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# PINAL COUNTY, ARIZONA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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*Pinal County government protects and enhances its citizens' quality of life by providing public services in an ethical, efficient, and responsible manner delivered by a motivated, skilled, and courteous workforce.*



**Pinal County, Arizona**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2008**

Prepared by:

Pinal County Finance Department

Victoria L. Prins, CPA, CFE, CGFM  
Chief Financial Officer

**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2008**

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# Introductory Section



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PINAL COUNTY  
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PINAL COUNTY, ARIZONA  
2007-2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT

LETTER OF TRANSMITTAL

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January 28, 2009

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

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Pinal County for the fiscal year ended June 30, 2008. Arizona Revised Statute (A.R.S.) § 41-1279.21 requires the Office of the Auditor General to conduct financial audits of the accounts and records of county governments. Pursuant to the statute, the Office of the Auditor General audited the Pinal County CAFR in accordance with generally accepted auditing standards for the year ended June 30, 2008 and has issued an unqualified ("clean") opinion. The independent auditor's report is located at the front of the financial section of this report.

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

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. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

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### **Pinal County Profile**

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

Pinal County encompasses approximately 5,400 square miles. The principal geographic features consist of mountains with elevations to 6,000 feet in the eastern portion and low desert valleys in the western portion of the County.

The June 30, 2008 population of the County was estimated to be 328,000. Located within Pinal County are the towns of Florence, Superior, Mammoth, and Kearny, and the cities of Casa Grande, Apache Junction, Coolidge and Eloy. Florence is the County seat. Apache Junction and Casa Grande are the two largest cities. Apache Junction borders on Maricopa County in the northeastern part of Pinal County. Casa Grande is located approximately halfway between Phoenix and Tucson on Interstate Highway 10 on the western side of Pinal County. No interstate highways run through the middle and eastern portions

of the County. Growth in these areas has been much slower than in the more accessible western portions of the County.

The governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors comprises three board members that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

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

The financial reporting entity includes all the funds of the primary government (Pinal County), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Pinal County Flood Control District, Library District, Various Street Lighting Districts, Desert Vista Sanitary District, Queen Creek Domestic Water Improvement District, Pinal County Municipal Property Corporation, Central Arizona Public Facility Corporation, Maricopa Road Public Improvement Corporation, Pinal County Employee Benefit Trust, and the Public Health Services District are reported as part of the primary government. Additional information can be found in the notes to the financial statements (See Note 1.A).

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

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

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

**Local economy.** The major economic activities within Pinal County include mining, farming, and tourism. Copper mining is the chief economic activity in the eastern portion of Pinal County. BHP Copper Inc., headquartered in Tucson, has mines located in San Manuel and Superior (Pinal County) and in Miami and Pinto Valley (Gila County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters. Both ASARCO and BHP have ceased much of their mining operations due to the low price of copper.

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

Tourism also impacts the local economy as a mild climate and several points of interest attract tourists and winter visitors. Attractions include the Casa Grande Valley Historical Museum, the Lost Dutchman State Park, the Casa Grande Ruins National Monument near Coolidge, and the Boyce Thompson

Southwestern Arboretum, located just outside Superior. Additional tourist spots include the Superstition Mountains Wilderness Area, which offers hiking and exploring for visitors in search of the Lost Dutchman's gold mine; Picacho Peak State Park, offering hiking, camping and picnic areas; and the Pinal Pioneer Parkway and the Apache Trail, two scenic drives with a variety of desert vegetation. For those tourists with a desire for more action, Eloy is an international location for skydiving.

A major factor in employment in the County is the prisons, both governmental and private. The State of Arizona operates prisons in Pinal County, including the State's maximum-security prison in Florence. Corrections Corporation of America (CCA) operates several private prisons, in Florence, Eloy, and most recently La Palma. The new La Palma facility will be staffing a total of 586 people, which is the largest CCA facility in the country. Also, there is a Federal Immigration Services facility in Florence. The State is the largest employer, with approximately 3,009 employees.

Pinal County continues to be one of the fastest growing counties in the nation. The U.S. Census Bureau ranked Pinal County as the 6<sup>th</sup> fastest growing county in the United States by percentage basis. This situation has presented many new and exciting challenges within our boundaries. As the population growth increases, the demand for County services in such key areas as transportation, law enforcement, and health and human services increases. The County strives to provide quality services and keep up with the fast pace of growth.

**Long – Term Financial Planning.** The County's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Pinal County's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2007-2008.

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

- **Fiscal Conservatism:** Ensure the County is in a solid financial condition at all times. Monthly reviews will be performed of operating budgets for all funds regardless of funding source. The reviews will determine cause(s) of over-expending allocated resources, identify opportunities to increase revenues, identify opportunities to reduce costs, and to identify management controls and develop recommendations to enhance controls to ensure future compliance.
- **Flexibility:** Ensure the County is in a position to respond to changes in the economy or new service challenges without undue amounts of financial stress.
- **Adherence to the Highest Accounting and Management Practices:** Comply with the Government Finance Officer's Association (GFOA) standards for reporting and budgeting, the Governmental Accounting Standards Board (GASB) and State reporting requirements.
- **Maintain Reserve:** Fund Balance coverage for the General Fund will be maintained at a minimum of 15% of General Fund revenues.
- **Capital Expenditures:** A five year Public Works capital improvement plan (CIP) has been developed and is updated annually, including anticipated funding sources.
- **Debt Management:** Long-term debt will not be issued to cover current operations. With that as a governing framework, all debt issuances are for the purposes of financing capital infrastructure (or long-lived costly assets). The County will continue to maintain an overall debt burden that is below average (per capita/market value).
- **Reserve and Property Tax:** Create tax rates that will continue to sustain the operating needs of the County while lessening the burden on tax payers.

**Major Initiatives.** During FY 2007-2008 Pinal County continued to invest in basic government service programs and amenities. These program and amenities will assist in maintaining Pinal County as a "livable" community for future generations.

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

- Focus on maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing.
- Support public safety by continuing installation of Mobile Data Terminal (MDT) units, continued funding for the ballistic vest replacement program and sheriff vehicle replacement. Funding will

also be provided for a Program Manager position to administer the photo radar program and expanding the Superior Court.

- Follow through on a commitment to increase immunization rates to help the public maintain an overall better public health.
- Focusing on Regional Leadership through economic development, community development, and road improvement. To assist in the regional planning process, the Board has created a partnership with surrounding counties and cities.
- Effective and prudent planning and growth for land development through the development of the Pinal County Comprehensive Plan and use of the Pinal County Visioning Report.
- Implement the Integrated Strategic Management System to ensure County government is effective and efficient by developing individual strategic plans for each County department.

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### **Awards and Acknowledgements**

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pinal County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. [This was the 12<sup>th</sup> consecutive year that Pinal County has achieved this prestigious award]. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its 2007-2008 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, financial plan, an operations guide, and a communications device. We believe that our current budget continues to conform to the program requirements and expect to receive this award for the fiscal year beginning July 1, 2008.

#### Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the assistance of administrative personnel in the various departments, and through the competent service of our independent auditors. I also wish to express my sincere appreciation to the members of the Board of Supervisors, the County Manager, and the Assistant County Manager for Administrative Services for their unflinching support in maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

Victoria L. Prins  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pinal County  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



