson Downtown Links project for \$3.0 million
- Flood Prone Land Acquisitions budgeted for \$3.0 million
- Urban Drainage is budgeted for \$2.7 million
- Continental Ranch Loop Restoration project is budgeted for \$2.5 million

**Natural Resources Parks & Recreation** – The Natural Resources Parks & Recreation Department has a budget of \$11.8 million. Major projects include:

- Open Space projects are budgeted for \$3.4 million
- Manzanita Park Multi-use Field project is budgeted for \$2.0 million
- Arthur Pack Park Reclaimed Water Conversion budgeted for \$1.3 million

## *Debt Management*

Bond ratings for Pima County, given by Fitch and Standard & Poor’s, range from AA- to AAA. Pima County maintains a sound financial profile, with healthy operating reserves while its debt burden is manageable and debt repayment is rapid.

Pima County continues to utilize debt authorized by Pima County voters November 4, 1997, for Street and Highway Revenue Bonds. At June 30, 2023, \$16.4 million of the Street and Highway authorization remains unissued. The County issues Certificates of Participation for building construction and Sewer Revenue Obligations to fund the construction and improvement of the County’s wastewater conveyance systems and treatment facilities.

Debt issuances anticipated for fiscal year 2023-2024 include \$41 million of Sewer Obligations and \$38 million of Certificates of Participation.

The County's conservative debt management principles play a critical role in the decision regarding when to issue new debt. The County has set an aggressive debt repayment schedule, with 100 percent retired at or before 15 years. The state constitution sets a cap on general obligation debt at 15 percent of the County's net secondary assessed valuation. In fiscal year 2022-2023, the constitutional debt limit was \$1.7 billion. The actual bonded indebtedness was \$64.8 million, far below the constitutional debt limit.

Please refer to the MD&A beginning on page **14** and Note 7 beginning on page **65** for specific details on debt issuances, defeasances, and refundings.

### *Expenditure Limitation*

Pima County, like all counties and cities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, of the Arizona Constitution sets limits on the County's legal budget capacity. In general, the Board of Supervisors, as the governing body of the County, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for Pima County by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the County during fiscal year 1979-1980 to reflect inflation and subsequent population growth for the County. Not subject to this limitation are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal grant and aid funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. As in previous years, the County's expenditures for fiscal year 2022-2023 are expected to be under the limit of \$654 million.

### *Single Audit*

As a recipient of federal and state financial assistance, the County is required to ensure adequate internal controls are in place to comply with applicable laws and regulations related to the administration of these programs. This internal control structure is subject to periodic evaluation by the management of Pima County. An important part of management's periodic evaluation is having the County's federal financial assistance programs audited annually under the federal Single Audit Act.

As a part of the County's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs and whether the County has complied with applicable laws and regulations.

A complete Single Audit report for the fiscal year ended June 30, 2022, can be found at:

[Audited Financial Reports | Pima County, AZ](#)

The Single Audit for Pima County for the fiscal year ended June 30, 2023, was not complete at the time of publication of this ACFR.

As demonstrated by the statements and schedules included in the financial section of this report, Pima County continues to meet its responsibility for sound financial management.

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pima County, Arizona, for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. Pima County has received this prestigious award for thirty-seven years from fiscal years ended June 30, 1984 through 2022, except for fiscal years ended June 30, 1990 and June

30, 1999, due to missing the filing deadline. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Pima County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2022-2023 budget document. This was the twenty-fourth consecutive year that Pima County has achieved this award. To qualify for the Distinguished Budget Presentation Award, Pima County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

### *Acknowledgments*

The preparation of this report could not have been possible without the skill, effort, and dedication of the entire staff of the County's Finance and Risk Management Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Board of Supervisors for its unflinching support for maintaining the highest standards of professionalism in the management of Pima County's finances.

Respectfully submitted,



Jan Lesher  
County Administrator



Ellen Moulton  
Director, Department of Finance and Risk Management



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pima County  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

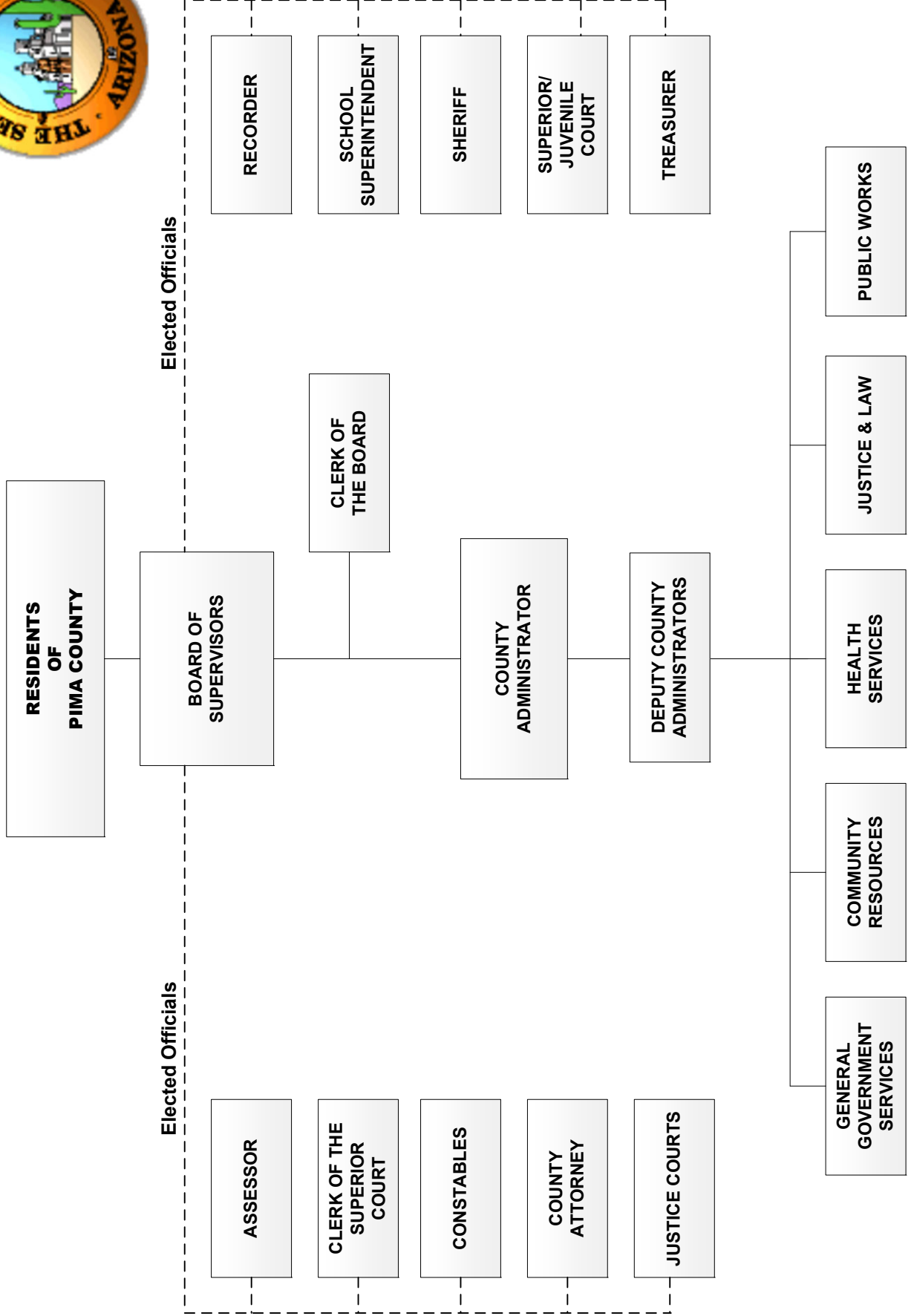
June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# PIMA COUNTY ORGANIZATIONAL CHART



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## INTRODUCTORY SECTION

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### FINANCIAL SECTION

- Independent Auditors' Report
  - Management's Discussion and Analysis
  - Basic Financial Statements
  - Required Supplementary Information Other than Management's Discussion and Analysis
  - Combining Statements and Other Schedules
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## STATISTICAL SECTION

## **FINANCIAL SECTION**

The Financial Section contains government-wide, combined, combining, and individual fund financial statements and schedules, which present a financial overview of Pima County.



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of  
Pima County, Arizona

### Report on the audit of the financial statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of the County as of June 30, 2023, 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.

We did not audit the financial statements of certain departments and funds and the discretely presented component unit, which account for the following percentages of the assets and deferred outflows, liabilities and deferred inflows, revenues, and expenses or expenditures of the opinion units as of June 30, 2023.

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Government-wide statements</u>				
Governmental activities:				
Stadium District	2.44%	0.26%	1.46%	1.35%
School Reserve	0.11%	0.11%	0.70%	0.59%
Wireless Integrated Network	0.11%	0.03%	0.36%	0.32%
Self-Insurance Trust	2.64%	1.73%	1.31%	0.92%
Health Benefit Trust	0.58%	0.53%	7.22%	7.46%
Business-type activities:				
Regional Wastewater Reclamation	97.08%	98.57%	93.88%	94.09%
Development Services	1.81%	1.48%	5.08%	4.19%
Discretely presented component unit:				
Southwestern Fair Commission	100.00%	100.00%	100.00%	100.00%
<u>Fund statements</u>				
Major enterprise fund:				
Regional Wastewater Reclamation	100.00%	100.00%	100.00%	100.00%

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
Aggregate remaining fund information:				
Stadium District	0.53%	1.02%	3.17%	2.77%
School Reserve	0.35%	0.95%	1.83%	1.52%
Wireless Integrated Network	0.40%	0.48%	0.90%	0.83%
Development Services	3.04%	7.18%	2.33%	1.52%
Self-Insurance Trust	9.38%	33.01%	3.27%	2.37%
Health Benefit Trust	2.05%	10.17%	18.01%	19.31%

Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities are based solely on the other auditors' reports.

***Basis for opinions***

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the County restated beginning net position of its financial statements for the year ended June 30, 2023, to correct misstatements in its previously issued financial statements. Our opinions are not modified with respect to this matter.

***Other matters***

*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 County's Board of Supervisors and 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.

## ***Management's responsibilities for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required supplementary information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 14 through 31, budgetary comparison schedules on pages 98 through 101, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on page 102, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 103 and 104, schedule of County pension contributions on page 105, and notes to pension plan schedules on pages 106 and 107 be presented to supplement the basic financial statements. Such information is management's responsibility and, 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 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 accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue our report 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 at a future date. 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 A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

February 29, 2024





**2023**

**Annual Comprehensive  
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023 • Pima County, Arizona



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

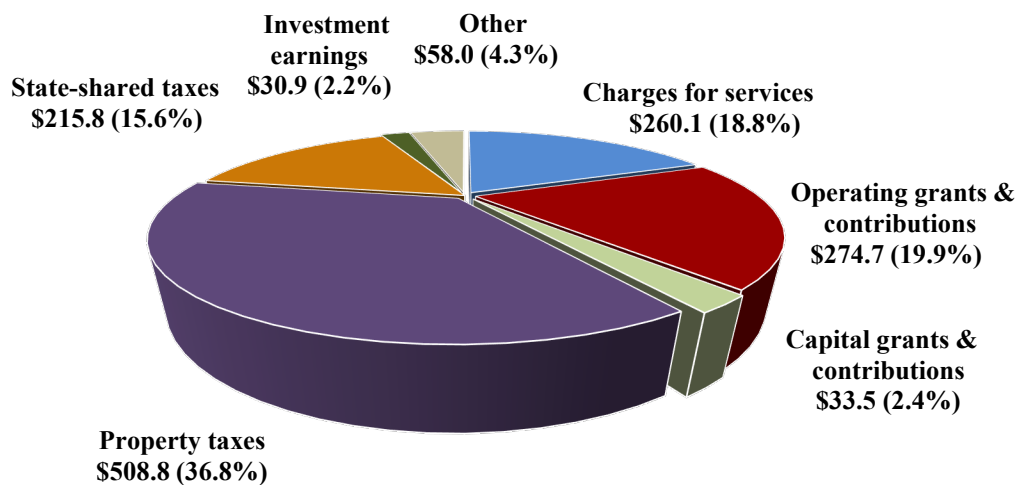
**Pima County, Arizona  
Management’s Discussion and Analysis  
For the Year Ended June 30, 2023**

Our discussion and analysis of the County’s financial performance provides an overview of the County’s financial activities for the year ended June 30, 2023. Please read it in conjunction with the transmittal letter, which begins on page 1 and the County’s basic financial statements, which begin on page 32. All dollar amounts are expressed in thousands (000’s) unless otherwise noted.

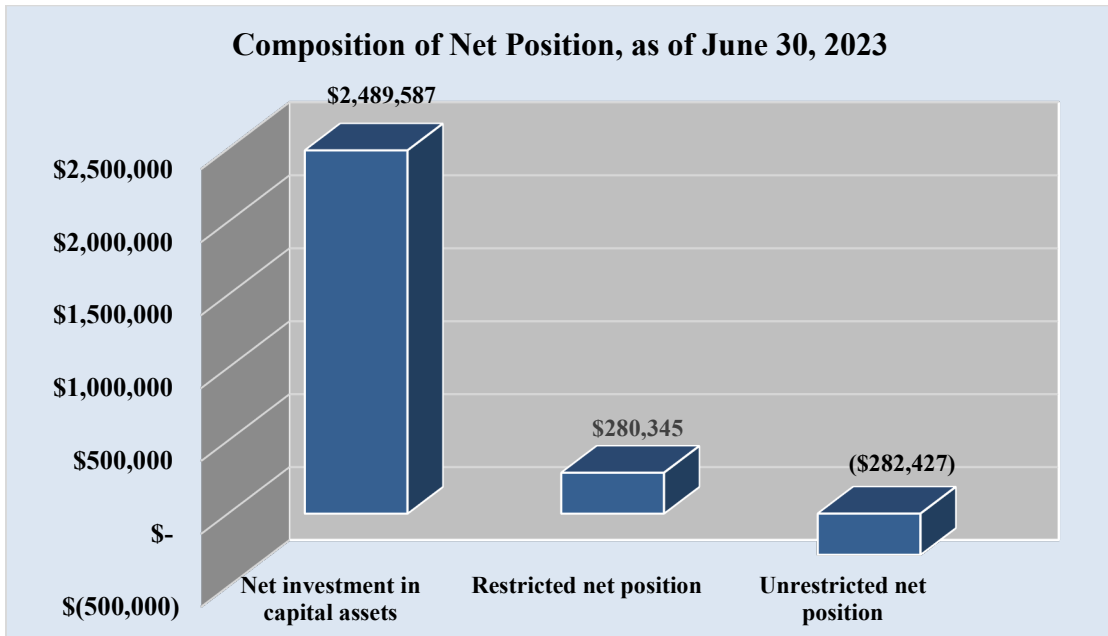
*Financial Highlights*

- The County restated the prior year’s total net position from \$1,444,545 to \$1,488,323 as a result of accounts receivable and revenues related to opioid settlements that should have been recognized in the prior fiscal year. For additional information, refer to page 53, Note 2: Correction of a Misstatement – Prior Period Adjustment.
- The County’s total liabilities decreased by \$183,049 from \$2,225,697 to \$2,042,648, an 8.2% decrease from the prior year, mainly due to a \$118,620 decrease in the County’s net pension and other postemployment benefits (OPEB) liabilities. This was primarily due to \$268,134 in prepayments for pension contributions to the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officers Retirement Plan (CORP) in fiscal year 2022, which significantly reduced the current year’s liability.
- The County issued \$88,445 in Certificates of Participation (COPs) to fund its ongoing pavement preservation program, \$68,225 in Sewer Revenue Obligations to fund the construction, expansion, and improvement of sewer treatment facilities and conveyance systems and \$1,670 in in General Obligations Bonds to fund the Rocking K South Community Facilities Districts related to public infrastructure.
- The County’s total net position increased by \$37,316 from \$2,450,189 to \$2,487,505, a 1.5% increase when compared to the prior year.
- The County’s primary sources of revenue come from property taxes, charges for services, state shared taxes, and grants and contributions as displayed below:

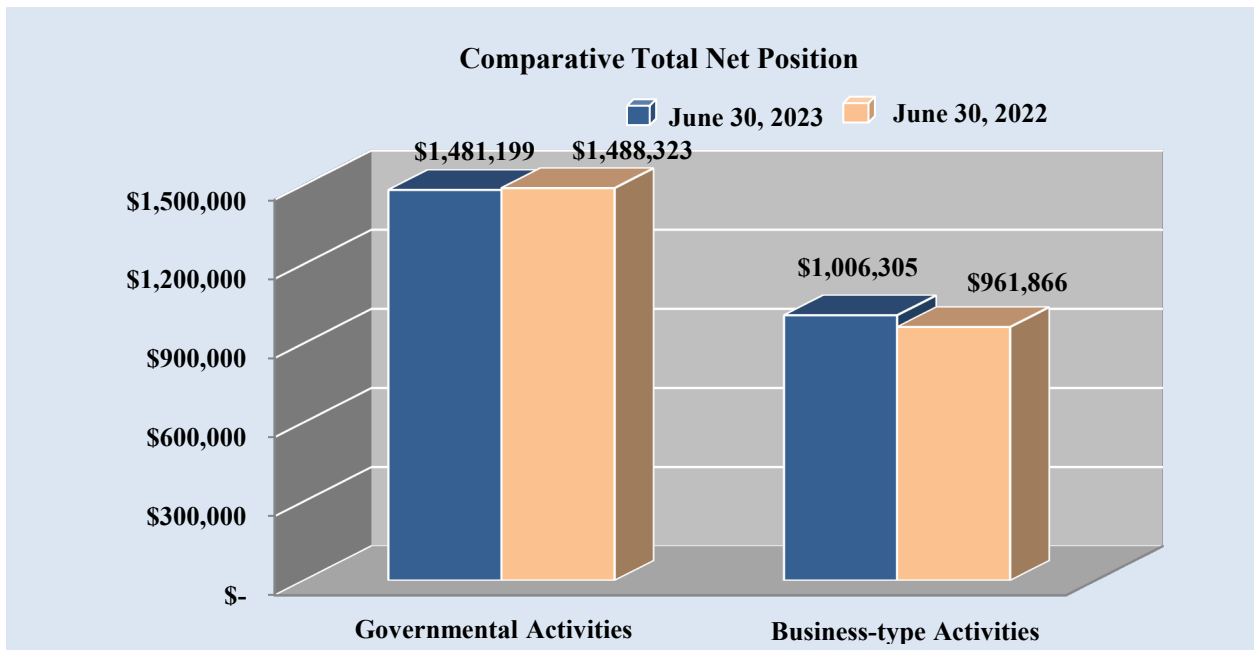
**Revenue Sources  
(in millions)**



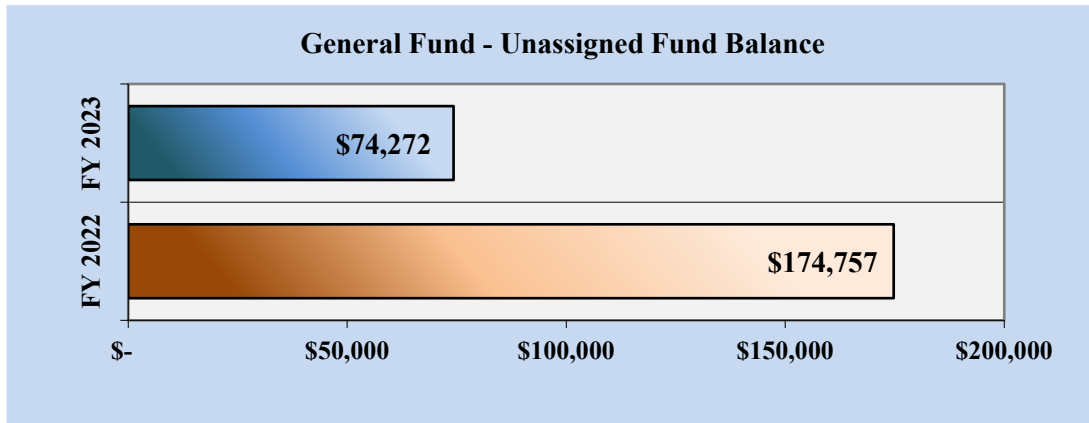
- The composition of the County's total net position on June 30, 2023 of \$2,487,505 is illustrated in the following chart.



- Governmental Activities total net position on June 30, 2023, is \$1,481,199, representing a decrease of \$7,124 (0.5%) from the prior fiscal year's restated net position, due to an increase in General government expenses of \$51,461 for employee compensation increases and payments to subrecipients using American Rescue Plan Act (ARPA) grant monies. Business-type Activities total net position of \$1,006,306, increased by \$44,440 (4.6%) in the current fiscal year, primarily due to a decrease of \$32,085 in outstanding liabilities for sewer revenue obligations from debt payments made during the year in the Regional Wastewater Reclamation (RWR) enterprise fund.



- The current fiscal year's General Fund unassigned fund balance of \$74,272 is a decrease of \$100,485 (57.5%) from \$174,757 in the prior fiscal year due to the implementation of a new Board of Supervisors policy which resulted in the reclassification of \$92,864 from unassigned fund balance to committed fund balance. The purpose of this new policy was to formally establish a General Fund reserve equivalent to 17% of the previous fiscal year's audited operating expenditures. The unassigned fund balance comprises 37.9% of the total fund balance of \$196,116. Refer to the analysis of the General Fund provided on page 26 for additional details about the fund's financial activities during the year.



**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) Government-wide Statements, (2) Fund Statements, and (3) Notes to the Financial Statements. Required supplementary information is included in addition to the basic financial statements.

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

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

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation or sick leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) in contrast to other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education and economic opportunity. The business-type activities of the County include: Regional Wastewater Reclamation (RWR), Development Services, and the County's downtown parking garages.

The Southwestern Fair Commission is presented as a discretely presented component unit and is included in the basic financial statements. The Commission, which operates the County Fairgrounds and annual Pima County Fair, is a legally separate entity for which the County is financially accountable.

**The government-wide financial statements can be found on pages 32-34.**

**Fund financial statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance with applicable state statutes and Federal

Office of Management and Budget budgeting guidelines. All of the funds can be divided into three categories: (1) *governmental funds*, (2) *proprietary funds*, and (3) *fiduciary funds*.

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

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

The County maintains sixteen individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Capital Projects, Debt Service, Grants and Other Special Revenue funds, which are reported as major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

**The governmental fund financial statements can be found on pages 35-38. The combining statements for non-major governmental funds can be found on pages 108-111.**

**Proprietary funds** are maintained in two ways. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The County uses enterprise funds to account for sewer systems maintenance and operation, real estate-related development services, and parking garage operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for employee health and health related benefits, risk management, automotive fleet maintenance and operations, telecommunications, wireless, and information technology network infrastructure. Because these services predominantly benefit governmental rather than business-type functions, all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of these services have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The RWR Enterprise Fund is considered to be a major fund of the County. Data from the other enterprise funds are combined into a single, aggregated presentation. Similarly, the County's internal service funds are combined into a single, aggregated presentation in the proprietary fund's financial statements. Individual fund data for the other enterprise and internal service funds are provided in the form of combining statements.

**The proprietary fund financial statements can be found on pages 39-42. The combining statements for other enterprise and internal service funds can be found on pages 125-132.**

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

**The fiduciary fund financial statements can be found on pages 43-44.**

**Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages **45-97**.

Required Supplementary Information (RSI) is presented concerning the County's General Fund, Grants Fund and Other Special Revenue Fund budgetary schedules and the schedule of 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, and the Schedule of County Pension Contributions. Required supplementary information can be found on pages **98-107**.

**Combining Statements and Other Schedules** referred to earlier provide information for non-major governmental, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages **108-136**.

### *Government-Wide Financial Analysis*

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. An analysis of the results of operations is also useful. The schedule below identifies variances in the results of operations.

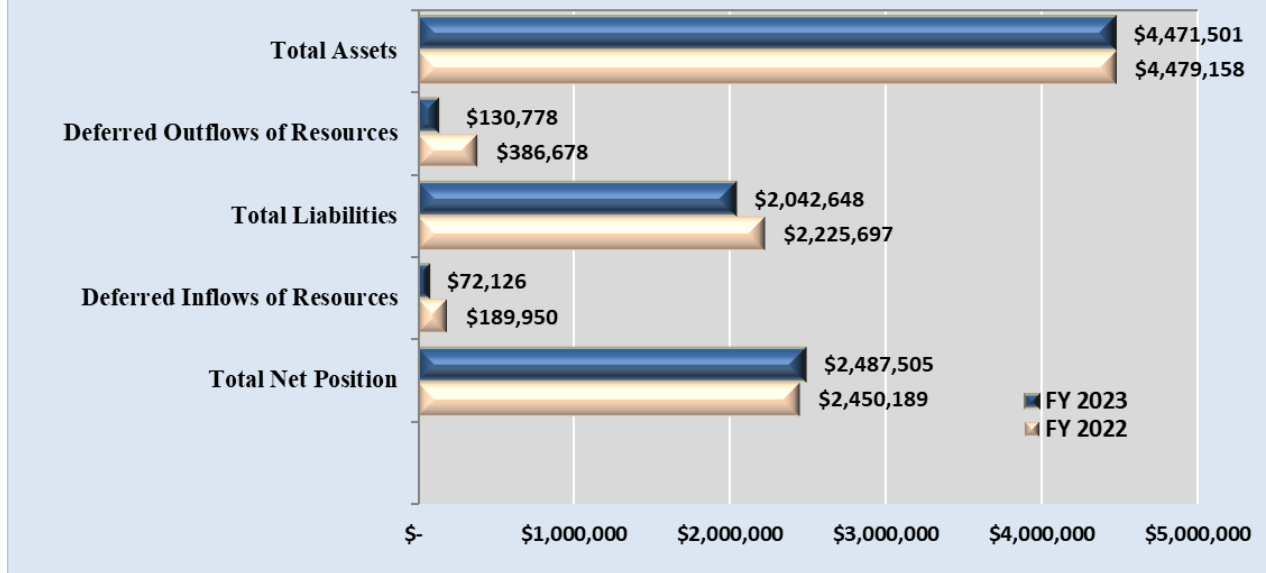
Schedule of Results of Operations and Net Position For the Years Ended June 30, 2023 and 2022			
	2023	2022 (as restated)	Variance
Charges for services	\$ 260,094	\$ 321,865	\$ (61,771)
Operating grants and contributions	274,746	234,011	40,735
Capital grants and contributions	33,511	71,267	(37,756)
Total program revenues	568,351	627,143	(58,792)
Total general revenues and transfers	813,426	766,414	47,012
Total program and general revenues	1,381,777	1,393,557	(11,780)
Total expenses	1,344,461	1,226,132	118,329
Change in net position	\$ 37,316	\$ 167,425	\$ (130,109)

Total program revenues decreased by \$58,792 (9.4%), mainly due to a \$37,756 decrease in capital grants and contributions. The decline in capital grants and contributions primarily stemmed from lower funding for transportation road projects from the Regional Transit Authority (RTA) and the City of Tucson, following a significant project being funded in the previous year. Of the \$118,329 (9.7%) increase in total expenses, \$51,461 was in the General government function, which was the result of employee compensation increases and payments to subrecipients using American Rescue Plan Act (ARPA) grant monies. This increase was supplemented by a \$23,182 increase in the education and economic opportunity function resulting from ARPA funding used for the Emergency Rental Assistance Program. These variances in combination with the \$47,012 (6.1%) increase in total general revenues and transfers resulted in a \$130,109 (77.7%) decrease in the change in net position, to \$37,316.

An explanation of each of these changes is discussed further in the following governmental and business-type activities sections.

The graph presented below illustrates at a summary level the changes in the elements of the Statement of Net Position for the County on June 30, 2023, and June 30, 2022.

### Summary of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Total Net Position



A general discussion of significant variances between fiscal years follows. For a more detailed discussion, please see the governmental activities and business-type activities sections immediately following this section.

The total of County assets on June 30, 2023, was \$4,471,501, a decrease of \$7,657 (0.2%) from the prior year, while total liabilities decreased by \$183,049 (8.2%) from the prior year, ending at a balance of \$2,042,648. Deferred outflows of resources decreased by \$255,900 (66.2%) and deferred inflows of resources decreased by \$117,824 (62.0%) from the prior year, ending at a balance of \$72,126.

The result of these changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources was an increase in net position of \$37,316 (1.5%), to \$2,487,505 in the current fiscal year, from \$2,450,189 in the prior fiscal year restated amount.

The largest portion of the County’s net position is reflected in its net investment in capital assets (i.e., land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. On June 30, 2023, net investment in capital assets totaled \$2,489,587, an increase of \$30,131 (1.2%) from the prior year, due to the decrease of \$951 (0.1%) for governmental activities and an increase of \$31,082 (3.8%) for business-type activities. The County uses a portion of these capital assets to provide services to its citizens, with the other portion available to its citizens for use; consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources subject to external restrictions on how they may be used comprise the restricted net position of \$280,345, which is a decrease of \$3,110 (1.1%) from the prior year and represents approximately 11.3% of total net position.

The following schedule presents, on a comparative basis, both governmental activities and business-type activities within the Statement of Net Position.

**Schedule of Assets, Deferred Outflows of Resources,  
Liabilities, Deferred Inflows of Resources and Net Position  
At June 30, 2023 and 2022**

	Governmental Activities			Business-type Activities			Total		
	FY 2022			FY 2023	FY 2022	Variance	FY 2022		
	FY 2023	(as restated)	Variance				FY 2023	(as restated)	Variance
Current and other assets	\$ 1,000,328	\$ 1,045,382	\$ (45,054)	\$ 222,966	\$ 218,884	\$ 4,082	\$ 1,223,294	\$ 1,264,266	\$ (40,972)
Capital assets (net):									
Land, buildings, equipment, infrastructure & other assets	2,009,344	1,981,015	28,329	1,238,863	1,233,877	4,986	3,248,207	3,214,892	33,315
Total assets	3,009,672	3,026,397	(16,725)	1,461,829	1,452,761	9,068	4,471,501	4,479,158	(7,657)
Deferred outflows of resources									
Pension and OPEB	116,946	370,780	(253,834)	5,141	7,300	(2,159)	122,087	378,080	(255,993)
Deferred charges on refunding	515	1,163	(648)	3,650	3,127	523	4,165	4,290	(125)
Asset retirement obligations				4,526	4,308	218	4,526	4,308	218
Total deferred outflows of resources	117,461	371,943	(254,482)	13,317	14,735	(1,418)	130,778	386,678	(255,900)
Current and other liabilities	288,303	345,785	(57,482)	21,794	20,054	1,740	310,097	365,839	(55,742)
Long-term liabilities	1,287,947	1,385,228	(97,281)	444,604	474,630	(30,026)	1,732,551	1,859,858	(127,307)
Total liabilities	1,576,250	1,731,013	(154,763)	466,398	494,684	(28,286)	2,042,648	2,225,697	(183,049)
Deferred inflows of resources									
Pension and OPEB	35,120	153,310	(118,190)	2,442	10,946	(8,504)	37,562	164,256	(126,694)
Leases	34,564	25,694	8,870				34,564	25,694	8,870
Total deferred inflows of resources	69,684	179,004	(109,320)	2,442	10,946	(8,504)	72,126	189,950	(117,824)
Net position:									
Net investment in capital assets	1,632,054	1,633,005	(951)	857,533	826,451	31,082	2,489,587	2,459,456	30,131
Restricted	215,071	218,801	(3,730)	65,274	64,654	620	280,345	283,455	(3,110)
Unrestricted (deficit)	(365,926)	(363,483)	(2,443)	83,499	70,761	12,738	(282,427)	(292,722)	10,295
Total net position	\$ 1,481,199	\$ 1,488,323	\$ (7,124)	\$ 1,006,306	\$ 961,866	\$ 44,440	\$ 2,487,505	\$ 2,450,189	\$ 37,316

**Analysis of Net Position for Governmental Activities**

The County restated the prior year's total net position as a result of accounts receivable and revenues related to opioid settlements that should have been recognized in the prior fiscal year. The current and other assets total of \$1,000,328 in the current fiscal year is a decrease of \$45,054 (4.3%) over the prior year total of \$1,045,382. This decrease is primarily due to the decrease of \$23,501 in cash and cash equivalents and a decrease in due from other governments of \$33,053. The decrease in cash & cash equivalents is primarily due to an associated decrease in the County's pavement preservation program accounts payable as outstanding invoices from the prior year were paid in the current year. The decrease in due from other governments is primarily from the County receiving reimbursement for eligible expenditures associated with Federal grant programs made in the prior year.

Total liabilities decreased \$154,763 (8.9%) to \$1,576,250 driven by a \$97,281 reduction in long-term liabilities. This decrease was mainly attributed to a \$268,134 prepayment for pension contributions to the PSPRS and the CORP in fiscal year 2022, significantly reducing the current year's liability for net pension/OPEB by \$123,300. Current liabilities also decreased by \$57,482 primarily due to decreases in unearned revenues as advance funded grant monies of \$28,541 were expended and \$28,875 in payables associated with contractual work on the County's pavement preservation program were paid.

The decrease of \$254,482 (68.4%) in deferred outflows of resources and \$109,320 (61.1%) in deferred inflows of resources is due to the deferred outflows and inflows in pensions and OPEB. These variances are due to the recognition of prepayments made for the PSPRS and the CORP in the current year and changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities.

These changes resulted in an overall decrease of \$7,124 (0.5%) in the current year's governmental activities total net position to \$1,481,199.



### **Analysis of Net Position for Business-type Activities**

Total assets of \$1,461,829 in the current fiscal year increased by \$9,068 (0.6%) from the prior year total of \$1,452,761, resulting from a \$4,082 (1.9%) increase in current and other assets and a \$4,986 (0.4%) increase in capital assets. The rise in current and other assets is mainly driven by a \$13,684 increase in total cash and cash equivalents, with a \$10,557 increase in the RWR Fund and a \$3,127 increase in the other nonmajor enterprise funds. The growth in capital assets is the result of increased construction-in-progress as new capital construction projects ramped up their activity in the current year.

Total liabilities decreased \$28,286 (5.7%) in the current year to \$466,398, primarily due to a decrease of \$24,160 in outstanding sewer revenue obligations in the RWR enterprise fund.

The total deferred outflows of resources for the current year amounted to \$13,317, marking a decrease of \$1,418 (9.6%). This decline can be attributed to a \$2,159 decrease in deferred outflows for pensions and OPEB, along with a \$523 increase in deferred outflows associated with deferred charges on refunding, resulting from refundings completed in prior years. Total deferred inflows decreased by \$8,504 (77.7%) due to the changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities.

The changes in total assets, liabilities, deferred outflows, and deferred inflows of resources resulted in a total net position of \$1,006,306, an increase of \$44,440 (4.6%).

## Governmental Activities

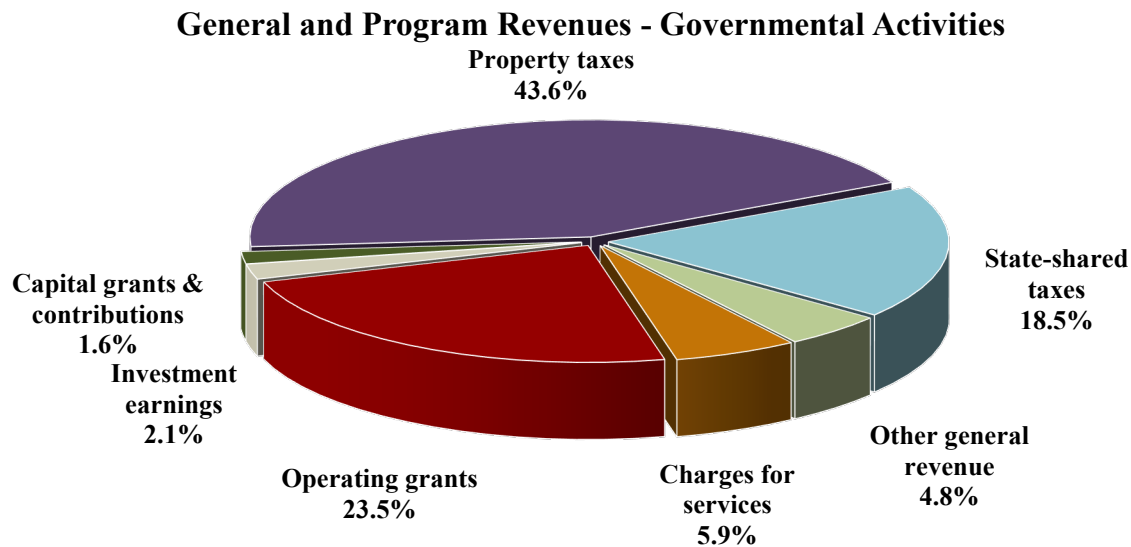
The following table shows details of the changes in net position for governmental activities:

<b>Governmental Activities</b>				
<b>Schedule of Revenues, Expenses, and Changes in Net Position</b>				
<b>For the Years Ended June 30, 2023 and 2022</b>				
	<b>FY 2023</b>	<b>FY 2022 (as restated)</b>	<b>Variance</b>	
			<b>Amount</b>	<b>Percent</b>
<b>Program revenues:</b>				
Charges for services	\$ 68,229	\$ 123,802	\$ (55,573)	-44.9%
Operating grants and contributions	274,746	234,011	40,735	17.4%
Capital grants and contributions	19,472	56,606	(37,134)	-65.6%
Total program revenues	362,447	414,419	(51,972)	-12.5%
<b>General revenues:</b>				
Property taxes	508,823	500,619	8,204	1.6%
State-shared taxes	215,756	205,324	10,432	5.1%
Investment earnings	24,108	(665)	24,773	-3725.3%
Other general revenues	56,043	60,995	(4,952)	-8.1%
Total general revenues	804,730	766,273	38,457	5.0%
Total revenues	1,167,177	1,180,692	(13,515)	-1.1%
<b>Expenses:</b>				
General government	394,954	343,493	51,461	15.0%
Public safety	224,987	204,946	20,041	9.8%
Highways and streets	180,833	198,621	(17,788)	-9.0%
Sanitation	9,834	4,453	5,381	120.8%
Health	62,601	60,822	1,779	2.9%
Welfare	114,851	100,505	14,346	14.3%
Culture and recreation	84,999	69,944	15,055	21.5%
Education and economic opportunity	88,979	65,797	23,182	35.2%
Interest and amortization on long-term debt	17,253	14,876	2,377	16.0%
Total expenses	1,179,291	1,063,457	115,834	10.9%
Excess before transfers	(12,114)	117,235	(129,349)	-110.3%
Transfers in	4,990	1,453	3,537	243.4%
Change in net position	(7,124)	118,688	(125,812)	-106.0%
Net position, July 1, 2022	1,488,323	1,369,635	118,688	8.7%
Net position, June 30, 2023	\$ 1,481,199	\$ 1,488,323	\$ (7,124)	-0.5%

## Revenues

Total revenues of \$1,167,177 decreased \$13,515 (1.1%) from the prior year, primarily due to a decrease of \$37,134 (65.6%) in program revenues from decreased capital grants and contributions. This decrease is attributed to the completion of several Transportation department's capital projects. Total general revenues increased \$38,457 (5.0%) because of an increase of \$24,773 (3,725.3%) in investment earnings and \$10,432 (5.1%) in State-shared tax revenues compared to the prior year. Investment earnings increased due to the increased investment yield and cash balance compared to the prior fiscal year, while the State-shared tax revenue increase was due to an increase in consumer spending throughout the fiscal year.