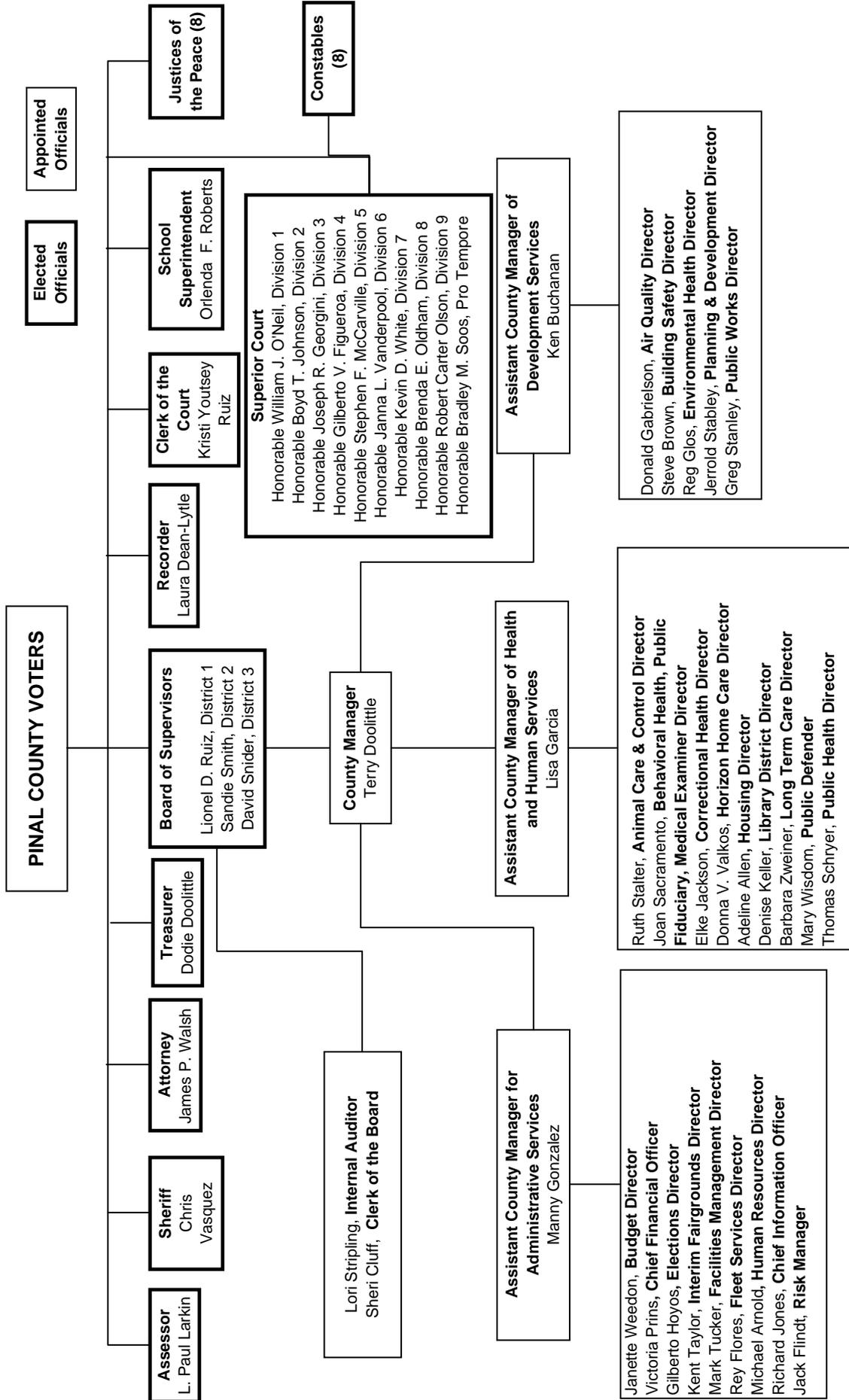
A handwritten signature in black ink, appearing to read "M. L. R.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

Executive Director

PINAL COUNTY  
Organizational Chart



**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2008**  
**County Officials**

**Elected Officials**

Supervisor, District 1	Lionel D. Ruiz
Supervisor, District 2	Sandie Smith
Supervisor, District 3	David Snider
Assessor	L. Paul Larkin
Attorney	James P. Walsh
Clerk of Superior Court	Kristi Youtsey Ruiz
Recorder	Laura Dean-Lytle
School Superintendent	Orlenda F. Roberts
Sheriff	Chris Vasquez
Superior Court Judge, Division 1	Honorable William J. O'Neil
Superior Court Judge, Division 2	Honorable Boyd T. Johnson
Superior Court Judge, Division 3	Honorable Joseph R. Georgini
Superior Court Judge, Division 4	Honorable Gilberto V. Figueroa
Superior Court Judge, Division 5	Honorable Stephen F. McCarville
Superior Court Judge, Division 6	Honorable Janna L. Vanderpool
Superior Court Judge, Division 7	Honorable Kevin D. White
Superior Court Judge, Division 8	Honorable Brenda E. Oldham
Superior Court Judge, Division 9	Honorable Robert Carter Olson
Pro Tempore	Honorable Bradley M. Soos
Treasurer	Dodie Doolittle
Justices of the Peace (8) and Constables (8)	Various

**Appointed Officials**

County Manager	Terry Doolittle
Internal Auditor	Lori Stripling
Clerk of the Board	Sheri Cluff
Assistant County Manager, Administration	Manny Gonzalez
Assistant County Manager, Health & Human Services	Lisa Garcia
Assistant County Manager, Development Services	Ken Buchanan
Chief Financial Officer	Victoria Prins
Public Works Director	Greg Stanley
Planning & Development Director	Jerrold Stabley
Public Defender	Mary Wisdom
Library District Director	Denise Keller
Budget Director	Janette Weedon
Building Safety Director	Steve Brown
Elections Director	Gilberto Hoyos
Facilities Management Director	Mark Tucker
Interim Fairgrounds Director	Kent Taylor
Fleet Services Director	Rey Flores
Human Resources Director	Michael Arnold
Chief Information Officer	Richard Jones
Long Term Care Director	Barbara Zwiener
Risk Manager	Jack Flindt
Air Quality Director	Donald Gabrielson
Animal Care & Control Director	Ruth Stalter
Horizon Home Care Director	Donna V. Valkos
Housing Director	Adeline Allen
Behavioral Health, Public Fiduciary, Medical Examiner Director	Joan Sacramento
Public Health Director	Thomas Schryer
Correctional Health Director	Elke Jackson
Environmental Health Director	Reg Glos

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# Financial Section



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DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of  
Pinal County, Arizona

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of one department, the Long Term Care Fund, which is classified as an Enterprise Fund, and one blended component unit, the Employee Benefit Trust, which is classified as an Internal Service Fund, which account for the following percentages of the assets; liabilities; revenues and additions, as applicable; and expenses or expenditures and deductions, as applicable, of the opinion units affected:

Opinion Unit/Department	Assets	Liabilities	Revenues	Expenses
<u>Government-wide Statements</u>				
Governmental activities:				
Employee Benefit Trust	1.62%	0.81%	5.58%	5.62%
Business-type activities:				
Long Term Care Fund	90.48%	90.28%	91.47%	89.95%
	Assets	Liabilities	Revenues/ Additions	Expenses/ Expenditures/ Deductions
<u>Fund Statements</u>				
Aggregate remaining fund information:				
Employee Benefit Trust	3.10%	8.35%	1.94%	1.75%
Major fund:				
Long Term Care Fund	100.00%	100.00%	100.00%	100.00%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Long Term Care Fund and the Employee Benefit Trust, are based solely on the reports of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the County implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement Nos. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and No. 27)*, for the year ended June 30, 2008, which represent changes in accounting principles.

The Management's Discussion and Analysis on pages 3 through 16, the Budgetary Comparison Schedules on pages 57 through 62, and the Schedule of Agent Retirement Plans' Funding Progress on pages 63 through 65, are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to use highway user revenue fund monies received by the County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the County solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we will also 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport  
Auditor General

January 28, 2009



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

As management of Pinal County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii – x of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2007-2008 fiscal year by \$380,523 (*net assets*). Of this amount, \$36,646 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$25,524 primarily due to increased revenues for taxes and charges for services, and increases in the County's infrastructure assets.
- As of June 30, 2008, the County's governmental funds reported combined fund balances of \$138,251, a decrease of \$3,854 in comparison with the prior year. Approximately 99% of the combined fund balances, or \$136,844, is available for spending at the County's discretion (*unreserved fund balance*). Most of the decrease is attributable to the fiscal year 2006 loan proceeds spent during the current year for the Ironwood/Gantzel Road project.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$41,533, or 27% of total General Fund expenditures.
- The County's total long-term debt as of June 30, 2008, was \$184,996. Certificates of participation and loans payable, including unamortized premiums, represent 88% of the total. The final payments on the certificates of participation are due in fiscal years 2009, 2021, and 2030. The final payments on the loans payable are due in fiscal years 2012, 2018, and 2026.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that

## PINAL COUNTY Management's Discussion and Analysis

are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The business-type activities of the County include the Sheriff Inmate Services, Horizon Home Care (Home Health), Adult Day Care, Long Term Care, and the Fairgrounds.

**The government-wide financial statements can be found on pages 17-18 of this report.**

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

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

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

The County uses 183 individual governmental funds to satisfy legal and operating requirements. Some of these funds are combined according to their functional basis for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works Highway Fund, Road Tax Districts Fund, and Development Impact Fee Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and other governmental funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. These statements can be found on pages 57-61.

**The basic governmental fund financial statements can be found on pages 19-22 of this report.**

**Proprietary funds.** The County maintains two different types of proprietary funds. *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 the Sheriff Inmate Services, Horizon Home Care (Home Health), Adult Day Care, Long Term Care, and the Fairgrounds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the Employee Benefit Trust. Because the services of internal service funds predominantly benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Pinal County Long Term Care operations are considered to be a major fund of the County. Fund data for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. The County's internal service fund is presented separately in the proprietary fund financial statements.

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

The proprietary fund financial statements can be found on pages 23-26 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 27-28 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-55 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budgetary comparison schedules previously discussed are also included in this section. Required supplementary information can be found on pages 57-65 of this report.

**Other Information.** The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67-135 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$380,523 at the close of the most recent fiscal year.

**Condensed Statement of Net Assets**  
**June 30, 2008 and 2007**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 171,708	\$ 176,669	\$ 12,713	\$ 9,683	\$ 184,421	\$ 186,352
Capital assets	403,371	374,947	5,338	2,787	408,709	377,734
Total assets	<u>575,079</u>	<u>551,616</u>	<u>18,051</u>	<u>12,470</u>	<u>593,130</u>	<u>564,086</u>
Current and other liabilities	21,042	24,955	6,569	5,713	27,611	30,668
Long-term liabilities	181,861	178,288	3,135	131	184,996	178,419
Total liabilities	<u>202,903</u>	<u>203,243</u>	<u>9,704</u>	<u>5,844</u>	<u>212,607</u>	<u>209,087</u>
Net assets:						
Invested in capital assets, net of related debt	232,081	207,480	2,538	2,787	234,619	210,267
Restricted net assets	106,422	102,515	2,836	2,576	109,258	105,091
Unrestricted net assets	33,673	38,378	2,973	1,263	36,646	39,641
Total net assets	<u>\$ 372,176</u>	<u>\$ 348,373</u>	<u>\$ 8,347</u>	<u>\$ 6,626</u>	<u>\$ 380,523</u>	<u>\$ 354,999</u>

## PINAL COUNTY Management's Discussion and Analysis

A significant portion of the County's net assets (62%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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.

An additional portion of the County's net assets (29%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$36,646) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities and business-type activities. The same situation held true for the prior fiscal year.

The County's net assets increased by \$25,524 from net assets reported at June 30, 2007. This growth in net assets is primarily due to increased revenues for taxes and charges for services, and increases in the County's infrastructure assets.

Current assets decreased by 1% in total. This change is primarily attributed to a reduction in accounts payable related to the Ironwood/Gantzel Road project in the governmental activities, which was offset by an increase in the property taxes receivable in the governmental activities and an increase in revenue received for charges for services in the business type activities in the Long Term Care Fund.

The County's capital assets increased by 8% over the prior fiscal year, due mainly to the addition of roads and easements to the County's land and infrastructure capital assets. The addition includes roads and bridges constructed by the County and roads contributed to the County.

**Governmental Activities.** Key elements of the change in net assets of \$23,803 are as follows:

- General revenue property taxes increased by \$14,937 (21%) during the year. The increase is due to increases in assessed property values.
- Charges for services increased \$5,516 (14%), primarily due to the increased collections of Development Impact fees and Immigration and Customs Enforcement fees.
- Capital grants and contributions decreased \$38,813 (49%) from the prior year. This decrease is primarily due to a reduction in infrastructure contributions.
- Expenses increased \$39,354 (18%) from the prior year. All functions of the governmental activities experienced increases to expenses except education and interest on long-term debt. The increases in expenses are primarily attributed to increased personnel costs, employee benefits, and principal retirement payments on the County's long-term debt.

**Business-type activities.** Business-type activities increased the County's net assets by \$1,721.

- Charges for services increased \$7,139 (14%), primarily due to an overall increase in charges for services in the Long Term Care Fund, which were primarily a result of the increased population in Pinal County.
- Expenses increased \$8,748 (17%) from the prior year. This increase is primarily attributed to the increased spending in the Long Term Care Fund as a result of a higher population and increased medical costs.

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

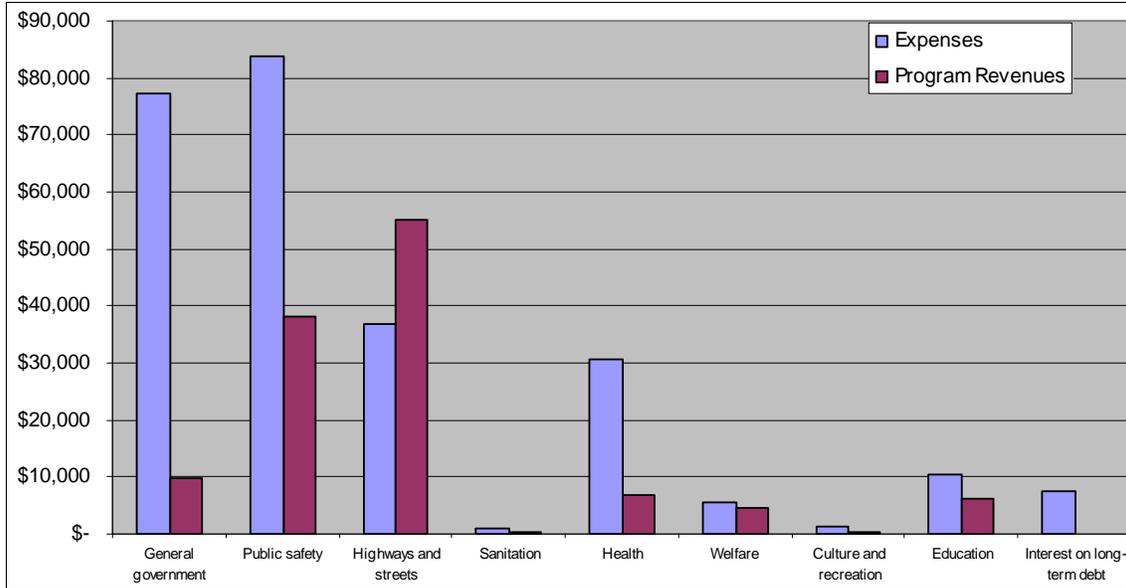
The following table summarizes the changes in net assets for governmental and business-type activities.

**Condensed Statement of Activities**  
**Years Ended June 30, 2008 and 2007**

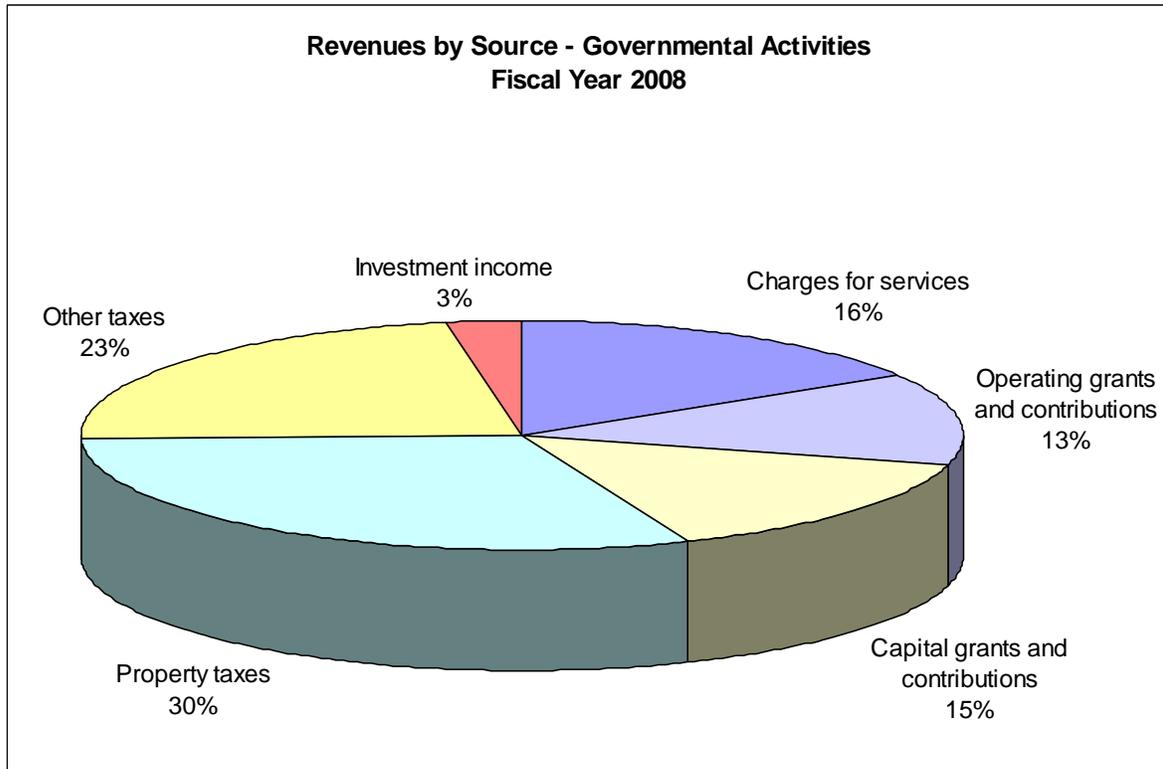
	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 44,806	\$ 39,290	\$ 59,927	\$ 52,788	\$ 104,733	\$ 92,078
Operating grants and contributions	36,359	37,422	91	40	36,450	37,462
Capital grants and contributions	40,345	79,158	-	-	40,345	79,158
General revenues:						
Property taxes	84,915	69,978	-	-	84,915	69,978
Other taxes	63,240	63,600	-	-	63,240	63,600
Investment earnings	6,584	6,931	514	260	7,098	7,191
Miscellaneous	1,307	2,090	561	363	1,868	2,453
<b>Total revenues</b>	<b>277,556</b>	<b>298,469</b>	<b>61,093</b>	<b>53,451</b>	<b>338,649</b>	<b>351,920</b>
<b>Expenses</b>						
General government	77,216	54,818	-	-	77,216	54,818
Public safety	83,808	73,643	-	-	83,808	73,643
Highways and streets	36,697	32,702	-	-	36,697	32,702
Sanitation	927	719	-	-	927	719
Health	30,530	27,321	-	-	30,530	27,321
Welfare	5,576	5,064	-	-	5,576	5,064
Culture and recreation	1,354	881	-	-	1,354	881
Education	10,371	10,861	-	-	10,371	10,861
Interest on long-term debt	7,622	8,738	-	-	7,622	8,738
Sheriff Inmate Services	-	-	311	214	311	214
Home Health	-	-	4,578	4,177	4,578	4,177
Long Term Care	-	-	53,090	45,116	53,090	45,116
Adult Day Care	-	-	153	32	153	32
Fairgrounds	-	-	892	737	892	737
<b>Total expenses</b>	<b>254,101</b>	<b>214,747</b>	<b>59,024</b>	<b>50,276</b>	<b>313,125</b>	<b>265,023</b>
Increase in net assets before transfers	23,455	83,722	2,069	3,175	25,524	86,897
Transfers	348	379	(348)	(379)	-	-
Change in net assets	23,803	84,101	1,721	2,796	25,524	86,897
Net assets - beginning	348,373	264,272	6,626	3,830	354,999	268,102
<b>Net assets - ending</b>	<b>\$ 372,176</b>	<b>\$ 348,373</b>	<b>\$ 8,347</b>	<b>\$ 6,626</b>	<b>\$ 380,523</b>	<b>\$ 354,999</b>