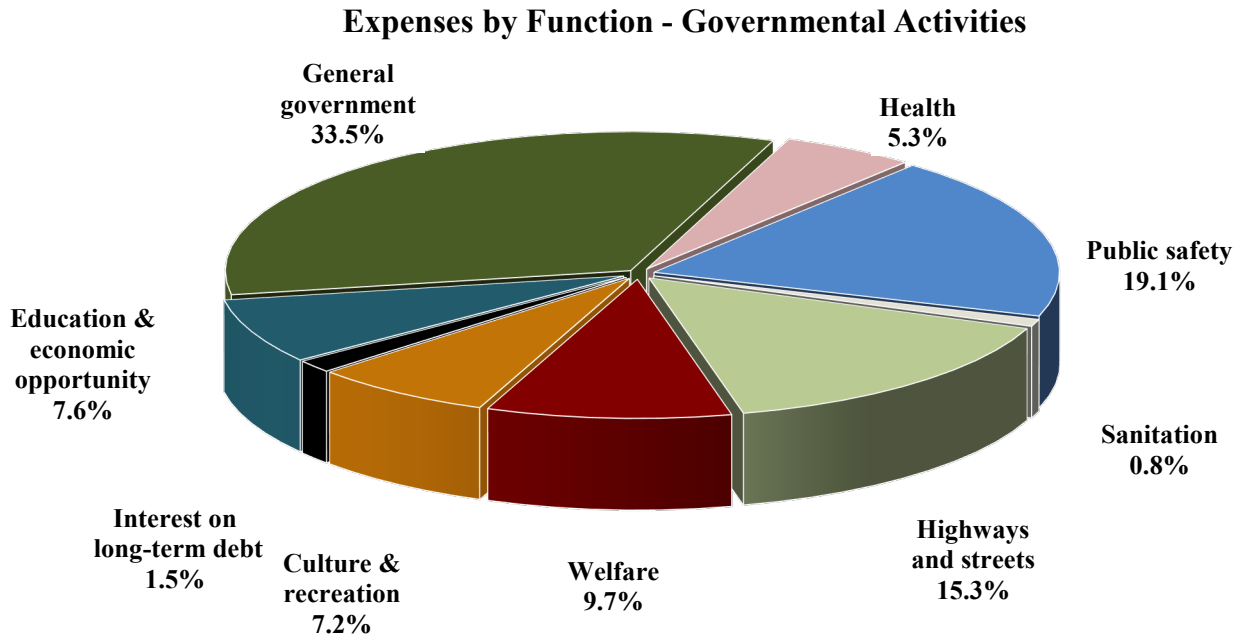
The chart below presents general and program revenues, as a percentage of total revenues. The amount provided from each revenue source for governmental activities, as a percentage of total revenue for governmental activities, has not changed significantly from the prior fiscal year. Property taxes, operating grants, and state-shared taxes account for approximately 82.7% of the County's revenues.



**Expenses**

Total expenses increased \$115,834 (10.9%) from the prior year, primarily due to an increase of \$51,461 (15.0%) in general government expenses and \$23,182 (35.2%) in education and economic opportunity expenses. The increase in general government was the result of employee compensation increases and payments to subrecipients of the ARPA funding. The increase in education and economic opportunity expenses is due to the expansion of the County’s Emergency Rental Assistance grant program and Emergency Food and Shelter National board program.

The following chart presents expenses by function as a percentage of total expenses, excluding amortizations. The amount of each expense by function as a percentage to total expenses, excluding amortizations, has not changed significantly from the prior fiscal year. General government and public safety account for over half of the County’s total expenses with a total of 52.6%.



## **Business-type Activities**

Business-type activities, which are composed exclusively of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. The following schedule shows changes in the net position for business-type activities.

<b>Business-type Activities</b>				
<b>Schedule of Revenues, Expenses, and Changes in Net Position</b>				
<b>For the Years Ended June 30, 2023 and 2022</b>				
	<b>FY 2023</b>	<b>FY 2022</b>	<b>Variance</b>	
			<b>Amount</b>	<b>Percent</b>
Program revenues:				
Charges for services	\$ 191,865	\$ 198,063	\$ (6,198)	-3.1%
Capital grants and contributions	14,039	14,661	(622)	-4.2%
Total program revenues	205,904	212,724	(6,820)	-3.2%
General revenues:				
Investment earnings	6,758	(530)	7,288	-1375.1%
Other general revenues	1,938	671	1,267	188.8%
Total general revenues	8,696	141	8,555	6067.4%
Total revenues	214,600	212,865	1,735	0.8%
Expenses:				
Regional Wastewater Reclamation	155,405	153,613	1,792	1.2%
Development Services	6,918	6,443	475	7.4%
Parking Garages	2,847	2,619	228	8.7%
Total expenses	165,170	162,675	2,495	1.5%
Excess before transfers	49,430	50,190	(760)	-1.5%
Transfers out	(4,990)	(1,453)	(3,537)	243.4%
Change in net position	44,440	48,737	(4,297)	-8.8%
Beginning net position	961,866	913,129	48,737	5.3%
Ending net position	\$ 1,006,306	\$ 961,866	\$ 44,440	4.6%

## **Revenues**

Total program revenues for business-type activities decreased by \$6,820 (3.2%) primarily due to decreases of \$6,198 (3.1%) in charges for services and \$622 (4.2%) in capital grants and contributions. The decreases are due to a decrease in building permits and sewer construction as new housing developments have decreased compared to the prior year. Total general revenues increased by \$8,555 (6,067.4%) primarily due to an increase of \$7,288 (1,375.1%) in investment earnings due to investment yields increasing for the State Treasurer's long-term investment pools.

## **Expenses**

Total expenses for the business-type activities remained relatively flat with an increase of \$2,495 (1.5%), primarily due to an increase of \$1,792 (1.2%) in the RWR Fund, along with smaller increases observed in the Development Services and Parking Garages funds. The net amount of transfers out increased by \$3,537 (243.4%), primarily due to an increase of transfers out of the RWR Fund and into the Capital Projects Fund for contributions to the Ina Road Landfill project.

## *Financial Analysis of the County's Funds*

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and generally accepted accounting principles (GAAP).

## **Governmental Funds**

The County's general government functions are accounted for in the General, Capital Projects, Debt Service, Grants and Special Revenue funds. Included in these funds are special districts governed by the Board of Supervisors (i.e., Flood Control, Library, Stadium, Improvement, and Community Facilities Districts acting as the Board of Directors for each district. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

### **Major Governmental Funds**

#### **General Fund**

The General Fund is the chief operating fund of the County.

Property tax revenues for the General Fund increased \$17,421 (4.6%), reflecting the net impact of higher property valuations. Intergovernmental revenues increased \$14,244 (6.4%), primarily due to increases in the State-shared sales tax. Charges for services decreased \$1,792 (4.1%), mostly from a reduction in the fee schedule for the Recorder's Office. Overall, revenues for the General Fund increased by \$34,957 (5.2%) and totaled \$701,348 for the current year.

General Fund expenditures totaled \$634,836, a decrease of \$179,554 (22.0%) from the prior year. The significant change for the fiscal year was from a decrease of \$233,384 in public safety expenditures primarily due to the additional contributions of \$203,822 to the PSPRS and \$64,312 to the CORP to fund the unfunded actuarial accrued liability in the prior year. These contributions were made using the remaining proceeds from the Pledged Revenue Obligations issued in 2021.

Transfers out totaled \$104,879, an increase of \$14,273 (15.8%) compared to the prior year. This increase was primarily due to a \$10,000 transfer out to the Transportation Fund for debt service of the COPS Series 2021 that was issued for pavement preservation. Transfers out to the Debt Service fund increased \$4,600 over the prior year from the \$8,000 transfer for COPs 2020AB Series debt service and \$11,000 transfer for the Pledged Revenue Obligations to fund the unfunded actuarial accrued liability issued in 2021.

Transfers in totaled \$7,982, an increase of \$3,352 (72.4%) over the prior year, primarily due to a \$3,000 transfer from the Grants fund that was ARPA funding for Transportation lost revenue and was moved into contingency.

The \$34,957 increase in revenues, the (\$179,554) decrease in expenditures, and a total net increase of \$11,039 in other financing uses yielded a net change in fund balance of (\$6,093), which ended the year at \$196,116.

#### **Budget and Actual Comparison for the General Fund**

Overall, actual revenues were higher than budgeted revenues by \$48,412, primarily due to the higher than budgeted Intergovernmental revenue mentioned above, and actual expenditures were less than budgeted expenditures by \$68,378. Actual expenditures for the General Fund were less than budgeted, primarily due to the unspent \$61,508 within the General government – County Administration department, which contains the County's General Fund reserve and other amounts set aside as contingency funds.

No variances between the budget and actual amounts at the departmental level were significant enough to affect the County's ability to provide future services.

#### **Capital Projects Fund**

The County's Capital Projects Fund is used to account for financial resources that are restricted or assigned for capital outlays to acquire or construct capital assets.

Total revenues of \$15,206 for the Capital Projects Fund represent a decrease of \$29,375 (65.9%) from the prior year, primarily due to large decreases from RTA Sales Tax and the City of Tucson for road improvement projects that were completed in the prior fiscal year.

Total capital outlay expenditures of \$98,716 in the current year is a decrease of \$9,580 (8.8%) from the prior year, due to the completion of the Sunset Road improvements and the South Houghton Widening projects.

The Capital Projects Fund's other financing sources of \$88,445 represent the issuance of Certificates of Participation (COPs), Series 2022AB to fund the County's new Enterprise Resource Planning system and Facilities Management projects.

Transfers out totaled \$55,599, an increase of \$860 (1.6%) from the prior year, mainly due to increased transfers to the Transportation Fund for the PAYGO local pavement repair and rehabilitation program which was offset by decreases to the Debt Service Fund for payments on outstanding COPs.

Transfers in totaled \$59,629, a decrease of \$13,334 (18.3%) compared to the prior year's total of \$72,963. The decrease is primarily due to transfers in from Other Special Revenue for the Downtown Buildings projects.

The above detailed financial activities yielded an increase of \$10,520 in the Capital Projects Fund's net change in fund balance, which ended the year at \$103,644.

### Debt Service Fund

This major fund accounts for the accumulation of resources for the payment of principal and interest of long-term debt.

Revenues for the Debt Service Fund decreased by \$10,218 (23.5%), as a result of the decrease in the tax levy driven by the Board of Supervisors policy for the PAYGO program.

Expenditures for the Debt Service Fund decreased \$7,533 (6.9%) primarily due to a decrease in principal and interest payments for GO Bonds Series 2016. As a result, the current year principal payments toward outstanding liabilities decreased by \$7,855 compared to the prior year.

The \$10,218 decrease in revenues, the \$7,533 decrease in expenditures, and \$6,154 increase in other financing sources yielded an overall increase in fund balance of \$541, which ended the year at \$2,079.

### Grants Fund

This major fund accounts for Federal and State grants received by the County not required to be accounted for in a separate fund. Each grant has a specific program objective, and the grant funds must be used for a stated purpose. Revenues and other financing sources are primarily from intergovernmental revenues and transfers in.

Total revenues of \$177,768 for the Grants Fund represent an increase of \$35,902 (25.3%) from the prior year, primarily due to an increase in Federal revenues from the United Way Worldwide and US Department of the Treasury, which consists of a significant amount for Emergency Rental Assistance, ARPA Fiscal Relief Funds, and the FEMA Emergency Food & Shelter Program.

Grant fund expenditures totaled \$162,972, an increase of \$33,805 (26.2%) from the prior year, primarily due to increases of \$19,149 in general government and \$17,887 in education and economic opportunity. These increases were driven by expenditures resulting from the County's mortgage and rental assistance program, along with emergency food, shelter, EFS program and vaccination services.

Transfers in totaled \$6,130, an increase of \$3,339 (119.6%) over the prior year, primarily due to increases within the General Fund for FEMA Public Assistance expenditures, vaccination and testing and additional various programs.

Transfers out totaled \$12,877, an increase of \$142 (1.1%) over the prior year, primarily due to the increases of transfers to the General Fund for indirect cost recovery.

The \$35,902 increase in revenues, the \$33,805 increase in expenditures, and a total net decrease of \$3,197 in other financing uses yielded a \$8,049 net change in fund balance, which ended the year at a deficit of \$16,765.

### Other Special Revenue Fund

This major fund accounts for resources specifically identified to be expended for a particular purpose, program, or activity. The revenues collected are restricted or assigned to these purposes and tracked separately within this fund. These include various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

Total revenues of \$58,071 for the Other Special Revenue Fund represent an increase of \$10,392 (21.8%) from the prior year, primarily due to an increase from opioid settlement agreement funds and investment earnings from higher interest rates.

Other Special Revenue Fund expenditures totaled \$51,199, an increase of \$11,473 (28.9%) from the prior year, primarily due to increases of \$6,853 in general government and \$4,803 in public safety, primarily due to increased expenditures resulting from State contributions for hiring and retention incentive pay to be paid to Line-Level Deputies and Detention Officers.

Transfers in totaled \$6,826, an increase of \$2,425 (55.1%) over the prior year, primarily due to increases within Fleet Services for Electric Vehicle Charging, the Library District for project funding, and Capital Projects for PAYGO project funding.

Transfers out totaled \$6,706, a decrease of \$10,074 (60.0%) over the prior year, primarily due to the decrease within the Capital Projects Fund for PAYGO facilities renewal projects that occurred in the prior year.

The \$10,392 increase in revenues, the \$11,473 increase in expenditures, and a total net increase of \$13,760 in other financing uses yielded an \$8,543 net change in fund balance, which ended the year at a surplus of \$65,575.

### Major Proprietary Fund

The County's Regional Wastewater Reclamation Enterprise (RWR) Fund is a major enterprise fund.

Significant changes in the Fund's net position during the fiscal year include an increase in nonoperating revenues, primarily from \$6,551 more in revenues from investment earnings. Other operating revenues increased \$4,214 primarily from an increase in the sale of byproducts.

Aside from the increases mentioned above, the activity of the RWR Fund remained relatively stable as total operating revenues and operating expenses only increased slightly. The change in net position of \$41,711 was a decrease of \$381 (0.9%) under the prior year, which resulted in a net position of \$969,912 at the fiscal year-end.

## *Capital Assets and Debt Administration*

### Capital Assets

The County's investment in capital assets consists of land, buildings and improvements, sewage conveyance systems, infrastructure, equipment, construction in progress and intangible assets, including right-to-use lease and subscription assets.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:



**Governmental and Business-type Activities  
Capital Assets  
As of June 30, 2023 and 2022**

	Governmental Activities			Business-type Activities			Total		
	FY 2023	FY 2022 (as restated)		FY 2023	FY 2022	Variance	FY 2023	FY 2022	Variance
		Variance							
Land	\$ 589,571	\$ 583,573	\$ 5,998	\$ 16,471	\$ 16,471		\$ 606,042	\$ 600,044	\$ 5,998
Construction in progress	77,989	87,833	(9,844)	94,594	70,286	24,308	172,583	158,119	14,464
Buildings and improvements	592,757	610,940	(18,183)	438,621	458,714	(20,093)	1,031,378	1,069,654	(38,276)
Infrastructure	615,999	596,859	19,140				615,999	596,859	19,140
Sewage conveyance systems				616,134	606,078	10,056	616,134	606,078	10,056
Equipment	93,958	87,373	6,585	65,878	74,160	(8,282)	159,836	161,533	(1,697)
Intangibles	39,070	37,176	1,894	7,165	8,168	(1,003)	46,235	45,344	891
<b>Total</b>	<b>\$ 2,009,344</b>	<b>\$ 2,003,754</b>	<b>\$ 5,590</b>	<b>\$ 1,238,863</b>	<b>\$ 1,233,877</b>	<b>\$ 4,986</b>	<b>\$ 3,248,207</b>	<b>\$ 3,237,631</b>	<b>\$ 10,576</b>

The County's capital assets total is \$3,248,207 in the current year, an increase of approximately 0.3% or \$10,576 from the prior year's total of \$3,237,631. Significant changes in capital assets of Governmental Activities and Business-type Activities are discussed in further detail in the following sections.

**Governmental Activities**

The current year's total assets of \$2,009,344 is a net increase of \$5,590 (0.3%) from the prior year. The implementation of GASB 96, Subscription-Based Information Technology Arrangements (SBITA), resulted in an overall increase. The result was an increase of \$24,633 for intangible assets.

The \$5,998 increase in land is due to \$1,830 in contributions and \$5,012 from the following project capitalizations:

- Flood Control District acquiring flood prone lands for \$4,450
- Parks & Recreation Open Space Projects for \$500
- The remaining amounts represent land donations for developer contributions for the Department of Transportation

There was a decrease for Construction in Progress of \$9,844 due to large decreases related to completed Transportation projects which were somewhat offset by increases in Facilities Management projects:

- The South Houghton Road widening project decreased by \$7,093
- Sunset Road from I-10 to River Road decreased by \$25,322
- Houghton Road between Golf Links Road and I-10 decreased by \$6,241

**Business-type Activities**

Capital assets of business-type activities increased by \$4,986 (0.4%), due to increases of \$24,308 in construction in progress and \$10,056 in sewage conveyance systems. These increases were offset by decreases in buildings and improvements of \$20,093 and in equipment of \$8,282. The increase in construction in progress was due to additional conveyance systems projects being started but not completed in the current fiscal year. The decrease in buildings and improvements was the result of annual depreciation on existing assets. These increases and decreases were almost entirely from activity within the RWR fund.

Additional information regarding capital assets activity can be found in Note 5 of the financial statements, Capital Assets, on pages 60-62.

**Long-term Debt**

Significant, comparative long-term debt entered into during the last two fiscal years is presented below:

Long-Term Debt Issued Within Fiscal Year For the Years Ended June 30, 2023 and 2022				
	FY 2023		FY 2022	
Certificates of Participation (COPs)	\$	88,445	\$	50,000
Sewer System Revenue Obligations		68,225		45,000
General Obligation Bonds		1,670		
<b>Total</b>	<b>\$</b>	<b>158,340</b>	<b>\$</b>	<b>95,000</b>

During the year, the County issued COPs Series 2022A in the amount of \$27,930 to fund various Facilities Management projects along with the San Xavier Substation for the Sheriff's Department and 2022B in the amount of \$60,515 to fund upgrades to the County's enterprise resource planning computer system and to fund the County's local pavement repair and rehabilitation program.

In addition, the County issued Sewer System Revenue Obligations Series 2022 in the amount of \$68,225 to provide funding for the acquisition, construction and improvement of the County's sewer treatment facilities and conveyance systems and to refund the \$33,700 outstanding balance of the Series 2012A issue.

The County also issued GO bonds Series 2023A in the amount of \$1,670 to fund Rocking K South Community Facilities District projects related to public infrastructure.

The most recent ratings for Pima County's bonds, COPs, and obligations are:

Credit Ratings				
	Standard & Poor's		Fitch Ratings	
	Rating	Date	Rating	Date
Certificates of Participation (COPs)	AA-	August-2023	AA	August-2023
General Obligation Bonds	AA	August-2023	AAA	August-2023
Pledged Revenue Obligations	AA+	March-2021	AA+	August-2023
Transportation Revenue Bonds	AA	November-2020	AA	August-2023
Sewer System Revenue Obligations	AA	August-2023	AA	August-2023

Pima County's efforts in maintaining a strong budget reserve over the past several years has contributed, in part, to the County earning a General Obligation Bond Rating of AAA from Fitch Ratings, a national bond ratings company that rates Pima County debt issuances. The AA ratings for the Certificates of Participation (COPs), Transportation Revenue bonds, and Sewer Revenue obligations also reflect the County's ability to maintain a sound financial profile.

The State of Arizona Constitution limits the amount of general obligation debt a governmental entity may issue to 6.0% of its net assessed valuation without voter approval. However, Pima County has voter approval for general obligation debt up to 15.0%. The County's outstanding general obligation bonds amount of \$66,534 at the end of the current fiscal year is significantly below the current debt limitation of \$1,703,349.

Additional information regarding the County's debt can be found in Note 7 of the financial statements, Long-term Liabilities, on pages 65-74.

### *Economic Factors and Next Year's Budget*

The current fiscal year 2023-24 budget is based largely on the County's response to a set of unique challenges from a variety of outside sources. Primary among these is the decision by the Arizona Legislature to balance the State Budget by continuing to transfer \$112.1 million of fiscal year 2023-24 state costs to Pima County. These additional costs imposed by the state continue to cause significant uncertainties in the development of the County budget and impact all of Pima County's existing service priorities and programs, including law enforcement, healthcare and economic development. Recognizing this, the budget that was adopted by the Board of Supervisors for fiscal year 2023-24 is

primarily a “maintenance of effort” budget, which will sustain the County’s existing service priorities. The following discussion identifies other significant activities that are expected to impact the County in fiscal year 2023-24.

### **State Budget Cost Shifts**

In attempts to balance the State Budget, the Governor and Legislature continue to transfer significant amounts of state costs to the 15 counties throughout the state. The total of these cost transfers to Pima County is \$110.3 million for fiscal year 2023-24, or nearly 26.4% of Pima County’s primary property tax levy.

### **Property Taxes**

The fiscal year 2023-24 Adopted Budget includes an increase of \$0.1338 in the County’s primary property tax rate for General Government Revenues, a \$0.1000 decrease in the County Debt Service secondary property tax rate, a \$0.0018 increase in the Regional Flood Control District secondary property tax rate and a \$0.0040 increase in the County Library District secondary property tax rate from the fiscal year 2022-23 rates. The total property tax rate for Pima County (excluding the State mandated Fire District Assistance Tax) increased from \$5.0652 to \$5.1048 per \$100 of net taxable value, a net increase of \$0.0396.

### **State Shared Revenues**

In fiscal year 2022-23, the amount of State shared sales tax revenue collected exceeded the budgeted amount of \$154.0 million by \$27.5 million. In response to this, the fiscal year 2023-24 budgeted amount has been increased by \$26.0 million to \$180.0 million, as taxable sales are expected to remain stable across the region.

### **Employee Benefits Costs**

Over the years, Pima County has continued to change and upgrade its benefits package for employees. Over time, the cost to provide these benefits has steadily increased. As a comparison, the actual cost to the County for employee benefits in fiscal year 2003-04 totaled \$65 million whereas the budgeted benefit costs in fiscal year 2023-24 total \$169.1 million resulting in an increase that is more than double the fiscal year 2003-04 amount. The most significant increases were in the County’s health insurance premiums and the required contributions to various retirement plans that cover County employees.

### **Employee Medical Insurance Benefits Costs**

Prior to fiscal year 2013-14, Pima County purchased medical insurance for its employees from an independent provider. Over the five years prior to fiscal year 2013-14, the County’s employee medical insurance premiums increased by an average of 15 to 20 percent yearly. In order to control the rate of increase of employee medical insurance costs, the County moved to a self-insured medical plan run by a third-party administrator starting in fiscal year 2013-14. Under this new model, year-to-year medical insurance costs have increased in the range of 5 to 10 percent annually. For fiscal year 2023-24, employer medical premium costs will increase 9.45% from fiscal year 2022-23 rates. It is anticipated that the rate of medical cost increases will continue the trend of being better controlled in future fiscal years.

### **Rainy Day Funds**

Maintaining a budget reserve has given the County a favorable bond rating, which in turn has yielded substantial savings from lower interest payments on County debt. The reserve has also enabled the County to minimize the negative fiscal impacts of a variety of unforeseen events over which the County has had little or no control. The fiscal year 2023-24’s adopted budget General Fund Reserve totals \$93.1 million. This reserve represents 17% of the General Fund audited operating expenditures for fiscal year 2021-22. The reserve is in the middle of the range of reserves recommended by the Government Finance Officers Association. If this reserve is not spent, it will represent the base ending fund balance for fiscal year 2023-24.

## *Requests for Information*

This financial report is designed to provide a general overview of the County’s finances. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Risk Management, 33 N. Stone, 6<sup>th</sup> Floor, Tucson, AZ, 85701.





**2023**

Annual Comprehensive  
**FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023 • Pima County, Arizona



**BASIC FINANCIAL STATEMENTS**

PIMA COUNTY, ARIZONA

Exhibit A - 1

Statement of Net Position

June 30, 2023

(in thousands)

	Primary Government			Component Unit SW Fair Commission
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 772,316	\$ 109,831	\$ 882,147	\$ 6,740
Property taxes receivable (net)	20,607		20,607	
Interest receivable	2,462	574	3,036	
Internal balances	69	(69)		
Due from other governments	81,596	132	81,728	
Accounts receivable (net)	46,049	17,024	63,073	17
Leases and public-private partnership receivable	37,421		37,421	
Inventories	2,795	3,652	6,447	40
Prepays	11,763	370	12,133	10
Restricted assets:				
Cash and investments held by trustee(s) - restricted	45	90,316	90,361	
Loans receivable	7,717		7,717	
Net OPEB asset	17,488	1,136	18,624	
Capital assets not being depreciated/amortized:				
Land	589,571	16,471	606,042	
Construction in progress	77,989	94,594	172,583	22
Capital assets being depreciated/amortized (net):				
Buildings and improvements	592,757	438,621	1,031,378	4,120
Sewage conveyance system		616,134	616,134	
Equipment	93,958	65,878	159,836	721
Infrastructure	615,999		615,999	
Intangibles	39,070	7,165	46,235	
<b>Total assets</b>	<b>3,009,672</b>	<b>1,461,829</b>	<b>4,471,501</b>	<b>11,670</b>
<b>Deferred outflows of resources</b>				
Pension/OPEB	116,946	5,141	122,087	
Deferred charge on debt refunding	515	3,650	4,165	
Asset retirement obligations		4,526	4,526	
<b>Total deferred outflows of resources</b>	<b>117,461</b>	<b>13,317</b>	<b>130,778</b>	
<b>Liabilities</b>				
Accounts payable	79,389	19,304	98,693	339
Employee compensation	19,839	1,486	21,325	
Contract retentions	4,196		4,196	
Interest payable	380		380	
Due to other governments	22	3	25	
Deposits and rebates	520	552	1,072	118
Unearned revenue	183,957	449	184,406	48
Noncurrent liabilities:				
Due within one year	130,999	68,800	199,799	13
Due in more than one year	1,156,948	375,804	1,532,752	146
<b>Total liabilities</b>	<b>1,576,250</b>	<b>466,398</b>	<b>2,042,648</b>	<b>664</b>
<b>Deferred inflows of resources</b>				
Pension/OPEB	35,120	2,442	37,562	
Deferred inflows related to leases and public-private partnerships	34,564		34,564	
<b>Total deferred inflows of resources</b>	<b>69,684</b>	<b>2,442</b>	<b>72,126</b>	
<b>Net Position</b>				
Net investment in capital assets	1,632,054	857,533	2,489,587	4,704
Restricted for:				
Facilities, justice, library, community development, and tax stabilization	172,972		172,972	
Highways and streets	6,927		6,927	
Debt service		35,112	35,112	
Capital projects	25,272	6,868	32,140	
Regional wastewater		23,294	23,294	
Healthcare	9,900		9,900	
Unrestricted (deficit)	(365,926)	83,499	(282,427)	6,302
<b>Total net position</b>	<b>\$ 1,481,199</b>	<b>\$ 1,006,306</b>	<b>\$ 2,487,505</b>	<b>\$ 11,006</b>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Statement of Activities  
For the Year Ended June 30, 2023  
(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 394,954	\$ 28,284	\$ 94,608	\$ 5,773
Public safety	224,987	14,287	13,003	171
Highways and streets	180,833	10,080	74,034	13,006
Sanitation	9,834		1,486	
Health	62,601	10,527	17,446	40
Welfare	114,851	91	384	
Culture and recreation	84,999	4,416	816	249
Education and economic opportunity	88,979	544	72,969	233
Interest and amortization on long-term debt	17,253			
<b>Total governmental activities</b>	<b>1,179,291</b>	<b>68,229</b>	<b>274,746</b>	<b>19,472</b>
Business-type activities:				
Regional Wastewater Reclamation	155,405	179,498		14,039
Development Services	6,918	10,170		
Parking Garages	2,847	2,197		
<b>Total business-type activities</b>	<b>165,170</b>	<b>191,865</b>		<b>14,039</b>
<b>Total primary government</b>	<b>\$ 1,344,461</b>	<b>\$ 260,094</b>	<b>\$ 274,746</b>	<b>\$ 33,511</b>
<b>Component unit:</b>				
Southwestern Fair Commission	8,643	8,512	1,393	
<b>Total component unit</b>	<b>\$ 8,643</b>	<b>\$ 8,512</b>	<b>\$ 1,393</b>	

**General revenues:**

Property taxes, levied for general purposes
Property taxes, levied for regional flood control district
Property taxes, levied for library district
Property taxes, levied for debt service
Property taxes, levied for improvement and other districts
Hotel/motel taxes, levied for sports facility and tourism
Other taxes, levied for stadium district
Unrestricted share of state sales tax
Unrestricted share of state vehicle license tax
Grants and contributions not restricted to specific programs
Interest and penalties on delinquent taxes
Investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position, July 1, 2022, as restated
Net position, June 30, 2023

See accompanying notes to financial statements

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Primary Government</b>			<b>Component Unit SW Fair Commission</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
\$ (266,289)		\$ (266,289)	
(197,526)		(197,526)	
(83,713)		(83,713)	
(8,348)		(8,348)	
(34,588)		(34,588)	
(114,376)		(114,376)	
(79,518)		(79,518)	
(15,233)		(15,233)	
(17,253)		(17,253)	
<u>(816,844)</u>		<u>(816,844)</u>	
	\$ 38,132	38,132	
	3,252	3,252	
	(650)	(650)	
	<u>40,734</u>	<u>40,734</u>	
<u>(816,844)</u>	<u>40,734</u>	<u>(776,110)</u>	
			\$ 1,262
			<u>\$ 1,262</u>
391,546		391,546	
29,513		29,513	
55,082		55,082	
32,271		32,271	
411		411	
15,065		15,065	
1,245		1,245	
181,133		181,133	
34,623		34,623	
4,796		4,796	
5,074		5,074	
24,108	6,758	30,866	55
29,863	1,938	31,801	232
4,990	(4,990)		
<u>809,720</u>	<u>3,706</u>	<u>813,426</u>	<u>287</u>
(7,124)	44,440	37,316	1,549
1,488,323	961,866	2,450,189	9,457
<u>\$ 1,481,199</u>	<u>\$ 1,006,306</u>	<u>\$ 2,487,505</u>	<u>\$ 11,006</u>

**Functions/Programs**

**Primary government:**

Governmental activities:

- General government
- Public safety
- Highways and streets
- Sanitation
- Health
- Welfare
- Culture and recreation
- Education and economic opportunity
- Interest and amortization on long-term debt

**Total governmental activities**

Business-type activities:

- Regional Wastewater Reclamation
- Development Services
- Parking Garages

**Total business-type activities**

**Total primary government**

**Component unit:**

- Southwestern Fair Commission

**Total component unit**

**General revenues:**

- Property taxes, levied for general purposes
- Property taxes, levied for regional flood control district
- Property taxes, levied for library district
- Property taxes, levied for debt service
- Property taxes, levied for improvement & other districts
- Hotel/motel taxes, levied for sports facility and tourism
- Other taxes, levied for stadium district
- Unrestricted share of state sales tax
- Unrestricted share of state vehicle license tax
- Grants and contributions not restricted to specific programs
- Interest and penalties on delinquent taxes
- Investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers

Change in net position

- Net position, July 1, 2022, as restated
- Net position, June 30, 2023

See accompanying notes to financial statements



PIMA COUNTY, ARIZONA  
Balance Sheet - Governmental Funds  
June 30, 2023  
(in thousands)

Exhibit A - 3

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 200,651	\$ 115,930	\$ 1,572	\$ 167,733	\$ 68,802	\$ 76,351	\$ 631,039
Property taxes receivable (net)	15,680		1,483			3,444	20,607
Interest receivable	876	210	152	501	254	307	2,300
Due from other funds	1,679	1,960		575	383	730	5,327
Due from other governments	31,646	197	10	41,849	465	7,398	81,565
Accounts receivable	2,379	142		729	39,553	1,426	44,229
Leases receivable	11,721				25,585	115	37,421
Inventory						1,685	1,685
Prepaid expenditures	3,724			626	176	1,186	5,712
Loans receivable	6,421					1,296	7,717
Restricted cash and cash equivalents						45	45
<b>Total assets</b>	<b>\$ 274,777</b>	<b>\$ 118,439</b>	<b>\$ 3,217</b>	<b>\$ 212,013</b>	<b>\$ 135,218</b>	<b>\$ 93,983</b>	<b>\$ 837,647</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 20,325	\$ 11,664	\$ 2	\$ 20,514	\$ 4,457	\$ 16,095	\$ 73,057
Employee compensation	14,915			1,067	885	2,490	19,357
Contract retentions		2,941		21		1,234	4,196
Due to other funds	1,928			2,766	130	399	5,223
Due to other governments	6	7		2		5	20
Deposits and rebates	516				1	3	520
Unearned revenue	501			182,030	1,091	302	183,924
<b>Total liabilities</b>	<b>38,191</b>	<b>14,612</b>	<b>2</b>	<b>206,400</b>	<b>6,564</b>	<b>20,528</b>	<b>286,297</b>
<b>Deferred inflows of resources</b>							
Unavailable revenue - intergovernmental	12,448	58		21,869	157	1,544	36,076
Unavailable revenue - property taxes	11,494		1,136			2,510	15,140
Unavailable revenue - settlements					38,743		38,743
Unavailable revenue - other	6,217	125		509	31	398	7,280
Deferred inflows related to leases and public-private partnerships	10,311				24,148	105	34,564
<b>Total deferred inflows of resources</b>	<b>40,470</b>	<b>183</b>	<b>1,136</b>	<b>22,378</b>	<b>63,079</b>	<b>4,557</b>	<b>131,803</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>78,661</b>	<b>14,795</b>	<b>1,138</b>	<b>228,778</b>	<b>69,643</b>	<b>25,085</b>	<b>418,100</b>
<b>Fund balances</b>							
Nonspendable	3,724			626	176	2,916	7,442
Restricted		52,833			42,458	58,380	153,671
Committed	117,864				2,883		120,747
Assigned	256	50,811	2,079		20,058	7,602	80,806
Unassigned	74,272			(17,391)			56,881
<b>Total fund balances (deficit)</b>	<b>196,116</b>	<b>103,644</b>	<b>2,079</b>	<b>(16,765)</b>	<b>65,575</b>	<b>68,898</b>	<b>419,547</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 274,777</b>	<b>\$ 118,439</b>	<b>\$ 3,217</b>	<b>\$ 212,013</b>	<b>\$ 135,218</b>	<b>\$ 93,983</b>	<b>\$ 837,647</b>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2023  
(in thousands)

Exhibit A - 4

Fund balances - total governmental funds \$ 419,547

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 3,495,735	
Less accumulated depreciation/amortization	<u>(1,548,557)</u>	1,947,178

Some liabilities, such as pension and other postemployment benefits (OPEB) liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds payable	(131,668)	
Certificates of participation payable	(247,299)	
Financed purchases	(247)	
Leases payable	(24,030)	
Pledged revenue obligations	(290,000)	
Pollution remediation	(64)	
Landfill closure liability	(11,147)	
Net pension/OPEB liability	(494,075)	
Compensated absences liability	<u>(43,057)</u>	(1,241,587)

Net OPEB assets held in trust for future benefits are not available resources for county operations and, therefore, are not reported in the funds.

Net OPEB asset	<u>17,109</u>	17,109
----------------	---------------	--------

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

Deferred outflows of resources related to pensions/OPEB	115,233	
Deferred inflows of resources related to pensions/OPEB	(34,307)	
Accrued interest	(344)	
Deferred outflows for bond refunding	<u>515</u>	81,097

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.

Intergovernmental	36,076	
Property taxes	15,140	
Settlements	38,743	
Other	<u>7,280</u>	97,239

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.

		<u>160,616</u>
Net position of governmental activities	\$	<u><u>1,481,199</u></u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 5

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2023  
 (in thousands)

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 395,519		\$ 32,398			\$ 84,750	\$ 512,667
Licenses and permits	3,799					5,912	9,711
Intergovernmental	235,888	\$ 1,878	5	\$ 168,902	\$ 28,998	87,426	523,097
Charges for services	41,434	9,076			11,634	10,503	72,647
Fines and forfeits	2,834				6,425	29	9,288
Investment earnings	6,019	4,135	878	4,945	2,053	2,470	20,500
Miscellaneous	15,855	117		3,921	8,961	1,364	30,218
Total revenues	701,348	15,206	33,281	177,768	58,071	192,454	1,178,128
Expenditures:							
Current:							
General government	288,361			72,386	38,197	237	399,181
Public safety	176,121			5,056	7,884	19,705	208,766
Highways and streets				157		122,448	122,605
Sanitation	1,119					1,303	2,422
Health	16,477			21,237	43	23,382	61,139
Welfare	114,528			366			114,894
Culture and recreation	20,784			245	2,465	53,122	76,616
Education and economic opportunity	13,672			63,525	2,466	8,519	88,182
Capital outlay		98,716					98,716
Debt Service - principal	3,293		81,720		136	246	85,395
- interest	481		18,425		8	49	18,963
- miscellaneous			772			126	898
Total expenditures	634,836	98,716	100,917	162,972	51,199	229,137	1,277,777
Excess (deficiency) of revenues over (under) expenditures	66,512	(83,510)	(67,636)	14,796	6,872	(36,683)	(99,649)
Other financing sources (uses):							
Premium on bonds		1,555	754				2,309
Face amount of long-term debt issued		88,445				1,670	90,115
Lease agreements	726						726
Subscription-based information technology agreements	22,595				1,551		24,146
Proceeds from sale of capital assets	971					50	1,021
Transfers in	7,982	59,629	67,423	6,130	6,826	104,112	252,102
Transfers (out)	(104,879)	(55,599)		(12,877)	(6,706)	(67,976)	(248,037)
Total other financing sources (uses)	(72,605)	94,030	68,177	(6,747)	1,671	37,856	122,382
Net change in fund balances	(6,093)	10,520	541	8,049	8,543	1,173	22,733
Fund balances, July 1, 2022	202,209	93,124	1,538	(24,814)	57,032	67,725	396,814
Fund balances (deficit), June 30, 2023	\$ 196,116	\$ 103,644	\$ 2,079	\$ (16,765)	\$ 65,575	\$ 68,898	\$ 419,547

See accompanying notes to financial statements

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2023  
(in thousands)

Net change in fund balances - total governmental funds \$ 22,733

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/amortization expense.