# PINAL COUNTY Management's Discussion and Analysis

## Expenses and Program Revenues – Governmental Activities Fiscal Year 2008

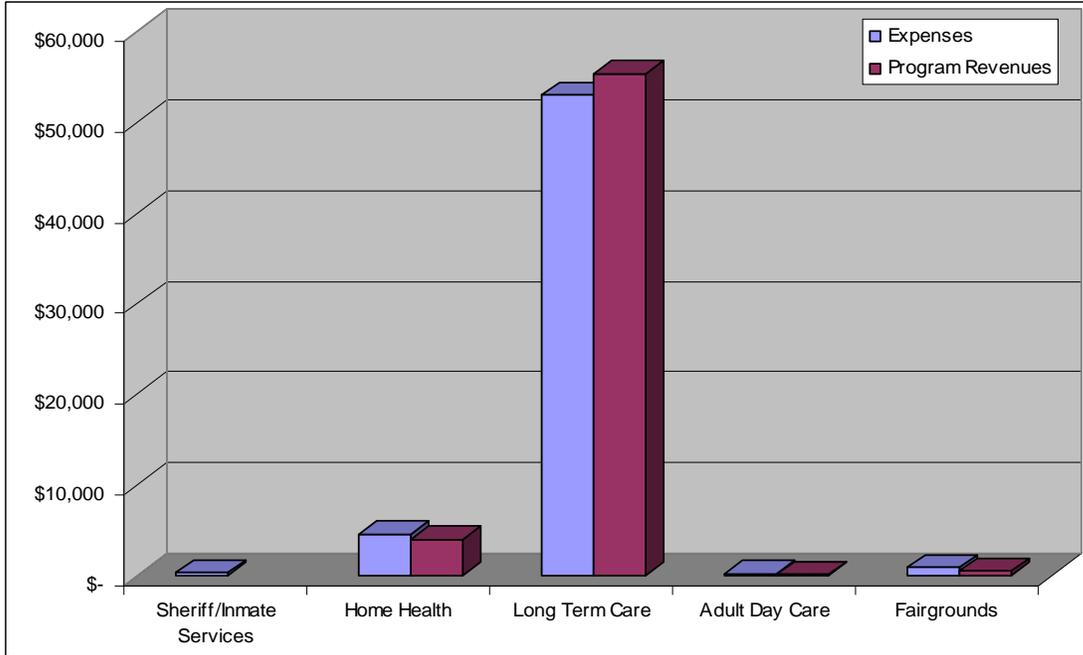


## Revenues by Source - Governmental Activities Fiscal Year 2008

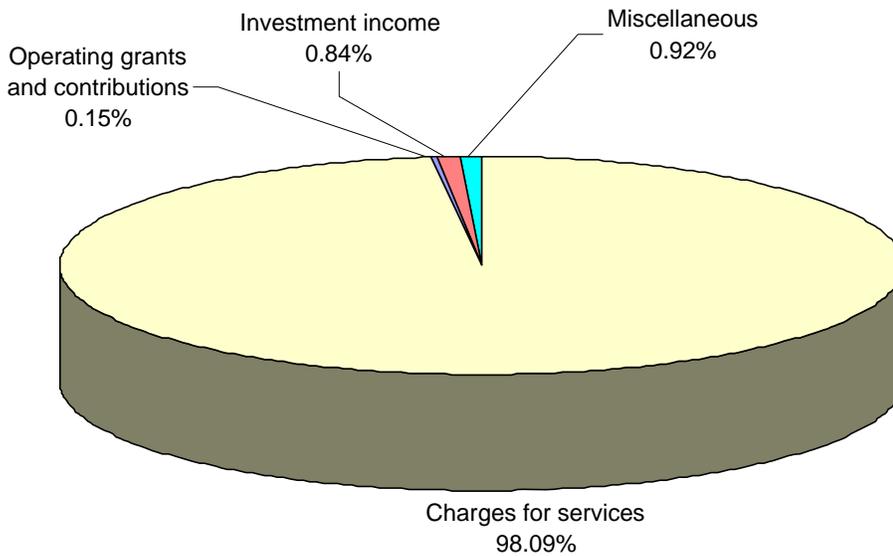


# PINAL COUNTY Management's Discussion and Analysis

### Expenses and Program Revenues – Business-type Activities Fiscal Year 2008



### Revenues by Source - Business-type Activities Fiscal Year 2008



# PINAL COUNTY

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2008, the County's governmental funds reported combined fund balances of \$138,251, a decrease of \$3,854 in comparison with the prior year. Approximately 99% of the combined fund balances, \$136,844 constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to reflect inventories and prepaid items that do not represent available spendable resources (\$1,407).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$41,533 while total fund balance reached \$42,485. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27% of total General Fund expenditures, while total fund balance represents 28% of that same amount.

The fund balance of the County's General Fund decreased during the fiscal year by \$4,112. A key factor in the reduction to the fund balance is the increased expenditures in the general government and public safety functions necessary to service and support the County's increased population.

The Public Works Highway Fund balance decreased over the prior year by \$2,007. Increased expenditures related to capital purchases, construction services, and salaries and wages was the primary factor in the decreased fund balance.

The Road Tax Districts Fund is a new major fund in FY2007-08, which was previously reported as a nonmajor fund in the special revenue fund combining statements. The fund was created to account for monies received from the Pinal County Transportation Excise Tax. Revenues collected are used to provide funding for county roads, streets, and bridges projects. The Road Tax Districts Fund balance increased by \$5,557 over the prior year primarily due to the receipt of HELP loan proceeds to be used for the reconstruction of Thornton Road and decreased current year expenditures.

The Development Impact Fee Fund balance increased during the fiscal year by \$10,751. This fund collected fees and earned interest on the invested funds throughout the year, which increased the fund balance. Spending for Impact Fee Area projects has not begun as of the end of this fiscal year.

Revenues for governmental funds totaled \$261,132 in fiscal year 2007-08, which represents an increase of 6% from FY 2006-07.

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

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

**Governmental Funds**  
**Revenues Classified by Source**

Revenues by Source	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 109,442	41.91%	\$ 95,048	38.69%	\$ 14,394	15.14%
Licenses and permits	5,796	2.22%	9,000	3.66%	(3,204)	(35.60%)
Intergovernmental	92,114	35.27%	92,324	37.59%	(210)	(0.23%)
Charges for services	35,285	13.51%	26,718	10.88%	8,567	32.06%
Fines and forfeits	3,464	1.33%	4,905	2.00%	(1,441)	(29.38%)
Investment earnings	6,584	2.52%	6,931	2.82%	(347)	(5.01%)
Contributions	2,608	1.00%	8,041	3.27%	(5,433)	(67.57%)
Rentals	791	0.31%	750	0.31%	41	5.47%
Miscellaneous	5,048	1.93%	1,921	0.78%	3,127	162.78%
<b>Total</b>	<b>\$ 261,132</b>	<b>100.00%</b>	<b>\$ 245,638</b>	<b>100.00%</b>	<b>\$ 15,494</b>	<b>6.31%</b>

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

- Taxes – the increase of \$14,394 was primarily due to an increase in property tax revenue collected as primary net assessed values increased by 29.7% from the previous year.
- Licenses and permits – the decrease of \$3,204 is primarily due to a decrease in the number of building permits issued and highway/right of way permits issued.
- Charges for services – the increase of \$8,567 was primarily due to an increase in revenues received from the Immigration and Customs Enforcement (ICE) fee and Development Impact fees. However, general government revenue for charges for services decreased \$1,246 primarily due to a decrease in planning and recording fees.
- Fines and forfeits – the decrease of \$1,441 was primarily due to a decrease in revenues received from forfeitures related to public safety activities.
- Contributions – the decrease in contributions of \$5,433 is primarily due to the reduction in contributions for road projects including the Ironwood/Gantzel Road project.
- Miscellaneous – the increase of \$3,127 is primarily attributed to the refund received from the State of Arizona related to a prior year lease payment of right of way for the Ironwood/Gantzel Road project.