Expenditures for capital assets	\$ 105,299	
Less current year depreciation/amortization	<u>(89,846)</u>	15,453

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

Face amount of long-term debt issued	(90,115)	
Premium on bonds	(2,309)	
Leases incurred	(594)	
Subscription-based information technology arrangements incurred	(24,146)	
Debt service - principal payments	85,395	
Amortization of premiums/discounts	3,695	
Accrued interest payable	(344)	
Amortization of deferred charge on refunding	<u>(648)</u>	(29,066)

Some revenues reported in the Statement of Activities and accrued on the Statement of Net Position do not represent the collection of current financial resources and therefore are not reported as revenues but are deferred inflows of resources until earned in the governmental funds. Also, the collection of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

Donations of capital assets	11,069	
Intergovernmental	(9,047)	
Property tax revenues	1,229	
Settlements	38,743	
Other	<u>(47,957)</u>	(5,963)

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.

Change in compensated absences	(748)	
Change in landfill liability	(772)	
Change in pollution remediation liability	22	
Net book value of capital asset disposals	<u>(2,959)</u>	(4,457)

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

Pension/OPEB contributions	48,985	
Pension/OPEB expense	<u>(63,099)</u>	(14,114)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The incorporation of the external activities of these funds, and the elimination of profit/loss generated by primary government customers results in net revenue (expense) for governmental activities.

		<u>8,290</u>
Change in net position of governmental activities	\$	<u><u>(7,124)</u></u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Statement of Net Position - Proprietary Funds  
June 30, 2023  
(in thousands)

Exhibit A - 7

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 83,464	\$ 26,367	\$ 109,831	\$ 141,277
Restricted cash and cash equivalents	41,374		41,374	
Interest receivable	487	87	574	162
Due from other funds		34	34	18
Due from other governments	131	1	132	31
Accounts receivable	16,951	73	17,024	1,820
Inventory	3,652		3,652	1,110
Prepaid expense	329	41	370	6,051
Total current assets	<u>146,388</u>	<u>26,603</u>	<u>172,991</u>	<u>150,469</u>
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	48,942		48,942	
Net OPEB asset	974	162	1,136	379
<b>Capital assets:</b>				
Land	14,703	1,768	16,471	459
Buildings and improvements	758,564	27,608	786,172	22,977
Sewage conveyance system	1,036,736		1,036,736	
Equipment	183,936	2,243	186,179	92,804
Intangibles	19,072		19,072	5,255
Less accumulated depreciation/amortization	(884,469)	(15,892)	(900,361)	(59,440)
Construction in progress	94,594		94,594	111
Total capital assets (net)	<u>1,223,136</u>	<u>15,727</u>	<u>1,238,863</u>	<u>62,166</u>
Total noncurrent assets	<u>1,273,052</u>	<u>15,889</u>	<u>1,288,941</u>	<u>62,545</u>
Total assets	<u>1,419,440</u>	<u>42,492</u>	<u>1,461,932</u>	<u>213,014</u>
<b>Deferred outflows of resources</b>				
Pension/OPEB	4,409	732	5,141	1,713
Deferred charge on refunding	3,650		3,650	
Asset retirement obligations	4,526		4,526	
Total deferred outflows of resources	<u>12,585</u>	<u>732</u>	<u>13,317</u>	<u>1,713</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	18,875	429	19,304	6,332
Employee compensation	1,297	189	1,486	482
Interest payable				36
Due to other funds	99	4	103	53
Due to other governments	3		3	2
Deposits and rebates		552	552	
Unearned revenue	442	7	449	33
Compensated absences payable	1,795	318	2,113	714
Sewer revenue obligations payable	66,687		66,687	
Reported but unpaid losses				3,971
Incurred but not reported losses				7,866
Subscriptions liability				1,749
Total current liabilities	<u>89,198</u>	<u>1,499</u>	<u>90,697</u>	<u>21,238</u>
<b>Noncurrent liabilities:</b>				
Compensated absences payable	1,506	297	1,803	361
Contracts and notes payable	4,052		4,052	
Sewer revenue obligations payable	330,177		330,177	
Reported but unpaid losses				11,274
Incurred but not reported losses				9,432
Net pension/OPEB liability	28,258	4,686	32,944	10,993
Asset retirement obligations	6,828		6,828	
Total noncurrent liabilities	<u>370,821</u>	<u>4,983</u>	<u>375,804</u>	<u>32,060</u>
Total liabilities	<u>460,019</u>	<u>6,482</u>	<u>466,501</u>	<u>53,298</u>
<b>Deferred inflows of resources</b>				
Pension/OPEB	2,094	348	2,442	813
Total deferred inflows of resources	<u>2,094</u>	<u>348</u>	<u>2,442</u>	<u>813</u>
<b>Net position</b>				
Net investment in capital assets	841,806	15,727	857,533	62,166
<b>Restricted for:</b>				
Debt service	35,112		35,112	
Capital projects	6,868		6,868	
Healthcare				9,274
Regional wastewater reclamation	23,294		23,294	
Unrestricted	62,832	20,667	83,499	89,176
Total net position	<u>\$ 969,912</u>	<u>\$ 36,394</u>	<u>\$ 1,006,306</u>	<u>\$ 160,616</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 8

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2023  
 (in thousands)

	Business-type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 161,891	\$ 12,367	\$ 174,258	\$ 143,834
Other	6,261	40	6,301	6,862
Total operating revenues	<u>168,152</u>	<u>12,407</u>	<u>180,559</u>	<u>150,696</u>
Operating expenses:				
Employee compensation	29,407	5,432	34,839	12,083
Operating supplies and services	11,029	74	11,103	15,621
Utilities	7,791		7,791	
Sludge and refuse disposal	2,401		2,401	
Repairs and maintenance	9,623	187	9,810	2,958
Incurred losses				76,350
Insurance premiums				13,137
General and administrative	14,169	2,819	16,988	5,369
Consultants and professional services	14,623	441	15,064	9,799
Depreciation/amortization	57,151	812	57,963	11,403
Total operating expenses	<u>146,194</u>	<u>9,765</u>	<u>155,959</u>	<u>146,720</u>
Operating income	<u>21,958</u>	<u>2,642</u>	<u>24,600</u>	<u>3,976</u>
Nonoperating revenues (expenses):				
Intergovernmental revenue	128		128	
Investment earnings	6,038	720	6,758	3,571
Sewer connection fees	13,244		13,244	
Interest expense	(8,781)		(8,781)	(97)
Debt issuance cost	(519)		(519)	
Loss on disposal of capital assets	(2,081)		(2,081)	(107)
Gain on debt defeasance	2,170		2,170	
Total nonoperating revenues	<u>10,199</u>	<u>720</u>	<u>10,919</u>	<u>3,367</u>
Income before contributions and transfers	32,157	3,362	35,519	7,343
Capital contributions	13,911		13,911	22
Transfers in	81	3	84	1,999
Transfers (out)	<u>(4,438)</u>	<u>(636)</u>	<u>(5,074)</u>	<u>(1,074)</u>
Change in net position	41,711	2,729	44,440	8,290
Net position, July 1, 2022	<u>928,201</u>	<u>33,665</u>	<u>961,866</u>	<u>152,326</u>
Net position, June 30, 2023	<u>\$ 969,912</u>	<u>\$ 36,394</u>	<u>\$ 1,006,306</u>	<u>\$ 160,616</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit A - 9

	Business-Type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Cash receipts from other funds for goods and services provided				\$ 143,834
Cash receipts from customers for goods and services provided	\$ 170,115	\$ 12,267	\$ 182,382	
Cash receipts from miscellaneous operations	1,898		1,898	5,083
Cash payments to suppliers for goods and services	(44,384)	(1,936)	(46,320)	(39,042)
Cash payments to other funds for goods and services	(14,981)	(1,474)	(16,455)	(5,921)
Cash payments for incurred losses				(81,782)
Cash payments to employees for services	(30,534)	(5,662)	(36,196)	(12,722)
Net cash provided by operating activities	<u>82,114</u>	<u>3,195</u>	<u>85,309</u>	<u>9,450</u>
Cash flows from noncapital financing activities:				
Cash transfers in from other funds	81	3	84	1,999
Cash transfers out to other funds	(4,438)	(636)	(5,074)	(1,021)
Loans with other funds	33	(30)	3	(39)
Net cash provided by (used for) noncapital financing activities	<u>(4,324)</u>	<u>(663)</u>	<u>(4,987)</u>	<u>939</u>
Cash flows from capital and related financing activities:				
Intergovernmental revenues	128		128	
Principal paid on sewer revenue obligations and loans	(31,041)		(31,041)	
Interest paid on sewer revenue obligations and loans	(12,539)		(12,539)	
Proceeds from issuance of sewer revenue obligations, including premium	(519)		(519)	
Sewer connection fees	13,244		13,244	
Proceeds from sale of capital assets	17		17	292
Purchase and construction of capital assets	(48,683)	(44)	(48,727)	(15,009)
Net cash used for capital and related financing activities	<u>(79,393)</u>	<u>(44)</u>	<u>(79,437)</u>	<u>(14,717)</u>
Cash flows from investing activities:				
Interest received on investments	5,592	639	6,231	3,421
Net cash provided by investing activities	<u>5,592</u>	<u>639</u>	<u>6,231</u>	<u>3,421</u>
Net increase (decrease) in cash and cash equivalents	3,989	3,127	7,116	(907)
Cash and cash equivalents, July 1, 2022	<u>169,791</u>	<u>23,240</u>	<u>193,031</u>	<u>142,184</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 173,780</u>	<u>\$ 26,367</u>	<u>\$ 200,147</u>	<u>\$ 141,277</u>

(continued)

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit A - 9.1

(continued)

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 21,958	\$ 2,642	\$ 24,600	\$ 3,976
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	57,151	812	57,963	11,403
Changes in assets and deferred outflows of resources:				
Decrease (increase) in assets:				
Accounts receivable	3,991	28	4,019	(1,622)
Due from other governments	(130)	1	(129)	(18)
Inventory and other assets	(466)		(466)	(142)
Prepaid expense	220	(3)	217	1,747
Net OPEB asset	(70)	(13)	(83)	(18)
Decrease (increase) in deferred outflows of resources:				
Pension/OPEB plans	1,859	300	2,159	789
Asset retirement obligations	(218)		(218)	
Changes in liabilities and deferred inflows of resources:				
Increase (decrease) in liabilities:				
Accounts payable	262	114	376	278
Interest payable				36
Due to other governments	(2)		(2)	2
Reported but unpaid losses				(3,747)
Incurred but not reported losses				(1,685)
Net Pension/OPEB liability	3,987	693	4,680	1,308
Asset retirement obligations	475		475	
Other liabilities	403	(181)	222	81
Decrease in deferred inflows of resources:				
Pension/OPEB plans	(7,306)	(1,198)	(8,504)	(2,938)
Net cash provided by operating activities	<u>\$ 82,114</u>	<u>\$ 3,195</u>	<u>\$ 85,309</u>	<u>\$ 9,450</u>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2023:

Regional Wastewater Reclamation Enterprise Fund received developer-built conveyance systems with an estimated fair value of \$13,911. These contributions were recorded as an increase in capital assets and capital contributions.

Regional Wastewater Reclamation Enterprise Fund disposed of capital assets with a net book value of \$2,098.

Regional Wastewater Reclamation Enterprise Fund issued Sewer Revenue and Refunding Obligations Series 2022 for \$68,225 to entirely refund Sewer Revenue Obligations 2012A balance of \$33,700.

Internal Service Funds disposed of capital assets with a net book value of \$270.

See accompanying notes to financial statements



PIMA COUNTY, ARIZONA  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2023  
(in thousands)

Exhibit A - 10

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
<b>Assets</b>			
Cash and cash equivalents	\$ 6,705	\$ 350,820	\$ 127,420
Property tax receivable			40,362
Interest receivable		1,524	6
Total assets	6,705	352,344	167,788
<b>Liabilities</b>			
Due to other governments			\$ 323
Total liabilities			323
<b>Net position</b>			
Restricted for:			
Pool participants		352,344	
Individuals, organizations, and other governments	6,705		167,465
Total net position	\$ 6,705	\$ 352,344	\$ 167,465

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit A - 11

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
<b>Additions:</b>			
Contributions from pool participants		\$ 2,365,948	
Contributions from other governments			\$ 142,299
Property tax collections for other governments			1,324,049
Fines and fees collected for other governments			8,103
Investment earnings		12,616	7,052
Inmate collections			2,104
Other	\$ 9,683		33,914
Total additions	9,683	2,378,564	1,517,521
<b>Deductions:</b>			
Distributions to pool participants		2,354,198	
Distributions to other governments			94,109
Property tax distributions to other governments			1,318,783
Interest expense			1,446
Fines and fees distributions to other governments			8,147
Payments to inmates			2,045
Other	7,756		34,257
Total deductions	7,756	2,354,198	1,458,787
Net increase in fiduciary net position	1,927	24,366	58,734
Net position, July 1, 2022	4,778	327,978	108,731
Net position, June 30, 2023	\$ 6,705	\$ 352,344	\$ 167,465

See accompanying notes to financial statements

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PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

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

Pima 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, 2023, the County implemented the provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, that aims to improve financial reporting by addressing issues related to public-private and public-public arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The County also implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the County's financial statements have been modified to reflect the implementation of these new standards.

**A. Reporting Entity**

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

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 County. 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 and discretely presented component unit discussed below has a June 30 year-end.

The following describes the County's component units:

**The Pima County Stadium District**, a legally separate entity, was created in 1991 when the Board of Supervisors adopted a resolution to create the Stadium District to manage Kino Sports Complex. The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. The Stadium District, in conjunction with Pima County government, maintains the fiscal resources of the entire complex including facilities, grounds, personnel and the various services provided at the venue. Kino Sports Complex, which covers 330 acres, is the largest professional sports and entertainment venue of its kind in Pima County. The facility hosts youth athletics, amateur and professional sports, concerts and community events on its fields. The County Board of Supervisors serves as the Board of Directors and has operational responsibility for the District. Acting in the capacity of the Board of Directors, the Pima County Board of Supervisors is able to impose its will on the District. The Board of Directors levies the car rental surcharge rates and the recreation vehicle (RV) park tax for the District. The District is reported as a special revenue fund (blended component unit) in these financial statements. Complete financial statements for the District can be obtained from the Pima County Department of Finance and Risk Management located at 97 East Congress Street, Tucson, Arizona 85701.

**The Pima County Library District** was established in 1986 when legislation allowed full taxing authority and the ability to enter into agreements with other jurisdictions for the provision of library services. The Library District provides and maintains library services for the County's residents. The Pima County Board of Supervisors is the Board of Directors and has operational responsibility for the District. The Library District is reported as a special revenue fund (blended component unit) in these financial statements. Separate financial statements for the District are not available.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

**The Pima County Regional Flood Control District** was established in 1978. The District is responsible for floodplain management activities for the unincorporated areas of Pima County (except national forests, parks, monuments and Native American Nations), the City of South Tucson, and the Town of Sahuarita. The Pima County Board of Supervisors is the Board of Directors and has operational responsibility for the Flood Control District. The Regional Flood Control District is reported as a special revenue fund (blended component unit) in these financial statements. Separate financial statements for the District are not available.

**The Community Facilities Districts** (formerly the Rocking K South Community Facilities District) is a legally separate entity that is utilized to finance the design and construction of arterial and collector roadways, public sewer transmission mains, public regional parks and any other public infrastructure required for the planned Rocking K South community. The Pima County Board of Supervisors serves as its Board of Directors and has operational responsibility for the District. The Community Facilities Districts is reported as a special revenue fund (blended component unit) in these financial statements. Separate financial statements for the District are not available.

**The Pima County Improvement & Other Districts** (formerly the Pima County Street Lighting Districts) operate and maintain street lighting for specific regions in areas outside local city jurisdictions and maintenance for the Hayhook Ranch road improvements. The Pima County Board of Supervisors serves as the Board of Directors and has operational responsibility for the Districts. The Pima County Improvement & Other Districts are reported as a special revenue fund in these financial statements and meet substantively the same criteria as blended component units. Separate financial statements for the Pima County Improvement & Other Districts are not available.

**The Southwestern Fair Commission, Inc. (SFC)** is a nonprofit corporation which manages and maintains the fairgrounds owned by the County and conducts an annual fair and other events at the fairgrounds. The Commission's members are appointed and can be removed at any time by the Pima County Board of Supervisors. Based on these factors, and because SFC does not provide services entirely, or almost entirely to the County, but rather to the general citizenry, SFC is reported as a separate component unit (discrete presentation) in these financial statements. Complete financial statements for SFC can be obtained from the Pima County Department of Finance and Risk Management located at 97 East Congress Street, Tucson, Arizona 85701.

**Related Organization**

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

**B. Basis of Presentation**

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

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

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

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- Charges to customers or applicants for goods, services, or privileges provided.
- Operating grants and contributions.
- Capital grants and contributions, including special assessments.

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

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

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

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

The County reports the following major governmental funds:

*The General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund revenues are primarily from property taxes and intergovernmental revenues.

*The Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. Capital Projects Fund revenues and other financing sources are primarily from intergovernmental, face amount of long-term debt and transfers in.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

*The Debt Service Fund* accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues and other financing sources are primarily from property taxes, proceeds from refunding debt, and transfers in.

*The Grants Fund* accounts for Federal and State grants received by the County not required to be accounted for in a separate fund. Each grant has a specific project objective, and the grant funds must be used for a stated purpose. Revenues and other financing sources are primarily from intergovernmental and transfers in.

*The Other Special Revenue Fund* accounts for resources specifically identified to be expended for the various other programs of the County. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

The County reports the following major enterprise fund:

*Regional Wastewater Reclamation (RWR)* accounts for the management and operation of wastewater treatment and water pollution control programs. Revenues are primarily from charges for services and connection fees.

The County also reports the following fund types:

*Internal Service Funds* account for fleet maintenance and operation, insurance, and telecommunications services provided to the County's departments or to other governments on a cost-reimbursement basis.

*Fiduciary Funds* consists of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including pooled and non-pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

**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. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County recognizes property taxes to be available if collected within 30 days. In addition, other taxes that are reported as intergovernmental revenues, i.e. state shared sales tax, highway user revenues and vehicle license tax, recreational vehicle taxes, car rental surcharges, and hotel excise taxes are also recognized if collected within 30 days. Grant funded intergovernmental revenues are considered available if collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension/OPEB, landfill closure and post-closure care costs, pollution remediation obligations and asset retirement obligations, 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 lease contracts and subscription-based information technology arrangements are reported as other financing sources.

**D. Cash and Investments**

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

**E. Inventories and Prepays**

Inventories in the government-wide and proprietary funds' financial statements are recorded as assets when purchased and expensed when consumed.

The County accounts for its inventories in the Wireless Integrated Network Fund using the purchase method. Inventories of the Wireless Integrated Network Fund consist of spare parts for the fixed network equipment held for consumption and are recorded as expenditures at the time of purchase. These inventories are stated at cost using the average cost method.

Inventories of the Transportation Fund are recorded as assets when purchased and expensed when used. They are valued at lower of cost or market, cost being determined using the moving average method.

Inventories of RWR, an enterprise fund, are valued at lower of cost or market, cost being determined using the moving average method.

Inventories of Internal Service Funds are valued at lower of cost or market, cost being determined using the moving average method.

Prepaid expenses/expenditures are accounted for using the consumption method, except for the School Reserve Fund reported as an Other Governmental Fund, which uses the purchase method.

**F. Property Tax Calendar**

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



PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

**G. Capital Assets**

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

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation/Amortization Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Land improvements (Reported in buildings and improvements)	All	Straight Line	20 - 30 Years
Buildings and improvements	\$100	Straight Line	10 - 50 Years
Equipment	\$5	Straight Line	4 - 25 Years
Infrastructure/Sewer conveyance systems	\$100	Straight Line	10 - 50 Years
Intangibles:			
Right-to-use subscription assets	\$1,000	Straight Line	Varies
Right-to-use lease assets	\$100	Straight Line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the County is reasonably certain of being exercised – then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Discretely presented component unit:

The Southwestern Fair Commission, Inc. capital assets are reported at actual cost. Depreciation is calculated using the straight-line method over the assets' estimated useful life, which range from 3 to 40 years.

**H. Postemployment benefits**

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

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 1: Summary of Significant Accounting Policies (continued)**

**I. Fund Balance Classifications**

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

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

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors, the highest level of decision-making authority within the County, approved by formal action (ordinance).

Only the Board can remove or change the constraints placed on committed fund balances. This approval must be given at a regular supervisory meeting by taking the same type of action it employed to previously commit those amounts.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors has authorized the County Administrator to make assignments of resources for a specific purpose. Modifications or rescissions of the constraints can also be removed by the same action that limited the funds.

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

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

**J. Investment Earnings**

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

**K. Compensated Absences**

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

Employees may accumulate up to 320 hours of annual leave depending upon years of service. If an employee has accumulated annual leave in excess of 320 hours by their anniversary date, the excess hours are converted to sick leave. Upon termination of employment, all unused annual leave benefits are paid to employees. Accordingly, annual leave benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

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**Note 1: Summary of Significant Accounting Policies (continued)**

Employees may accumulate up to 1,920 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but most employees forfeit them upon terminating employment. However, employees who have accumulated greater than 240 hours of sick leave and are eligible to retire will receive some benefits. Employees who are eligible to retire from County service into the Arizona State Retirement System, Public Safety Personnel Retirement System, or Corrections Officer Retirement Plan may request sick leave to be converted to annual leave on a predetermined conversion basis. An estimate of those retirement payouts is accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements under Employee Compensation only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

**L. Leases and subscription-based information technology arrangements**

Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$100 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the County's current borrowing rate.

As lessor, the County recognizes lease receivables with an initial, individual value of \$100 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The County recognizes subscription liabilities with an initial, individual value of \$1,000 or more. The County uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The County's estimated incremental borrowing rate is calculated as described above.

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**Note 2: Correction of a Misstatement – Prior Period Adjustment**

On July 1, 2022, Pima County restated net position for a prior period correction. This correction was the result of accounts receivable and revenues related to opioid settlements that should have been recognized in the prior fiscal year. For additional information refer to page 96, Note 13: Receivables.

	<b>Governmental activities</b>
Net position as previously reported, June 30, 2022	\$ 1,444,545
Prior period adjustment - Opioid Settlements	<u>43,778</u>
Net position as restated, July 1, 2022	<u><u>\$ 1,488,323</u></u>

PIMA COUNTY, ARIZONA  
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**Note 3: Cash and Investments**

**Primary Government**

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

**Credit risk**—The State 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 evidence of indebtedness that are denominated in United States dollars must be rated "A" or better by at least two nationally recognized rating agencies at the time of purchase.
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 these services rates the security, it must carry the highest rating of that service.

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

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

**Interest rate risk**—Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

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

**Deposits**— At June 30, 2023, the carrying amount of the County's deposits was \$145,323, and the bank balance was \$120,505.

PIMA COUNTY, ARIZONA  
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**Note 3: Cash and Investments (continued)**

**Custodial credit risk**—Custodial credit risk is the risk that the County will not be able to recover its deposits if a financial institution fails. The County does not have a formal policy with respect to custodial credit risk. As of June 30, 2023, \$421 of the County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**—At June 30, 2023, the County’s investments consisted of \$909,442 invested in marketable securities and \$402,652 invested in the State Treasurer’s Investment Pool. The State Board of Investment provides oversight for the State Treasurer’s pools.

**Credit risk**—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy with respect to credit risk.

At June 30, 2023, credit risk for the County’s investments was as follows:

Investment Type	Fair Value	Standard & Poor’s/Moody’s Rating				
		Not Rated	AAA/Aaa	AA/Aa	A/A	Bbb
Certificates of Deposit	\$ 100,089	\$ 100,089				
Corporate bonds	52,200		\$ 4,901	\$ 8,286	\$ 34,032	\$ 4,981
Federal agency securities	656,202		60,667	595,535		
Municipal bonds	2,324	2,324				
Money market mutual fund	87,996		87,996			
State Treasurer's Pool 5	176,729		176,729			
State Treasurer's Pool 500	151,499	151,499				
State Treasurer's Pool 7	74,424	74,424				
Total	\$ 1,301,463	\$ 328,336	\$ 330,293	\$ 603,821	\$ 34,032	\$ 4,981

**Custodial credit risk**—For an investment, custodial risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy with respect to custodial credit risk. Of the County’s \$1,312,094 of investments, \$720,590 consisting of the corporate bonds, municipal bonds, U. S. Treasury Notes, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association is uninsured and held by a counterparty in the County’s name in book entry form.

**Concentration of credit risk**— The County has no formal policy with respect to limiting the amount the Treasurer may invest in any one issuer. The County had investments at June 30, 2023, of 5% or more in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments were 29% and 16%, respectively, of the County’s total investments.

PIMA COUNTY, ARIZONA  
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**Note 3: Cash and Investments (continued)**

**Interest rate risk**—Interest rate risk is the risk that changes in interest rates will adversely affect an investment’s fair value. The County does not have a formal investment policy with respect to interest rate risk.

As of June 30, 2023, the County had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Years)</u>
State Treasurer Investment Pool 5	\$ 176,729	0.12
State Treasurer Investment Pool 500	151,499	2.15
State Treasurer Investment Pool 7	74,424	0.10
Certificates of Deposit	100,089	1.61
Corporate bonds	52,200	1.68
Municipal bonds	2,324	1.38
Federal Farm Credit Bank	24,612	1.52
Federal Home Loan Bank	381,427	1.59
Federal Home Loan Mortgage Corporation	210,388	1.74
Federal National Mortgage Association	39,775	1.22
U.S. Treasury Notes	10,631	0.77
Money market mutual fund	87,996	0.06
	<u>\$ 1,312,094</u>	

**Fair Value Measurement**—The County’s investments at June 30, 2023, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<u>Investment by fair value level</u>	<u>Amount</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Corporate bonds	\$ 52,200	\$ 32,983	\$ 19,217
Municipal bonds	2,324		2,324
Federal Farm Credit Bank	24,612	14,942	9,670
Federal Home Loan Bank	381,427	61,323	320,104
Federal Home Loan Mortgage Corporation	210,388		210,388
Federal National Mortgage Association	39,775		39,775
U.S. Treasury Notes	10,631	10,631	
Money market mutual fund	87,996	87,996	
Certificates of Deposit	100,089		100,089
Total investments by fair value level	<u>\$ 909,442</u>	<u>\$ 207,875</u>	<u>\$ 701,567</u>

The investments categorized as Level 1 of the fair value hierarchy 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 prices quoted for similar investments in markets that are active or not active.

PIMA COUNTY, ARIZONA  
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**Note 3: Cash and Investments (continued)**

The County also had investments of \$402,652 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

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

	<u>Cash on Hand</u>	<u>Amounts of Deposits</u>	<u>Amounts of Investments</u>	<u>Total</u>
Cash, deposits and investments:	\$ 36	\$ 145,323	\$ 1,312,094	\$ 1,457,453

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial funds</u>		<u>Total</u>
				<u>External Investment Pool</u>	<u>Other</u>	
Statement of net position:						
Cash and cash equivalents	\$ 772,316	\$ 109,831	\$ 6,705	\$ 350,820	\$ 127,420	\$ 1,367,092
Restricted cash and cash equivalents	45	90,316				90,361
Total	<u>\$ 772,361</u>	<u>\$ 200,147</u>	<u>\$ 6,705</u>	<u>\$ 350,820</u>	<u>\$ 127,420</u>	<u>\$ 1,457,453</u>

**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 County Treasurer has a fiduciary responsibility to administer those and the County monies under her stewardship. The County Treasurer invests, on a pool basis, all monies not specifically invested for a fund or program. In addition, the County 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 structure of the Pool 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 County Treasurer allocates interest earnings to each of the Pool's participants. Substantially, all deposits and investments of the County's primary government are included in the County Treasurer's investment pool. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks disclosed above.



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**Note 3: Cash and Investments (continued)**

The Pool's assets consist of the following:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 10,000	2.25%	12/23	\$ 9,864
Corporate bonds	53,598	0.60-4.35%	02/24-01/26	52,200
Municipal bonds	2,260	2.66%	07/23-01/26	2,324
Federal Farm Credit Bank	25,300	2.63-3.09%	06/24-10/25	24,612
Federal Home Loan Bank	388,775	0.92-5.50%	10/23-02/27	381,427
Federal Home Loan Mortgage Corporation	211,360	3.00-5.15%	05/24-01/26	210,388
Federal National Mortgage Association	40,000	4.97-5.05%	06/24-12/24	39,775
Certificates of Deposit	101,853	0.80-5.45%	07/23-01/28	100,089
Money Market	59,820	VARIABLE	N/A	59,820
State Treasurer Investment Pool 5	124,105	N/A	N/A	124,105
Deposits	95,173	N/A	N/A	95,173
Interest receivable	1,530	N/A	N/A	1,530
Total assets				<u>\$ 1,101,307</u>

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

Statement of Fiduciary Net Position

Assets held for:	
Internal participants	\$ 748,963
External participants	352,344
Total assets	<u>1,101,307</u>
Total net position	<u>\$ 1,101,307</u>

Statement of Changes in Fiduciary Net Position

Total additions	\$ 6,488,005
Total deductions	<u>(6,475,506)</u>
Net increase	12,499
Net position:	
July 1, 2022	1,088,808
June 30, 2023	<u>\$ 1,101,307</u>

PIMA COUNTY, ARIZONA  
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**Note 4: Public-Private and Public-Public Partnerships**

The County has public-private and public-public partnership agreements as the transferor of properties that provide recreational services to the public. The County has an agreement with Southern Arizona Kart Club, Inc. to operate the Pima Motorsports Park Facility as a public park and an agreement with Old Tucson Entertainment LLC to operate Old Tucson Studios as a public recreational facility. Both properties are existing assets that are currently in use, with operator commitments to make improvements over the life of the contract. At June 30, 2023, the County recognized \$918 in receivables and \$904 in deferred inflows related to public-private and public-public partnership agreements. The County uses its estimated incremental borrowing rate to measure the receivable unless it can readily determine the interest rate implicit in the agreement. The County's estimated incremental borrowing rate is based on the County's current borrowing rate.

For the County's public-private and public-public partnership agreements the exclusive right to operate the properties is granted to the operators in accordance with permitted activities under public recreational facilities established by the County. The County maintains ownership of the properties, including any improvements made to the properties. In accordance with the public-private and public-public partnership agreements the operators are beholden to maintenance, repair, and replacement obligations.

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**Note 5: Capital Assets**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022 (as restated)	Increases	Decreases	Balance June 30, 2023
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 583,573	\$ 6,840	\$ (842)	\$ 589,571
Construction in progress	87,833	95,422	(105,266)	77,989
Total capital assets not being depreciated/amortized	<u>671,406</u>	<u>102,262</u>	<u>(106,108)</u>	<u>667,560</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	1,032,988	14,717	(4,912)	1,042,793
Equipment	227,611	24,878	(10,386)	242,103
Infrastructure	1,536,914	64,620	(3,206)	1,598,328
Intangibles:				
Equipment-Software	30,554		(12)	30,542
Right-to-use subscription assets*	22,739	9,150		31,889
Right-to-use lease assets:				
Buildings and other improvements	3,526	796	(196)	4,126
Total capital assets being depreciated/amortized	<u>2,854,332</u>	<u>114,161</u>	<u>(18,712)</u>	<u>2,949,781</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(422,048)	(32,585)	4,597	(450,036)
Equipment	(140,238)	(17,995)	10,088	(148,145)
Infrastructure	(940,055)	(42,813)	539	(982,329)
Intangibles:				
Equipment-Software	(18,784)	(1,593)	12	(20,365)
Right-to-use subscription assets		(5,392)		(5,392)
Right-to-use lease assets:				
Buildings and other improvements	(859)	(871)		(1,730)
Total accumulated depreciation/amortization	<u>(1,521,984)</u>	<u>(101,249)</u>	<u>15,236</u>	<u>(1,607,997)</u>
Total capital assets being depreciated/amortized, net	<u>1,332,348</u>	<u>12,912</u>	<u>(3,476)</u>	<u>1,341,784</u>
Governmental activities capital assets, net	<u>\$ 2,003,754</u>	<u>\$ 115,174</u>	<u>\$ (109,584)</u>	<u>\$ 2,009,344</u>

\*Due to the implementation of GASB Statement No. 96 for subscription-based IT arrangements, the County's beginning capital asset balance for governmental activities was restated from fiscal year 2022.

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**Note 5: Capital Assets (continued)**

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Business-type activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 16,471			\$ 16,471
Construction in progress	70,286	\$ 54,866	\$ (30,558)	94,594
Total capital assets not being depreciated/amortized	86,757	54,866	(30,558)	111,065
Capital assets being depreciated/amortized:				
Buildings and improvements	783,030	3,809	(667)	786,172
Equipment	182,349	5,556	(1,726)	186,179
Intangibles:				
Equipment-Software	19,072			19,072
Sewage conveyance systems	1,007,847	31,395	(2,506)	1,036,736
Total capital assets being depreciated/amortized	1,992,298	40,760	(4,899)	2,028,159
Less accumulated depreciation/amortization for:				
Buildings and improvements	(324,316)	(23,843)	608	(347,551)
Equipment	(108,189)	(12,934)	822	(120,301)
Intangibles:				
Equipment-Software	(10,904)	(1,003)		(11,907)
Sewage conveyance systems	(401,769)	(20,183)	1,350	(420,602)
Total accumulated depreciation/amortization	(845,178)	(57,963)	2,780	(900,361)
Total capital assets being depreciated/amortized, net	1,147,120	(17,203)	(2,119)	1,127,798
Business-type activities capital assets, net	\$ 1,233,877	\$ 37,663	\$ (32,677)	\$ 1,238,863

Depreciation/amortization expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 22,624
Public safety	13,947
Highway and streets	40,251
Sanitation	377
Health	1,518
Welfare	43
Culture and recreation	10,102
Education and economic opportunity	984
Internal service funds	11,403
Total governmental activities depreciation/amortization expense	\$ 101,249

**Business-type activities:**

Development Services	\$ 2
Parking Garages	810
Regional Wastewater Reclamation Department	57,151
Total business-type activities depreciation/amortization expense	\$ 57,963

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**Note 5: Capital Assets (continued)**

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Discretely presented component unit:</b>				
Southwestern Fair Commission (SFC):				
Capital assets not being depreciated:				
Construction in progress		\$ 266	\$ (244)	\$ 22
Total capital assets not being depreciated		266	(244)	22
Capital assets being depreciated:				
Buildings and improvements	\$ 10,900	265	(226)	10,939
Equipment	2,609	550	(144)	3,015
Total capital assets being depreciated	13,509	815	(370)	13,954
Less accumulated depreciation for:				
Buildings and improvements	(6,540)	(505)	226	(6,819)
Equipment	(2,330)	(108)	144	(2,294)
Total accumulated depreciation	(8,870)	(613)	370	(9,113)
Total capital assets being depreciated, net	4,639	202		4,841
SFC capital assets, net	\$ 4,639	\$ 468	\$ (244)	\$ 4,863

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**Note 6: Claims, Judgments and Risk Management**

**Self-Insurance Trust Fund (SIT Fund)**

The SIT Fund, an internal service fund, accounts for the financing of the insured risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; environmental claims; and natural disasters. The Fund is liable for any single general or automobile liability claim up to \$2,500 per occurrence, any workers' compensation claim up to \$1,000 per occurrence, and any single medical malpractice claim up to \$1,000 per occurrence. The County purchases commercial insurance for claims in excess of the self-insurance retention provided by the Fund. Settled claims have not exceeded insurance policy limits in any of the last three fiscal years. Any current unemployment claims and environmental claims are self-funded.

All of the County's departments participate in the fund. Charges are based on actuarial estimates, loss history, and other factors as appropriate to determine amounts needed to pay prior and current year claims.

At June 30, 2023, claims liabilities for each insurable category are as follows:

Automobile liability	\$	581
General liability		8,448
Workers' compensation		15,112
Medical malpractice		2
Environmental liability		1,500
		25,643
	\$	25,643

The above amounts, excluding the environmental liability, are reported at their present value using an expected future investment yield assumption of 2 percent.

Changes in the unpaid claims liability reported in the SIT Fund are as follows:

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2021-22	\$ 32,019	\$ 3,747	\$ (3,791)	\$ 31,975
2022-23	\$ 31,975	\$ 9	\$ (6,341)	\$ 25,643

**Health Benefits Trust Fund (HBT Fund)**

The HBT Fund, an internal service fund, accounts for the financing of the County's self-insured medical/pharmacy plan for employees and their dependents. The Fund is responsible for collecting employer and employee premiums through payroll deductions. The medical benefits are administered by Aetna, the pharmacy benefits are administered by CVS Caremark in conjunction with the medical plan.

The plan consists of two options, a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), or a HDHP without a HSA. The County purchases commercial stop-loss insurance coverage for claims in excess of coverage provided by the HBT Fund. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

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**Note 6: Claims, Judgments and Risk Management (continued)**

Claim liabilities are computed using a variety of actuarial methods and techniques including the exposure approach and completion factors. Accrued actuarial liabilities for the HBT Fund at June 30, 2023, for the HDHP plans are as follows:

High-Deductible Health Plan:	
Medical	\$ 4,968
Pharmacy	<u>1,932</u>
	<u>\$ 6,900</u>

Changes in the unpaid claims liabilities reported in the HBT Fund are as follows:

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2021-22	\$ 5,300	\$ 70,401	\$ (69,701)	\$ 6,000
2022-23	\$ 6,000	\$ 76,341	\$ (75,441)	\$ 6,900

**Litigation**

Pima County is a defendant in a number of court actions. In the opinion of County management, the final disposition of these actions, if unfavorable, will not have a material effect upon the County's financial statements.

**Pollution Remediation**

The County has estimated and reported an environmental liability of \$64 in the government-wide financial statements for governmental activities (in noncurrent liabilities) under the Arizona Water Quality Assurance Revolving Fund state statutes in Article 5, Chapter 2, of Title 49 and regulations in Chapter 16 of Title 18. Remediation efforts are currently underway at one County site: El Camino del Cerro.

Remediation efforts continue at the El Camino del Cerro site which is approximately bordered by the Santa Cruz River on the west, Interstate 10 on the east and El Camino del Cerro Road on the south. The groundwater contamination is suggested to resonate from the municipal and solid waste landfill operated on the site from 1973 to 1977.

The estimated liability was calculated based upon the expected future outlays associated with the estimate of one pump-and-treat system for one year. There is potential for changes due to increased costs associated with sewage disposal costs, construction costs for extraction and injection wells, and/or changes in the estimated extent of contamination.

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**Note 7: Long-Term Liabilities**

The following schedule details the County's long-term liability and obligation activities for the year ended June 30, 2023.

	Balance July 1, 2022 (restated)	Increases	Decreases	Balance June 30, 2023	Due within 1 year
<b>Governmental activities:</b>					
General obligation bonds	\$ 93,615		\$ 28,810	\$ 64,805	\$ 20,215
Bonds from direct placement	131	1,670	72	1,729	87
Unamortized premium/discount	2,215		1,093	1,122	584
Total general obligation funds	<u>95,961</u>	<u>1,670</u>	<u>29,975</u>	<u>67,656</u>	<u>20,886</u>
Transportation revenue bonds	70,200		9,025	61,175	9,280
Unamortized premium/discount	3,531		694	2,837	605
Total transportation revenue bonds	<u>73,731</u>		<u>9,719</u>	<u>64,012</u>	<u>9,885</u>
Certificates of participation	187,040	88,445	37,885	237,600	33,065
Unamortized premium/discount	9,298	2,309	1,908	9,699	1,695
Total certificates of participation	<u>196,338</u>	<u>90,754</u>	<u>39,793</u>	<u>247,299</u>	<u>34,760</u>
Pledged Revenue Obligations	296,000		6,000	290,000	20,870
Financed purchases	384		137	247	140
Leases payable	2,757	789	1,029	2,517	551
Subscriptions liability*	21,081	6,575	4,394	23,262	6,859
Net pension/OPEB liabilities (Note 10)	628,368	69,724	193,024	505,068	
Reported but unpaid losses (Note 6)	18,992	2,591	6,338	15,245	3,971
Incurred but not reported losses (Note 6)	18,983	1,207	2,892	17,298	7,866
Landfill closure and post-closure care costs (Note 8)	10,375	772		11,147	
Pollution remediation (Note 6)	86		22	64	
Compensated absences payable	43,253	23,735	22,856	44,132	25,211
Total long-term liabilities	<u>\$ 1,406,309</u>	<u>\$ 197,817</u>	<u>\$ 316,179</u>	<u>\$ 1,287,947</u>	<u>\$ 130,999</u>
<b>Business-type activities:</b>					
Sewer revenue obligations	\$ 323,705	\$ 68,225	\$ 91,450	\$ 300,480	\$ 50,724
Obligations from direct borrowing	75,860		7,816	68,044	7,960
Unamortized premium/discount	33,745	5,911	11,316	28,340	8,003
Total revenue obligations payable	<u>433,310</u>	<u>74,136</u>	<u>110,582</u>	<u>396,864</u>	<u>66,687</u>
Net pension/OPEB liabilities (Note 10)	28,264	4,707	27	32,944	
Contracts and notes	2,883	3,332	2,163	4,052	
Compensated absences payable	3,820	1,956	1,860	3,916	2,113
Asset retirement obligations	6,353	475		6,828	
Total long-term liabilities	<u>\$ 474,630</u>	<u>\$ 84,606</u>	<u>\$ 114,632</u>	<u>\$ 444,604</u>	<u>\$ 68,800</u>

\*Due to the implementation of GASB Statement No. 96 for subscription-based IT arrangements, the County's beginning liability balance was restated from fiscal year 2022.



PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

The County's debt consists of various issues of general obligation bonds including bonds from direct placements, pledged revenue obligations, transportation revenue bonds, certificates of participation and sewer revenue obligations including obligations from direct placements that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The County repays general obligation bonds from voter-approved property taxes. Transportation revenue bonds are repaid from net highway user revenues in the Transportation fund. Certificates of participation are repaid from the General fund and other various funds' revenues. Sewer revenue obligations are repaid from the charges for services in the Regional Wastewater Reclamation fund.

GENERAL OBLIGATION BONDS

**Governmental Activities**

(Payments made from property tax revenues of the Debt Service Fund)

General obligation bonds payable at June 30, 2023, consisted of the outstanding general obligation bonds presented below.

On June 8, 2023, the Rocking K South Community Facilities District issued General Obligation Bonds, Tax-Exempt Series 2023A in the amount of \$1,670 to fund certain projects related to public infrastructure. The District will use the proceeds of an ad valorem tax levy to make the debt service payments on the 2023A Bonds.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2023</u>
Series of 2012A	60,000	3.25 – 4.00%	2024-27	July 1, 2022	\$ 15,960
Series of 2013A	50,000	3.00 – 4.00%	2024-28	July 1, 2023	18,945
Series of 2014	10,000	3.00 – 3.38%	2024-28	July 1, 2023	4,060
Series of 2015	15,000	2.75 – 3.50%	2024-29	July 1, 2025	5,455
Series of 2016 Refunding	122,070	4.00%	2024-26		20,385
Subtotal					<u>64,805</u>
Series of 2020A Direct Placement	138	4.50%	2024-36		124
Series of 2023A Direct Placement	1,670	4.66%	2024-37		1,605
G.O. bonds outstanding					<u>66,534</u>
Plus unamortized premium/discount:					1,122
			Total G.O. bonds outstanding		<u>\$ 67,656</u>

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2023.

<u>Year Ending June 30,</u>	<u>GO Bonds</u>		<u>Bonds from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 20,215	\$ 2,448	\$ 87	\$ 80
2025	13,630	1,693	93	76
2026	14,160	1,164	98	72
2027	9,910	610	103	67
2028	5,905	256	109	62
2029-2033	985	30	624	232
2034-2037			615	72
Total	<u>\$ 64,805</u>	<u>\$ 6,201</u>	<u>\$ 1,729</u>	<u>\$ 661</u>

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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(in thousands)

**Note 7: Long-Term Liabilities (continued)**

TRANSPORTATION BONDS  
**Governmental Activities**  
(Payments made from street and highway revenues)

Pima County transportation revenue bonds were issued to provide monies to construct improvements to the County's streets and highways. Of the total amount originally authorized, \$16,375 from the November 4, 1997 bond election remains unissued.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2023</u>
Series of 2012	\$ 18,425	3.00 – 4.00%	2024-27	July 1, 2022	\$ 5,950
Series of 2014	16,000	3.00 – 3.38%	2024-28	July 1, 2023	6,835
Series of 2016 Refunding	28,315	1.75%	2024		2,990
Series of 2018	11,000	5.00%	2024-33	July 1, 2028	7,430
Series of 2019	25,000	4.00%	2024-33	July 1, 2028	20,220
Series of 2020	21,000	2.00%	2024-35	July 1, 2030	17,750
Transportation bonds outstanding					61,175
Plus unamortized premium/discount:					2,837
			Total transportation bonds outstanding		<u>\$ 64,012</u>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 9,280	\$ 2,012
2025	6,505	1,742
2026	6,730	1,516
2027	6,955	1,293
2028	5,580	1,061
2029-2033	22,865	2,800
2034-2035	3,260	98
Total	<u>\$ 61,175</u>	<u>\$ 10,522</u>

Pima County has pledged future street and highway revenues, to repay \$61,175 in transportation revenue bonds issued between 2012 and 2020. Proceeds from the bonds provide financing for construction of various highways and streets within Pima County. The bonds are payable from transportation revenues and are payable through 2035. Total principal and interest remaining to be paid on the bonds is \$71,697. It is expected that approximately 8 percent of total future revenues will be used to pay annual principal and interest on the bonds. Prior year street and highway revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for bonds in the current year, and total current year street and highway revenues were \$11,291 and \$74,822, respectively.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

CERTIFICATES OF PARTICIPATION

**Governmental Activities**

(Payments made from General Fund revenues)

Certificates of Participation represent proportionate interests in semiannual lease payments. The County's obligation to make lease payments is subject to annual appropriations being made by the County for that purpose.

On November 17, 2022, the County issued Certificates of Participation, Series 2022A and Series 2022B for a combined amount of \$88,445. Certificates of Participation Tax-Exempt Series 2022A was issued in the amount of \$27,930 with the proceeds to be used to fund various Facilities Management projects along with the San Xavier Substation for the Sheriff's Department. Certificates of Participation Taxable Series 2022B was issued in the amount of \$60,515 with proceeds to be used to fund upgrades to the County's enterprise resource planning computer system.

The following schedule details outstanding Certificates of Participation payable at June 30, 2023.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2023</u>
Series of 2014	\$ 52,160	5.00%	2024-29	December 1, 2023	\$ 25,925
Series of 2016B	15,185	2.99 – 4.04%	2024-31	June 1 2026	9,055
Series of 2019	20,940	5.00%	2024-34	December 1, 2028	17,090
Series of 2019A	12,975	5.00%	2024-34	December 1, 2029	12,165
Series of 2020B	15,720	5.00%	2024-36	December 1, 2030	14,240
Series of 2020C	50,390	0.66 – 1.06%	2024-26		30,435
Series of 2021	50,000	1.07%	2024-27		40,245
Series of 2022A	27,930	5.00%	2024-37	December 1, 2032	27,930
Series of 2022B	60,515	5.05 – 5.38%	2024-28		60,515
Certificates of participation outstanding					237,600
Plus unamortized premium/discount:					9,699
					\$ 247,299

The following schedule details debt service requirements to maturity for the County's Certificates of Participation payable at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 33,065	\$ 8,694
2025	38,740	7,725
2026	39,410	6,572
2027	34,805	5,299
2028	35,195	3,696
2029-2033	38,815	8,668
2034-2037	17,570	1,439
Total	\$ 237,600	\$ 42,093

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

The County's COPS issuances are secured by collateral of certain County buildings. The following table provides the COPS issuance and County buildings subject to collateralization in the event the County defaults on any COPS issuance.

<u>COPS Issuance</u>									<u>Building Collateral</u>
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	Adult Detention Facility
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	Public Works Building and Parking Garage
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	Legal Services Building
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	Public Service Center Office Tower and Parking Garage
		2019	2019A	2020B	2020C	2021	2022A	2022B	Justice Building

**PLEGGED REVENUE OBLIGATIONS**  
**Governmental Activities**

Pledged Revenue Obligations were issued to pay down the unfunded actuarial liabilities in the County's Public Safety Personnel Retirement System and the Corrections Officers Retirement Plans.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2023</u>
Series of 2021	\$ 300,000	0.52 – 2.51%	2024-36		\$ 290,000
Pledged revenue obligations outstanding					290,000
Plus unamortized premium/discount:					
			Total pledged revenue obligations outstanding		<u>\$ 290,000</u>

The following schedule details pledged revenue obligations debt service requirements to maturity at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 20,870	\$ 5,088
2025	22,540	4,979
2026	23,190	4,776
2027	24,065	4,514
2028	24,340	4,173
2029-2033	115,225	14,425
2034-2036	59,770	2,880
Total	<u>\$ 290,000</u>	<u>\$ 40,835</u>

The County has pledged future State-shared sales tax revenues, State vehicle license tax revenues, County excise tax revenues, and payments in lieu of property tax revenues to repay \$290,000 in pledged revenue obligations issued in 2021. Proceeds from the obligations were used to pay down the unfunded actuarial liabilities for the Public Safety Personnel Retirement System and the Corrections Officers Retirement Plan. The obligations are payable from the various revenues mentioned above and are payable through 2036. Total principal and interest remaining to be paid on the obligations is \$330,835. It is expected that approximately 15 percent of total future revenues will be used to pay annual principal and interest on the obligations. Prior year pledged revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for these obligations in the current year, and total current year pledged revenues were \$11,104 and \$168,869, respectively.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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(in thousands)

**Note 7: Long-Term Liabilities (continued)**

**FINANCED PURCHASES  
Governmental Activities**

The County has acquired equipment under contract agreements at a total purchase price of \$725.

The following schedule details debt service requirements to maturity for the County's financed purchases at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Installment Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2024	140	5
2025	107	1
Total	<u>\$ 247</u>	<u>\$ 6</u>

The financed purchases are collateralized by the acquired assets, which consist of computer equipment.

**LEASES  
Governmental Activities**

The County has obtained the right to use buildings and other improvements under the provisions of various lease agreements.

The total amount of lease assets and the related amortization are as follows:

Total intangible right-to-use lease assets:	\$ 4,126
Less: accumulated amortization	<u>(1,730)</u>
Carrying value	\$ 2,396

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 551	\$ 91
2025	394	74
2026	288	59
2027	86	52
2028	51	49
2029-2033	331	205
2034-2038	278	134
2039-2043	129	97
2044-2048	177	66
2049-2053	232	25
Total	<u>\$ 2,517</u>	<u>\$ 852</u>

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS  
**Governmental Activities**

The County has obtained the right to use software as a service from Axon Enterprise, Inc. primarily for storing and managing data from the Sheriff department's body cameras, various software as a service under software value added reseller SHI International, Corp, and other right to use cloud-based software under the provisions of various subscription-based information technology arrangements.

The total amount of subscription assets and the related amortization are as follows:

Total intangible right-to-use subscription assets:	\$ 31,889
Less: accumulated amortization	<u>(5,392)</u>
Carrying value	<u>\$ 26,497</u>

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,859	\$ 845
2025	3,304	621
2026	2,829	494
2027	2,170	386
2028	1,832	307
2029-2032	<u>6,268</u>	<u>450</u>
Total	<u>\$ 23,262</u>	<u>\$ 3,103</u>

SEWER REVENUE OBLIGATIONS

**Business-type Activities**

(Payments made from user charges received in the RWR)

Pima County sewer revenue obligations were issued to provide monies to construct improvements to the County's Regional Wastewater Reclamation system.

On November 16, 2022, the County issued Sewer System Revenue and Revenue Refunding Obligations, Series 2022 in the amount of \$68,225. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program and to refund the \$33,700 outstanding balance of the Series 2012A issue. The refunding transaction resulted in an economic gain of \$1,906 and a reduction in debt service between the refunding debt and the refunded debt of \$2,637. The proceeds of the new obligations were placed in an irrevocable trust to provide for future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded obligation are not included in the County's financial statements. The Series 2022 obligations are projected to be paid in full by fiscal year 2032-33 from the revenues received in the Regional Wastewater Reclamation Fund.

During the year ended June 30, 2023, the County defeased \$3,645 of Sewer Revenue Obligations, Series 2014 and \$14,000 of Sewer Revenue Obligations, Series 2016 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. Accordingly, the related liabilities are not included in the County's financial statements. The County placed \$3,740 and \$14,502 respectively of existing cash in an irrevocable trust to provide resources for the future debt service payments of \$3,827 and \$14,700 respectively.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

The following table presents amounts outstanding for sewer revenue obligations by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2023</u>
Series of 2014	48,500	5.00%	2024-28	July 1, 2023	21,160
Series of 2016 Refunding	211,595	5.00%	2024-26		98,635
Series of 2018	38,205	5.00%	2026-33	July 1, 2028	38,205
Series of 2019	21,245	5.00%	2024-32	July 1, 2029	15,700
Series of 2020A	35,295	5.00%	2024-27		15,295
Series of 2020B	45,715	5.00%	2024-31	July 1, 2030	43,260
Series of 2022	68,225	5.00%	2025-33	July 1, 2032	68,225
Subtotal					<u>300,480</u>
Series of 2017 Direct Placement	45,000	2.77%	2024-31		27,794
Series of 2021 Direct Placement	45,000	1.27%	2024-31		40,250
Subtotal					<u>68,044</u>
Sewer Revenue Obligations outstanding					368,524
Plus unamortized premium/discount:					28,340
			Total sewer revenue obligations outstanding		<u>\$ 396,864</u>

The following schedule details sewer revenue obligation debt service requirements to maturity at June 30, 2023.

<u>Year Ending June 30,</u>	<u>Sewer Obligation Debt Service</u>		<u>Obligations from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	50,724	15,024	7,960	1,281
2025	62,060	12,488	8,115	1,133
2026	49,485	9,385	8,265	981
2027	34,145	6,910	8,420	826
2028	22,020	5,203	8,575	668
2029-2033	82,046	11,062	26,709	1,020
Total	<u>\$ 300,480</u>	<u>\$ 60,072</u>	<u>\$ 68,044</u>	<u>\$ 5,909</u>

All sewer revenue obligations, including direct placements, were issued with a first lien on the pledge of the RWR net revenues and have restrictive covenants, primarily related to minimum utility rates and limitations on future bond issues. The bond covenants also require the RWR to maintain in the Bond Reserve Account monies in amounts set by each debt issue. At June 30, 2023 the RWR met the requirements of the debt covenants. The County is also authorized to issue for the RWR additional parity bonds or revenue obligations if certain conditions are met, primarily that net revenues for parity bonds and pledged revenues for revenue obligations for the fiscal year immediately preceding issuance of the new debt exceed 120 percent of the maximum annual debt service requirements immediately after such issuance.

PIMA COUNTY, ARIZONA  
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**Note 7: Long-Term Liabilities (continued)**

Pima County has pledged future user charges, net of specified operating expenses, to repay \$300,480 in sewer obligations and \$68,044 in sewer obligations from direct placement issued between 2014 and 2023. Proceeds from the obligations and direct placement provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The obligations and direct placement are payable from total customer net revenues and are payable through fiscal year 2033. It is expected that approximately 23 percent of total future customer net revenues will be used to pay annual principal and interest payments on the obligations and direct placement. Total principal and interest remaining to be paid on the obligations and direct placement are \$360,552 and \$73,953 respectively. Principal and interest paid in the current year on revenue obligations and direct placement totaled \$55,855, and principal and interest paid on the direct borrowing totaled \$9,241. Total customer net revenues in the current year were \$97,363.

**ASSET RETIREMENT OBLIGATION**  
**Business-type Activities**

Pima County's asset retirement obligation is a legally enforceable liability associated with the retirement and clean closure of a wastewater treatment facility as required by State laws and regulations. The estimates used in calculating this liability are based on actual historical clean-up costs associated with the retirement and clean closure of a recently closed wastewater treatment facility. The clean closure costs estimate is adjusted annually using an inflation factor. The estimated remaining useful lives of the associated wastewater treatment facilities range between 3 to 21 years.

**CONTRACTS AND NOTES**  
**Business-type Activities**  
(Payments made from restricted assets in the RWR)

Contracts and notes consist of contract retentions for several construction projects. Generally, interest is not accrued and the timing of payments is based on completion of the related construction projects.

**COMPENSATED ABSENCES**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During the fiscal year 2023, the County paid for compensated absences from governmental funds with 75 percent from the General Fund, 12 percent from Other Special Revenue funds, 5 percent from Grants Special Revenue fund, 5 percent from the Other Special Revenue fund, and 3 percent from internal service funds. The County also paid compensated absences from business-type activity funds with 84 percent from the Regional Wastewater Reclamation fund and 16 percent from other enterprise funds.



PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 7: Long-Term Liabilities (continued)**

LEGAL DEBT MARGIN  
**County General Obligation Bonds**

General obligation debt may not exceed 6 percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Pima County has received voter approval for all general obligation debt. The legal debt margin at June 30, 2023, is as follows:

Net assessed valuation		\$ 11,355,659
Debt limit (15% of net assessed valuation):		1,703,349
Less amount of debt applicable to debt limit:		
General obligation bonds outstanding	\$ 66,534	
Less general obligation bonds outstanding for the Rocking K South CFD	(1,729)	64,805
Legal debt margin available		<u>\$ 1,638,544</u>

PIMA COUNTY, ARIZONA  
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**Note 8: Landfill Liabilities**

**Solid Waste Landfill Closure and Post-Closure Care Costs**

State and Federal laws and regulations require the County to place a final cover on its solid waste landfill sites when these sites stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after their closure. Although closure and post-closure care costs will not be paid until near or after the date the landfills stop accepting waste, the County records a portion of these closure and post-closure care costs as a long-term liability in each period, based on landfill capacity used as of each balance sheet date. The \$11,147 reported as landfill closure and post-closure care long-term liability within the governmental activities represents the cumulative amount reported to date, based on the percentage used of each landfill's total estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,518 as the remaining estimated capacities are used. These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended June 30, 2023; actual costs may change due to inflation, changes in technology, or changes in regulations.

<b>Landfill Site</b>	<b>Capacity Used June 30, 2023</b>	<b>Estimated Remaining Service Life</b>
Ajo	80%	34 Years
Sahuarita*	59%	25 Years
Tangerine	100%	Closed

\*The Sahuarita Landfill stopped accepting waste from the public in February 2016, but remains open for internal County waste disposal needs.

The County plans to fund the estimated closure and post-closure care costs with General Fund monies.

According to State and Federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, post-closure, and corrective action when needed. The County is in compliance with these requirements. The County closed its Ina Road Landfill facility during fiscal year ended June 30, 2020. This facility is not subject to the closure and post-closure cost requirements referred to above. The County estimates that the total closure costs of the landfill will be \$4,246 and has currently paid \$7,571 of these closure costs. The remaining closure costs will primarily be funded with General Fund monies.

On September 29, 2022, Waste Management of Arizona, Inc. was contracted to operate the Landfill and Transfer Station operations on behalf of Pima County in an agency capacity. The closure and post closure costs remain the liability of Pima County.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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**Note 9: Interfund Transactions**

**A. Interfund Assets/Liabilities**

Due from/Due to other funds for the year ended June 30, 2023 were as follows:

**Amounts recorded as due to:**

Amounts recorded as due from:	General	Grants	Other Special Revenue	Other Governmental	Regional Wastewater Reclamation	Other Enterprise	Internal Service	Total
General		\$ 1,418	\$ 122	\$ 2	\$ 84		\$ 53	\$ 1,679
Capital Projects	\$ 964	996						1,960
Grants	243		5	327				575
Other Special Revenue	378	2				\$ 3		383
Other Governmental	343	350		36		1		730
Other Enterprise			3	16	15			34
Internal Service				18				18
<b>Total</b>	<b>\$ 1,928</b>	<b>\$ 2,766</b>	<b>\$ 130</b>	<b>\$ 399</b>	<b>\$ 99</b>	<b>\$ 4</b>	<b>\$ 53</b>	<b>\$ 5,379</b>

Due from/Due to other funds are used to record short-term loans or unpaid transfers between funds. Outstanding due to/due from amounts represent cash transfers that had not occurred at the end of the year. All due to/due from amounts are expected to be paid in one year.

The due to General Fund from the Grants Fund, represents transfers for various indirect charges. The majority of these were in either the Health or Community & Workforce Development departments. The due to Capital Projects from the Grants Fund represents transfers for various developments from federal aid reimbursements.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
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(in thousands)

**Note 9: Interfund Transactions (continued)**

**B. Interfund Transfers**

Transfers are used to move monies between individual funds primarily to properly account for capital projects activity, debt service activity, and to subsidize departmental operations.

Interfund transfers for the year ended June 30, 2023 were as follows:

**Amounts recorded as transfers out:**

Amounts recorded as transfers in:

	General	Capital Projects	Grants	Other Special Revenue	Other Governmental	Regional Wastewater Reclamation	Other Enterprise	Internal Service	Total
General		\$ 186	\$ 5,916	\$ 1,323	\$ 300	\$ 200		\$ 57	\$ 7,982
Capital Projects	\$ 18,380		5,679	4,729	26,711	4,110		20	59,629
Debt Service	28,165	1,727			36,899		632		67,423
Grants	3,783			422	1,925				6,130
Other Special Revenue	3,097	750			1,979	80		920	6,826
Other Governmental	49,455	52,936	1,282	229	162	48			104,112
Regional Wastewater Reclamation							4	77	81
Other Enterprise				3					3
Internal Service	1,999								1,999
<b>Total</b>	<u>\$ 104,879</u>	<u>\$ 55,599</u>	<u>\$ 12,877</u>	<u>\$ 6,706</u>	<u>\$ 67,976</u>	<u>\$ 4,438</u>	<u>\$ 636</u>	<u>\$ 1,074</u>	<u>\$ 254,185</u>

The following is a summary of the significant transfer activity for the fiscal year ended June 30, 2023:

The transfers out of the General Fund were made to the Other Governmental Funds, to support Transportation's Certificates of Participation debt service payments, to support Health Fund operations, and to support Stadium District Fund operations, such as subsidizing debt service obligations and ballfield maintenance costs in connection with the Kino Sports Complex.

The transfers out from the General Fund were made to the Capital Projects Fund, to support the Kino South District Partnership project and to support Transportation Fund pay-as-you-go payments for this year.

The transfers out from the General Fund were made to the Debt Service Fund, to support the Certificates of Participation debt service payments and CORP/PSPRS pension debt.

The transfers out from the Capital Projects Fund were made to the Other Governmental Funds, to support the Transportation's Local Pavement Repair and Rehabilitation project.

The transfers out of the Other Governmental Funds were made to the Capital Projects Fund for the support of construction-related activity in connection with projects for the Flood Control District.

The transfers out of the Other Governmental Funds were made to the Debt Service Fund, to support the Certificates of Participation debt service payments.

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**Note 10: Pensions and Other Postemployment Benefits**

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan (CORP), the Corrections Officer Retirement Plan – Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System (PSPRS), consisting of Pima County Sheriffs and Pima County – County Attorney Investigators, the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP), the Elected Officials Retirement Plan (EORP), and the Elected Officials Defined Contribution Retirement System (EODCRS), all component units of the State of Arizona.

At June 30, 2023, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<u>Statement of net position and Statement of activities</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Net OPEB assets	\$ 17,488	\$ 1,136	\$ 18,624
Net pension and OPEB liabilities	505,068	32,944	538,012
Deferred outflows of resources related to pensions and OPEB	116,946	5,141	122,087
Deferred inflows of resources related to pensions and OPEB	35,120	2,442	37,562
Pension and OPEB expense	64,990	1,434	66,424

The County’s accrued payroll and employee benefits includes \$2,086 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2023. Also, the County reported \$48,985 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

The ASRS, CORP, CORP AOC, PSPRS - Pima County Sheriffs, and EORP plans are described below. The PSPRS, Pima County Attorney Investigators, PSPDCRP, EODCRS pension plans, and all OPEB plans are not described due to their relative insignificance to the County's financial statements.

**A. Arizona State Retirement System**

**Plan description** - County employees not covered by 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](http://www.azasrs.gov).

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

**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, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.03 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.92 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.62 percent for retirement of the 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 total contributions to the pension plan for the year ended June 30, 2023, was \$32,630.

During fiscal year 2023, the County paid for ASRS pension contributions as follows: 63 percent from the General Fund, 14 percent from major funds, and 23 percent from other funds.

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

**Liability** - At June 30, 2023, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

ASRS	Net pension liability
Pension	\$ 345,381

The net asset and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The County's proportion of the net asset or net 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, 2022. The County's proportions measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

ASRS	Proportion June 30, 2022	Decrease from June 30, 2021
Pension	2.11%	(0.04)

**Expense** - For the year ended June 30, 2023, the County recognized the following pension expense.

ASRS	Pension expense
Pension	\$ 30,203

**Deferred outflows/inflows of resources** - At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 2,943	
Changes of assumptions or other inputs	17,142	
Net difference between projected and actual earnings on pension plan investments		\$ 9,098
Changes in proportion and differences between county contributions and proportionate share of contributions	24	9,019
County contributions subsequent to the measurement date	32,630	
Total	\$ 52,739	\$ 18,117

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

The amounts 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 liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

Year ending June 30	
2024	\$ 9,386
2025	(6,160)
2026	(15,796)
2027	14,562

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

<b>ASRS</b>	
Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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. The target allocation and best-estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>ASRS</b>	<b>Target</b>	<b>Long-term expected</b>
<b>Asset class</b>	<b>allocation</b>	<b>geometric real rate</b>
		<b>of return</b>
Equity	50%	3.90%
Fixed income – credit	20%	5.30%
Fixed income - interest rate sensitive	10%	(0.20%)
Real estate	<u>20%</u>	6.00%
Total	<u>100%</u>	

**Discount rate** - At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.



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**Note 10: Pensions and Other Postemployment Benefits (continued)**

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 7.0 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 509,600	\$ 345,381	\$ 208,449

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

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

**Plan descriptions** - County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan. A 9-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 for county detention officers (agent plan), which was closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost sharing plan). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

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

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

PSPRS	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
<b>Retirement and disability</b>			
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	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
<b>Benefit percent</b>			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	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		
<b>Survivor Benefit</b>			
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		
*With actuarially reduced benefits			

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
<b>Retirement and disability</b>			
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	10 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
<b>Benefit percent</b>			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25 to 2.25% 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	
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		
<b>Survivor Benefit</b>			
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.		

\*With actuarially reduced benefits

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**Employees covered by benefit terms** - At June 30, 2023, the following employees were covered by the agent plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	471	260
Inactive employees entitled to but not yet receiving benefits	157	200
Active employees	432	245
Total	1,060	705

PIMA COUNTY, ARIZONA  
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**Note 10: Pensions and Other Postemployment Benefits (continued)**

**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. 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, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>Active member - pension</b>	<b>County - pension</b>
PSPRS Sheriff	7.65% - 11.65%	84.45%
CORP Detention	8.41%	35.00%
CORP AOC	8.41% or 10.18%	36.70%

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.

	<b>Pension</b>
PSPRS Sheriff	72.30%
CORP Detention	29.77%
CORP AOC	32.79%

The County's contributions to the plans for the year ended June 30, 2023, were:

	<b>Pension</b>
PSPRS Sheriff	\$ 7,737
CORP Detention	1,575
CORP AOC	5,075

During fiscal year 2023, the County paid for PSPRS and CORP pension contributions as follows: 81 percent from the General Fund, 17 percent from other non-major funds, and 2 percent from other major funds.

**Liability** - At June 30, 2023, the County reported the following liabilities:

	<b>Net pension liability</b>
PSPRS Sheriff	\$ 69,602
CORP Detention	13,770
CORP AOC (County's proportionate share)	48,071

The net pension liabilities were measured as of June 30, 2022, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0 – 6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

The net pension liabilities decreased due to the prepayment of pension contributions to the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officers Retirement Plan (CORP) in fiscal year 2022.

**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, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25%
Price Inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>PSPRS and CORP</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
<b>Asset class</b>		
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash – Mellon	<u>1%</u>	-0.35%
Total	<u>100%</u>	

**Discount rate** - At June 30, 2022, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent, which was a decrease of 0.1 percent from the discount rate used as of June 30, 2021. 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

**Changes in the net pension liability**

**PSPRS – Sheriff**

	<b>Increase (decrease)</b>		
	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (a) – (b)</b>
Balances at June 30, 2022	\$ 452,443	\$ 238,935	\$ 213,508
Changes for the year:			
Service cost	5,816		5,816
Interest on the total liability	32,522		32,522
Differences between expected and actual experience in the measurement of the liability	5,908		5,908
Changes of assumptions or other inputs	5,033		5,033
Contributions—employer		208,293	(208,293)
Contributions—employee		2,283	(2,283)
Net investment income		(17,085)	17,085
Benefit payments, including refunds of employee contributions	(25,511)	(25,511)	
Administrative expense		(306)	306
Net changes	23,768	167,674	(143,906)
Balances at June 30, 2023	\$ 476,211	\$ 406,609	\$ 69,602

**CORP – Detention**

	<b>Increase (decrease)</b>		
	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (a) – (b)</b>
Balances at June 30, 2022	\$ 157,803	\$ 95,139	\$ 62,664
Changes for the year:			
Service cost	2,371		2,371
Interest on the total liability	11,357		11,357
Differences between expected and actual experience in the measurement of the liability	(3,784)		(3,784)
Changes of assumptions or other inputs	1,655		1,655
Contributions—employer		65,098	(65,098)
Contributions—employee		1,316	(1,316)
Net investment income		(5,786)	5,786
Benefit payments, including refunds of employee contributions	(9,192)	(9,192)	
Administrative expense		(104)	104
Other charges		(31)	31
Net changes	2,407	51,301	(48,894)
Balances at June 30, 2023	\$ 160,210	\$ 146,440	\$ 13,770

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

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, 2022. The County's proportion measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

CORP AOC	Proportion June 30, 2022	Increase from June 30, 2021
Pension	10.77%	-0.19%

**Sensitivity of the County's net pension liability to changes in the discount rate** - The following table presents the County's net pension liabilities calculated using the discount rate of 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current discount Rate (7.2%)	1% Increase (8.2%)
PSPRS Sheriff			
Net pension liability	\$ 129,333	\$ 69,602	\$ 20,431
CORP Detention			
Net pension liability	\$ 35,295	\$ 13,770	\$ (3,764)
CORP AOC			
County's proportionate share of the net pension liability	\$ 63,132	\$ 48,071	\$ 35,750

**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, 2023, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$ 21,681
CORP Detention	6,049
CORP AOC (County's proportionate share)	4,576

**Pension deferred outflows/inflows of resources** - At June 30, 2023, 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	\$ 8,715	\$ 1,312
Changes of assumptions or other inputs	5,741	
Net difference between projected and actual earnings on pension plan investments	16,860	
County contributions subsequent to the measurement date	7,737	
Total	\$ 39,053	\$ 1,312

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**Note 10: Pensions and Other Postemployment Benefits (continued)**

<b>CORP – Detention</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 3,124	\$ 5,328
Changes of assumptions or other inputs	2,093	
Net difference between projected and actual earnings on pension plan investments	5,124	
County contributions subsequent to the measurement date	1,575	
<b>Total</b>	<b>\$ 11,916</b>	<b>\$ 5,328</b>

<b>CORP – AOC</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 2,555	\$ 710
Changes of assumptions or other inputs	1,565	
Net difference between projected and actual earnings on pension plan investments	814	
Changes in proportion and differences between county contributions and proportionate share of contributions	175	1,470
County contributions subsequent to the measurement date	5,075	
<b>Total</b>	<b>\$ 10,184</b>	<b>\$ 2,180</b>

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>PSPRS Sheriff</b>	<b>CORP Detention</b>	<b>CORP AOC</b>
Year ending June 30			
2024	\$ 10,082	\$ 2,599	\$ 1,578
2025	6,407	541	223
2026	3,073	(1,090)	(561)
2027	10,442	2,963	1,689
	<b>\$ 30,004</b>	<b>\$ 5,013</b>	<b>\$ 2,929</b>

**C. Elected Officials Retirement Plan**

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



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(in thousands)

**Note 10: Pensions and Other Postemployment Benefits (continued)**

**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:

<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and 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
<b>Benefit percent</b>		
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
<b>Survivor benefit</b>		
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%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. 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.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 10: Pensions and Other Postemployment Benefits (continued)**

**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, 2023, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 70.42 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 58.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, in addition to the County's required contributions to ASRS. In addition, statute required the County to contribute 48.58 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill.

The County's contributions to the pension plan for the year ended June 30, 2023, were \$4,811.

During fiscal year 2023, the County paid for EORP pension contributions entirely from the General Fund.

**Liability** - At June 30, 2023, 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	\$ 59,357
State's proportionate share of the EORP net pension liability associated with the County	5,779
Total	\$ 65,136

The net pension liability was measured as of June 30, 2022, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, decreasing the wage inflation from 3.75 percent to 3.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

The County's proportion of the net pension liability was based on the County's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2022. The County's proportion measured as of June 30, 2022, and the change from its proportion measured as of June 30, 2021, were:

EORP	<u>Proportion</u> <u>June 30, 2022</u>	<u>Decrease from</u> <u>June 30, 2021</u>
Pension	8.79%	(0.15%)

**Expense** - For the year ended June 30, 2023, the County recognized pension expense for EORP of \$4,913 and revenue of \$1,690 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 10: Pensions and Other Postemployment Benefits (continued)**

**Deferred outflows/inflows of resources** - At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>EORP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments	\$ 536	
Changes in proportion and differences between county contributions and proportionate share of contributions		\$ 500
County contributions subsequent to the measurement date	4,811	
<b>Total</b>	<b>\$ 5,347</b>	<b>\$ 500</b>

The amounts reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

Year ending June 30	
2024	\$ (392)
2025	5
2026	(253)
2027	676

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

<b>EORP</b>	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25%
Price inflation	2.5%
Cost of living adjustment	1.85%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 10: Pensions and Other Postemployment Benefits (continued)**

The long-term expected rate of return on EORP plan investments was determined to be 7.2 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:

<b>EORP</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
<b>Asset class</b>		
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	<u>1%</u>	-0.35%
Total	<u>100%</u>	

**Discount rates** - At June 30, 2022, the discount rate used to measure the EORP total pension liability was 7.2 percent which was a decrease of 0.1 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the 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 EORP net pension liability to changes in the discount rate** - The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

<b>EORP</b>	<b>1% Decrease 6.2%</b>	<b>Current Discount Rate 7.2%</b>	<b>1% Increase 8.2%</b>
County's proportionate share of the net pension liability	\$ 67,765	\$ 59,357	\$ 52,156

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

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 11: Construction and Other Significant Commitments**

At June 30, 2023, Pima County had the following major contractual commitments:

**Behavioral Health**

The Behavioral Health Department had contractual commitments related to service contracts of \$108,128. Funding for these expenditures will be provided from the general fund and grant revenues.

**Community & Workforce Development**

The Community & Workforce Development Department had contractual commitments related to service contracts of \$35,422. Funding for these expenditures will be provided from reimbursements on intergovernmental grant awards, including federal and state entities.

**Facilities Management**

The Facilities Management Department had construction contractual commitments of \$62,928 and other contractual commitments related to service contracts of \$5,676. Funding for these expenditures will be provided from Certificates of Participation, the general fund and building rental revenues.

**Regional Flood Control**

The Regional Flood Control District had construction contractual commitments of \$4,219 and other contractual commitments related to services contracts of \$2,371. Funding for these expenditures will be primarily from tax levy revenues.

**Regional Wastewater Reclamation**

The Regional Wastewater Reclamation enterprise fund had construction contractual commitments of \$30,803 and other contractual commitments related to services of \$18,810. Funding for these expenses will be primarily from the Sewer Revenue Obligations and sewer user fees.

**Transportation**

The Transportation Department had construction contractual commitments of \$15,734 and other contractual commitments related to services of \$2,875. Funding for these expenditures will be primarily provided from Transportation Revenue bonds, impact fees, federal grants, and state Highway User Tax Revenue.

**Subscription-based Information Technology Arrangements**

The County had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2023, for an integrated enterprise resource planning system. At June 30, 2023, the County had made payments of \$6,286 to the vendors and had remaining contractual commitments with vendors of \$63,068, including the subscription liabilities that will be recognized at the commencement of the subscription terms.