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

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

**Governmental Funds**  
**Expenditures Classified by Function**

Expenditures by Function	FY 2008		FY 2007		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 72,961	26.46%	\$ 59,789	22.14%	\$ 13,172	22.03%
Public safety	82,323	29.85%	71,114	26.33%	11,209	15.76%
Highways and streets	36,259	13.15%	30,721	11.38%	5,538	18.03%
Sanitation	901	0.33%	680	0.25%	221	32.50%
Health	30,472	11.05%	27,299	10.11%	3,173	11.62%
Welfare	5,960	2.16%	5,027	1.86%	933	18.56%
Culture and recreation	1,397	0.51%	879	0.33%	518	58.93%
Education	10,371	3.76%	10,861	4.02%	(490)	(4.51%)
Capital outlay	19,760	7.17%	49,181	18.21%	(29,421)	(59.82%)
Debt Service:						
Principal retirement	7,620	2.76%	6,131	2.27%	1,489	24.29%
Interest	7,633	2.77%	8,352	3.09%	(719)	(8.61%)
Cost of issuance	86	0.03%	-	0.00%	86	100.00%
Miscellaneous	11	0.00%	13	0.01%	(2)	(15.38%)
<b>Total</b>	<b>\$ 275,754</b>	<b>100.00%</b>	<b>\$ 270,047</b>	<b>100.00%</b>	<b>\$ 5,707</b>	<b>2.11%</b>

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

- General government, Public safety, and Highways and streets – expenditures for the General government, Public safety, and Highways and streets functions increased due to the need for additional personnel, supplies, overtime, and professional services necessary to accommodate the needs of the County's increasing population.
- Health – expenditures for Health increased primarily due to the need for additional personnel to provide services to the County's increasing population and also due to an increase in spending for professional services, such as Arizona Long Term Care System (ALTCS) and Arizona Health Care Cost Containment System (AHCCCS) as a result of increasing medical costs.
- Capital outlay – Capital outlay expenditures decreased by 60% as the main construction of the Adult/Juvenile Detention Center project was completed and the Ironwood/Gantzel Road project initial phases approached completion with the current funding sources.
- Debt service – Principal retirement expenditures increased primarily due to the debt service payment on the Series 2006 Greater Arizona Development Authority (GADA) loan.

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

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

Restricted net assets of the Long Term Care Fund at the end of the year totaled \$2,756 and unrestricted net assets totaled \$2,381. Unrestricted net assets for the other nonmajor enterprise funds (Sheriff Inmate Services, Home Health, Fairgrounds, and Adult Day Care) totaled \$592. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

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

	Major Fund	Nonmajor Funds				Total
	Long-Term Care	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	
Operating revenues	\$ 55,433	\$ 517	\$ 4,039	\$ 402	\$ 97	\$ 60,488
Operating expenses	51,953	311	4,578	892	153	57,887
Operating income (loss)	3,480	206	(539)	(490)	(56)	2,601
Nonoperating revenues (expenses), net	(691)	29	17	85	28	(532)
Net income (loss) before transfers	2,789	235	(522)	(405)	(28)	2,069
Transfers	(533)	-	(10)	195	-	(348)
Change in net assets	<u>\$ 2,256</u>	<u>\$ 235</u>	<u>\$ (532)</u>	<u>\$ (210)</u>	<u>\$ (28)</u>	<u>\$ 1,721</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues were less than the budget by \$11,110 or 7%, due to the following reasons:

- Tax revenues from property taxes levied and the general county sales tax increased compared to the prior year. However, due to the contraction of economic growth in the County, tax revenues did not meet expectations.
- Licenses and permit revenue did not meet the budgeted amounts primarily due a larger than expected decrease in building permits issued, in line with the nationwide contraction of the real estate and development markets and a larger than expected decrease in sanitation permits.
- Intergovernmental revenue did not meet the budgeted amounts primarily due to the reduction in state shared revenues received, which was primarily a result of an unexpected decline in forecasted retail sales.
- Charges for services did not meet expectations primarily because the number of inmates housed by Pinal County for the Immigration and Customs Enforcement (ICE) did not meet forecasted inmate levels, which resulted in less than expected ICE fees. Another major contributing factor was the decrease in planning, recording, and building code fees associated with the decrease in building permits issued.

General Fund expenditures were less than the budget by \$35,717 or 19%, due to the following reasons:

- In anticipation of the revenue shortfall, a 180-day hiring freeze was implemented on April 1, 2008 in conjunction with a 2% expenditure reduction from all County departments.
- The Assistant County Manager-Admin spent \$31,807 less than budgeted in the general government function primarily due to unspent "Rainy Day" funds and vacancy savings in employee benefits as a result of turnover, unfilled positions, and the 180-day hiring freeze.

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**Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The County's capital assets for its governmental and business-type activities as of June 30, 2008, amounted to \$408,709 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the County's capital assets for the current fiscal year was 8% (an 8% increase for governmental activities and a 92% increase for business-type activities).

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

Governmental activities:

- Construction in progress decreased \$57,482 primarily due to the substantial completion of the initial phases of the Ironwood/Gantzel Road Project, which increased infrastructure by \$54,404.
- Donations of capital assets of \$18,576, which included roads and easements, produced an increase to the County's land and infrastructure capital assets.

Business type activities:

- Buildings and improvements increased by \$2,927 primarily due to the construction of the Long Term Care facility expansion.

**Capital Assets**  
**(net of accumulated depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 95,340	\$ 86,110	\$ -	\$ -	\$ 95,340	\$ 86,110
Buildings and improvements	106,055	111,606	4,346	1,419	110,401	113,025
Machinery and equipment	20,310	17,457	992	784	21,302	18,241
Infrastructure	157,657	101,411	-	-	157,657	101,411
Construction in progress	24,009	58,363	-	584	24,009	58,947
<b>Total</b>	<u>\$ 403,371</u>	<u>\$ 374,947</u>	<u>\$5,338</u>	<u>\$2,787</u>	<u>\$408,709</u>	<u>\$377,734</u>

The County's infrastructure assets are recorded at actual cost when available or estimated historical cost when actual cost is not available, with donations being reported at estimated fair value in the government-wide financial statements as required by GASB Statement No. 34. The acquisition of new infrastructure assets is reported as Highways and Streets expenditures within the Public Works Highway, Public Works Roadways, and Flood Control Funds.

Additional information on the County's capital assets can be found in Note 4 on pages 39-40 of this report.

**Long-term Debt.** At the end of the current fiscal year, the County had total long-term debt outstanding of \$169,729 for governmental activities as compared to \$167,870 in the prior year. This amount was comprised of \$9,405 of capital leases, \$94,013 of certificates of participation including unamortized

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premium, and \$66,311 payable on the Ironwood/Gantzel Road project, the Thornton Road reconstruction project, and the animal shelter expansion project loans including a premium.

For the current fiscal year business-type activities, the County accumulated long-term debt outstanding of \$171 of capital leases and \$2,800 for the long-term care building expansion project.

	Outstanding Debt		Percentage Change
	2008	2007	
<b>Governmental Activities</b>			
Capital leases payable	\$ 9,405	\$ 4,538	107.25%
Loans payable	66,311	64,779	2.36%
Certificates of participation	94,013	98,553	(4.61%)
Total	<u>\$ 169,729</u>	<u>\$ 167,870</u>	
<b>Business-type Activities</b>			
Capital leases payable	\$ 171	\$ -	100.00%
Loan payable	2,800	-	100.00%
Total	<u>\$ 2,971</u>	<u>\$ -</u>	

Additional information on the County's long-term debt can be found in Note 6 on pages 41-45 of this report.

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

- The 2007 unemployment rate for Pinal County was 4.7% which is a decrease from a rate of 4.8% a year ago. However, the current 2008 average unemployment rate for Pinal County as of November is 6.4%.<sup>1</sup> Historically Arizona has been first, second, or third in terms of employment growth; so far in 2008 it is 49<sup>th</sup>.<sup>2</sup> Job loss is specifically targeted at construction and leisure and hospitality industries in Pinal County.<sup>1</sup>
- The largest factor of Arizona's economic recession stems from the housing industry. Housing starts in the County have continued to decline. For FY 2007-08, 2,695 new single family residence building permits were issued, a decrease of 1,668 from the prior fiscal year. For FY 2008-09, the County expects to issue 1,650 single family residence building permits.
- Rising medical costs continue to affect the County's available resources. The County's medical insurance costs increased by 8% in FY 2007-08, while claims paid and prescription costs increased by 22% compared to the prior year.
- Short-falls in State and Local Sales Tax is also a contributing factor in Arizona's economic recession. The County has projected a potential short-fall of General Fund revenues from State and Local Sales Tax of \$1.6 million in FY 2008-2009.