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 12: Fund Balance Classifications of the Governmental Funds**

The table below details the fund balance categories and classifications:

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Fund Balance:</b>							
<b>Nonspendable:</b>							
Inventory						\$ 1,685	\$ 1,685
Prepaid expenditures	\$ 3,724			\$ 626	\$ 176	1,186	5,712
Permanent fund principal						45	45
Total nonspendable	<u>3,724</u>			<u>626</u>	<u>176</u>	<u>2,916</u>	<u>7,442</u>
<b>Restricted for:</b>							
Community and economic development					663	218	881
Flood Control District						12,249	12,249
Health						3,609	3,609
Judicial activities					21,169		21,169
Law enforcement					8,613	2,853	11,466
Library District		\$ 13,084				32,103	45,187
Parks and recreation					1,289		1,289
Pima animal care					3,927		3,927
Sanitation		597				2,106	2,703
School reserve						1,368	1,368
Streets and highways		39,152				3,874	43,026
Other purposes					6,797		6,797
Total restricted		<u>52,833</u>			<u>42,458</u>	<u>58,380</u>	<u>153,671</u>
<b>Committed to:</b>							
Law enforcement	25,000						25,000
Municipal facilities					177		177
Parks and recreation					2,706		2,706
Other purposes	92,864						92,864
Total committed	<u>117,864</u>				<u>2,883</u>		<u>120,747</u>
<b>Assigned to:</b>							
Community and economic development					4,551		4,551
Debt service reserve			\$ 2,079				2,079
Health						2,955	2,955
Judicial activities					279		279
Law enforcement	254	5,547					5,801
Municipal facilities		31,643			11,632		43,275
Parks and recreation	2	4,334			2,482		6,818
School reserve						862	862
Sports promotion (Stadium)		245				3,785	4,030
Other purposes		9,042			1,114		10,156
Total assigned	<u>256</u>	<u>50,811</u>	<u>2,079</u>		<u>20,058</u>	<u>7,602</u>	<u>80,806</u>
<b>Unassigned:</b>	<u>74,272</u>			<u>(17,391)</u>			<u>56,881</u>
Total Fund Balance	<u>\$ 196,116</u>	<u>\$ 103,644</u>	<u>\$ 2,079</u>	<u>\$ (16,765)</u>	<u>\$ 65,575</u>	<u>\$ 68,898</u>	<u>\$ 419,547</u>

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 13: Receivables**

Accounts receivable as of year-end for the County's individual major funds and nonmajor funds in the aggregate are shown as follows. Settlements receivable includes an allowance for uncollectable of \$1,390.

	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Total</u>
Accounts receivable:						
General	\$ 2,379	\$ 142	\$ 729	\$ 809	\$ 1,426	\$ 5,485
Settlements				38,744		38,744
Total accounts receivable	<u>\$ 2,379</u>	<u>\$ 142</u>	<u>\$ 729</u>	<u>\$ 39,553</u>	<u>\$ 1,426</u>	<u>\$ 44,229</u>

**Note 14: Due from Other Governments**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Federal government:								
Grants and contributions	\$ 62		\$ 3	\$ 31,466		\$ 207		\$ 31,738
State of Arizona:								
Taxes and shared revenues	30,969				\$ 208	7,120		38,297
Grants and contributions				8,857		39		8,896
Cities:								
Reimbursement for services	559	\$ 139	7	127	257	30	\$ 22	1,141
Other governments:								
Reimbursement for services	56	58		1,399		2	9	1,524
Total due from other governments fund based statements	<u>\$ 31,646</u>	<u>\$ 197</u>	<u>\$ 10</u>	<u>\$ 41,849</u>	<u>\$ 465</u>	<u>\$ 7,398</u>	<u>\$ 31</u>	<u>\$ 81,596</u>

PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2023  
(in thousands)

**Note 15: Subsequent Events**

**Sewer System Revenue Obligations** – On July 26, 2023, the County defeased \$18,820 of the Series 2016 Sewer System Revenue Obligations using available cash of the Regional Wastewater Reclamation Fund to reduce the debt service costs and help mitigate the need for future sewer rate increases.

On November 9, 2023, the County issued Sewer System Revenue Obligations Series 2023 in the amount of \$42,350. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program. The Series 2023 obligations are scheduled to be paid in full with sewer system revenues by fiscal year 2033-2034.

**Certificates of Participation** – On November 9, 2023, the County issued Certificates of Participation, Series 2023AB in the amount of \$39,070. The proceeds from the 2023A series will be used to fund various Facilities Management projects and will be repaid within fifteen years using General Fund revenues. The proceeds from the 2023B series will be used to fund the new Enterprise Resource Planning System and will be repaid within ten years using General Fund revenues and Department contributions.

**Settlements** – Under the One Arizona Opioid Settlement related to national opioid settlements, Pima County is allocated a portion of settlement monies as the cases are settled. A third-party administrator handles the settlements for all parties in the One Arizona Plan. Five settlements have occurred since June 30, 2023, and the County will recognize approximately \$1.1 million in revenues in fiscal year 2024.





**2023**

**Annual Comprehensive  
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023 • Pima County, Arizona



**REQUIRED SUPPLEMENTARY INFORMATION**

Other Than Management's Discussion & Analysis

PIMA COUNTY, ARIZONA

Exhibit B - 1

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual – General Fund  
For the Year Ended June 30, 2023  
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 395,551	\$ 395,551	\$ 395,519	\$ (32)
Licenses and permits	3,683	3,683	3,799	116
Intergovernmental	203,833	203,833	235,888	32,055
Charges for services	40,897	40,897	41,434	537
Fines and forfeits	3,005	3,005	2,834	(171)
Investment earnings	804	804	6,019	5,215
Miscellaneous	5,163	5,163	15,855	10,692
Total revenues	652,936	652,936	701,348	48,412
Expenditures:				
General government				
Analytics & Data Governance	4,141	4,141	4,205	(64)
Assessor	11,195	11,195	10,176	1,019
Board of Supervisors	2,821	2,821	2,698	123
Clerk of Superior Court	12,556	12,556	11,561	995
Constables	1,689	1,689	1,670	19
County Administration	140,945	140,945	79,437	61,508
County Attorney	27,007	27,007	26,826	181
Facilities Management	25,732	25,732	23,202	2,530
Justice Courts	9,262	9,262	8,937	325
Juvenile Courts	21,198	21,198	20,768	430
Public Defense Services	37,229	37,229	37,850	(621)
Public Works	2,103	2,103	1,720	383
Recorder	7,659	7,659	6,899	760
Superior Court	41,548	41,548	44,491	(2,943)
Superior Court Mandated Services	1,850	1,850	1,862	(12)
Treasurer	3,075	3,075	2,577	498
Public safety				
Sheriff	154,289	154,289	155,590	(1,301)
Office of Emergency Management & Homeland Security	891	891	692	199
Sanitation				
Environmental Quality	1,355	1,355	1,119	236
Health				
Medical Examiner	5,323	5,323	5,083	240
Pima Animal Care Center	12,466	12,466	11,394	1,072
Welfare				
Finance	15,300	15,300	15,000	300
Behavioral Health	32,722	32,722	28,412	4,310
County Administration	70,018	70,018	71,116	(1,098)
Culture and recreation				
Parks and Recreation	21,589	21,589	20,784	805
Education and economic opportunity				
Community & Workforce Development	13,300	13,300	11,160	2,140
School Superintendent	2,630	2,630	2,512	118
Debt Service - principal			3,293	(3,293)
- interest			481	(481)
Total expenditures	679,893	679,893	611,515	68,378
Excess (deficiency) of revenues over (under) expenditures	(26,957)	(26,957)	89,833	116,790
Other financing sources (uses):				
Lease agreements			726	726
Subscription-based information technology agreements			22,595	22,595
Proceeds from sale of capital assets			971	971
Transfers in	7,174	7,174	7,982	808
Transfers (out)	(118,006)	(118,006)	(104,879)	13,127
Total other financing uses	(110,832)	(110,832)	(72,605)	38,227
Net change in fund balance	(137,789)	(137,789)	17,228	155,017
Fund balances, July 1, 2022	137,789	137,789	202,209	64,420
Fund balances, June 30, 2023			\$ 219,437	\$ 219,437

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual – Grants Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 516,915	\$ 516,915	\$ 168,902	\$ (348,013)
Investment earnings			4,945	4,945
Miscellaneous	3,371	3,371	3,921	550
<b>Total revenues</b>	<b>520,286</b>	<b>520,286</b>	<b>177,768</b>	<b>(342,518)</b>
<b>Expenditures:</b>				
General government				
Constables	35	35		35
County Administration	360,880	360,880	64,196	296,684
County Attorney	5,817	5,817	3,085	2,732
Justice Courts	1,570	1,570	1,426	144
Juvenile Courts	1,041	1,041	750	291
Public Defense Services	2,578	2,578	1,742	836
Public Works	750	750	1	749
Recorder	300	300		300
Superior Court	1,633	1,633	1,186	447
Public safety				
Flood Control	1,114	1,114	802	312
Sheriff	3,408	3,408	3,149	259
Office of Emergency Management & Homeland Security	1,342	1,342	1,105	237
Highways and streets				
Transportation			157	(157)
Health				
Environmental Quality	951	951	879	72
Health	44,526	44,526	19,475	25,051
Pima Animal Care Center	1,592	1,592	883	709
Welfare				
Behavioral Health	747	747	366	381
Culture and recreation				
Parks and Recreation	507	507	245	262
Education and economic opportunity				
Community & Workforce Development	69,146	69,146	63,525	5,621
<b>Total expenditures</b>	<b>497,937</b>	<b>497,937</b>	<b>162,972</b>	<b>334,965</b>
<b>Excess of revenues over expenditures</b>	<b>22,349</b>	<b>22,349</b>	<b>14,796</b>	<b>(7,553)</b>
<b>Other financing sources (uses):</b>				
Transfers in	12,502	12,502	6,130	(6,372)
Transfers (out)	(33,762)	(33,762)	(12,877)	20,885
<b>Total other financing sources (uses)</b>	<b>(21,260)</b>	<b>(21,260)</b>	<b>(6,747)</b>	<b>14,513</b>
<b>Net change in fund balance</b>	<b>1,089</b>	<b>1,089</b>	<b>8,049</b>	<b>6,960</b>
Fund balances, July 1, 2022	(4,506)	(4,506)	(24,814)	(20,308)
<b>Fund balances, June 30, 2023</b>	<b>\$ (3,417)</b>	<b>\$ (3,417)</b>	<b>\$ (16,765)</b>	<b>\$ (13,348)</b>

PIMA COUNTY, ARIZONA

Exhibit B - 1

Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual – Other Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,374	\$ 25,374	\$ 28,998	\$ 3,624
Charges for services	9,102	9,102	11,634	2,532
Fines and forfeits	3,422	3,422	6,425	3,003
Investment earnings	376	376	2,053	1,677
Miscellaneous	7,464	7,464	8,961	1,497
Total revenues	<u>45,738</u>	<u>45,738</u>	<u>58,071</u>	<u>12,333</u>
Expenditures:				
General government				
Clerk of Superior Court	972	972	998	(26)
County Administration	248	248	116	132
County Attorney	10,436	10,436	4,182	6,254
Facilities Management	21,534	21,534	8,087	13,447
Justice Courts	1,495	1,495	801	694
Juvenile Courts	6,533	6,533	4,793	1,740
Public Defense Services	1,228	1,228	847	381
Recorder	1,146	1,146	778	368
Superior Court	17,135	17,135	16,038	1,097
Treasurer	84	84	6	78
Public safety				
Sheriff	4,778	4,778	7,884	(3,106)
Health				
Medical Examiner	65	65	43	22
Culture and recreation				
Parks and Recreation	6,799	6,799	2,465	4,334
Education and economic opportunity				
Community & Workforce Development	3,144	3,144	2,466	678
Debt Service - principal	205	205	136	69
- interest	13	13	8	5
Total expenditures	<u>75,815</u>	<u>75,815</u>	<u>49,648</u>	<u>26,167</u>
Excess (deficiency) of revenues over (under) expenditures	(30,077)	(30,077)	8,423	38,500
Other financing sources (uses):				
Subscription-based information technology agreements			1,551	1,551
Transfers in	11,105	11,105	6,826	(4,279)
Transfers (out)	(8,033)	(8,033)	(6,706)	1,327
Total other financing uses	<u>3,072</u>	<u>3,072</u>	<u>1,671</u>	<u>(1,401)</u>
Net change in fund balance	(27,005)	(27,005)	10,094	37,099
Fund balances, July 1, 2022	<u>47,964</u>	<u>47,964</u>	<u>57,032</u>	<u>9,068</u>
Fund balances, June 30, 2023	<u>20,959</u>	<u>20,959</u>	<u>\$ 67,126</u>	<u>\$ 46,167</u>

Notes to Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual  
June 30, 2023  
(in thousands)

**Note 1: Budgeting and Budgetary Control**

Arizona Revised Statutes (A.R.S.) require 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, Grants, and Other Special Revenue 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, except for the Present value of net minimum lease payments unbudgeted item reported as lease agreements.

	<u>General Fund</u>	<u>Other - Special Revenue Fund</u>
Excess of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances	\$ 66,512	\$ 6,872
Present value of net minimum lease payments	726	
Present value of net minimum subscription-based information technology arrangements payments	22,595	1,551
Excess of revenues over expenditures from the budgetary comparison schedules	<u>89,833</u>	<u>8,423</u>

**Note 3: Expenditures in Excess of Appropriations**

For the year ended June 30, 2023, expenditures for the following departments in the General and Grants Funds exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<b>Function/Department</b>	<u>Excess</u>
General government:	
Analytics & Data Governance - General Fund	\$ 64
Clerk of Superior Court - Other - Special Revenue Fund	26
Public Defense Services - General Fund	621
Superior Court - General Fund	2,943
Superior Court Mandated Services - General Fund	12
Total general government	<u>3,666</u>
Public safety:	
Sheriff - General Fund	1,301
Sheriff - Other - Special Revenue Fund	3,106
Total public safety	<u>4,407</u>
Highways and streets:	
Transportation - Grants Fund	157
Total highways and streets	<u>157</u>
Welfare:	
County Administration - General Fund	1,098
Total health	<u>1,098</u>
Debt service:	
Principal - General Fund	3,293
Interest - General Fund	481
Total debt service	<u>3,774</u>

The excess expenditures listed above were funded by greater than anticipated revenues and unspent appropriations.

For the Superior Court - General Fund, the excess was due to direction from the Administrative Office of the Courts to transfer the responsibility for maintaining the information technology infrastructure from the Clerk of the Superior Court to the Superior Court. This transfer in responsibility was not a consideration during the budgetary process, leading to a budget overrun of \$2,943.

For the Sheriff - General Fund, the excess was due to a substantial number of vacancies in deputy and corrections officer positions, leading to considerable overtime expenses, primarily for staffing at the County jail. These overtime costs exceeded the initial budgetary expectations, resulting in a budget overrun of \$1,301.

For the Transportation Fund - Grants Fund, the excess resulted from the expenditures related to storm repairs on County roads. These expenditures were funded by a grant awarded after the completion of the budgetary process, causing a budget exceedance of \$157.

PIMA COUNTY, ARIZONA

Schedule of the County's Proportionate Share of the Net Pension Liability  
 Cost-Sharing Pension Plans  
 June 30, 2023  
 (in thousands)

**Arizona State Retirement System**

	Reporting Fiscal Year (Measurement Date)									2014 (2013)
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	2.11%	2.16%	2.26%	2.28%	2.36%	2.41%	2.44%	2.51%	2.56%	Information not available
County's proportionate share of the net pension liability	\$ 345,381	\$ 283,562	\$ 390,909	\$ 332,203	\$ 328,958	\$ 375,197	\$ 393,174	\$ 391,629	\$ 379,139	
County's covered payroll	\$ 251,932	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570	\$ 229,907	
County's proportionate share of the net pension liability as a percentage of its covered payroll	137.09%	116.97%	158.68%	137.75%	140.62%	159.40%	172.35%	169.12%	164.91%	
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

**Corrections Officer Retirement Plan —  
 Administrative Office of the Courts**

	Reporting Fiscal Year (Measurement Date)									2014 (2013)
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	10.77%	10.96%	10.89%	11.44%	11.51%	11.95%	12.42%	12.45%	12.43%	Information not available
County's proportionate share of the net pension liability	\$ 48,071	\$ 40,691	\$ 52,009	\$ 48,276	\$ 41,436	\$ 47,929	\$ 35,046	\$ 30,274	\$ 27,888	
County's covered payroll	\$ 17,637	\$ 15,769	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857	\$ 13,114	
County's proportionate share of the net pension liability as a percentage of its covered payroll	272.56%	258.04%	396.20%	358.40%	310.48%	357.68%	256.17%	218.47%	212.66%	
Plan fiduciary net position as a percentage of the total pension liability	57.52%	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%	

**Elected Officials Retirement Plan**

	Reporting Fiscal Year (Measurement Date)									2014 (2013)
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	8.79%	8.95%	9.10%	9.06%	10.24%	7.42%	7.90%	7.55%	7.64%	Information not available
County's proportionate share of the net pension liability	\$ 59,357	\$ 54,444	\$ 61,427	\$ 60,051	\$ 64,495	\$ 90,478	\$ 74,615	\$ 59,037	\$ 51,259	
State's proportionate share of the net pension liability associated with the County	5,779	5,472	5,838	5,644	11,051	29,292	15,406	18,405	15,717	
Total	\$ 65,136	\$ 59,916	\$ 67,265	\$ 65,695	\$ 75,546	\$ 119,770	\$ 90,021	\$ 77,442	\$ 66,976	
County's covered payroll	\$ 10,353	\$ 9,801	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391	\$ 6,932	
County's proportionate share of the net pension liability as a percentage of its covered payroll	573.33%	555.49%	847.04%	828.75%	923.47%	1283.38%	1127.63%	923.75%	739.45%	
Plan fiduciary net position as a percentage of the total pension liability	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2023  
(in thousands)

Exhibit B - 2

	Reporting Fiscal Year (Measurement Date)									2014 thru 2013
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<b>Public Safety Personnel Retirement System - Sheriff</b>										
Total pension liability	\$ 5,816	\$ 5,941	\$ 6,136	\$ 5,936	\$ 6,125	\$ 8,078	\$ 6,068	\$ 6,421	\$ 6,346	
Service cost	32,522	31,792	30,453	28,842	27,905	26,186	25,444	24,997	21,060	
Interest on the total pension liability						4,033	9,540		7,336	
Changes of benefit terms										
Differences between expected and actual experience										
in the measurement of the pension liability	5,908	(2,186)	6,619	6,709	(2,730)	(1,177)	(7,713)	(4,579)	(462)	
Changes of assumptions or other inputs	5,033			8,572		12,797	12,356		34,338	
Benefit payments, including refunds of employee contributions	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)	(17,811)	
Net change in total pension liability	23,768	10,211	19,191	28,392	9,943	29,283	22,968	7,630	50,807	
Total pension liability - beginning	452,443	442,232	423,041	394,649	384,706	355,423	332,455	324,825	274,018	
Total pension liability - ending (a)	\$ 476,211	\$ 452,443	\$ 442,232	\$ 423,041	\$ 394,649	\$ 384,706	\$ 355,423	\$ 332,455	\$ 324,825	
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 208,293	\$ 45,560	\$ 22,601	\$ 20,232	\$ 18,847	\$ 16,871	\$ 15,122	\$ 11,490	\$ 10,627	
Contributions - employee	2,283	1,829	1,848	1,741	2,787	3,900	3,877	3,505	3,415	
Net investment income	(17,085)	47,807	2,144	8,618	10,343	16,189	808	5,053	17,221	
Benefit payments, including refunds of employee contributions	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)	(17,811)	
Hall/Parker settlement					(4,953)					
Administrative expense	(306)	(227)	(175)	(151)	(158)	(144)	(117)	(124)	(139)	
Other changes	-	44	21	(57)	(223)	(238)	(397)	(148)	(92)	
Net change in plan fiduciary net position	167,674	69,677	2,422	8,716	5,286	15,944	(3,434)	567	13,221	
Plan fiduciary net position - beginning	238,935	169,258	166,836	158,120	152,923	136,979	140,413	139,846	126,625	
Plan fiduciary net position - ending (b)	\$ 406,609	\$ 238,935	\$ 169,258	\$ 166,836	\$ 158,209	\$ 152,923	\$ 136,979	\$ 140,413	\$ 139,846	
County's net pension liability - ending (a) - (b)	\$ 69,602	\$ 213,508	\$ 272,974	\$ 256,205	\$ 236,440	\$ 231,783	\$ 218,444	\$ 192,042	\$ 184,979	
Plan fiduciary net position as a percentage of the total pension liability	85.38%	52.81%	38.27%	39.44%	40.09%	39.75%	38.54%	42.24%	43.05%	
Covered payroll	\$ 31,246	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515	\$ 31,543	
County's net pension liability as a percentage of covered payroll	222.75%	735.55%	902.18%	857.96%	808.04%	720.81%	718.94%	609.37%	586.43%	

Information not available

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2023  
(in thousands)

Exhibit B - 2

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<b>Corrections Officer Retirement Plan - Detention</b>										
Total pension liability	\$ 2,371	\$ 2,794	\$ 3,003	\$ 3,271	\$ 3,359	\$ 3,235	\$ 2,893	\$ 2,798	\$ 2,852	
Service cost	11,357	11,272	10,471	9,502	9,683	8,091	7,911	7,751	6,623	
Interest on the total pension liability					(7,525)	15,675	181		1,459	
Changes of benefit terms										
Differences between expected and actual experience										
in the measurement of the pension liability	(3,784)	(3,999)	5,157	5,306	(2,679)	(1,044)	(1,930)	(2,557)	(609)	
Changes of assumptions or other inputs	1,655			4,261		3,566	4,125		10,555	
Benefit payments, including refunds of employee contributions	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)	(6,975)	
Net change in total pension liability	2,407	2,296	11,522	15,350	(3,903)	23,034	7,167	2,004	13,905	
Total pension liability - beginning	157,803	155,507	143,985	128,635	132,538	109,504	102,337	100,333	86,428	
Total pension liability - ending (a)	\$ 160,210	\$ 157,803	\$ 155,507	\$ 143,985	\$ 128,635	\$ 132,538	\$ 109,504	\$ 102,337	\$ 100,333	
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 65,098	\$ 14,666	\$ 7,119	\$ 6,721	\$ 5,167	\$ 4,871	\$ 4,634	\$ 3,441	\$ 2,970	
Contributions - employee	1,316	1,585	1,708	1,692	1,771	1,814	1,730	1,737	1,686	
Net investment income	(5,786)	18,869	1,777	3,302	3,970	5,953	302	1,765	6,030	
Benefit payments, including refunds of employee contributions	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)	(6,975)	
Administrative expense	(104)	(87)	(68)	(60)	(61)	(52)	(43)	(44)	(48)	
Other changes	(31)	(63)	(15)		(76)	(38)	(38)	(69)	11	
Net change in plan fiduciary net position	51,301	27,199	3,412	4,665	4,030	6,059	572	842	3,674	
Plan fiduciary net position - beginning	95,139	67,940	64,528	59,863	55,833	49,774	49,202	48,360	44,686	
Plan fiduciary net position - ending (b)	\$ 146,440	\$ 95,139	\$ 67,940	\$ 64,528	\$ 59,863	\$ 55,833	\$ 49,774	\$ 49,202	\$ 48,360	
County's net pension liability - ending (a) - (b)	\$ 13,770	\$ 62,664	\$ 87,567	\$ 79,457	\$ 68,772	\$ 76,705	\$ 59,730	\$ 53,135	\$ 51,973	
Plan fiduciary net position as a percentage of the total pension liability	91.41%	60.29%	43.69%	44.82%	46.54%	42.13%	45.45%	48.08%	48.20%	
Covered payroll	\$ 29,348	\$ 26,048	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816	\$ 20,051	
County's net pension liability as a percentage of covered payroll	46.92%	240.57%	376.57%	372.30%	331.62%	355.55%	294.77%	255.26%	259.20%	

Information not available

See accompanying notes to pension schedules



**PIMA COUNTY, ARIZONA**  
**Schedule of County Pension Contributions**  
**June 30, 2023**  
**(in thousands)**

Exhibit B - 2

**Arizona State Retirement System**

	Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 32,630	\$ 30,252	\$ 28,261	\$ 28,242	\$ 26,908	\$ 25,552	\$ 25,320	\$ 24,752	\$ 25,218	\$ 24,600	Information not available
County's contributions in relation to the statutorily required contribution	32,630	30,252	28,261	28,242	26,908	25,552	25,320	24,752	25,218	24,600	
County's contribution deficiency (excess)											
County's covered payroll	\$ 274,099	\$ 251,932	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570	\$ 229,907	
County's contributions as a percentage of covered payroll	11.90%	12.01%	11.66%	11.46%	11.16%	10.92%	10.76%	10.85%	10.89%	10.70%	

**Corrections Officer Retirement Plan—  
Administrative Office of the Courts**

	Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 5,075	\$ 4,554	\$ 4,372	\$ 3,993	\$ 4,258	\$ 3,003	\$ 2,691	\$ 2,613	\$ 2,062	\$ 1,933	Information not available
County's contributions in relation to the statutorily required contribution	5,075	4,554	4,372	3,993	4,258	3,003	2,691	2,613	2,062	1,933	
County's contribution deficiency (excess)											
County's covered payroll	\$ 20,393	\$ 17,637	\$ 15,769	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857	\$ 13,114	
County's contributions as a percentage of covered payroll	24.89%	25.82%	27.73%	30.42%	31.61%	22.50%	20.08%	19.10%	14.88%	14.74%	

**Elected Officials Retirement Plan**

	Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 4,811	\$ 4,045	\$ 4,520	\$ 4,218	\$ 4,168	\$ 1,508	\$ 1,566	\$ 1,555	\$ 1,502	\$ 1,629	Information not available
County's contributions in relation to the statutorily required contribution	4,811	4,045	4,520	4,218	3,204	460	1,566	1,555	1,502	1,629	
County's contribution deficiency (excess)					\$ 964	\$ 1,048					
County's covered payroll	\$ 10,237	\$ 10,353	\$ 9,801	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391	\$ 6,932	
County's contributions as a percentage of covered payroll	47.00%	39.07%	46.12%	58.16%	44.22%	6.59%	22.21%	23.50%	23.50%	23.50%	

**Public Safety Personnel Retirement System - Sheriff**

	Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 7,737	\$ 22,431	\$ 21,673	\$ 21,439	\$ 18,766	\$ 18,771	\$ 16,861	\$ 15,119	\$ 11,490	\$ 10,627	Information not available
County's contributions in relation to the actuarially required contribution	7,737	207,563	44,478	21,439	18,766	14,407	16,861	15,119	11,490	10,627	
County's contribution deficiency (excess)		\$ (185,132)	\$ (22,805)			\$ 4,364					
County's covered payroll	\$ 35,864	\$ 31,246	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515	\$ 31,543	
County's contributions as a percentage of covered payroll	21.57%	664.29%	153.23%	70.86%	62.84%	49.24%	52.44%	49.76%	36.46%	33.69%	

**Corrections Officer Retirement Plan - Detention**

	Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 1,575	\$ 7,676	\$ 7,676	\$ 7,261	\$ 6,515	\$ 5,155	\$ 4,872	\$ 4,618	\$ 3,441	\$ 2,970	Information not available
County's contributions in relation to the actuarially required contribution	1,575	65,353	14,872	7,261	6,515	5,155	4,872	4,618	3,441	2,970	
County's contribution deficiency (excess)		\$ (57,677)	\$ (7,196)								
County's covered payroll	\$ 39,917	\$ 29,348	\$ 26,048	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816	\$ 20,051	
County's contributions as a percentage of covered payroll	3.95%	222.68%	57.09%	31.22%	30.53%	24.86%	22.58%	22.79%	16.53%	14.81%	

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA  
Notes to Pension Plan Schedules  
June 30, 2023  
(in thousands)

Exhibit B - 2

**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	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: Level percent-of-pay, closed. PSPRS members with initial membership on or after July 1, 2017: Level dollar closed.
Remaining amortization period as of the 2021 actuarial valuation	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 17 years. PSPRS members with initial membership on or after July 1, 2017: 10 years.
Asset valuation method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 7-year smoothed market value; 80% / 120% market corridor. PSPRS members with initial membership on or after July 1, 2017: 5-year smoothed market value; 80% / 120% market corridor.
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

PIMA COUNTY, ARIZONA  
Notes to Pension Plan Schedules  
June 30, 2023  
(in thousands)

Exhibit B - 2

**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 increased the PSPRS-, CORP-, and CORP-AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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

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2023

Annual Comprehensive  
**FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023 • Pima County, Arizona



**COMBINING STATEMENTS AND OTHER SCHEDULES**

Other (Nonmajor) Governmental Funds

## **OTHER GOVERNMENTAL FUNDS (NONMAJOR)**

**Transportation Fund** — to account for administrative and operating costs, as well as resources transferred to the Capital Projects Fund for construction of highways and streets. Financing is provided primarily from the County share of gasoline and vehicle license taxes collected by the State.

**Health Fund** — to account for resources used to finance activities involved in the conservation and improvement of public health. Major sources of funding include Federal and State grants, charges for services provided, and operating transfers from the General Fund.

**Regional Flood Control District Fund** — to account for amounts expended to protect persons and property from floodwaters. Revenues are provided by secondary taxes on real property and government grants. The Regional Flood Control District is a blended component unit of Pima County.

**Wireless Integrated Network Fund** — to account for the design, procurement and deployment of a regional public safety voice communications network to serve public and non-profit entities responsible for providing public safety and emergency management services to the Pima County populace.

**School Reserve Fund** — to account for Federal and State grants received by the Superintendent of Schools. Each grant has a specific project objective, and the grant funds must be used for a stated purpose.

**Environmental Quality Fund** — to account for resources specifically identified to be expended for protection of water, air, and land from pollutants. Revenues are provided by fines, fees and forfeitures, licenses, permits, and Federal and State grants.

**Waste Tire Fund** — to account for the state shared revenue tax for the tire recycling program.

**Library District Fund** — to account for the resources used for management and operation of the Library District. Revenues are provided primarily by secondary taxes on real property. The Library District is a blended component unit of Pima County.

**Stadium District Fund** — to account for resources specifically identified to be expended for the Stadium District. Revenues are provided by the car rental, hotel/motel bed and recreation vehicle park taxes, and charges for services provided. The Stadium District is a blended component unit of Pima County.

**Community Facilities Districts (formerly Rocking K South CFD Fund)** — to account for the purchase of eligible infrastructure through the issuance of bonds, and to fund the operation, maintenance and administration of the Districts through the levy of ad valorem tax on property in the Districts.

**Improvement & Other Districts Fund** — to account for financial activity related to street lighting and other improvements in unincorporated Pima County. The Improvement & Other Districts are a blended component unit of Pima County.

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PIMA COUNTY, ARIZONA  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2023  
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
<b>Assets</b>					
Cash and cash equivalents	\$ 10,903	\$ 1,392	\$ 12,903	\$ 3,124	\$ 2,668
Property taxes receivable (net)			1,201		
Interest receivable	28	2	41	12	
Due from other funds	186	138		6	1
Due from other governments	6,240	419	10	11	212
Accounts receivable	468	211	8		165
Leases receivable				115	
Inventory	1,549			136	
Prepaid expenditures	31	31	65	106	1
Loan receivable	1,296				
Restricted cash equivalents					
<b>Total assets</b>	<u>\$ 20,701</u>	<u>\$ 2,193</u>	<u>\$ 14,228</u>	<u>\$ 3,510</u>	<u>\$ 3,047</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 11,768	\$ 380	\$ 817	\$ 93	\$ 594
Employee compensation	571	589	213	44	13
Contract retentions	1,232		2		
Due to other funds	14	328	7		
Due to other governments		1		1	
Deposits and rebates	1		2		
Unearned revenue	2		5	161	16
<b>Total liabilities</b>	<u>13,588</u>	<u>1,298</u>	<u>1,046</u>	<u>299</u>	<u>623</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - intergovernmental	1,310			11	193
Unavailable revenue - property taxes			860		
Unavailable revenue - other	349	1	8		
Deferred inflows related to leases				105	
<b>Total deferred inflows of resources</b>	<u>1,659</u>	<u>1</u>	<u>868</u>	<u>116</u>	<u>193</u>
<b>Total liabilities and deferred inflows of resources</b>	<u>15,247</u>	<u>1,299</u>	<u>1,914</u>	<u>415</u>	<u>816</u>
<b>Fund balances</b>					
Nonspendable	1,580	31	65	242	1
Restricted	3,874	863	12,249	2,853	1,368
Assigned					862
<b>Total fund balances</b>	<u>5,454</u>	<u>894</u>	<u>12,314</u>	<u>3,095</u>	<u>2,231</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 20,701</u>	<u>\$ 2,193</u>	<u>\$ 14,228</u>	<u>\$ 3,510</u>	<u>\$ 3,047</u>



Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
\$ 5,663	\$ 2,073	\$ 33,298	\$ 4,076	\$ 49	\$ 202	\$ 76,351
		2,191		5	47	3,444
21	8	174	15	5	1	307
86			313			730
	344	45	117			7,398
61		367	146			1,426
						115
		937	5	10		1,685
		45				1,186
						1,296
						45
<u>\$ 5,831</u>	<u>\$ 2,425</u>	<u>\$ 37,057</u>	<u>\$ 4,672</u>	<u>\$ 69</u>	<u>\$ 250</u>	<u>\$ 93,983</u>
\$ 18	319	\$ 1,473	\$ 619	\$ 1	\$ 13	\$ 16,095
98		813	149			2,490
		19			29	1,234
2		3				399
						5
						3
<u>1</u>		<u>35</u>	<u>82</u>			<u>302</u>
<u>119</u>	<u>319</u>	<u>2,343</u>	<u>850</u>	<u>1</u>	<u>42</u>	<u>20,528</u>
		27	3			1,544
		1,602		5	43	2,510
11			29			398
						105
<u>11</u>		<u>1,629</u>	<u>32</u>	<u>5</u>	<u>43</u>	<u>4,557</u>
<u>130</u>	<u>319</u>	<u>3,972</u>	<u>882</u>	<u>6</u>	<u>85</u>	<u>25,085</u>
		982	5	10		2,916
2,746	2,106	32,103		53	165	58,380
<u>2,955</u>			<u>3,785</u>			<u>7,602</u>
<u>5,701</u>	<u>2,106</u>	<u>33,085</u>	<u>3,790</u>	<u>63</u>	<u>165</u>	<u>68,898</u>
<u>\$ 5,831</u>	<u>\$ 2,425</u>	<u>\$ 37,057</u>	<u>\$ 4,672</u>	<u>\$ 69</u>	<u>\$ 250</u>	<u>\$ 93,983</u>

PIMA COUNTY, ARIZONA  
Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2023  
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
Revenues:					
Property taxes	\$ 1		\$ 29,440		
Licenses and permits	816	\$ 2,698	24		
Intergovernmental	75,351	796	13		\$ 8,167
Charges for services	117	3,173	266	\$ 4,001	367
Fines and forfeits	18				
Investment earnings	293	22	421	89	4
Miscellaneous	596	23	100	101	
Total revenues	<u>77,192</u>	<u>6,712</u>	<u>30,264</u>	<u>4,191</u>	<u>8,538</u>
Expenditures:					
General government					
Public safety			16,033	3,672	
Highways and streets	122,448				
Sanitation					
Health		20,514			
Culture and recreation					
Education and economic opportunity					6,942
Debt service - principal		122			
- interest		8			
- miscellaneous					
Total expenditures	<u>122,448</u>	<u>20,644</u>	<u>16,033</u>	<u>3,672</u>	<u>6,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,256)</u>	<u>(13,932)</u>	<u>14,231</u>	<u>519</u>	<u>1,596</u>
Other financing sources (uses):					
Face amount of long-term debt issued					
Proceeds from sale of capital assets	50				
Transfers in	73,107	18,623	6		28
Transfers (out)	(35,481)	(1,800)	(15,049)	(97)	
Total other financing sources (uses)	<u>37,676</u>	<u>16,823</u>	<u>(15,043)</u>	<u>(97)</u>	<u>28</u>
Net change in fund balances	(7,580)	2,891	(812)	422	1,624
Fund balances, July 1, 2022	<u>13,034</u>	<u>(1,997)</u>	<u>13,126</u>	<u>2,673</u>	<u>607</u>
Fund balances, June 30, 2023	<u>\$ 5,454</u>	<u>\$ 894</u>	<u>\$ 12,314</u>	<u>\$ 3,095</u>	<u>\$ 2,231</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
		\$ 54,910		\$ 107	\$ 292	\$ 84,750
\$ 2,374						5,912
	\$ 1,486	283	\$ 1,330			87,426
1		747	1,831			10,503
11						29
171	66	1,301	89	9	5	2,470
10		480	54			1,364
<u>2,567</u>	<u>1,552</u>	<u>57,721</u>	<u>3,304</u>	<u>116</u>	<u>297</u>	<u>192,454</u>
					237	237
						19,705
						122,448
	1,303					1,303
2,868						23,382
		44,909	8,213			53,122
				1,577		8,519
		52		72		246
		30		11		49
				126		126
<u>2,868</u>	<u>1,303</u>	<u>44,991</u>	<u>8,213</u>	<u>1,786</u>	<u>237</u>	<u>229,137</u>
(301)	249	12,730	(4,909)	(1,670)	60	(36,683)
				1,670		1,670
						50
806			11,542			104,112
(2)	(600)	(10,494)	(4,424)		(29)	(67,976)
<u>804</u>	<u>(600)</u>	<u>(10,494)</u>	<u>7,118</u>	<u>1,670</u>	<u>(29)</u>	<u>37,856</u>
503	(351)	2,236	2,209		31	1,173
<u>5,198</u>	<u>2,457</u>	<u>30,849</u>	<u>1,581</u>	<u>63</u>	<u>134</u>	<u>67,725</u>
<u>\$ 5,701</u>	<u>\$ 2,106</u>	<u>\$ 33,085</u>	<u>\$ 3,790</u>	<u>\$ 63</u>	<u>\$ 165</u>	<u>\$ 68,898</u>

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**2023**

**Annual Comprehensive  
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023 • Pima County, Arizona



**COMBINING STATEMENTS AND OTHER SCHEDULES**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance

Budget and Actual – Other Governmental Funds

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Capital Projects Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 5,597	\$ 1,878	\$ (3,719)
Charges for services	9,740	9,076	(664)
Investment earnings	127	4,135	4,008
Miscellaneous	3,661	117	(3,544)
Total revenues	<u>19,125</u>	<u>15,206</u>	<u>(3,919)</u>
Expenditures:			
Capital outlay	<u>177,184</u>	<u>98,716</u>	<u>78,468</u>
Total expenditures	<u>177,184</u>	<u>98,716</u>	<u>78,468</u>
Deficiency of revenues under expenditures	<u>(158,059)</u>	<u>(83,510)</u>	<u>74,549</u>
Other financing sources (uses):			
Premium on bonds		1,555	1,555
Face amount of long-term debt issued	90,000	88,445	(1,555)
Transfers in	90,802	59,629	(31,173)
Transfers (out)	(52,257)	(55,599)	(3,342)
Total other financing sources	<u>128,545</u>	<u>94,030</u>	<u>(34,515)</u>
Net change in fund balance	(29,514)	10,520	40,034
Fund balance, July 1, 2022	<u>64,757</u>	<u>93,124</u>	<u>28,367</u>
Fund balance, June 30, 2023	<u>\$ 35,243</u>	<u>\$ 103,644</u>	<u>\$ 68,401</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Debt Service Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 4

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 32,355	\$ 32,398	\$ 43
Intergovernmental		5	5
Investment earnings	187	878	691
Total revenues	<u>32,542</u>	<u>33,281</u>	<u>739</u>
Expenditures:			
Debt service - principal	81,720	81,720	
- interest	16,845	18,425	(1,580)
- miscellaneous	702	772	(70)
Total expenditures	<u>99,267</u>	<u>100,917</u>	<u>(1,650)</u>
Deficiency of revenues under expenditures	<u>(66,725)</u>	<u>(67,636)</u>	<u>(911)</u>
Other financing sources:			
Premium on bonds		754	754
Transfers in	66,633	67,423	790
Total other financing sources	<u>66,633</u>	<u>68,177</u>	<u>1,544</u>
Net change in fund balance	(92)	541	633
Fund balance, July 1, 2022	1,791	1,538	(253)
Fund balance, June 30, 2023	<u>\$ 1,699</u>	<u>\$ 2,079</u>	<u>\$ 380</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Transportation - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 1	\$ 1	
Licenses and permits	530	816	\$ 286
Intergovernmental	76,484	75,351	(1,133)
Charges for services	200	117	(83)
Fines and forfeits		18	18
Investment earnings	238	293	55
Miscellaneous	864	596	(268)
Total revenues	<u>78,317</u>	<u>77,192</u>	<u>(1,125)</u>
Expenditures:			
Highways and streets	111,648	122,448	(10,800)
Total expenditures	<u>111,648</u>	<u>122,448</u>	<u>(10,800)</u>
Deficiency of revenues under expenditures	<u>(33,331)</u>	<u>(45,256)</u>	<u>(11,925)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		50	50
Transfers in	70,121	73,107	2,986
Transfers (out)	(37,937)	(35,481)	2,456
Total other financing sources	<u>32,184</u>	<u>37,676</u>	<u>5,492</u>
Net change in fund balance	(1,147)	(7,580)	(6,433)
Fund balance, July 1, 2022	6,168	13,034	6,866
Fund balance, June 30, 2023	<u>\$ 5,021</u>	<u>\$ 5,454</u>	<u>\$ 433</u>



PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Health - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 6

	Budget	Actual	Variance
Revenues:			
Licenses and permits	\$ 2,608	\$ 2,698	\$ 90
Intergovernmental	500	796	296
Charges for services	2,795	3,173	378
Investment earnings	12	22	10
Miscellaneous	3	23	20
Total revenues	<u>5,918</u>	<u>6,712</u>	<u>794</u>
Expenditures:			
Health	21,712	20,514	1,198
Debt service - principal		122	(122)
- interest		8	(8)
Total expenditures	<u>21,712</u>	<u>20,644</u>	<u>1,068</u>
Deficiency of revenues under expenditures	<u>(15,794)</u>	<u>(13,932)</u>	<u>1,862</u>
Other financing sources (uses):			
Transfers in	17,278	18,623	1,345
Transfers (out)	(1,970)	(1,800)	170
Total other financing sources	<u>15,308</u>	<u>16,823</u>	<u>1,515</u>
Net change in fund balance	(486)	2,891	3,377
Fund balance (deficit), July 1, 2022	<u>1,613</u>	<u>(1,997)</u>	<u>(3,610)</u>
Fund balance, June 30, 2023	<u>\$ 1,127</u>	<u>\$ 894</u>	<u>\$ (233)</u>

PIMA COUNTY, ARIZONA

Exhibit C - 7

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Regional Flood Control District - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 29,460	\$ 29,440	\$ (20)
Licenses and permits	3	24	21
Intergovernmental	28	13	(15)
Charges for services	774	266	(508)
Fines and forfeits	3		(3)
Investment earnings	90	421	331
Miscellaneous	94	100	6
Total revenues	<u>30,452</u>	<u>30,264</u>	<u>(188)</u>
Expenditures:			
Public Safety	17,361	16,033	1,328
Total expenditures	<u>17,361</u>	<u>16,033</u>	<u>1,328</u>
Excess of revenues over expenditures	<u>13,091</u>	<u>14,231</u>	<u>1,140</u>
Other financing sources (uses):			
Transfers in	28	6	(22)
Transfers (out)	(15,311)	(15,049)	262
Total other financing uses	<u>(15,283)</u>	<u>(15,043)</u>	<u>240</u>
Net change in fund balance	(2,192)	(812)	1,380
Fund balance, July 1, 2022	12,157	13,126	969
Fund balance, June 30, 2023	<u>\$ 9,965</u>	<u>\$ 12,314</u>	<u>\$ 2,349</u>

PIMA COUNTY, ARIZONA

Exhibit C - 8

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Wireless Integrated Network - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Charges for services	\$ 3,807	\$ 4,001	\$ 194
Investment earnings	18	89	71
Miscellaneous	82	101	19
Total revenues	<u>3,907</u>	<u>4,191</u>	<u>284</u>
Expenditures:			
Public safety	4,070	3,672	398
Total expenditures	<u>4,070</u>	<u>3,672</u>	<u>398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(163)</u>	<u>519</u>	<u>682</u>
Other financing uses:			
Transfers (out)	(700)	(97)	603
Total other financing uses	<u>(700)</u>	<u>(97)</u>	<u>603</u>
Net change in fund balance	(863)	422	1,285
Fund balance, July 1, 2022	1,731	2,673	942
Fund balance, June 30, 2023	<u>\$ 868</u>	<u>\$ 3,095</u>	<u>\$ 2,227</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
School Reserve - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 9

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,864	\$ 8,167	\$ 6,303
Charges for services		367	367
Investment earnings		4	4
Total revenues	<u>1,864</u>	<u>8,538</u>	<u>6,674</u>
Expenditures:			
Education and economic opportunity	<u>1,804</u>	<u>6,942</u>	<u>(5,138)</u>
Total expenditures	<u>1,804</u>	<u>6,942</u>	<u>(5,138)</u>
Excess of revenues over expenditures	<u>60</u>	<u>1,596</u>	<u>1,536</u>
Other financing sources			
Transfers in	<u>40</u>	<u>28</u>	<u>(12)</u>
Total other financing sources	<u>40</u>	<u>28</u>	<u>(12)</u>
Net change in fund balance	100	1,624	1,524
Fund balance, July 1, 2022	<u>231</u>	<u>607</u>	<u>376</u>
Fund balance, June 30, 2023	<u>\$ 331</u>	<u>\$ 2,231</u>	<u>\$ 1,900</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Environmental Quality - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 10

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses and permits	\$ 2,379	\$ 2,374	\$ (5)
Charges for services		1	1
Fines and forfeits		11	11
Investment earnings	25	171	146
Miscellaneous	2	10	8
Total revenues	<u>2,406</u>	<u>2,567</u>	<u>161</u>
Expenditures:			
Health	3,255	2,868	387
Total expenditures	<u>3,255</u>	<u>2,868</u>	<u>387</u>
Deficiency of revenues under expenditures	<u>(849)</u>	<u>(301)</u>	<u>548</u>
Other financing sources			
Transfers in	811	806	(5)
Transfers (out)		(2)	(2)
Total other financing sources	<u>811</u>	<u>804</u>	<u>(7)</u>
Net change in fund balance	(38)	503	541
Fund balance, July 1, 2022	4,632	5,198	566
Fund balance, June 30, 2023	<u>\$ 4,594</u>	<u>\$ 5,701</u>	<u>\$ 1,107</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Waste Tire - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 11

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,280	\$ 1,486	\$ 206
Investment earnings	16	66	50
Total revenues	<u>1,296</u>	<u>1,552</u>	<u>256</u>
Expenditures:			
Sanitation	<u>1,296</u>	<u>1,303</u>	<u>(7)</u>
Total expenditures	<u>1,296</u>	<u>1,303</u>	<u>(7)</u>
Excess of revenues over expenditures		<u>249</u>	<u>249</u>
Other financing uses:			
Transfers (out)	<u>(600)</u>	<u>(600)</u>	
Total other financing uses	<u>(600)</u>	<u>(600)</u>	
Net change in fund balance	(600)	(351)	249
Fund balance, July 1, 2022	<u>2,241</u>	<u>2,457</u>	<u>216</u>
Fund balance, June 30, 2023	<u>\$ 1,641</u>	<u>\$ 2,106</u>	<u>\$ 465</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Library District - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 12

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 54,808	\$ 54,910	\$ 102
Intergovernmental	265	283	18
Charges for services	530	747	217
Investment earnings	70	1,301	1,231
Miscellaneous	416	480	64
Total revenues	<u>56,089</u>	<u>57,721</u>	<u>1,632</u>
Expenditures:			
Culture and recreation	46,601	44,909	1,692
Debt service - principal		52	(52)
- interest		30	(30)
Total expenditures	<u>46,601</u>	<u>44,991</u>	<u>1,610</u>
Excess of revenues over expenditures	<u>9,488</u>	<u>12,730</u>	<u>3,242</u>
Other financing uses:			
Transfers (out)	<u>(10,225)</u>	<u>(10,494)</u>	<u>(269)</u>
Total other financing uses	<u>(10,225)</u>	<u>(10,494)</u>	<u>(269)</u>
Net change in fund balance	(737)	2,236	2,973
Fund balance, July 1, 2022	<u>28,651</u>	<u>30,849</u>	<u>2,198</u>
Fund balance, June 30, 2023	<u>\$ 27,914</u>	<u>\$ 33,085</u>	<u>\$ 5,171</u>

PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Stadium District - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 13

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,200	\$ 1,330	\$ 130
Charges for services	2,263	1,831	(432)
Investment earnings	2	89	87
Miscellaneous	34	54	20
Total revenues	<u>3,499</u>	<u>3,304</u>	<u>(195)</u>
Expenditures:			
Culture and recreation	8,825	8,213	612
Total expenditures	<u>8,825</u>	<u>8,213</u>	<u>612</u>
Deficiency of revenues under expenditures	<u>(5,326)</u>	<u>(4,909)</u>	<u>417</u>
Other financing sources (uses):			
Transfers in	9,629	11,542	1,913
Transfers (out)	(4,211)	(4,424)	(213)
Total other financing sources	<u>5,418</u>	<u>7,118</u>	<u>1,700</u>
Net change in fund balance	92	2,209	2,117
Fund balance, July 1, 2022	795	1,581	786
Fund balance, June 30, 2023	<u>\$ 887</u>	<u>\$ 3,790</u>	<u>\$ 2,903</u>



PIMA COUNTY, ARIZONA

Exhibit C - 14

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Community Facilities Districts - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 112	\$ 107	\$ (5)
Investment earnings		9	9
Total revenues	<u>112</u>	<u>116</u>	<u>4</u>
Expenditures:			
Education and economic opportunity	3,958	1,577	2,381
Debt service - principal	37	72	(35)
- interest	56	11	45
- miscellaneous	101	126	(25)
Total expenditures	<u>4,152</u>	<u>1,786</u>	<u>2,366</u>
Deficiency of revenues under expenditures	<u>(4,040)</u>	<u>(1,670)</u>	<u>2,370</u>
Other financing sources:			
Face amount of long-term debt issued	<u>4,000</u>	<u>1,670</u>	<u>(2,330)</u>
Total other financing sources	<u>4,000</u>	<u>1,670</u>	<u>(2,330)</u>
Net change in fund balance	(40)		40
Fund balance, July 1, 2022	<u>24</u>	<u>63</u>	<u>39</u>
Fund balance (deficit), June 30, 2023	<u>\$ (16)</u>	<u>\$ 63</u>	<u>\$ 79</u>

PIMA COUNTY, ARIZONA

Exhibit C - 15

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Improvement & Other Districts - Special Revenue Fund  
For the Year Ended June 30, 2023  
(in thousands)

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 297	\$ 292	\$ (5)
Investment earnings		5	5
Total revenues	<u>297</u>	<u>297</u>	<u>0</u>
Expenditures:			
General government	<u>297</u>	<u>237</u>	<u>60</u>
Total expenditures	<u>297</u>	<u>237</u>	<u>60</u>
Excess of revenues over expenditures		<u>60</u>	<u>60</u>
Other financing uses:			
Transfers (out)		<u>(29)</u>	<u>(29)</u>
Total other financing uses		<u>(29)</u>	<u>(29)</u>
Net change in fund balance		31	31
Fund balance, July 1, 2022	150	134	(16)
Fund balance, June 30, 2023	<u>\$ 150</u>	<u>\$ 165</u>	<u>\$ 15</u>



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**COMBINING STATEMENTS AND OTHER SCHEDULES**

Other (Nonmajor) Enterprise Funds

## **OTHER (NONMAJOR) ENTERPRISE FUNDS**

**Development Services** – to account for the operations of providing zoning permits, enforcing ordinances in compliance with state statutes, and administering uniform building codes.

**Parking Garages** – to account for the management and operation of seven public parking garages located in downtown Tucson.

PIMA COUNTY, ARIZONA  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2023  
(in thousands)

Exhibit C - 16

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 25,661	\$ 706	\$ 26,367
Interest receivable	84	3	87
Due from other funds	31	3	34
Due from other governments		1	1
Accounts receivable	59	14	73
Prepaid expense	25	16	41
Total current assets	<u>25,860</u>	<u>743</u>	<u>26,603</u>
Noncurrent assets:			
Net OPEB asset	151	11	162
Capital assets:			
Land		1,768	1,768
Buildings and improvements		27,608	27,608
Equipment	8	2,235	2,243
Less accumulated depreciation	(6)	(15,886)	(15,892)
Total capital assets (net)	<u>2</u>	<u>15,725</u>	<u>15,727</u>
Total noncurrent assets	<u>153</u>	<u>15,736</u>	<u>15,889</u>
Total assets	<u>26,013</u>	<u>16,479</u>	<u>42,492</u>
<b>Deferred outflows of resources</b>			
Pension/OPEB	683	49	732
Total deferred outflows of resources	<u>683</u>	<u>49</u>	<u>732</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	169	260	429
Employee compensation	178	11	189
Due to other funds	1	3	4
Deposits and rebates	552		552
Unearned revenue		7	7
Compensated absences payable	306	12	318
Total current liabilities	<u>1,206</u>	<u>293</u>	<u>1,499</u>
Noncurrent liabilities:			
Compensated absences payable	292	5	297
Net Pension/OPEB liability	4,376	310	4,686
Total noncurrent liabilities	<u>4,668</u>	<u>315</u>	<u>4,983</u>
Total liabilities	<u>5,874</u>	<u>608</u>	<u>6,482</u>
<b>Deferred inflows of resources</b>			
Pension/OPEB	325	23	348
Total deferred inflows of resources	<u>325</u>	<u>23</u>	<u>348</u>
<b>Net position</b>			
Net investment in capital assets	2	15,725	15,727
Unrestricted	20,495	172	20,667
Total net position	<u>\$ 20,497</u>	<u>\$ 15,897</u>	<u>\$ 36,394</u>

PIMA COUNTY, ARIZONA  
Combining Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Nonmajor Enterprise Fund  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 17

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 10,170	\$ 2,197	\$ 12,367
Other	27	13	40
Total operating revenues	<u>10,197</u>	<u>2,210</u>	<u>12,407</u>
Operating expenses:			
Employee compensation	4,974	458	5,432
Operating supplies and services	38	36	74
Repairs and maintenance	11	176	187
General and administrative	1,573	1,246	2,819
Consultants and professional services	320	121	441
Depreciation	2	810	812
Total operating expenses	<u>6,918</u>	<u>2,847</u>	<u>9,765</u>
Operating income (loss)	<u>3,279</u>	<u>(637)</u>	<u>2,642</u>
Nonoperating revenues (expenses):			
Investment earnings	699	21	720
Total nonoperating revenues	<u>699</u>	<u>21</u>	<u>720</u>
Income (loss) before transfers	3,978	(616)	3,362
Transfers in		3	3
Transfers (out)	(4)	(632)	(636)
Change in net position	3,974	(1,245)	2,729
Net position, July 1, 2022	<u>16,523</u>	<u>17,142</u>	<u>33,665</u>
Net position, June 30, 2023	<u>\$ 20,497</u>	<u>\$ 15,897</u>	<u>\$ 36,394</u>

PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 18

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash receipts from customers for goods and services provided	\$ 10,040	\$ 2,227	\$ 12,267
Cash payments to suppliers for goods and services	(565)	(1,371)	(1,936)
Cash payments to other funds for goods and services	(1,313)	(161)	(1,474)
Cash payments to employees for services	(5,216)	(446)	(5,662)
Net cash provided by operating activities	<u>2,946</u>	<u>249</u>	<u>3,195</u>
Cash flows from noncapital financing activities:			
Cash transfers in from other funds		3	3
Cash transfers out to other funds	(4)	(632)	(636)
Loans with other funds	(30)		(30)
Net cash used for noncapital financing activities	<u>(34)</u>	<u>(629)</u>	<u>(663)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets		(44)	(44)
Net cash used for capital and related financing activities		<u>(44)</u>	<u>(44)</u>
Cash flows from investing activities:			
Interest received on investments	621	18	639
Net cash provided by investing activities	<u>621</u>	<u>18</u>	<u>639</u>
Net increase (decrease) in cash and cash equivalents	3,533	(406)	3,127
Cash and cash equivalents, July 1, 2022	<u>22,128</u>	<u>1,112</u>	<u>23,240</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 25,661</u>	<u>\$ 706</u>	<u>\$ 26,367</u>

(continued)

PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 18.1

(continued)

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 3,279	\$ (637)	\$ 2,642
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2	810	812
Changes in assets and deferred outflows of resources:			
Decrease (increase) in assets:			
Accounts receivable	16	12	28
Due from other governments		1	1
Prepaid expense	5	(8)	(3)
Net OPEB asset	(11)	(2)	(13)
Increase in deferred outflows of resources:			
Pension/OPEB plans	290	10	300
Changes in liabilities and deferred inflows of resources:			
Increase (decrease) in liabilities:			
Accounts payable	59	55	114
Net Pension/OPEB liability	609	84	693
Other liabilities	(170)	(11)	(181)
Decrease in deferred inflows of resources:			
Pension/OPEB plans	(1,133)	(65)	(1,198)
Net cash provided by operating activities	<u>\$ 2,946</u>	<u>\$ 249</u>	<u>\$ 3,195</u>





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**COMBINING STATEMENTS AND OTHER SCHEDULES**

Internal Service Funds

## **INTERNAL SERVICE FUNDS**

**Self-Insurance Trust Fund** – to account for the risk management function of the County. The Fund provides self-insurance coverage to the County for medical malpractice, workers' compensation, unemployment, general liability, environmental liability, and property damage as well as acquiring coverage for other risks.

**Fleet Services** – to account for the acquisition, operation, and maintenance of fleet services equipment provided to County departments.

**Health Benefit Trust Fund** – to account for health care and health-related benefits. The Fund is responsible for collecting employer and employee premiums through payroll deductions, and for the payment of claims. The premiums collected include amounts paid for medical, dental, vision, short-term disability and life insurance coverages.

**Other Internal Service** – to account for the provision of technology infrastructure, telecommunication services, and procurement of software and hardware resources utilized by County departments.

PIMA COUNTY, ARIZONA  
Combining Statements of Net Position  
Internal Service Funds  
June 30, 2023  
(in thousands)

Exhibit C - 19

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 80,674	\$ 18,372	\$ 16,161	\$ 26,070	\$ 141,277
Interest receivable	42	15	4	101	162
Due from other funds				18	18
Due from other governments				31	31
Accounts receivable		143	1,667	10	1,820
Inventory		909		201	1,110
Prepaid expense	975	36	53	4,987	6,051
Total current assets	<u>81,691</u>	<u>19,475</u>	<u>17,885</u>	<u>31,418</u>	<u>150,469</u>
Noncurrent assets:					
Net OPEB asset	46	106	31	196	379
Capital assets:					
Land	459				459
Buildings and improvements		22,753		224	22,977
Equipment	71	68,354		24,379	92,804
Intangibles		186		5,069	5,255
Less accumulated depreciation/amortization	(69)	(43,335)		(16,036)	(59,440)
Construction in progress		111			111
Total capital assets (net)	<u>461</u>	<u>48,069</u>	<u>31</u>	<u>13,636</u>	<u>62,166</u>
Total noncurrent assets	<u>507</u>	<u>48,175</u>	<u>31</u>	<u>13,832</u>	<u>62,545</u>
Total assets	<u>82,198</u>	<u>67,650</u>	<u>17,916</u>	<u>45,250</u>	<u>213,014</u>
<b>Deferred outflows of resources</b>					
Pension/OPEB	209	478	139	887	1,713
Total deferred outflows of resources	<u>209</u>	<u>478</u>	<u>139</u>	<u>887</u>	<u>1,713</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,198	3,619	759	756	6,332
Employee compensation	45	140	35	262	482
Interest payable				36	36
Due to other funds	53				53
Due to other governments		2			2
Unearned revenue			31	2	33
Compensated absences payable	76	211	47	380	714
Reported but unpaid losses	2,946		1,025		3,971
Incurred but not reported losses	2,060		5,806		7,866
Subscriptions liability				1,749	1,749
Total current liabilities	<u>6,378</u>	<u>3,972</u>	<u>7,703</u>	<u>3,185</u>	<u>21,238</u>
Noncurrent liabilities:					
Compensated absences payable	48	24	47	242	361
Reported but unpaid losses	11,264		10		11,274
Incurred but not reported losses	9,373		59		9,432
Net Pension/OPEB liability	1,344	3,067	896	5,686	10,993
Total noncurrent liabilities	<u>22,029</u>	<u>3,091</u>	<u>1,012</u>	<u>5,928</u>	<u>32,060</u>
Total liabilities	<u>28,407</u>	<u>7,063</u>	<u>8,715</u>	<u>9,113</u>	<u>53,298</u>
<b>Deferred inflows of resources</b>					
Pension/OPEB	99	226	66	422	813
Total deferred inflows of resources	<u>99</u>	<u>226</u>	<u>66</u>	<u>422</u>	<u>813</u>
<b>Net position</b>					
Net investment in capital assets	461	48,069		13,636	62,166
Restricted for healthcare			9,274		9,274
Unrestricted	53,440	12,770		22,966	89,176
Total net position	<u>\$ 53,901</u>	<u>\$ 60,839</u>	<u>\$ 9,274</u>	<u>\$ 36,602</u>	<u>\$ 160,616</u>

PIMA COUNTY, ARIZONA  
Combining Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 20

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 13,114	\$ 20,533	\$ 77,462	\$ 32,725	\$ 143,834
Other	229	156	6,307	170	6,862
Total operating revenues	<u>13,343</u>	<u>20,689</u>	<u>83,769</u>	<u>32,895</u>	<u>150,696</u>
Operating expenses:					
Employee compensation	1,669	3,363	1,009	6,042	12,083
Operating supplies and services	235	6,863	4	8,519	15,621
Repairs and maintenance	1	1,208		1,749	2,958
Incurred losses	9		76,341		76,350
Insurance premiums	6,154	909	6,048	26	13,137
General and administrative	712	2,094	810	1,753	5,369
Consultants and professional services	1,898	112	3,766	4,023	9,799
Depreciation/amortization	4	6,297		5,102	11,403
Total operating expenses	<u>10,682</u>	<u>20,846</u>	<u>87,978</u>	<u>27,214</u>	<u>146,720</u>
Operating income (loss)	<u>2,661</u>	<u>(157)</u>	<u>(4,209)</u>	<u>5,681</u>	<u>3,976</u>
Nonoperating revenues (expenses):					
Investment earnings	1,946	450	450	725	3,571
Interest expense				(97)	(97)
Gain (loss) on disposal of capital assets		22		(129)	(107)
Total nonoperating revenues	<u>1,946</u>	<u>472</u>	<u>450</u>	<u>499</u>	<u>3,367</u>
Income (loss) before contributions and transfers	4,607	315	(3,759)	6,180	7,343
Capital contributions		22			22
Transfers in				1,999	1,999
Transfers (out)	(134)	(940)			(1,074)
Change in net position	4,473	(603)	(3,759)	8,179	8,290
Net position, July 1, 2022	<u>49,428</u>	<u>61,442</u>	<u>13,033</u>	<u>28,423</u>	<u>152,326</u>
Net position, June 30, 2023	<u>\$ 53,901</u>	<u>\$ 60,839</u>	<u>\$ 9,274</u>	<u>\$ 36,602</u>	<u>\$ 160,616</u>

PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 21

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
Cash flows from operating activities:					
Cash receipts from other funds for goods and services provided	\$ 13,114	\$ 20,533	\$ 77,462	\$ 32,725	\$ 143,834
Cash receipts from miscellaneous operations	234	128	4,592	129	5,083
Cash payments to suppliers for goods and services	(7,778)	(8,170)	(10,581)	(12,513)	(39,042)
Cash payments to other funds for goods and services	(1,691)	(2,141)	(760)	(1,329)	(5,921)
Cash payments for incurred losses	(6,341)		(75,441)		(81,782)
Cash payments to employees for services	(1,550)	(3,578)	(1,026)	(6,568)	(12,722)
Net cash provided by (used for) operating activities	<u>(4,012)</u>	<u>6,772</u>	<u>(5,754)</u>	<u>12,444</u>	<u>9,450</u>
Cash flows from noncapital financing activities:					
Cash transfers in from other funds				1,999	1,999
Cash transfers out to other funds	(81)	(940)			(1,021)
Loans with other funds		(21)		(18)	(39)
Net cash provided by (used for) noncapital financing activities	<u>(81)</u>	<u>(961)</u>		<u>1,981</u>	<u>939</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		292			292
Purchase of capital assets		(9,166)		(5,843)	(15,009)
Net cash used for capital and related financing activities		<u>(8,874)</u>		<u>(5,843)</u>	<u>(14,717)</u>
Cash flows from investing activities:					
Interest received on cash and investments	1,909	437	446	629	3,421
Net cash provided by investing activities	<u>1,909</u>	<u>437</u>	<u>446</u>	<u>629</u>	<u>3,421</u>
Net increase (decrease) in cash and cash equivalents	(2,184)	(2,626)	(5,308)	9,211	(907)
Cash and cash equivalents, July 1, 2022	<u>82,858</u>	<u>20,998</u>	<u>21,469</u>	<u>16,859</u>	<u>142,184</u>
Cash and cash equivalents, June 30, 2023	<u>\$ 80,674</u>	<u>\$ 18,372</u>	<u>\$ 16,161</u>	<u>\$ 26,070</u>	<u>\$ 141,277</u>

(continued)

PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 21.1

(continued)

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
	\$ 2,661	\$ (157)	\$ (4,209)	\$ 5,681	\$ 3,976
Operating income (loss)					
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization	4	6,297		5,102	11,403
Changes in assets and deferred outflows of resources:					
Decrease (increase) in assets:					
Accounts receivable	5	(28)	(1,596)	(3)	(1,622)
Due from other governments				(18)	(18)
Inventory and other assets		(157)		15	(142)
Prepaid expense	(201)	2	77	1,869	1,747
Net OPEB assets	(9)	(5)	(2)	(2)	(18)
Increase in deferred outflows of resources:					
Pension/OPEB plans	47	224	59	459	789
Changes in liabilities and deferred inflows of resources:					
Increase (decrease) in liabilities:					
Accounts payable	(268)	1,028	(790)	308	278
Interest payable				36	36
Due to other governments		2			2
Reported but unpaid losses	(3,882)		135		(3,747)
Incurred but not reported losses	(2,450)		765		(1,685)
Net pension/OPEB liability	353	348	132	475	1,308
Other liabilities	13	45	(95)	118	81
Decrease in deferred inflows of resources:					
Pension/OPEB plans	(285)	(827)	(230)	(1,596)	(2,938)
Net cash provided by (used for) operating activities	\$ (4,012)	\$ 6,772	\$ (5,754)	\$ 12,444	\$ 9,450

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2023:

Fleet Services Fund disposed of capital assets with a net book value of \$270.



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**COMBINING STATEMENTS AND OTHER SCHEDULES**

Fiduciary Funds

## **FIDUCIARY FUNDS**

**Private-Purpose Trust Funds** — to account for assets held in trust by the County's Public Fiduciary for those individuals in which the Public Fiduciary serves as a court-appointed guardian, conservator or estate administrator.

**Custodial Funds** — to account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities not held in trust, non-pooled assets that are invested in the State Treasurer's Investment Pool and the County Treasurer's receipt and distribution of taxes for other governmental entities.



PIMA COUNTY, ARIZONA  
Combining Statement of Fiduciary Net Position  
Private-Purpose Trust Funds  
June 30, 2023  
(in thousands)

Exhibit C - 22

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 5,013	\$ 1,692	\$ 6,705
Total assets	5,013	1,692	6,705
 <b>Net position</b>			
Restricted for			
Individuals, organizations, and other governments	5,013	1,692	6,705
Total net position	\$ 5,013	\$ 1,692	\$ 6,705

PIMA COUNTY, ARIZONA  
Combining Statement of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds  
For the Year Ended June 30, 2023  
(in thousands)

Exhibit C - 23

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
<b>Additions:</b>			
Other	\$ 9,248	\$ 435	\$ 9,683
Total additions	9,248	435	9,683
<b>Deductions:</b>			
Other	7,407	349	7,756
Total deductions	7,407	349	7,756
Increase in fiduciary net position	1,841	86	1,927
Net position held in trust, July 1, 2022	3,172	1,606	4,778
Net position held in trust, June 30, 2023	\$ 5,013	\$ 1,692	\$ 6,705

**PIMA COUNTY, ARIZONA**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**  
**(in thousands)**

	External Investment Pool					Other		
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
<b>Assets</b>								
Cash and cash equivalents	\$ 270,203	\$ 69,899	\$ 10,718	\$ 350,820	\$ 10,366	\$ 107,170	\$ 9,884	\$ 127,420
Property tax receivable					40,362			40,362
Interest receivable	1,177	306	41	1,524	6			6
Total assets	<u>271,380</u>	<u>70,205</u>	<u>10,759</u>	<u>352,344</u>	<u>50,734</u>	<u>107,170</u>	<u>9,884</u>	<u>167,788</u>
<b>Liabilities</b>								
Due to other governments					323			323
Total liabilities					<u>323</u>			<u>323</u>
<b>Net position</b>								
Restricted for:								
Pool participants	271,380	70,205	10,759	352,344				
Individuals, organizations, and other governments					50,411	107,170	9,884	167,465
Total net position	<u>\$ 271,380</u>	<u>\$ 70,205</u>	<u>\$ 10,759</u>	<u>\$ 352,344</u>	<u>\$ 50,411</u>	<u>\$ 107,170</u>	<u>\$ 9,884</u>	<u>\$ 167,465</u>

**PIMA COUNTY, ARIZONA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2023**  
**(in thousands)**

	External Investment Pool				Other			
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
<b>Additions:</b>								
Contributions from pool participants	\$ 2,212,581	\$ 130,720	\$ 22,647	\$ 2,365,948	\$ 1,324,049	\$ 142,299	\$	\$ 142,299
Contributions from other governments					8,103			1,324,049
Property tax collections for other governments								8,103
Fines and fees collected for other governments								7,052
Investment earnings	10,232	2,081	303	12,616				2,104
Inmate collections								33,553
Other					361			33,914
Total additions	2,222,813	132,801	22,950	2,378,564	1,332,513	149,351	35,657	1,517,521
<b>Deductions:</b>								
Distributions to pool participants	2,206,111	124,729	23,358	2,354,198		92,508		94,109
Distributions to other governments					1,601			1,318,783
Property tax distributions to other governments					1,318,783			1,446
Interest expense					1,446			8,147
Fines and fees distributed to other governments					8,147			2,045
Payments to inmates								34,257
Other					150			34,257
Total deductions	2,206,111	124,729	23,358	2,354,198	1,330,127	92,508	36,152	1,458,787
Net increase (decrease) in fiduciary net position	16,702	8,072	(408)	24,366	2,386	56,843	(495)	58,734
Net position, July 1, 2022	254,678	62,133	11,167	327,978	48,025	50,327	10,379	108,731
Net position, June 30, 2023	\$ 271,380	\$ 70,205	\$ 10,759	\$ 352,344	\$ 50,411	\$ 107,170	\$ 9,884	\$ 167,465



## INTRODUCTORY SECTION

## FINANCIAL SECTION

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## STATISTICAL SECTION

- Financial Trends Information
  - Revenue Capacity Information
  - Debt Capacity Information
  - Demographic and Economic Information
  - Operating Information
- 



## **STATISTICAL SECTION**

**Financial Trends** – The financial trends schedules are intended to provide users with information to assist them in understanding and assessing how a government's financial position has changed over time. Financial trends information is considered to be a primary source of the historical perspective that helps users comprehend the direction in which a government's economic condition is heading. It also serves the purpose of giving users a form of information that is among their most highly valued, comparative information over time.

PIMA COUNTY, ARIZONA  
 Net Position by Component  
 Last Ten Fiscal Years  
 (in thousands)  
 (accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 1,354,456	\$ 1,385,996	\$ 1,376,761	\$ 1,429,607	\$ 1,452,111	\$ 1,517,465	\$ 1,582,181	\$ 1,616,368	\$ 1,633,005	\$ 1,632,054
Restricted for:										
Facilities, justice, library, tax stabilization and community development	61,936	60,285	58,269	66,828	68,636	63,501	102,881	117,584	119,378	172,972
Highways and streets	10,988	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927
Capital projects	66,885	64,612	62,386	76,278	80,619	34,549	34,384	8,134	28,642	25,272
Healthcare	3,591	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900
Unrestricted (deficit)	84,514	(507,127)	(494,395)	(503,936)	(530,353)	(435,876)	(456,402)	(417,783)	(363,483)	(365,926)
Total governmental activities net position	\$ 1,582,370	\$ 1,040,415	\$ 1,045,632	\$ 1,114,879	\$ 1,143,410	\$ 1,232,521	\$ 1,308,315	\$ 1,369,635	\$ 1,444,545	\$ 1,481,199
<b>Business-type activities</b>										
Net investment in capital assets	\$ 586,868	\$ 592,351	\$ 636,369	\$ 654,168	\$ 686,418	\$ 717,994	\$ 740,667	\$ 789,501	\$ 826,451	\$ 857,533
Restricted for:										
Debt service	31,615	36,683	36,666	38,247	40,271	41,762	36,905	31,100	32,398	35,112
Capital projects	22,720	7,980	3,440	1,667	2,267	6,447	5,963	7,447	10,528	6,868
Regional Wastewater Reclamation	18,820	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294
Unrestricted	117,425	87,010	88,906	75,231	56,307	55,035	70,486	64,998	70,761	83,499
Total business-type activities net position	\$ 777,448	\$ 743,443	\$ 784,604	\$ 788,981	\$ 804,614	\$ 840,396	\$ 873,601	\$ 913,129	\$ 961,866	\$ 1,006,306
<b>Primary government</b>										
Net investment in capital assets	\$ 1,941,324	\$ 1,978,347	\$ 2,013,130	\$ 2,083,775	\$ 2,138,529	\$ 2,235,459	\$ 2,322,848	\$ 2,405,869	\$ 2,459,456	\$ 2,489,587
Restricted for:										
Facilities, justice, library, tax stabilization and community development	61,936	60,285	58,269	66,828	68,636	63,103	102,881	117,584	119,378	172,972
Highways and streets	10,988	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927
Debt service	31,615	36,683	36,666	38,247	40,271	41,762	36,905	31,100	32,398	35,112
Capital projects	89,605	72,592	65,826	77,945	82,886	40,996	40,347	15,581	39,170	32,140
Regional Wastewater Reclamation	18,820	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294
Healthcare	3,591	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900
Unrestricted (deficit)	201,939	(420,117)	(405,489)	(428,705)	(474,046)	(380,443)	(385,916)	(352,785)	(292,722)	(282,427)
Total primary government net position	\$ 2,359,818	\$ 1,783,858	\$ 1,830,236	\$ 1,903,860	\$ 1,948,024	\$ 2,072,917	\$ 2,181,916	\$ 2,282,764	\$ 2,406,411	\$ 2,487,505

Note:

Due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, in fiscal year 2019, net position for the year ended June 30, 2018 was restated, however this change is not reflected in this schedule.  
 Due to the implementation of GASB Statement No. 82, *Pension Issues*, in fiscal year 2016, net position for the year ended June 30, 2015 was restated, however this change is not reflected in this schedule.  
 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 is not reflected in this schedule.  
 Due to the One Arizona Opioid Settlement Memorandum of Understanding (One Arizona Plan) related to national opioid settlements, fiscal year 2022 was restated, however this change was not reflected in this schedule.