All of these factors were considered in preparing the County's budget for the FY 2008-09. Budget preparation for FY 2008-09 was extremely conservative. The adopted fiscal year 2008-09 budget is \$445,794 (down 6% from 2007-08), including a \$395,277 operating budget (a decrease of 9% from 2007-08) and a \$32,728 capital outlay budget (an increase of 37% from 2007-08). The fiscal year 2008-09 budget includes \$8,302 contingency appropriation to cover emergency expenses or revenue shortages.

In FY 2008-09, the Board of Supervisors reduced the primary tax rate by 58 cents. Although the County approved a rate reduction, increased assessed valuations due to new construction are expected to provide \$6.2 million in new property tax revenue for the General Fund.

<sup>1</sup> <http://www.workforce.az.gov>

<sup>2</sup> Pollack, Elliot D., Outlook 2009, Arizona forecast: Getting from the current pain to the future promise, Elliot D. Pollack and Company, Sept. 2008.

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

By the 1st quarter of FY 2007-2008, the County began to identify opportunities and threats to budgeted revenues. Slow growth in the residential home market and retail sales across the nation resulted in less sales tax revenue, both County and State-Shared. To balance the FY 2008-2009 budget, the 180-day hiring freeze that began April 1, 2008 continues and 5% budget reductions from several County departments were implemented.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Pinal County Finance Department, P.O. Box 1348, Florence, AZ, 85232.

# Basic Financial Statements



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

**PINAL COUNTY**  
**Statement of Net Assets**  
**June 30, 2008**

(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 133,335	\$ 10,579	\$ 143,914
Cash and investments held by trustees	9,283	-	9,283
Receivables (net):			
Property taxes	4,640	-	4,640
Accounts	1,193	22	1,215
Due from other governments	21,533	1,079	22,612
Internal balances	317	(317)	-
Inventories	542	26	568
Prepaid items	865	88	953
Restricted assets:			
Cash and cash equivalents	-	1,236	1,236
Capital assets:			
Nondepreciable	119,349	-	119,349
Depreciable (net)	284,022	5,338	289,360
Total assets	<u>575,079</u>	<u>18,051</u>	<u>593,130</u>
<b>Liabilities</b>			
Accounts payable	9,587	610	10,197
Accrued payroll and employee benefits	5,763	210	5,973
Retainage payable	213	-	213
Claims payable	1,511	5,705	7,216
Due to other governments	56	-	56
Deposits held for others	2,351	44	2,395
Interest payable	1,561	-	1,561
Noncurrent liabilities:			
Due within one year	16,423	33	16,456
Due beyond one year	165,438	3,102	168,540
Total liabilities	<u>202,903</u>	<u>9,704</u>	<u>212,607</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	232,081	2,538	234,619
Restricted for:			
Public safety	11,647	-	11,647
Highways and streets	66,166	-	66,166
Health	11,125	2,836	13,961
Culture and recreation	1,845	-	1,845
Education	1,992	-	1,992
Debt service	6,338	-	6,338
Other purposes	7,309	-	7,309
Unrestricted	33,673	2,973	36,646
Total net assets	<u>\$ 372,176</u>	<u>\$ 8,347</u>	<u>\$ 380,523</u>

**PINAL COUNTY**  
**Statement of Activities**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental activities</b>							
General government	\$ 77,216	\$ 8,898	\$ 556	\$ 485	\$ (67,277)	\$ -	\$ (67,277)
Public safety	83,808	21,401	16,396	469	(45,542)	-	(45,542)
Highways and streets	36,697	11,423	4,982	38,621	18,329	-	18,329
Sanitation	927	4	367	-	(556)	-	(556)
Health	30,530	2,144	4,696	125	(23,565)	-	(23,565)
Welfare	5,576	486	3,570	645	(875)	-	(875)
Culture and recreation	1,354	136	37	-	(1,181)	-	(1,181)
Education	10,371	314	5,755	-	(4,302)	-	(4,302)
Interest on long-term debt	7,622	-	-	-	(7,622)	-	(7,622)
Total governmental activities	254,101	44,806	36,359	40,345	(132,591)	-	(132,591)
<b>Business-type activities</b>							
Long Term Care	53,090	55,389	-	-	-	2,299	2,299
Sheriff Inmate Services	311	-	-	-	-	(311)	(311)
Home Health	4,578	4,039	-	-	-	(539)	(539)
Fairgrounds	892	402	85	-	-	(405)	(405)
Adult Day Care	153	97	6	-	-	(50)	(50)
Total business-type activities	59,024	59,927	91	-	-	994	994
Total primary government	<u>\$ 313,125</u>	<u>\$ 104,733</u>	<u>\$ 36,450</u>	<u>\$ 40,345</u>	<u>(132,591)</u>	<u>994</u>	<u>(131,597)</u>

General revenues:

Taxes:			
Property taxes, levied for general purposes	78,122	-	78,122
Property taxes, levied for educational purposes	2,442	-	2,442
Property taxes, levied for debt service	42	-	42
Property taxes, levied for flood control	2,562	-	2,562
Property taxes, levied for library district	1,747	-	1,747
Transaction privilege taxes, levied for health district	2,584	-	2,584
General county sales tax	17,222	-	17,222
Road improvement tax	6,308	-	6,308
Share of state sales taxes	24,012	-	24,012
Unrestricted share of vehicle license tax	8,843	-	8,843
Payments in lieu of taxes	3,097	-	3,097
Franchise taxes	532	-	532
Unrestricted share of state lottery	642	-	642
Investment earnings	6,584	514	7,098
Miscellaneous	1,247	561	1,808
Gain on sale of capital assets	60	-	60
Transfers	348	(348)	-
Total general revenues and transfers	156,394	727	157,121
Changes in net assets	23,803	1,721	25,524
<b>Net assets - July 1, 2007</b>	<u>348,373</u>	<u>6,626</u>	<u>354,999</u>
<b>Net assets - June 30, 2008</b>	<u>\$ 372,176</u>	<u>\$ 8,347</u>	<u>\$ 380,523</u>

**PINAL COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Major Funds					Total
	General Fund	Public Works Highway Fund	Road Tax Districts Fund	Development Impact Fee Fund	Other Governmental Funds	
<b>Assets</b>						
Cash and cash equivalents	\$ 32,139	\$ 7,812	\$ 20,675	\$ 19,058	\$ 44,356	\$ 124,040
Cash and investments held by trustees	-	-	-	-	9,283	9,283
Receivables (net of allowances for uncollectibles):						
Property taxes	4,247	-	-	-	393	4,640
Accounts	478	73	101	67	474	1,193
Due from other funds	4,782	91	7	-	113	4,993
Due from other governments	13,199	3,305	1,084	-	3,945	21,533
Inventories	218	178	-	-	146	542
Prepaid items	734	5	-	-	126	865
<b>Total assets</b>	<b>\$ 55,797</b>	<b>\$ 11,464</b>	<b>\$ 21,867</b>	<b>\$ 19,125</b>	<b>\$ 58,836</b>	<b>\$ 167,089</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 4,917	\$ 663	\$ 242	\$ 93	\$ 3,535	\$ 9,450
Accrued payroll and employee benefits	4,235	445	6	-	1,077	5,763
Retainage payable	-	31	72	-	110	213
Due to other funds	76	15	-	-	4,585	4,676
Due to other governments	-	-	-	-	56	56
Deposits held for others	764	-	-	1,455	132	2,351
Interest payable	-	-	-	-	1,186	1,186
Deferred revenue	3,320	-	-	-	1,823	5,143
<b>Total liabilities</b>	<b>13,312</b>	<b>1,154</b>	<b>320</b>	<b>1,548</b>	<b>12,504</b>	<b>28,838</b>
<b>Fund Balances:</b>						
<b>Reserved for:</b>						
Inventories	218	178	-	-	146	542
Prepaid items	734	5	-	-	126	865
<b>Unreserved, reported in:</b>						
General fund	41,533	-	-	-	-	41,533
Special revenue funds	-	10,127	21,547	17,577	30,936	80,187
Capital projects funds	-	-	-	-	9,973	9,973
Debt service funds	-	-	-	-	5,151	5,151
<b>Total fund balances</b>	<b>42,485</b>	<b>10,310</b>	<b>21,547</b>	<b>17,577</b>	<b>46,332</b>	<b>138,251</b>
<b>Total liabilities and fund balances</b>	<b>\$ 55,797</b>	<b>\$ 11,464</b>	<b>\$ 21,867</b>	<b>\$ 19,125</b>	<b>\$ 58,836</b>	<b>\$ 167,089</b>