Source:

Pima County Department of Finance & Risk Management

**PIMA COUNTY, ARIZONA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(in thousands)**  
**(accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 230,742	\$ 259,734	\$ 267,658	\$ 260,251	\$ 279,678	\$ 254,241	\$ 329,566	\$ 360,851	\$ 343,493	\$ 394,954
Public safety	188,782	188,189	201,759	214,648	214,460	199,402	197,857	215,376	204,946	224,987
Highways and streets	93,675	85,618	102,461	86,886	110,159	111,826	118,956	136,405	198,621	180,833
Sanitation	4,252	(4,882)	3,089	5,195	2,683	2,798	4,052	3,295	4,453	9,834
Health	36,085	38,219	38,386	39,454	38,186	39,658	43,389	79,676	60,822	62,601
Welfare	93,224	93,524	88,515	90,013	94,567	95,737	102,033	103,038	100,505	114,851
Culture and recreation	63,961	62,981	65,770	68,350	65,827	62,513	70,275	70,153	69,944	84,999
Education and economic opportunity	35,756	35,051	35,833	36,658	43,492	42,810	39,420	49,623	65,797	88,979
Amortization-unallocated	(5,758)	(6,237)	(6,862)	(9,348)	(7,806)	(6,551)	(6,909)	(6,870)		
Interest on long-term debt	27,994	27,696	27,464	27,066	23,049	21,650	20,146	20,861	14,876	17,253
Total governmental activities expenses	768,713	779,893	824,073	819,173	864,295	824,084	918,785	1,032,408	1,063,457	1,179,291
<b>Business-type activities:</b>										
Regional Wastewater Reclamation	145,117	184,884	155,566	155,257	148,405	149,576	151,893	153,265	153,613	155,405
Development Services	6,796	6,888	6,691	6,091	5,523	6,187	6,528	6,370	6,443	6,918
Parking Garages	1,877	1,814	2,350	2,840	2,821	2,963	2,649	2,481	2,619	2,847
Total business-type activities expenses	153,790	193,586	164,607	164,188	156,749	158,726	161,070	162,116	162,675	165,170
Total primary government expenses	\$ 922,503	\$ 973,479	\$ 988,680	\$ 983,361	\$ 1,021,044	\$ 982,810	\$ 1,079,855	\$ 1,194,524	\$ 1,226,132	\$ 1,344,461
<b>Program revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 27,355	\$ 27,974	\$ 27,149	\$ 28,331	\$ 27,713	\$ 26,789	\$ 28,754	\$ 33,606	\$ 32,414	\$ 28,284
Public safety	14,846	12,883	12,733	13,657	13,737	13,975	14,665	18,297	14,171	14,287
Highways and streets	6,307	6,136	5,263	6,696	8,356	7,908	9,236	12,432	13,006	10,080
Sanitation	31									
Health	13,259	12,894	13,437	13,831	13,727	14,576	14,614	15,154	16,097	10,527
Welfare	80	200	50	252	289	289	51	122	51	91
Culture and recreation	2,548	3,144	2,855	3,876	3,266	3,702	6,907	2,201	3,721	4,416
Education and economic opportunity	430	577	545	593	581	577	514	419	565	544
Operating grants and contributions	113,129	126,862	127,536	130,049	131,222	131,487	175,720	237,401	234,010	274,746
Capital grants and contributions	54,583	42,570	45,579	37,502	26,842	30,361	40,077	35,772	56,606	19,472
Subtotal governmental activities program revenues	\$ 232,568	\$ 233,240	\$ 235,147	\$ 234,535	\$ 225,444	\$ 229,627	\$ 290,776	\$ 355,404	\$ 370,641	\$ 362,447

(continued)

Source:  
Pima County Department of Finance & Risk Management



PIMA COUNTY, ARIZONA  
Changes in Net Position  
Last Ten Fiscal Years  
(in thousands)  
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Program revenues</b>										
Business-type activities:										
Charges for services										
Regional Wastewater Reclamation	\$ 171,650	\$ 172,597	\$ 167,856	\$ 170,255	\$ 176,108	\$ 180,118	\$ 176,208	\$ 179,727	\$ 181,732	\$ 179,498
Development Services	7,553	6,324	6,212	8,076	8,791	8,859	10,396	13,947	14,010	10,170
Parking Garages	2,362	2,271	2,209	2,399	2,524	2,605	2,355	1,985	2,321	2,197
Operating grants and contributions		35	35							
Capital grants and contributions	6,807	5,854	7,297	5,119	7,354	10,968	8,531	13,743	14,661	14,039
Total business-type activities program revenues	188,372	187,081	183,609	185,849	194,777	202,550	197,490	209,402	212,724	205,904
Total primary government program revenues	\$ 420,940	\$ 420,321	\$ 418,756	\$ 420,384	\$ 420,221	\$ 432,177	\$ 488,266	\$ 564,806	\$ 583,365	\$ 568,351
<b>Net (expense) revenue</b>										
Governmental activities	(536,145)	(546,653)	(588,926)	(584,638)	(638,851)	(594,457)	(628,009)	(677,004)	(692,816)	(816,844)
Business-type activities	34,582	(6,505)	19,002	21,661	38,028	43,824	36,420	47,286	50,049	40,734
Total governmental activities net expense	\$ (501,563)	\$ (553,158)	\$ (569,924)	\$ (562,977)	\$ (600,823)	\$ (550,633)	\$ (591,589)	\$ (629,718)	\$ (642,767)	\$ (776,110)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 378,032	\$ 423,538	\$ 444,194	\$ 453,004	\$ 476,365	\$ 463,547	\$ 482,079	\$ 485,886	\$ 500,619	\$ 508,823
Hotel/motel taxes	6,262	6,155	6,620	6,885	6,569	7,192	5,539	5,816	8,876	15,065
Other taxes levied for stadium district	1,509	1,536	1,614	1,590	1,612	1,544	1,270	954	1,162	1,245
Shared sales tax	101,605	105,522	107,966	111,922	118,702	124,999	131,125	152,512	171,839	181,133
Shared vehicle licenses	23,899	24,976	26,302	27,761	28,933	30,282	30,747	35,296	33,485	34,623
Unrestricted grants and contributions	5,035	4,562	4,199	4,550	4,733	4,877	5,890	4,892	7,289	4,796
Interest and penalties on delinquent taxes	6,976	6,164	5,590	6,504	5,157	5,286	5,886	5,247	5,247	5,074
Investment earnings	2,955	1,931	3,268	3,297	5,549	12,328	11,927	3,812	(665)	24,108
Miscellaneous	16,810	16,889	15,712	17,731	18,381	21,320	22,019	33,832	38,421	29,863
Transfers	(16,715)	(17,133)	(20,190)	20,146	25,393	11,855	7,921	9,438	1,453	4,990
Total governmental activities	526,368	574,140	595,275	633,390	691,394	683,568	703,803	738,324	767,726	809,720
Business-type activities:										
Investment earnings	1,237	903	1,291	1,512	2,228	4,224	4,045	1,110	(530)	6,758
Miscellaneous	1,484	549	678	1,350	763	1,038	661	570	671	1,938
Transfers	16,715	17,133	20,190	(20,146)	(25,393)	(11,855)	(7,921)	(9,438)	(1,453)	(4,990)
Total business-type activities	19,436	18,585	22,159	(17,284)	(22,402)	(6,593)	(3,215)	(7,758)	(1,312)	3,706
Total primary government	\$ 545,804	\$ 592,725	\$ 617,434	\$ 636,106	\$ 668,992	\$ 676,975	\$ 700,588	\$ 730,566	\$ 766,414	\$ 813,426
<b>Change in net position:</b>										
Governmental activities	(9,777)	27,487	6,349	68,752	52,543	89,111	75,794	61,320	74,910	(7,124)
Business-type activities	54,018	12,080	41,161	4,377	15,626	37,231	33,205	39,528	48,737	44,440
Total primary government	\$ 44,241	\$ 39,567	\$ 47,510	\$ 73,129	\$ 68,169	\$ 126,342	\$ 108,999	\$ 100,848	\$ 123,647	\$ 37,316

Source:  
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Fund Balance - Governmental Funds  
Last Ten Fiscal Years  
(in thousands)  
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ 5,278	\$ 4,053	\$ 2,931	\$ 4,318	\$ 4,566	\$ 7,287	\$ 7,487	\$ 5,659	\$ 2,292	\$ 3,724
Committed								10,000	25,000	117,864
Assigned	181	194	201	80	101	121	135	163	160	256
Unassigned	42,731	47,878	77,550	97,638	108,825	101,990	97,974	418,030	174,757	74,272
Total General Fund	<u>\$ 48,190</u>	<u>\$ 52,125</u>	<u>\$ 80,682</u>	<u>\$ 102,036</u>	<u>\$ 113,492</u>	<u>\$ 109,398</u>	<u>\$ 105,596</u>	<u>\$ 433,852</u>	<u>\$ 202,209</u>	<u>\$ 196,116</u>
<b>All other governmental funds</b>										
Unreserved, reported in:										
Special revenue funds										
Nonspendable	\$ 1,894	\$ 2,515	\$ 2,323	\$ 2,496	\$ 2,676	\$ 2,540	\$ 2,400	\$ 2,928	\$ 2,662	\$ 2,916
Restricted	60,984	53,155	57,141	62,263	90,924	77,122	80,990	108,368	98,730	58,380
Committed	6,308	6,320	6,962	2,821	1,972	3,993	18,422	17,803	17,826	
Assigned	4,204	3,769	3,289	9,421	4,747	9,836	14,558	15,992	11,758	7,602
Unassigned	(6,536)	(4,770)	(9,097)	(7,006)	(7,690)	(4,370)		(279)	(6,219)	
Capital projects funds										
Restricted	145,256	126,827	104,274	96,228	136,889	78,107	72,010	66,658	49,051	52,833
Committed	3,836	3,065	1,508	209	9,492	41,234	45,776	21,957	44,073	50,811
Assigned	(80)	(57)	195							
Unassigned	7,848	8,424	6,656	3,127	5,004	6,845	5,143	4,466	1,538	2,079
Debt Service: Assigned										
Grants										
Nonspendable							180	29	243	626
Unassigned							(2,346)	(27,598)	(25,057)	(17,391)
Other Special Revenue Fund										
Nonspendable										176
Restricted										42,458
Committed										2,883
Assigned										20,058
Total other governmental funds	<u>\$ 223,714</u>	<u>\$ 199,248</u>	<u>\$ 173,251</u>	<u>\$ 169,559</u>	<u>\$ 244,014</u>	<u>\$ 215,307</u>	<u>\$ 237,133</u>	<u>\$ 210,324</u>	<u>\$ 194,605</u>	<u>\$ 223,431</u>

Note:  
The Grants Fund met GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, major fund criteria in fiscal year 2020.  
The Other Special Revenue met GASB Statement 34, major fund criteria in fiscal year 2023.  
In prior fiscal years, they were reported under Special revenue funds.

Source:  
Pima County Department of Finance & Risk Management

**PIMA COUNTY, ARIZONA**  
**Changes in Fund Balances - Governmental Funds**  
 Last Ten Fiscal Years  
 (in thousands)  
 (modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 385,829	\$ 431,371	\$ 450,054	\$ 460,312	\$ 481,222	\$ 469,605	\$ 486,074	\$ 491,028	\$ 502,370	\$ 512,667
Licenses and permits	8,275	8,456	8,824	9,305	9,906	10,261	9,856	11,126	9,941	9,711
Intergovernmental	292,082	296,628	314,918	308,555	302,668	326,678	364,610	435,628	481,572	523,097
Charges for services	57,826	60,222	62,258	66,852	63,917	61,171	68,435	75,339	76,232	72,647
Fines and forfeits	8,652	9,509	8,420	8,110	7,526	7,004	6,062	7,022	7,535	9,288
Investment earnings	1,737	1,155	1,812	2,257	4,022	7,564	7,417	3,074	1,622	20,500
Miscellaneous	17,464	15,680	16,835	17,908	19,941	20,980	21,272	25,543	44,764	30,218
<b>Total revenues</b>	<b>771,865</b>	<b>823,021</b>	<b>863,121</b>	<b>873,299</b>	<b>889,202</b>	<b>903,263</b>	<b>963,726</b>	<b>1,048,760</b>	<b>1,124,036</b>	<b>1,178,128</b>
<b>Expenditures</b>										
General government	247,507	256,331	255,639	258,350	257,511	269,391	318,476	347,492	337,570	399,181
Public safety	157,572	161,484	169,292	174,105	172,696	173,195	158,046	210,390	435,338	208,766
Highways and streets	37,772	39,664	45,625	41,523	42,038	39,953	63,254	89,690	130,298	122,605
Sanitation	2,521	2,403	2,237	2,343	2,314	2,405	2,511	2,239	2,414	2,422
Health	35,357	37,787	38,390	39,263	39,182	42,909	42,141	77,417	63,194	61,139
Welfare	93,193	93,418	88,436	89,915	94,594	95,907	102,043	103,029	100,550	114,894
Culture and recreation	56,745	68,987	58,710	64,725	62,070	64,731	65,820	72,247	72,247	76,616
Education and economic opportunity	34,196	34,280	35,121	35,872	40,102	42,345	38,583	48,026	66,554	88,182
Capital outlay	135,746	100,788	70,473	73,922	78,370	118,275	118,016	94,003	108,296	98,716
Debt service - principal	113,337	81,933	86,957	101,579	97,574	129,912	90,018	102,692	90,454	85,395
- interest	26,777	26,439	26,279	23,920	20,244	18,730	17,630	16,526	18,767	18,963
- miscellaneous	1,030	863	488	1,376	729	620	622	2,805	247	898
<b>Total expenditures</b>	<b>941,753</b>	<b>904,377</b>	<b>877,647</b>	<b>906,893</b>	<b>907,424</b>	<b>997,645</b>	<b>1,016,071</b>	<b>1,160,129</b>	<b>1,425,929</b>	<b>1,277,777</b>
<b>Deficiency of revenues under expenditures</b>	<b>(169,888)</b>	<b>(81,356)</b>	<b>(14,526)</b>	<b>(33,594)</b>	<b>(18,222)</b>	<b>(94,382)</b>	<b>(52,345)</b>	<b>(111,369)</b>	<b>(301,893)</b>	<b>(99,649)</b>
<b>Other financing sources (uses):</b>										
Issuance of refunding debts	8,805	13,685	9,640	150,385	2,621	6,709	5,588	5,603		2,309
Premium on bonds	9,488	5,949	2,552	17,661						
Payments to escrow agents	(10,131)	(15,250)	(11,010)	(166,816)						
Financed purchases	239	11,500	149	1,700	566	170	679	5	470	90,115
Proceeds from sale of capital assets	360	119	89	246		1,676	268		3,451	726
Lease agreements										
Subscription-based information technology agreements										
Face amount of long-term debt	78,160	72,025	34,295	25,680	73,660	45,940	56,020	387,248	50,000	24,146
Transfers in	162,683	121,497	114,358	110,044	121,810	169,544	170,977	191,771	227,287	1,021
Transfers (out)	(190,140)	(148,744)	(132,865)	(87,640)	(94,524)	(162,458)	(163,167)	(171,810)	(226,675)	252,102
<b>Total other financing sources</b>	<b>59,464</b>	<b>60,781</b>	<b>17,208</b>	<b>51,260</b>	<b>104,133</b>	<b>61,581</b>	<b>70,365</b>	<b>412,817</b>	<b>54,533</b>	<b>122,382</b>
<b>Change in reserves - net</b>										
							4	(1)	(2)	
<b>Net change in fund balances</b>	<b>\$(110,424)</b>	<b>\$(20,575)</b>	<b>\$ 2,682</b>	<b>\$ 17,666</b>	<b>\$ 85,911</b>	<b>\$(32,801)</b>	<b>\$ 18,024</b>	<b>\$ 301,447</b>	<b>\$(247,362)</b>	<b>\$ 22,733</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>16.44%</b>	<b>13.51%</b>	<b>13.41%</b>	<b>14.94%</b>	<b>13.74%</b>	<b>16.11%</b>	<b>11.55%</b>	<b>11.10%</b>	<b>8.08%</b>	<b>8.68%</b>

Source: Pima County Department of Finance & Risk Management

## **STATISTICAL SECTION**

### **REVENUE CAPACITY:**

The revenue capacity information is intended to assist users to understand and assess the factors affecting a government's ability to generate its own-source revenues. The presentation here is not limited to property tax revenues, but certain other revenues are presented to comply with debt disclosure requirements, e.g., hotel taxes, car rental taxes, and street and highway revenues.

**PIMA COUNTY, ARIZONA**  
**Taxable Assessed Value and Estimated Actual Value of Property**  
**Last Ten Tax Years**  
**(in thousands)**

Tax Year	Commercial Property	Residential Property	Vacant Land	Other	Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
2014	2,308,924	4,752,612	407,857	49,090	7,518,482	5.7639	74,402,882	10.11%
2015	2,230,175	4,952,757	385,043	52,386	7,620,361	5.9632	76,489,654	9.96%
2016	2,246,501	5,172,564	345,099	52,536	7,816,700	5.8852	78,911,345	9.91%
2017	2,323,580	5,374,744	321,022	55,611	8,074,958	6.0243	80,459,900	10.04%
2018	2,316,227	5,634,554	323,278	59,834	8,333,893	5.6525	82,745,384	10.07%
2019	2,408,207	5,948,604	311,735	61,418	8,729,964	5.6014	86,441,657	10.10%
2020	2,462,342	6,311,194	304,548	62,341	9,140,425	5.3524	90,656,154	10.08%
2021	2,650,189	6,667,859	309,971	68,132	9,696,151	5.2346	95,585,663	10.14%
2022	2,737,633	7,008,385	312,905	73,701	10,132,624	5.1036	100,257,796	10.11%
2023	2,812,753	7,448,243	312,228	73,670	10,646,894	5.1424	106,146,379	10.03%

**Notes:**

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

**Source:**

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Direct and Overlapping Property Tax Rates  
(per \$100 of assessed value)

County Direct Rates														
Tax Year	State of Arizona	Education Assistance	Community College District	City of Tucson	City of South Tucson	Street Lighting District	Central AZ Water Conservation District	Flowing Wells Irrigation District <sup>2</sup>	Silverbell Irrigation District <sup>2</sup>	Cortaro-Marana Irrigation District <sup>2</sup>	Mobile Home Relocation District <sup>3</sup>	Gladden Farms Community Facilities District		Total
												Primary	Secondary	
2014	0.0000	0.5089	1.3344	1.4606	0.2528	12.0787	0.1400	19.3500	3.0000	69.0000	0.5000	2.8000	2.8000	5.7639
2015	0.0000	0.5054	1.3689	1.5960	0.2528	12.3345	0.1400	19.3500	3.0000	72.0000	0.5000	2.8000	2.8000	5.9632
2016	0.0000	0.5010	1.3733	1.5982	0.2528	12.4384	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	2.8000	5.8852
2017	0.0000	0.4875	1.3890	1.4342	0.2487	12.4505	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	2.8000	6.0243
2018	0.0000	0.4741	1.3983	1.4819	0.2512	15.3127	0.1400	19.3500	3.0000	78.0000	0.0000	2.4400	2.8000	5.6525
2019	0.0000	0.4566	1.3758	1.3810	0.2434	17.9248	0.1400	19.3500	3.0000	79.5000	0.0000	2.8000	2.8000	5.6014
2020	0.0000	0.4426	1.3359	1.3573	0.2527	14.4901	0.1400	19.3500	3.0000	80.2500	0.0000	2.8000	2.8000	5.3524
2021	0.0000	0.4263	1.2733	1.3123	0.2370	15.2590	0.1400	19.3500	3.0000	84.0000	0.0000	2.8000	2.8000	5.2346
2022	0.0000	0.0000	1.2878	1.4292	0.2338	15.7198	0.1400	21.2900	3.2508	91.5000	0.0000	2.8000	2.8000	5.1036
2023	0.0000	0.0000	1.2802	1.0501	0.2232	15.3267	0.1400	21.2900	3.2508	93.0000	0.0000	2.8000	2.8000	5.1424

Overlapping Rates

Tax Year	State of Arizona	Education Assistance	Community College District	City of Tucson	City of South Tucson	Street Lighting District	Central AZ Water Conservation District	Flowing Wells Irrigation District <sup>2</sup>	Silverbell Irrigation District <sup>2</sup>	Cortaro-Marana Irrigation District <sup>2</sup>	Mobile Home Relocation District <sup>3</sup>	Gladden Farms Community Facilities District		Total
												Primary	Secondary	
2014	0.0000	0.5089	1.3344	1.4606	0.2528	12.0787	0.1400	19.3500	3.0000	69.0000	0.5000	2.8000	2.8000	5.7639
2015	0.0000	0.5054	1.3689	1.5960	0.2528	12.3345	0.1400	19.3500	3.0000	72.0000	0.5000	2.8000	2.8000	5.9632
2016	0.0000	0.5010	1.3733	1.5982	0.2528	12.4384	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	2.8000	5.8852
2017	0.0000	0.4875	1.3890	1.4342	0.2487	12.4505	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	2.8000	6.0243
2018	0.0000	0.4741	1.3983	1.4819	0.2512	15.3127	0.1400	19.3500	3.0000	78.0000	0.0000	2.4400	2.8000	5.6525
2019	0.0000	0.4566	1.3758	1.3810	0.2434	17.9248	0.1400	19.3500	3.0000	79.5000	0.0000	2.8000	2.8000	5.6014
2020	0.0000	0.4426	1.3359	1.3573	0.2527	14.4901	0.1400	19.3500	3.0000	80.2500	0.0000	2.8000	2.8000	5.3524
2021	0.0000	0.4263	1.2733	1.3123	0.2370	15.2590	0.1400	19.3500	3.0000	84.0000	0.0000	2.8000	2.8000	5.2346
2022	0.0000	0.0000	1.2878	1.4292	0.2338	15.7198	0.1400	21.2900	3.2508	91.5000	0.0000	2.8000	2.8000	5.1036
2023	0.0000	0.0000	1.2802	1.0501	0.2232	15.3267	0.1400	21.2900	3.2508	93.0000	0.0000	2.8000	2.8000	5.1424

Notes:  
Primary and secondary tax rates (per \$100 of net assessed value) are set by the County Board of Supervisors or the governing boards of other taxing jurisdictions. The Towns of Marana, Oro Valley and Sahuarita do not currently levy a property tax. The Tucson Business Improvement District levy (on a per-business basis) is not shown.

<sup>1</sup>The Pima County Flood Control District tax levy applies only to real property.

<sup>2</sup>Irrigation Districts' tax rates shown are levied on a per acre basis.

<sup>3</sup>Mobile Home Relocation levy applies only to unsecured mobile homes. Waived by Arizona Department of Revenue for FY 2023/24.

<sup>4</sup>Vanderbilt Farms Community Facilities District was dissolved in fiscal year 2020.

Source:  
Pima County Department of Finance & Risk Management

**PIMA COUNTY, ARIZONA**  
**Direct and Overlapping Property Tax Rates - School Districts**  
**Last Ten Tax Years**  
 (per \$100 of assessed value)

School District	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tucson Unified (#1)	7.5094	7.3425	7.1258	6.9218	6.5554	6.3328	6.1243	6.1032	5.9173	5.5372
Marana Unified (#6)	6.2288	6.3370	6.3871	6.2334	6.0840	5.8650	5.7594	5.9491	5.4689	5.6906
Flowing Wells Unified (#8)	6.6135	6.6292	6.8971	6.7539	6.8860	6.8539	6.6839	6.4855	6.5638	6.2262
Amphitheater Unified (#10)	5.8044	5.6725	5.4917	5.6311	5.4919	5.4507	5.4522	5.1034	5.1627	5.0082
Sunnyside Unified (#12)	6.0364	3.9987	5.5498	5.7009	5.6636	5.3009	5.1530	4.6605	4.3087	4.2858
Tanque Verde Unified (#13)	5.0329	5.3069	5.2329	5.7574	5.4150	5.3974	5.2384	5.2731	5.0445	4.9680
Ajo Unified (#15)	4.8452	4.5540	4.7673	4.7107	4.5585	4.3771	4.2246	4.1276	4.0710	3.9341
Catalina Foothills Unified (#16)	4.7066	4.9985	5.9893	5.6661	5.4212	4.9943	5.5878	5.1980	5.0599	4.9318
Vail Elementary (#20)	7.3000	7.0189	7.0523	7.2630	7.1643	7.4759	7.1640	7.1497	6.8087	6.8116
Sahuarita Unified (#30)	7.2885	7.2847	7.3670	9.0399	8.4240	7.8712	7.4213	7.3042	7.1594	6.7020
San Fernando Elementary (#35)	5.8244	5.9538	4.4826	4.5003	4.3145	2.3087	1.9243	1.9959	1.9510	2.0313
Empire Elementary (#37)	2.1687	1.7677	2.4363	5.4021	6.4884	3.7643	2.4307	3.6087	3.4754	3.3344
Continental Elementary (#39)	2.6146	2.6512	2.4626	2.4991	2.5037	2.3785	2.3249	2.2488	2.1400	2.4825
Redington Elementary (#44)	4.7711	4.5901	8.9614	8.6853	8.6853	7.3742	7.3742	7.3742	7.3742	8.2011
Altar Valley Elementary (#51)	6.7381	7.6184	5.9857	5.7738	5.9852	5.5805	5.6522	6.7208	5.1139	5.2321
Unorganized <sup>1</sup>	2.1123	2.0977	2.0793	2.0234	1.9679	1.8954	1.8371	1.7694	1.7133	1.6549

Notes:

<sup>1</sup>County Education District; Only applies to those geographical areas within Pima County not part of formal school districting.

Source:

Pima County Department of Finance & Risk Management

Principal Property Taxpayers  
Last Ten Fiscal Years  
(in thousands)

Taxpayer	2014			2015			2016			2017			2018		
	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 201,401	1	2.5%	\$ 200,344	1	2.4%	\$ 188,366	1	2.2%	\$ 215,359	1	2.3%	\$ 217,657	1	2.4%
Southwest Gas Corporation	66,789	3	0.8%	70,297	3	0.9%	36,696	4	0.4%	75,306	3	0.9%	85,118	2	0.9%
P Phelps Dodge Corporation - Sierrita Mine	95,186	2	1.2%	93,847	2	1.1%	81,988	2	1.0%	84,212	2	1.0%	70,987	3	0.8%
Sierrita Gas Pipeline, LLC										30,769	7	0.4%	29,920	7	0.3%
Northwest Hospital, LLC	16,982	8	0.2%	17,058	7	0.2%	16,858	8	0.2%	31,995	6	0.4%	32,521	6	0.4%
Raytheon				14,703	9	0.2%									
ASARCO, LLC - Mission Mine	55,322	4	0.7%	48,496	4	0.6%	42,290	3	0.5%	43,258	4	0.5%	40,280	4	0.4%
SMSJ Tucson Holdings, LLC							17,471	7	0.2%	23,629	8	0.3%	29,729	8	0.3%
Amazon															
Qwest Corporation	38,035	5	0.5%	37,877	5	0.5%	33,114	5	0.4%	35,990	5	0.4%	34,964	5	0.4%
Wal-Mart Stores, Inc.	19,366	7	0.2%	18,494	6	0.2%	18,211	6	0.2%	21,809	10	0.3%	22,472	10	0.2%
DND Neffson, Co. (Tucson Mall)	16,037	9	0.2%	15,695	8	0.2%	15,668	9	0.2%	22,561	9	0.3%	22,667	9	0.3%
DDR Tucson Spectrum II, LLC							12,499	10	0.1%						
Trico Electric Co-Op, Inc.	21,845	6	0.3%	14,131	10	0.2%									
JW Marriott Starr Pass Resort	12,298	10	0.2%												
<b>Total Top Ten</b>	<b>\$ 543,261</b>		<b>6.8%</b>	<b>\$ 530,942</b>		<b>6.5%</b>	<b>\$ 463,161</b>		<b>5.4%</b>	<b>\$ 584,888</b>		<b>7.0%</b>	<b>\$ 586,315</b>		<b>6.4%</b>

Notes:

<sup>1</sup>Secondary Assessed Valuation for Tax Year

\$ 7,579,899

\$ 8,262,665

\$ 8,508,990

\$ 9,030,169

7.2%

Source:

Pima County Assessor's Office  
Arizona Department of Revenue

(continued)



PIMA COUNTY, ARIZONA  
Principal Property Taxpayers  
Last Ten Fiscal Years  
(in thousands)

(continued)

Taxpayer	2019			2020			2021			2022			2023		
	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value	Estimated Assessed Value <sup>1</sup>	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 217,567	1	2.3%	\$ 228,198	1	2.2%	\$ 240,775	1	2.4%	\$ 273,438	1	2.4%	\$ 295,764	1	2.3%
Southwest Gas Corporation	92,375	2	1.0%	102,442	2	1.0%	119,687	2	1.1%	136,933	2	1.2%	156,447	2	1.2%
Phelps Dodge Corporation - Sierrita Mine	71,722	3	0.7%	89,998	3	0.9%	101,453	3	0.9%	86,436	3	0.8%	115,867	3	0.9%
Sierrita Gas Pipeline, LLC	28,751	7	0.3%	32,825	7	0.3%	40,427	4	0.4%	46,647	4	0.4%	51,554	4	0.4%
Northwest Hospital, LLC	33,047	6	0.3%	33,729	6	0.3%	31,175	7	0.3%	33,149	7	0.3%	36,958	5	0.3%
Raytheon				26,237	8	0.3%	32,155	6	0.3%	34,026	6	0.3%	36,848	6	0.3%
ASARCO, LLC - Mission Mine	36,335	4	0.4%	42,110	4	0.4%	38,540	5	0.4%	34,044	5	0.3%	36,216	7	0.3%
SMSJ Tucson Holdings, LLC	25,005	8	0.3%	26,006	9	0.3%	24,579	9	0.2%	25,946	9	0.2%	27,134	8	0.2%
Amazon														9	0.2%
Qwest Corporation	35,335	5	0.4%	33,754	5	0.3%	30,935	8	0.3%	28,283	8	0.2%	25,916	9	0.2%
Wal-Mart Stores, Inc.	23,020	10	0.2%							24,973	10	0.2%	25,729	10	0.2%
DND Neffson, Co. (Tucson Mall)	23,150	9	0.2%	23,377	10	0.2%	23,978	10	0.2%						
DDR Tucson Spectrum II, LLC															
Trico Electric Co-Op, Inc.															
JW Marriott Starr Pass Resort															
<b>Total Top Ten</b>	<b>\$ 586,307</b>		<b>6.1%</b>	<b>\$ 638,676</b>		<b>6.2%</b>	<b>\$ 683,704</b>		<b>6.3%</b>	<b>\$ 723,875</b>		<b>6.3%</b>	<b>\$ 808,433</b>		<b>6.3%</b>
<b>Notes:</b>															
<sup>1</sup> Secondary Assessed Valuation for Tax Year			\$ 9,645,865		\$ 10,226,395		\$ 10,836,343		\$ 11,355,659		\$ 13,137,117				

Source:

Pima County Assessor's Office  
Arizona Department of Revenue

**PIMA COUNTY, ARIZONA**  
**Real Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(in thousands)**

Fiscal Year	Primary Property Tax Levy and Secondary Property Tax Levy for Debt Service	Secondary Property Tax Levy for Flood Control and Library District <sup>4,5</sup>	Original Real Property Tax Levy	Tax Roll Corrections	Real Property Tax Levy (Adjusted)	Collected to June 30, End of Tax Fiscal Year <sup>1</sup>		Collected to June 30, 2023 <sup>1</sup>		Delinquent Taxes Receivable <sup>2</sup>
						Amount	Percent of Original Levy	Amount	Percent of Adjusted Levy	
2013-14	323,026	45,287	368,313		368,313	355,338	96.48%	366,797	99.59%	1,516
2014-15	359,298	52,186	411,484		411,484	397,670	96.64%	410,213	99.69%	1,271
2015-16	374,101	59,448	433,549		433,549	418,716	96.58%	432,361	99.73%	1,188
2016-17	378,249	62,645	440,894		440,894	430,628	97.67%	439,481	99.68%	1,413
2017-18	382,611	81,772	464,383		464,383	453,822	97.73%	463,265	99.76%	1,118
2018-19	383,920	67,031	450,951		450,951	441,154	97.83%	444,508	98.57%	6,443
2019-20	397,391	72,146	469,537		469,537	458,509	97.65%	458,509	97.65%	11,028
2020-21	396,965	76,329	473,294		473,294	462,317	97.68%	462,317	97.68%	10,977
2021-22	408,140	80,602	488,742		488,742	475,664	97.32%	475,664	97.32%	13,078
2022-23	411,794	83,960	495,754		495,754	480,909	97.01%	480,909	97.01%	14,845

Note:

<sup>1</sup> Amounts collected are on a cash basis rather than the modified accrual basis used in the financial statements.

<sup>2</sup> Represents the difference between the adjusted levy and collected to June 30, 2023.

<sup>3</sup> Fiscal Year 2017-18 includes Transportation road property.

<sup>4</sup> Fiscal Year 2018-19 includes Improvement & Other Districts.

<sup>5</sup> Fiscal Year 2019-20 includes Community Facilities Districts.

Source:

Pima County Department of Finance & Risk Management  
Pima County Treasurer's Office

PIMA COUNTY, ARIZONA  
Assessed, Limited and Full Cash (Secondary) Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands)

Exhibit D - 9

Fiscal Year		Net Assessed Value	Limited and Full Cash Value <sup>1</sup>	Ratio of Net Assessed to Full Cash Value
2013-14	Primary	7,559,129	73,262,703	10.32%
2013-14	Secondary	7,623,691	74,590,067	10.22%
2014-15	Primary	7,518,482	74,402,882	10.11%
2014-15	Secondary	7,579,899	75,389,155	10.05%
2015-16	Primary	7,620,361	76,489,654	9.96%
2015-16	Secondary	7,906,190	79,550,159	9.94%
2016-17	Primary	7,816,700	78,911,345	9.91%
2016-17	Secondary	8,262,665	83,520,548	9.89%
2017-18	Primary	8,074,958	80,459,900	10.04%
2017-18	Secondary	8,508,990	84,772,588	10.04%
2018-19	Primary	8,333,893	82,745,384	10.07%
2018-19	Secondary	9,030,169	89,027,208	10.14%
2019-20	Primary	8,729,964	86,441,657	10.10%
2019-20	Secondary	9,645,865	95,293,696	10.12%
2020-21	Primary	9,140,425	90,656,154	10.08%
2020-21	Secondary	10,226,395	101,016,359	10.12%
2021-22	Primary	9,696,151	95,585,663	10.14%
2021-22	Secondary	10,836,343	106,405,925	10.18%
2022-23	Primary	10,132,624	100,257,796	10.11%
2022-23	Secondary	11,355,659	111,988,323	10.14%

Notes:

<sup>1</sup>Limited value is the basis for primary taxes and annual changes therein are restricted by statute;  
Full Cash Value or Secondary Value approximates market value.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Comparative Net Valuations and Tax Rates  
(per \$100 assessed value)  
(in thousands)

Exhibit D - 10

Jurisdiction	FY 2022-23 (Tax Year 2022)		FY 2023-24 (Tax Year 2023)	
	Valuation	Rate	Valuation	Rate
<u>State of Arizona</u>	\$ 10,132,624	0.0000	\$ 10,646,894	0.0000
<u>Pima County</u>				
General Fund - Primary	10,132,624	3.8764	10,646,894	4.0102
Debt Service - Secondary	10,132,624	0.3200	10,646,894	0.2200
Free Library - Secondary	10,132,624	0.5453	10,646,894	0.5493
Total County - Primary	10,132,624	3.8764	10,646,894	4.0102
Total County - Secondary		0.8653		0.7693
Grand Total		<u>4.7417</u>		<u>4.7795</u>
<u>Education Assistance</u>	10,132,624	0.0000	10,646,894	0.0000
<u>Flood Control District - Secondary</u>	9,162,250	0.3235	9,624,839	0.3253
<u>Fire District Assistance - Secondary</u>	10,132,624	0.0384	10,646,894	0.0376
<u>Pima Community College District</u>				
Primary	10,132,624	1.2878	10,646,894	1.2802
Total		<u>1.2878</u>		<u>1.2802</u>
<u>Central Arizona Water Conservation District</u>				
Secondary	10,132,624	0.1400	10,646,894	0.1400
<u>Cities &amp; Towns</u>				
City of Tucson				
Primary	4,155,638	0.5244	4,332,449	0.4461
Secondary	4,155,638	0.9048	4,332,449	0.6040
Total		<u>1.4292</u>		<u>1.0501</u>
City of South Tucson				
Primary	25,413	0.2338	26,988	0.2232
Total		<u>0.2338</u>		<u>0.2232</u>
<u>School Districts</u>				
Unorganized - Primary	16,430	1.7133	17,390	1.6549
Tucson Unified (District #1)				
Primary	3,921,344	3.8404	4,072,680	3.5970
Secondary	3,921,344	2.0769	4,072,680	1.9402
Total		<u>5.9173</u>		<u>5.5372</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA  
 Comparative Net Valuations and Tax Rates  
 (per \$100 assessed value)  
 (in thousands)

Exhibit D - 10

(continued)

Jurisdiction	FY 2022-23 (Tax Year 2022)		FY 2023-24 (Tax Year 2023)	
	Valuation	Rate	Valuation	Rate
<b>Marana Unified (District #6)</b>				
Primary	\$ 1,096,227	3.5946	\$ 1,178,850	3.4787
Secondary	1,096,227	1.8743	1,178,850	2.2119
Total		<u>5.4689</u>		<u>5.6906</u>
<b>Flowing Wells Unified (District #8)</b>				
Primary	226,621	3.6994	233,327	3.3533
Secondary	226,621	2.8644	233,327	2.8729
Total		<u>6.5638</u>		<u>6.2262</u>
<b>Amphitheater Unified (District #10)</b>				
Primary	1,803,846	3.5830	1,883,370	3.4587
Secondary	1,803,846	1.5797	1,883,370	1.5495
Total		<u>5.1627</u>		<u>5.0082</u>
<b>Sunnyside Unified (District #12)</b>				
Primary	558,934	3.4705	593,796	3.4961
Secondary	558,934	0.8382	593,796	0.7897
Total		<u>4.3087</u>		<u>4.2858</u>
<b>Tanque Verde Unified (District #13)</b>				
Primary	219,134	3.4266	230,541	3.3968
Secondary	219,134	1.6179	230,541	1.5712
Total		<u>5.0445</u>		<u>4.9680</u>
<b>Ajo Unified (District #15)</b>				
Primary	18,334,801	4.0710	18,541	3.9341
Total		<u>4.0710</u>		<u>3.9341</u>
<b>Catalina Foothills Unified (District #16)</b>				
Primary	686,237	3.4710	714,755	3.3576
Secondary	686,237	1.5889	714,755	1.5742
Total		<u>5.0599</u>		<u>4.9318</u>
<b>Vail Elementary (District #20)</b>				
Primary	682,271	3.7355	746,457	3.7820
Secondary	682,271	3.0732	746,457	3.0296
Total		<u>6.8087</u>		<u>6.8116</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA  
 Comparative Net Valuations and Tax Rates  
 (per \$100 assessed value)  
 (in thousands)

Exhibit D - 10

(continued)

Jurisdiction	FY 2022-23 (Tax Year 2022)		FY 2023-24 (Tax Year 2023)	
	Valuation	Rate	Valuation	Rate
<b>Sahuarita Unified (District #30)</b>				
Primary	\$ 398,731	3.9738	\$ 426,830	3.5668
Secondary	398,731	3.1856	426,830	3.1352
Total		<u>7.1594</u>		<u>6.7020</u>
<b>San Fernando Elementary (District #35)</b>				
Primary	12,618	1.9510	12,438	2.0313
Total		<u>1.9510</u>		<u>2.0313</u>
<b>Empire Elementary (District #37)</b>				
Primary	7,388	3.4754	7,752	3.3344
Total		<u>3.4754</u>		<u>3.3344</u>
<b>Continental Elementary (District #39)</b>				
Primary	423,306	1.7789	447,381	2.1046
Secondary	423,306	0.3611	447,381	0.3779
Total		<u>2.1400</u>		<u>2.4825</u>
<b>Baboquivari Unified School (District #40)</b>				
Primary	2,009	0.0000	2,055	0.0000
Total		<u>0.0000</u>		<u>0.0000</u>
<b>Redington Elementary (District #44)</b>				
Primary	1,521	7.3742	1,534	8.2011
Total		<u>7.3742</u>		<u>8.2011</u>
<b>Altar Valley Elementary (District #51)</b>				
Primary	57,672	4.2825	59,197	4.3793
Secondary	57,672	0.8314	59,197	0.8528
Total		<u>5.1139</u>		<u>5.2321</u>

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Historical Collections - Hotel Excise Tax  
Car Rental Surcharge and Recreational Vehicle Tax  
Last Ten Fiscal Years  
(in thousands)

Exhibit D - 11

Fiscal Year	Hotel Excise Tax <sup>1</sup>	Car Rental Surcharges <sup>2</sup>	Recreational Vehicle Tax <sup>3,4</sup>
2013-14	6,276	1,390	122
2014-15	6,105	1,384	137
2015-16	6,534	1,468	146
2016-17	6,958	1,446	161
2017-18	6,345	1,530	71
2018-19	7,196	1,507	
2019-20	5,750	1,361	
2020-21	5,354	925	
2021-22	8,919	1,164	
2022-23	14,702	1,330	

Notes:

<sup>1</sup> Tax increased from 1% to 2% January 1, 1997; the additional 1% can only be used for County sports facilities. In January of 2006, the tax increased from 2% to 6%, of which only 34% can be used for sports facilities.