**PINAL COUNTY**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2008**

(Amounts expressed in thousands)

**Total fund balances - governmental funds (page 19)** \$ 138,251

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$515,732 and the accumulated depreciation is \$112,361. 403,371

Some receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 5,143

Internal Service Funds are used by management to charge the costs of central services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 7,647

Some interest payable on long-term debt is not reported in the governmental funds. (375)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Obligations under capital leases	\$ (9,405)	
Compensated absences	(11,560)	
Certificates of participation	(92,755)	
Premium on certificates of participation	(1,258)	
Loan payable	(64,755)	
Premium on loan	(1,556)	
Estimated liabilities for claims and judgments	(572)	<u>(181,861)</u>

**Net assets of governmental activities (page 17)** \$ 372,176

**PINAL COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Major Funds					Total
	General Fund	Public Works Highway Fund	Road Tax Districts Fund	Development Impact Fee Fund	Other Governmental Funds	
<b>Revenues</b>						
Taxes	\$ 92,540	\$ -	\$ 6,308	\$ -	\$ 10,594	\$ 109,442
Licenses and permits	3,544	-	-	-	2,252	5,796
Intergovernmental	37,209	22,505	143	-	32,257	92,114
Charges for services	17,666	1	-	10,122	7,496	35,285
Fines and forfeits	2,087	-	-	-	1,377	3,464
Investment earnings	1,844	481	835	629	2,795	6,584
Contributions	20	10	80	-	2,498	2,608
Rentals	40	-	-	-	751	791
Miscellaneous	594	153	-	-	4,301	5,048
Total revenues	<u>155,544</u>	<u>23,150</u>	<u>7,366</u>	<u>10,751</u>	<u>64,321</u>	<u>261,132</u>
<b>Expenditures</b>						
Current:						
General government	71,154	-	-	-	1,807	72,961
Public safety	60,880	-	-	-	21,443	82,323
Highways and streets	-	25,230	3,809	-	7,220	36,259
Sanitation	486	-	-	-	415	901
Health	19,864	-	-	-	10,608	30,472
Welfare	932	-	-	-	5,028	5,960
Culture and recreation	128	-	-	-	1,269	1,397
Education	747	-	-	-	9,624	10,371
Debt service:						
Principal retirement	10	712	-	-	6,898	7,620
Interest	2	145	-	-	7,486	7,633
Costs of issuance	86	-	-	-	-	86
Miscellaneous	-	-	-	-	11	11
Capital outlay	-	-	-	-	19,760	19,760
Total expenditures	<u>154,289</u>	<u>26,087</u>	<u>3,809</u>	<u>-</u>	<u>91,569</u>	<u>275,754</u>
Excess (deficiency) of revenues over expenditures	<u>1,255</u>	<u>(2,937)</u>	<u>3,557</u>	<u>10,751</u>	<u>(27,248)</u>	<u>(14,622)</u>
<b>Other financing sources (uses):</b>						
Transfers in	1,466	-	-	-	19,053	20,519
Transfers out	(12,668)	(1,100)	-	-	(6,403)	(20,171)
Proceeds from sale of capital assets	48	193	-	-	116	357
Capital lease agreements	3,877	1,838	-	-	394	6,109
Loan proceeds	1,695	-	2,000	-	-	3,695
Insurance reimbursement	98	-	-	-	-	98
Premium on new loan	135	-	-	-	-	135
Total other financing sources (uses)	<u>(5,349)</u>	<u>931</u>	<u>2,000</u>	<u>-</u>	<u>13,160</u>	<u>10,742</u>
Net change in fund balances	<u>(4,094)</u>	<u>(2,006)</u>	<u>5,557</u>	<u>10,751</u>	<u>(14,088)</u>	<u>(3,880)</u>
Fund balances, July 1, 2007	46,597	12,317	15,990	6,826	60,375	142,105
Change in reserve for inventories	(18)	(1)	-	-	45	26
Fund balances, June 30, 2008	<u>\$ 42,485</u>	<u>\$ 10,310</u>	<u>\$ 21,547</u>	<u>\$ 17,577</u>	<u>\$ 46,332</u>	<u>\$ 138,251</u>

**PINAL COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

**Net change in fund balances - total governmental funds (page 21)** \$ (3,880)

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

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

Expenditures for general capital assets, infrastructure, and other related capital assets.	\$ 35,212	
Less: current year depreciation	(18,949)	16,263

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

Gain on sale of capital assets	60	
Reimbursement for capital assets	(3,801)	
Insurance reimbursement for capital assets	(98)	
Proceeds from the sale of capital assets	(357)	(4,196)

Some revenues in the Statement of Activities do not represent the collection of current financial resources and, therefore, are not reported as revenues in the governmental funds.

Donations of capital assets	18,576	
Property taxes	1,589	20,165

Some expenses 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	(2,234)	
Change in estimated liabilities for claims and judgments	520	
Change in reservation of inventory balances	26	
Amortization of COPS premium	95	
Amortization of loan premium	138	
Accrued interest	11	
Annexation of infrastructure by other governmental entities	(2,219)	(3,663)

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

Capital lease financing	(6,109)	
Principal repayments:		
Certificates of participation	4,445	
Loan payable	2,160	
Obligations under capital leases	1,242	1,738

The governmental funds report loans issued as an other financing source, instead of increases to the long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of premiums, discounts, and similar items when first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

(3,830)

Internal service funds are used by the County to charge the costs of central services. The net revenue of the internal service funds is reported with governmental activities in the Statement of Activities.

1,206

**Change in net assets of governmental activities (page 18)**

**\$ 23,803**

**PINAL COUNTY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 9,061	\$ 1,518	\$ 10,579	\$ 9,295
Receivables (net):				
Accounts	-	22	22	-
Due from other governments	1,079	-	1,079	-
Inventories	-	26	26	-
Prepaid items	88	-	88	-
Total current assets	<u>10,228</u>	<u>1,566</u>	<u>11,794</u>	<u>9,295</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,156	80	1,236	-
Capital assets:				
Buildings and improvements	4,704	376	5,080	-
Machinery and equipment	1,507	395	1,902	-
Less accumulated depreciation	(976)	(668)	(1,644)	-
Net capital assets	<u>5,235</u>	<u>103</u>	<u>5,338</u>	<u>-</u>
Total noncurrent assets	<u>6,391</u>	<u>183</u>	<u>6,574</u>	<u>-</u>
Total assets	<u>16,619</u>	<u>1,749</u>	<u>18,368</u>	<u>9,295</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	542	68	610	137
Accrued payroll and employee benefits	-	210	210	-
Claims payable	5,705	-	5,705	1,511
Due to other funds	-	317	317	-
Deposits held for others	-	44	44	-
Total current liabilities	<u>6,247</u>	<u>639</u>	<u>6,886</u>	<u>1,648</u>
Noncurrent liabilities:				
Compensated absences	-	164	164	-
Loan payable	2,800	-	2,800	-
Obligations under capital leases	-	171	171	-
Total noncurrent liabilities	<u>2,800</u>	<u>335</u>	<u>3,135</u>	<u>-</u>
Total liabilities	<u>9,047</u>	<u>974</u>	<u>10,021</u>	<u>1,648</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	2,435	103	2,538	-
Restricted for health	2,756	80	2,836	7,647
Unrestricted	2,381	592	2,973	-
Total net assets	<u>\$ 7,572</u>	<u>\$ 775</u>	<u>\$ 8,347</u>	<u>\$ 7,647</u>

**PINAL COUNTY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Operating revenues</b>				
Charges for services	\$ 55,389	\$ 4,538	\$ 59,927	\$ 15,090
Miscellaneous	44	517	561	-
Total operating revenues	<u>55,433</u>	<u>5,055</u>	<u>60,488</u>	<u>15,090</u>
<b>Operating expenses</b>				
Long-term health care	46,432	-	46,432	-
Claims	-	-	-	12,581
Personal services	4,614	4,757	9,371	-
Supplies	72	374	446	-
Depreciation	247	53	300	-
Insurance	11	49	60	1,019
Repairs and maintenance	17	69	86	-
Communication	50	34	84	-
Professional services	502	287	789	670
Public utility service	8	112	120	-
Miscellaneous	-	199	199	-
Total operating expenses	<u>51,953</u>	<u>5,934</u>	<u>57,887</u>	<u>14,270</u>
Operating income (loss)	<u>3,480</u>	<u>(879)</u>	<u>2,601</u>	<u>820</u>
<b>Nonoperating revenues (expenses)</b>				
Intergovernmental	-	91	91	-
Investment earnings	446	68	514	386
Premium tax	(1,137)	-	(1,137)	-
Total nonoperating revenues (expenses)	<u>(691)</u>	<u>159</u>	<u>(532)</u>	<u>386</u>
Income (loss) before transfers	2,789	(720)	2,069	1,206
Transfers in	-	195	195	-
Transfers out	(533)	(10)	(543)	-
Change in net assets	2,256	(535)	1,721	1,206
Net assets, July 1, 2007	<u>5,316</u>	<u>1,310</u>	<u>6,626</u>	<u>6,441</u>
Net assets, June 30, 2008	<u>\$ 7,572</u>	<u>\$ 775</u>	<u>\$ 8,347</u>	<u>\$ 7,647</u>