<sup>2</sup> Car rental surcharges increased from \$2.50 to \$3.50 per rental contract July 1, 1996. Usage is restricted to County sports facilities.

<sup>3</sup> Recreational vehicle taxes apply at the rate of \$0.50 per vehicle per night and became effective July 1, 1997. Usage of this tax is limited to athletic activities.

<sup>4</sup> Recreational vehicle taxes expired on December 31, 2017

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Streets and Highways Revenues  
Last Ten Fiscal Years  
(in thousands)

Exhibit D - 12

Fiscal Year	Amount	Highway User Revenue	Vehicle License Tax
2013-14	49,212	37,500	11,712
2014-15	53,212	40,762	12,450
2015-16	56,006	42,543	13,463
2016-17	59,443	45,356	14,087
2017-18	61,552	46,553	14,999
2018-19	65,564	49,718	15,846
2019-20	64,812	48,759	16,053
2020-21	70,647	52,118	18,529
2021-22	73,691	55,522	18,169
2022-23	74,822	55,834	18,988

Source:

Pima County Department of Finance & Risk Management



## **STATISTICAL SECTION**

### **DEBT CAPACITY:**

The debt capacity information is intended to assist users to understand and assess a government's debt burden and ability to issue debt. Debt capacity information is cited as being very useful for assessing economic condition as frequently as revenue or tax capacity. Five of the schedules presented provide ten-year comparisons.

Certain schedules, for example, leases, lease-purchase installment notes payable, and purchase agreements, are provided to comply with debt disclosure requirements.

**PIMA COUNTY, ARIZONA**  
**Ratios of Outstanding Debt by Type to Personal Income and Per Capita**  
**Last Ten Fiscal Years**  
 (in thousands)

Fiscal Year	Governmental Activities										Business-Type Activities										
	General Obligation Bonds	Transportation Revenue Bonds	Certificates of Participation	Capital Leases	Financed Purchase	Leases	Subscriptions	Sewer Revenue Bonds	Sewer Revenue Obligations	Wastewater Loans Payable	Contracts and Notes	Total Primary Government	Regional Wastewater Loans Payable	Sewer Revenue Obligations	Sewer Revenue Bonds	Subscriptions	Leases	Personal Income <sup>1</sup>	Population at July 1 <sup>1</sup>	Debt per Capita	
2013-14	\$ 416,006	\$ 133,081	\$ 149,703	\$ 640	\$ 640				\$ 138,431	\$ 540,288	\$ 19,680	\$ 7,942	\$ 1,405,771	\$ 19,680	\$ 540,288	\$ 138,431				\$ 1,396	
2014-15	391,298	118,770	177,771	11,912	11,912				120,361	510,763	18,145	1,098	1,350,118	18,145	510,763	120,361				1,321	
2015-16	350,135	103,961	179,054	136	8,733	136			104,153	481,027	16,563	1,577	1,245,339	16,563	481,027	104,153				1,225	
2016-17	336,954	89,689	141,194	88	3,597	88			20,535	574,486	4,630	1,564	1,172,737	4,630	574,486	20,535				1,144	
2017-18	288,182	85,508	166,617	38	2,078	38			2,863	565,708	3,555	763	1,115,312	3,555	565,708	2,863				948	
2018-19	236,572	96,916	124,567	724	749	724			526,031	496,944	2,998	887	988,695	2,998	496,944	526,031				878	
2019-20	181,428	80,899	161,063	749	749	749			468,671	468,671		2,236	923,203		468,671	468,671				878,335	
2020-21	138,191	88,258	180,417	562	562	562			433,310	433,310		2,883	805,364		433,310	433,310				754	
2021-22	95,961	73,731	196,338	384	384	384	2,757		23,262	396,864		4,052	805,909		396,864	23,262				746	
2022-23	67,656	64,012	247,299	247	247	247	2,517														

**Notes:**

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages xx-xx.

<sup>1</sup>Personal income and population statistics are based on calendar year. Prior years' statistics updated based on current data.

<sup>2</sup>Debt per Capita is shown in actual dollars and not in thousands.

**Source:**

Pima County Department of Finance & Risk Management  
 UA Economic and Business Research Center, Eller College of Management

**PIMA COUNTY, ARIZONA**  
**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**  
**(in thousands)**

Fiscal Year	General Obligation Bond Debt	Debt Service Funds Available for Principal	Net General Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to		Population at July 1 <sup>1</sup>	Net General Bond Debt per Capita <sup>2</sup>
					Assessed Value	Assessed Value		
2013-14	416,006	5,326	410,680	7,623,691	5.39%	1,007,162	408	
2014-15	391,298	6,037	385,261	7,579,899	5.08%	1,022,079	377	
2015-16	350,135	5,606	344,529	7,906,190	4.36%	1,016,743	339	
2016-17	336,954	2,793	334,161	8,262,665	4.04%	1,025,044	326	
2017-18	288,182	2,911	285,271	8,508,990	3.35%	1,033,781	276	
2018-19	236,572	2,639	233,933	9,030,169	2.59%	1,042,475	224	
2019-20	181,428	2,545	178,883	9,645,865	1.85%	1,050,906	170	
2020-21	138,191	3,038	135,153	10,226,395	1.32%	1,059,218	128	
2021-22	95,961		95,961	10,836,343	0.89%	1,067,441	90	
2022-23	67,655		67,655	11,355,659	0.60%	1,079,998	63	

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

<sup>1</sup>Population statistics are based on calendar year.

<sup>2</sup>Debt per Capita is shown in actual dollars and not in thousands.

Source:

Pima County Department of Finance & Risk Management  
 Office of Economic Opportunity

**PIMA COUNTY, ARIZONA**  
**Ratio of Direct and Overlapping Debt to Property Values and Per Capita**  
**Last Ten Fiscal Years**  
 (dollar amounts in thousands)

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1 <sup>1</sup>	Debt per Capita <sup>2</sup>
2013-14	1,153,220	7,623,691	15.13%	1,007,162	1,145
2014-15	1,501,691	7,579,899	19.81%	1,022,079	1,469
2015-16	1,445,104	7,906,190	18.28%	1,016,743	1,421
2016-17	1,393,757	8,262,665	16.87%	1,025,044	1,360
2017-18	1,337,556	8,508,990	15.72%	1,033,781	1,294
2018-19	1,325,724	9,030,169	14.68%	1,042,475	1,272
2019-20	1,250,116	9,645,865	12.96%	1,050,906	1,190
2020-21	1,194,283	10,226,395	11.68%	1,059,218	1,128
2021-22	1,037,063 <sup>3</sup>	10,836,343	9.57% <sup>3</sup>	1,067,441	972 <sup>3</sup>
2022-23	1,031,781	11,355,659	9.09%	1,079,998	955

Notes:

Overlapping governments are those that coincide (at least in part), with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident and is responsible for the repayment of debt of each overlapping government.

<sup>1</sup>Population statistics are based on calendar year.

<sup>2</sup>Debt per Capita is shown in actual dollars and not in thousands.

<sup>3</sup>Updated from the FY 2021-22 ACFR, the previous presentation included all debts for the City of Tucson, not solely those repaid through property taxes.

Source:

Pima County Department of Finance & Risk Management  
 Office of Economic Opportunity

PIMA COUNTY, ARIZONA  
 Computation of Direct and Overlapping  
 Governmental Activities Debt Outstanding  
 At June 30, 2023  
 (in thousands)

Exhibit D - 15

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping</u>
Debt repaid with property tax:		
School Districts	\$ 569,027	\$ 569,027
Pima Community College	1,917	1,917
City of Tucson	81,625	<u>81,625</u>
Total overlapping		<u>\$ 652,569</u>
Debt repaid with property tax Direct:		
Pima County*	\$ 67,656	<u>\$ 67,656</u>
Total direct repaid with property tax		<u>\$ 67,656</u>
Other Debt:		
Certificates of participation	\$ 247,299	\$ 247,299
Financed purchase	247	247
Leases	2,517	2,517
Subscriptions	23,262	23,262
Transportation bonds	64,012	<u>64,012</u>
Total other debt		<u>\$ 337,337</u>
Total direct		<u>\$ 404,993</u>
Total direct and overlapping debt		<u><u>\$ 1,057,562</u></u>

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and is responsible for the repayment of debt of each overlapping government.

\*Excludes improvement districts.

Source:

Pima County Department of Finance & Risk Management  
 City of Tucson Finance Department  
 Pima Community College District Finance Office

PIMA COUNTY, ARIZONA  
 Legal Debt Margin  
 Last Ten Fiscal Years  
 (dollar amounts in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Full Cash Net Assessed Value</b>	\$ 7,623,691	\$ 7,579,899	\$ 7,906,190	\$ 8,262,665	\$ 8,508,990	\$ 9,030,169	\$ 9,645,865	\$ 10,226,395	\$ 10,836,343	\$ 11,355,659
<b>Legal Debt Margin</b>										
Debt limit (15% of assessed value)	1,143,554	1,136,985	1,185,929	1,239,400	1,276,349	1,354,525	1,446,880	1,533,959	1,625,451	1,703,349
Debt applicable to limit:										
General obligation bonds	407,275	383,935	344,620	321,285	275,990	227,335	174,910	134,103	93,615	66,534
Less: Net assets reserved for repayment of general obligation debt	(5,326)	(6,037)	(5,606)	(2,793)	(2,911)	(2,639)	(2,545)	(3,038)		(1,729)
Total net debt applicable to the limit	401,949	377,898	339,014	318,492	273,079	224,696	172,365	131,065	93,615	64,805
Legal debt margin	\$ 741,605	\$ 759,087	\$ 846,915	\$ 920,908	\$ 1,003,270	\$ 1,129,829	\$ 1,274,515	\$ 1,402,894	\$ 1,531,836	\$ 1,638,544
Total net debt applicable to the limit as a percentage of debt limit.	35.15%	33.24%	28.59%	25.70%	21.40%	16.59%	11.91%	8.54%	5.76%	3.80%

Please see Note 7 to the Financial Statements, page 65 for additional details on calculation of the legal debt margin for the current year.

Source:  
 Pima County Department of Finance & Risk Management

**PIMA COUNTY, ARIZONA**  
**Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage**  
**Last Ten Fiscal Years**  
 (dollar amounts in thousands)

Fiscal Year	Sewer User Revenues <sup>1</sup>	Less: Operating Expense <sup>2</sup>	Available Net Revenue	Plus: Ending cash Balances of Prior Fiscal Year (unrestricted)	Pledged Revenues <sup>3</sup>	Debt Service <sup>6</sup>		Coverage Ratio <sup>4,5</sup>
						Principal	Interest	
2013-14	174,271	77,893	96,378	128,735	225,113	37,025	30,386	3.34
2014-15	173,977	84,492	89,485	121,426	210,911	41,026	30,306	2.96
2015-16	169,730	83,423	86,307	110,741	197,048	40,320	28,529	2.86
2016-17	173,058	80,165	92,893	110,451	203,344	47,951	26,621	2.73
2017-18	178,933	79,208	99,725	89,316	189,041	44,434	25,371	2.71
2018-19	185,142	78,957	106,185	78,192	184,377	45,142	24,395	2.65
2019-20	180,593	81,357	99,236	66,724	165,960	39,200	22,364	2.70
2020-21	181,281	80,276	101,005	82,883	183,888	43,855	22,181	2.78
2021-22	181,862	84,410	97,452	73,230	170,682	48,825	19,791	2.49
2022-23	187,433	90,070	97,363	72,908	170,271	47,920	17,176	2.62

Notes:

- <sup>1</sup>Includes sewer connection fees, interest income, and other miscellaneous revenues.
- <sup>2</sup>Excludes grants, depreciation, interest expense and amortization.
- <sup>3</sup>Pledged revenues defined by BOS Resolution 2010-50.
- <sup>4</sup>Sewer revenue debt rate covenants require minimum coverage of 120%.
- <sup>5</sup>For fiscal year 2009-2010, a new Debt Coverage calculation was implemented.
- <sup>6</sup>Debt service requirements include principal and interest payable during the Bond Fiscal Year. Per the bond resolution, Bond Fiscal Year is defined as 7/2/20XX to 7/1/20XX.

Source:  
 Pima County Department of Finance & Risk Management

**PIMA COUNTY, ARIZONA**  
**Transportation Revenue Bonds - Pledged Revenue Bond Coverage**  
 Last Ten Fiscal Years  
 (dollar amounts in thousands)

Fiscal Year	Transportation Revenue	Less: Operating Expense	Available Net Revenue	Debt Service <sup>1</sup>		Coverage Ratio
				Principal	Interest	
2013-14	\$ 50,997	\$ 37,295	\$ 13,702	\$ 13,685	\$ 5,197	0.73
2014-15	55,466	39,022	16,444	13,210	4,711	0.92
2015-16	57,976	39,798	18,178	14,585	4,146	0.97
2016-17	61,217	40,780	20,437	15,105	3,598	1.09
2017-18	63,604	41,801	21,803	14,820	3,354	1.20
2018-19	68,366	39,925	28,441	14,405	3,686	1.57
2019-20	68,088	63,234	4,854	12,755	3,016	0.31
2020-21	73,408	89,673	(16,265)	13,465	2,856	(1.00)
2021-22	75,814	130,298	(54,484)	9,025	2,265	(4.83)
2022-23	77,192	122,448	(45,256)	9,280	2,012	(4.01)

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

Operating expenditures do not include interest, depreciation or amortization.

<sup>1</sup>Debt Service requirements include principal and interest payable in the 12 months following each fiscal year.

Source:

Pima County Department of Finance & Risk Management



PIMA COUNTY, ARIZONA  
Historic Pledged Revenue Collections  
Pima County, Arizona

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	\$	\$	\$	\$	\$	\$	\$	\$
County Excise Revenues	16,773	17,813	17,296	16,922	20,220	23,392	20,802	17,847
Gross State Shared Sales Tax Revenues <sup>(a)</sup>	107,515	111,443	115,777	127,899	131,541	151,796	169,855	181,581
Less: ALTCS contribution <sup>(b)</sup>	(41,888)	(41,862)	(43,631)	(43,333)	(46,805)	(47,416)	(44,073)	(54,351)
Less: AHCCCS contribution <sup>(c)</sup>	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)
Net State Shared Sales Tax Revenue <sup>(d)</sup>	50,675	54,629	57,194	69,614	69,784	89,428	110,830	112,278
Vehicle License Tax Revenues <sup>(d)</sup>	26,301	27,761	28,933	30,282	30,747	35,296	33,484	34,624
PILT revenues	3,342	3,680	3,682	3,615	3,795	3,788	3,874	4,120
Total Pledged Revenues	97,091	103,883	107,105	120,433	124,546	151,904	168,990	168,869

<sup>(a)</sup> Does not include amounts allocated from the Education Tax described under "State Shared Revenues" above.

<sup>(b)</sup> Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Sales Tax Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Sales Tax Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from any available State funding source.

<sup>(c)</sup> Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues determined by statutory formula for the administrative costs of implementing certain provisions of the Arizona Health Care Cost Containment System ("AHCCCS"). If the County does not make required contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Sales Tax Revenues.

<sup>(d)</sup> The distribution of State Shared Sales Tax Revenues and Vehicle License Tax Revenues is subject to change by the State Legislature, and the distribution of PILT Revenues is subject to change by the federal government.

Source:  
Pima County Department of Finance & Risk Management

Lease, Lease-Purchase, Installment Note Payable and Purchase Agreements  
Scheduled Payments  
(dollar amounts in thousands)

Function/Department	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Clerk of Superior Court - Equipment	\$ 84	\$ 96	\$ 73	\$ 51	\$ 38	\$ 55	\$ 57	\$ 45	\$ 137	\$ 140
Superior Court - Equipment							130			
Jail <sup>1</sup>										
Sheriff - Equipment	160	160	160							
Solid Waste - Equipment		3,625	2,722	3,289	1,565	567				
County Administration - Culture & Recreation	\$ 244	\$ 3,881	\$ 2,955	\$ 3,340	\$ 1,603	\$ 622	\$ 187	\$ 178	\$ 137	\$ 140

Notes:

<sup>1</sup>Funds derived from a sale/leaseback of the County's Adult Corrections Facility provided funding for construction of Kino Veteran's Memorial SportsPark & Tucson Electric Park Stadium.

Source:

Prima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA  
Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Expenditures  
Last Ten Fiscal Years  
(dollar amounts in thousands)

Exhibit D - 19

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures*	Ratio of Debt Service To General Expenditures
2013-14	112,835	26,758	139,593	806,007	17.3%
2014-15	81,705	26,424	108,129	803,590	13.5%
2015-16	83,765	25,515	109,280	807,174	13.5%
2016-17	94,695	23,354	118,049	832,971	14.2%
2017-18	96,005	20,133	116,138	829,054	14.0%
2018-19	128,350	18,674	147,024	879,370	16.7%
2019-20	89,365	17,620	106,985	898,055	11.9%
2020-21	102,505	16,504	119,009	1,066,126	11.2%
2021-22	89,575	18,628	108,203	1,317,633	8.2%
2022-23	81,720	18,849	100,569	1,172,617	8.6%

\*Includes General, Special Revenue and Debt Service Funds, while excluding Capital Projects Fund.

Source:

Pima County Department of Finance & Risk Management

## **STATISTICAL SECTION**

### **DEMOGRAPHIC AND ECONOMIC INFORMATION:**

The dual objectives of the demographic and economic information are to assist users in understanding certain aspects of the environment in which a government operates and to provide information that facilitates the comparisons of financial statement data over time and across governments.

Information of this type can help readers assess a government's condition by providing information about community expansion, average age increases or decreases and changes in personal income and unemployment. This type of data is important to readers in assessing economic condition.

PIMA COUNTY, ARIZONA  
Demographic and Economic Statistics  
Last Ten Years

Exhibit D - 20

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2014	1,007,162	38,025,100	37,755	6.4%
2015	1,022,079	39,106,000	38,261	5.6%
2016	1,016,743	40,359,300	39,695	5.0%
2017	1,025,044	41,349,550	40,339	4.5%
2018	1,033,781	43,223,000	41,811	4.3%
2019	1,042,475	46,497,700	44,603	4.7%
2020	1,050,906	49,961,000	47,541	8.0%
2021	1,059,218	55,047,000	51,969	6.9%
2022	1,067,441	55,396,200	51,896	3.5%
2023	1,079,998	59,539,400	55,129	3.5%

Sources:

Office of Economic Opportunity (for population data only)

UA Economic and Business Research Center, Eller College of Management

Bureau of Labor Statistics

Principal Employers  
Current Year and Nine Years Ago

Employer	2014			2015			2016			2017			2018		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	11,047	1	2.4%	11,235	1	2.4%	11,251	1	2.4%	10,846	1	2.3%	12,531	1	2.6%
Raytheon	9,933	4	2.2%	9,600	2	2.1%	9,600	2	2.1%	10,300	2	2.2%	11,471	3	2.4%
Tucson Unified School District	6,525	6	1.4%	7,134	5	1.5%	6,770	6	1.4%	7,688	5	1.6%	6,879	5	1.4%
Banner Healthcare - UMC	6,329	7	1.4%	6,542	7	1.4%	6,272	7	1.3%	6,476	6	1.3%	6,476	6	1.3%
Prima County Government	7,328	5	1.6%	7,023	6	1.5%	7,023	5	1.5%	6,076	9	1.3%	5,921	7	1.2%
Tucson Medical Center	8,933	2	2.0%	8,335	4	1.8%	8,406	4	1.8%	9,100	3	1.9%	4,051	10	0.8%
State of Arizona	9,439	3	2.1%	8,524	3	1.8%	8,580	3	1.8%	8,807	4	1.8%	8,585	4	1.8%
City of Tucson	5,200	10	1.1%	5,400	10	1.2%	5,500	10	1.2%	7,450	6	1.6%	4,093	9	0.8%
Wal-Mart Stores, Inc.	5,600	9	1.2%	6,470	8	1.4%	5,739	8	1.2%	6,500	7	1.4%	4,341	8	0.9%
U.S. Customs & Border Protection	5,717	8	1.3%	5,800	9	1.2%	5,530	9	1.2%	6,099	8	1.3%			
UA Healthcare Network															
Freeport-McMoran Inc															
Fort Huachuca <sup>1</sup>															
<b>Total</b>	<b>76,051</b>		<b>16.8%</b>	<b>76,063</b>		<b>16.3%</b>	<b>74,671</b>		<b>16.0%</b>	<b>78,329</b>		<b>16.4%</b>	<b>76,117</b>		<b>15.8%</b>
<b>Total Work Force</b>			<b>452,429</b>			<b>467,438</b>			<b>467,438</b>			<b>477,017</b>			<b>481,835</b>

Notes:

<sup>1</sup>Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

Sources:

UA Economic and Business Research Center, Eller College of Management  
Data obtained from [www.tucson.com/star200](http://www.tucson.com/star200), a website of the Arizona Daily Star.  
Data obtained from [www.phoenixlocationguide.com](http://www.phoenixlocationguide.com)

(continued)

Principal Employers  
Current Year and Nine Years Ago

Employer	2019			2020			2021			2022			2023		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	16,217	1	3.2%	12,517	2	2.5%	12,517	2	2.5%	14,160	1	2.9%	16,407	1	3.3%
Raytheon	11,295	2	2.3%	12,606	1	2.6%	13,305	1	2.7%	13,201	2	2.7%	13,381	2	2.7%
Tucson Unified School District	6,872	5	1.4%	6,872	6	1.4%	6,532	6	1.3%	7,703	4	1.6%	8,125	3	1.6%
Banner Healthcare - UMC	6,499	7	1.3%	7,500	3	1.5%	7,703	3	1.5%	7,831	3	1.6%	7,691	4	1.6%
Pima County Government	7,697	3	1.5%	6,937	5	1.4%	7,412	5	1.5%	7,412	5	1.5%	7,295	5	1.5%
Tucson Medical Center	3,987	10	0.8%	4,482	9	0.9%	4,453	9	0.9%	4,530	9	0.9%	6,724	6	1.4%
Davis-Monthan AFB	7,211	4	1.5%	7,211	4	1.5%	7,648	4	1.5%	6,532	6	1.4%	6,157	7	1.2%
State of Arizona	6,654	6	1.3%	6,538	7	1.3%	4,817	7	1.0%	5,488	7	1.1%	5,609	8	1.1%
City of Tucson	4,093	9	0.8%	4,025	10	0.8%	4,356	10	0.9%	4,453	10	0.9%	4,624	9	0.9%
Wal-Mart Stores, Inc.	4,414	8	0.9%	4,564	8	0.9%	4,773	8	1.0%	4,676	8	1.0%	4,337	10	0.9%
U.S. Customs & Border Protection															
UA Healthcare Network															
Freemont-McMoran Inc.															
Fort Huachuca <sup>1</sup>															
<b>Total</b>	<b>74,939</b>		<b>15.0%</b>	<b>73,252</b>		<b>14.8%</b>	<b>73,516</b>		<b>14.8%</b>	<b>75,986</b>		<b>15.7%</b>	<b>80,350</b>		<b>16.2%</b>
<b>Total County Work Force</b>			<b>500,018</b>			<b>494,119</b>		<b>497,659</b>		<b>483,045</b>		<b>483,045</b>		<b>495,789</b>	

Notes:

<sup>1</sup>Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

Sources:

UA Economic and Business Research Center; Eller College of Management  
Data obtained from [www.tucson.com/star200](http://www.tucson.com/star200), a website of the Arizona Daily Star.  
Data obtained from [www.phoenixrelocationguide.com](http://www.phoenixrelocationguide.com)

PIMA COUNTY, ARIZONA  
 Population and Employment  
 Last Ten Calendar Years

Year	Population	Civilian Labor Force	Total Unemployment Rate	EMPLOYMENT					
				Mining	Construction	Manufacturing	Transportation & Utilities	Financial Activities	
2014	1,007,162	452,429	6.4%	2,300	14,800	22,500	60,600	17,500	
2015	1,022,079	467,438	5.6%	2,300	14,600	22,600	60,600	17,600	
2016	1,016,743	476,578	5.0%	2,200	14,300	23,500	60,700	19,600	
2017	1,025,044	477,017	4.6%	1,600	14,900	23,600	59,300	17,600	
2018	1,033,781	481,835	4.3%	1,700	16,700	24,600	61,100	17,700	
2019	1,042,475	496,584	4.7%	1,900	17,500	26,300	59,300	18,300	
2020	1,050,906	501,343	8.0%	1,900	18,000	27,200	62,600	16,900	
2021	1,059,218	498,822	6.9%	1,900	18,400	27,500	68,000	18,000	
2022	1,067,441	486,565	3.5%	1,800	18,000	28,300	70,200	18,400	
2023	1,079,998	496,484	3.5%	2,100	19,700	29,000	69,000	19,700	

Notes:

All Employment data presented is not seasonally adjusted. Labor Force, Unemployment and Sector Employment for 2021 represent the average through July.

Sources:

UA Economic and Business Research Center, Eller College of Management  
 Office of Economic Opportunity (for population data only)



PIMA COUNTY, ARIZONA  
 Transportation and Real Estate  
 Last Ten Fiscal Years

Fiscal Year	Transportation				Real Estate		
	Aircraft Movements	No. of Air Passengers	Bus Ridership	Riders Per Mile	Residential Bldg. Permits	Units Sold	Sales Volume (In thousands)
2014	139,420	3,239,849	19,713,449	2.06	2,040	13,379	2,648,443
2015	141,422	3,181,901	19,657,931	2.06	3,250	13,692	2,856,957
2016	139,555	3,228,389	15,743,501	1.84	2,428	13,795	3,313,078
2017	132,867	3,413,451	16,388,315	1.71	2,466	15,172	3,488,123
2018	131,169	3,551,159	15,205,419	1.55	4,495	15,416	3,823,877
2019	131,416	3,783,535	14,262,758	1.73	4,404	15,468	4,042,995
2020	122,631	2,283,777	12,346,810	1.50	4,313	15,582	4,959,200
2021	140,182	2,257,581	10,894,760	1.38	4,958	17,856	5,839,650
2022	137,373	3,317,494	13,042,145	1.73	6,075	16,956	7,025,600
2023	155,654	3,653,233	14,615,275	1.99	5,714	12,394	7,614,742

Note:

Tucson International Airport follows the Federal fiscal calendar.  
 Beginning with calendar year 2020, Tucson Association of Realtors report the Sales Volume under Median Sales Prices. Prior to FY2020, the sales volume was based on monthly actual sales data.

Sources:

- UA Economic and Business Research Center, Eller College of Management
- Tucson Airport Authority
- Sun Tran
- Tucson Association of Realtors, Multiple Listing Service, Inc.

PIMA COUNTY, ARIZONA  
Economic Indicators by Calendar Year  
Last Ten Years  
(dollar amounts in thousands)

Exhibit D - 24

Fiscal Year	Retail Sales <sup>1</sup>	No. of Dwelling Units Awarded <sup>2</sup>	Change in Real Estate Sales Volume	Commercial Bank Deposits
2014	12,317,085	3,491	5%	12,980,645
2015	12,555,553	3,250	7%	13,760,260
2016	8,443,626	2,428	14%	14,654,142
2017	8,558,572	2,466	5%	15,226,977
2018	8,851,127	4,495	9%	15,716,917
2019	9,319,711	4,404	5%	15,573,516
2020	9,826,576	4,313	5%	18,684,759
2021	10,176,236	4,958	30%	20,558,194
2022	11,961,070	6,075	16%	22,954,811
2023	12,539,187	5,714	19%	20,394,339

Notes:

<sup>1</sup>Prior to FY 2016, Retail Sales statistics were calculated in the aggregate, which included total taxable sales from the following categories: Retail, Restaurant & Bar, Food and Gasoline. As of FY 2016, only retail sales (not including food and fuel) are shown.

<sup>2</sup>Beginning with calendar year 2011, the number of dwelling units awarded includes both single family and multiple family unit structures combined.

Sources:

UA Economic and Business Research Center, Eller College of Management  
Tucson Association of Realtors, Multiple Listing Service, Inc.  
Federal Deposit Insurance Corporation

PIMA COUNTY, ARIZONA  
Population Statistics  
June 30, 2022

Exhibit D - 25

ESTIMATED POPULATION BY AGE

<u>Age Group</u>	<u>Population</u>
0-4	52,384
5-9	59,988
10-14	63,168
15-19	74,619
20-24	91,212
25-29	75,175
30-34	63,708
35-39	61,609
40-44	64,081
45-49	58,004
50-54	58,755
55-59	59,242
60-64	66,559
65-69	67,197
70-74	60,491
75+	<u>103,806</u>
Total	<u><u>1,079,998</u></u>

POPULATION PROJECTIONS

<u>Year</u>	<u>Projected Population</u>
2024	1,087,948
2029	1,122,384
2039	1,189,098
2049	1,244,550

Source:  
Office of Economic Opportunity

PIMA COUNTY, ARIZONA  
Average Annual Jail Population  
Last Ten Fiscal Years

Exhibit D - 26

<u>Fiscal Year</u>	<u>Average Jail Population</u>
2014	2,061
2015	1,863
2016	1,862
2017	1,863
2018	1,868
2019	1,853
2020	1,781
2021	1,531
2022	1,681
2023	1,776

Source:  
Pima County Sheriff's Department, Corrections Bureau

## **STATISTICAL SECTION**

### **OPERATING INFORMATION:**

The objective of the operating information is to provide contextual information about a government's operations and resources to assist users in using financial information to understand and assess a government's economic condition. Two types of information are considered important:

1. Basic information about infrastructure assets, utilities, and public works; in essence, the capital resources at the government's disposal. Examples include miles of streets and sewers and wastewater treatment volume.
2. Descriptive service information, which would help to evaluate the size of the government. This would include types of services, the related demand and volume, and the non-financial resources employed to provide the services.

PIMA COUNTY, ARIZONA  
 Employees by Function  
 Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
General government	2,805	2,832	2,753	3,164	3,011	3,213	2,931	3,086	3,213	4,093
Public safety	1,525	1,387	1,418	1,431	1,335	1,443	1,400	1,410	1,464	1,784
Highways and streets	258	248	253	262	229	214	175	177	271	217
Sanitation	31	33	32	35	35	44	35	35	35	53
Health	319	282	322	237	223	225	235	346	245	509
Welfare	8	7	9	22	15	17	22	24	22	
Culture and recreation	442	434	453	526	447	493	458	486	536	823
Education and economic opportunity	112	111	116	136	130	139	141	134	138	33
<b>Total governmental activities</b>	<b>5,500</b>	<b>5,334</b>	<b>5,356</b>	<b>5,813</b>	<b>5,425</b>	<b>5,788</b>	<b>5,397</b>	<b>5,698</b>	<b>5,924</b>	<b>7,512</b>
<b>Business-type activities</b>										
Regional Wastewater Reclamation	438	387	406	474	433	455	372	397	477	488
Development Services	60	56	52	67	58	44	44	51	68	70
Parking Garages	3	5	4	4	5	3	3	7	4	6
<b>Total business-type activities</b>	<b>501</b>	<b>448</b>	<b>462</b>	<b>545</b>	<b>496</b>	<b>502</b>	<b>419</b>	<b>455</b>	<b>549</b>	<b>564</b>
<b>Total</b>	<b>6,001</b>	<b>5,782</b>	<b>5,818</b>	<b>6,358</b>	<b>5,921</b>	<b>6,290</b>	<b>5,816</b>	<b>6,153</b>	<b>6,473</b>	<b>8,076</b>

PIMA COUNTY, ARIZONA  
Operating Indicators by Program  
Last Ten Fiscal Years

Program:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sheriff										
Physical arrests	24,394	21,233	21,627	16,134	15,944	12,821	11,894	9,712	9,847	12,804
Traffic violations/citations										
Criminal	5,691	8,743	9,026	7,508	7,468	4,551	3,971	3,481	2,888	3,432
Civil	34,466	30,656	24,855	23,725	27,346	24,316	19,950	17,659	15,068	16,726
Total violations/citations	40,157	39,399	33,881	31,233	34,814	28,867	23,921	21,140	17,956	20,158
Wastewater										
Avg. daily sewage treated (MGD) <sup>1</sup>	60.2	60.3	59.5	59.0	57.0	57.5	58.0	56.9	58.7	59.3
New connections	1,804	1,427	1,986	2,887	2,411	2,798	2,992	3,666	2,921	2,055
Long-term storage credits (acre feet)										
Estimated value of LTSCs, CAP rates										
Estimated value of LTSCs, CAGR rates										
Cultural and Recreational										
Soccer attendance	36,723	41,259	40,804	76,437	93,144	102,204	122,312	54,928	321,049	116,166
Parks & Recreation										
Athletic field permits issued <sup>2</sup>	326	280	267	276	648	4,885	599	599	599	599
Community center admissions	327,257	318,524	303,293	302,821	282,616	275,936	182,937	68,076	179,027	189,417
Volunteer hours	11,366	12,108	10,512	11,094	9,483	8,616	8,277	76,611	8,927	11,058
Library										
Volumes in collection <sup>3</sup>	1,193,357	1,139,730	1,237,281	1,167,135	1,230,771	1,947,628	1,194,147	1,116,211	1,136,388	1,168,559
Total volumes borrowed	4,521,039	5,484,961	6,131,049	4,808,467	5,592,306	6,068,832	5,408,548	3,881,675	4,220,116	4,729,103
Number of cardholders	405,507	379,631	385,945	374,293	383,777	349,999	343,406	320,486	272,600	300,649
Capital Projects										
Land	\$ 4,335,540	\$ 10,746,469	\$ 4,230,852	\$ 2,062,882	\$ 1,299,047	\$ 5,472,097	\$ 348,655	\$ 1,251,708	\$ 3,977,003	\$ 3,614,809
Buildings	8,595,432	107,899,620	6,367,369	17,107,423	24,749,318	14,780,541	9,461,317	30,193,194	18,900,842	270,348
Improvements	20,436,143	3,763,811	25,101,285	9,964,116	10,124,651	7,119,819	35,157,824	8,871,339	6,255,954	4,185,372
Infrastructure	108,053,960	41,041,250	58,338,363	19,323,191	61,677,576	20,196,789	13,120,104	47,010,744	7,935,065	53,594,274
Total Completed	\$ 141,421,075	\$ 163,451,150	\$ 94,037,869	\$ 48,457,612	\$ 97,850,592	\$ 47,569,246	\$ 58,087,900	\$ 87,326,985	\$ 37,068,864	\$ 61,664,803

Notes:

<sup>1</sup>MGD: Millions of Gallons per Day.

<sup>2</sup>Prior to fiscal year 2019, the permit tracking system grouped multiple fields on one long-term permit for each league/organization team. New system creates a permit for each field.

<sup>3</sup>Volumes include physical and digital copies.

PIMA COUNTY, ARIZONA  
Capital Assets & Infrastructure by Program  
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program:										
Sheriff										
Stations	7	7	7	7	7	7	7	7	8	8
Zone offices	2	2	2	2	2	2	2	2	2	2
Patrol units	354	371	362	344	354	365	383	362	394	395
Transportation (streets and highways)										
Streets (miles) <sup>1</sup>	1,854	1,854	1,870	1,866	1,891	1,904	1,907	1,926	1,926	1,946
Pothole repair	\$ 1,767,246	\$ 2,715,481	\$ 2,340,060	\$ 2,505,042	\$ 3,159,973	\$ 2,790,674	\$ 2,162,890	\$ 2,162,630	\$ 1,427,886	\$ 1,368,658
Flood Control										
Bank protection (miles) <sup>2</sup>	175	195	200	201	202	204	102	207	207	120
Flood plain / drainage way (acres) <sup>3</sup>	16,538	16,806	26,000	26,832	31,738	32,468	31,095	31,690	32,115	32,503
Parks & Recreation										
Urban parks (acres)	3,147	3,489	3,736	5,825	5,831	5,831	5,835	5,835	5,835	5,835
Playgrounds	41	38	37	38	41	41	41	42	42	42
Baseball/softball diamonds	89	91	94	94	71	71	71	104	104	104
Soccer/football fields	20	21	24	24	34	34	34	34	34	34
Community centers	11	11	11	11	11	11	11	11	11	11
Swimming pools / Splashpads	10	10	10	10	11	11	11	11	11	11
Wastewater										
Sanitary sewers (miles)	3,462	3,466	3,470	3,487	3,500	3,500	3,500	3,542	3,564	3,571
Treatment capacity (MGD) <sup>4</sup>	95.04	95.03	95.04	92.00	95.00	95.00	95.00	94.74	94.74	94.74
Libraries										
County	27	27	27	27	27	27	27	27	27	27
Open Space Acquisitions										
Properties added	3	2	3	1						
Acres	823	389	676	95						
Cumulative acreage	60,625	61,014	61,690	61,785	61,785	61,785	61,785	61,785	61,785	61,785
Total properties	104	106	109	110	110	110	110	110	110	110

Notes:

<sup>1</sup>Annexation by other jurisdictions resulted in a decrease of Transportation (Streets and Highways).

<sup>2</sup>No soil cement bank protection projects in 2012 and 2013.

<sup>3</sup>Regional Flood Control District maintained acreage only.

<sup>4</sup>On Jan. 3, 2012 capacity was reduced when the Town of Marana obtained ownership of the Marana Wastewater Treatment Facility.





**PIMA COUNTY**

**Board of Supervisors**

Adelita S. Grijalva, *Chair*, District 5

Rex Scott, *Vice Chair*, District 1

Dr. Matt Heinz, District 2

Sharon Bronson, District 3

Steve Christy, District 4

**Pima County Administrator**

Jan Leshner