**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 55,803	\$ 5,034	\$ 60,837	\$ -
Receipts from contributions	-	-	-	15,090
Other receipts from operations	44	1	45	-
Payments to suppliers	(46,736)	(919)	(47,655)	(1,682)
Payments to employees	(4,265)	(4,673)	(8,938)	-
Payments for claims	-	-	-	(12,532)
Net cash provided by (used for) operating activities	<u>4,846</u>	<u>(557)</u>	<u>4,289</u>	<u>876</u>
<b>Cash flows from noncapital financing activities</b>				
Receipts from federal and local agencies	-	91	91	-
Cash transfers from other funds	-	195	195	-
Cash transfers to other funds	(533)	(10)	(543)	-
Advances from other funds	-	317	317	-
Premium tax payments	(1,137)	-	(1,137)	-
Net cash provided by (used for) noncapital financing activities	<u>(1,670)</u>	<u>593</u>	<u>(1,077)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>				
Purchases of capital assets	(2,835)	(16)	(2,851)	-
Proceeds from long-term borrowing	2,800	-	2,800	-
Net cash used for capital and related financing activities	<u>(35)</u>	<u>(16)</u>	<u>(51)</u>	<u>-</u>
<b>Cash flows from investing activities</b>				
Investment earnings received	446	68	514	386
Net cash provided by investing activities	<u>446</u>	<u>68</u>	<u>514</u>	<u>386</u>
Net increase in cash and cash equivalents	3,587	88	3,675	1,262
Cash and cash equivalents, July 1, 2007	<u>6,630</u>	<u>1,510</u>	<u>8,140</u>	<u>8,033</u>
Cash and cash equivalents, June 30, 2008	<u>\$ 10,217</u>	<u>\$ 1,598</u>	<u>\$ 11,815</u>	<u>\$ 9,295</u>

(Continued)

**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2008**  
(Concluded)  
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 3,480	\$ (879)	\$ 2,601	\$ 820
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	247	53	300	-
Changes in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	5	(21)	(16)	-
Due from other funds	-	1	1	-
Due from other governments	409	-	409	-
Inventories	-	13	13	-
Prepaid items	(79)	-	(79)	-
Increase (decrease) in liabilities:				
Accounts payable	(312)	21	(291)	137
Accrued payroll and employee benefits	-	51	51	-
Claims payable	1,096	-	1,096	(80)
Due to other funds	-	-	-	(1)
Compensated absences	-	33	33	-
Obligations under capital leases	-	171	171	-
Total adjustments and changes	<u>1,366</u>	<u>322</u>	<u>1,688</u>	<u>56</u>
Net cash provided by (used for) operating activities	<u>\$ 4,846</u>	<u>\$ (557)</u>	<u>\$ 4,289</u>	<u>\$ 876</u>

**PINAL COUNTY**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 223,865	\$ 4,622
Interest receivable	1,047	-
Total assets	224,912	\$ 4,622
<b>Liabilities</b>		
Due to other governments	-	\$ 4,622
Total liabilities	-	\$ 4,622
<b>Net Assets</b>		
Held in trust for investment trust participants	\$ 224,912	

**PINAL COUNTY**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Investment Trust Funds
<b>Additions</b>	
Contributions by participants	\$ 692,355
Investment earnings	18,645
Total additions	711,000
<b>Deductions</b>	
Distributions to participants	702,008
Total deductions	702,008
Change in net assets	8,992
Net assets, July 1, 2007	215,920
Net assets, June 30, 2008	\$ 224,912

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

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

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

For the year ended June 30, 2008, the County implemented the provisions of GASB Statement Nos. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*; and 50, *Pension Disclosure (an amendment of GASB Statements No. 25 and No. 27)*. GASB Statement No. 45 establishes governmental employer accounting and financial reporting requirements for postemployment benefits other than pensions. GASB Statement No. 48 establishes note disclosure requirements for governments that pledge future revenues as security for its debt. GASB Statement No. 50 amends GASB Statement Nos. 25 and 27 to require governmental employers to present certain additional pension disclosures in the notes and additional required supplementary information.

**A. Reporting Entity**

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

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

The following table describes the County's component units:

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**

(Amounts expressed in thousands)

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; County Board of Supervisors serves as board of directors	Blended	Not available
Desert Vista Sanitary District	Operates and maintains sanitation services in areas outside local city jurisdictions; County Board of Supervisors serves as board of directors	Blended	Not available
Queen Creek Domestic Water Improvement District	Formed to construct a domestic water system; County Board of Supervisors serves as board of directors	Blended	Not available
Pinal County Municipal Property Corporation	Formed to finance the construction of the Apache Junction County Complex, Superior Court Judicial Facility, and the Sheriff's Administration Facility	Blended	Not available
Central Arizona Public Facility Corporation	Formed to finance the construction of the Pinal County adult detention center	Blended	Not available
Maricopa Road Public Improvement Corporation	Formed to finance completion of improvements to Maricopa Road	Blended	Not available
Pinal County Employee Benefit Trust	Created to provide and administer a partially self-insured employee benefits trust	Blended	Pinal County Employee Benefit Trust PO Box 827 Florence, AZ 85232
Public Health Services District	Provides and maintains health services for County's residents; County Board of Supervisors serves as board of directors	Blended	Not available

The Pinal County Municipal Property Corporation, the Central Arizona Public Facility Corporation, and the Maricopa Road Public Improvement Corporation were formed to finance various construction

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**

(Amounts expressed in thousands)

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

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

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

Related Organization

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

**B. Basis of Presentation**

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

**Government-wide statements**—provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. 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,

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

- operating grants and contributions, and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

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

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

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund’s principal activity. Accordingly, revenues, such as user charges, in which each party receives and gives up essentially equal values, are operating revenues. Other revenues, such as intergovernmental revenues, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues generated by ancillary activities. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as premium taxes, are considered to be 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 Public Works Highway Fund*—accounts for monies from specific revenue sources that are restricted for road maintenance and operations, pavement preservation, and fleet services.

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

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

The County reports the following major enterprise fund:

*The Long Term Care Fund*—accounts for health services to elderly and physically disabled clients enrolled in the State’s AHCCCS (Arizona Health Care Cost Containment System) Long-Term Care program.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

The County reports the following fund types:

*The internal service fund*—accounts for the County’s participation in the Pinal County Employee Benefit Trust for providing health insurance and other benefits to eligible County employees, elected officials and their respective eligible dependents.

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

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

**C. Basis of Accounting**

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, with the exception of agency funds, and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus. 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.

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

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 net assets available to finance the program. The County applies grant resources to such programs before using general revenues.

The County’s business-type activities and enterprise funds follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

**D. Cash and Investments**

For purposes of its statement of cash flows, the County considers only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

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

**E. Inventories**

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year end are shown on the balance sheet as an asset for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

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

**F. Property Tax Calendar**

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

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

**G. Capital Assets**

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

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

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Land	All	N/A	N/A
Buildings & improvements	\$5	Straight line	10-40 years
Machinery & equipment	\$1	Straight line	3-21 years
Infrastructure	\$100	Straight line	20-50 years

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

**H. Investment Earnings**

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

**I. Compensated Absences**

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

Employees may accumulate up to 360 hours of vacation, but any vacation hours in excess of the maximum amount that are unused at September 30 are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end.

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

**Note 2 – Stewardship, Compliance, and Accountability**

At June 30, 2008, the following funds reported deficits in fund balances or net assets, which violates state statutes.

Fund	Deficit
<b>Governmental Funds:</b>	
Detention Expansion	\$ 44
Health Services	72
Superior Court Construction	137
 <b>Proprietary Funds:</b>	
Home Health	\$ 146
Fairgrounds	209

These deficits resulted from operations during the year, but are expected to be corrected through normal operations in fiscal year 2008-2009.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Note 3 – Deposits and Investments**

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

**Credit risk**

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated "A" or better by Moody's investors service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

**Custodial credit risk**

Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

**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 and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

**Foreign currency risk**

Statutes do not allow foreign investments.

**Deposits**—At June 30, 2008, the carrying amount of the County's deposits was \$39,978, and the bank balance was \$63,824. It is the County's investment policy to collateralize all deposits by at least 101 percent of the deposits not covered by depository insurance.

At June 30, 2008, \$7 of the County's bank balance was exposed to custodial credit risk.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**

(Amounts expressed in thousands)

**Investments**—The County's investments at June 30, 2008, were as follows:

<b>Investment Type</b>	<b>Amount</b>
State Treasurer's investment pools	\$ 11,408
U.S. Treasury securities	1,143
U.S. agency securities	224,674
Repurchase agreements (implicitly guaranteed)	104,579
Money market funds	<u>1,108</u>
	<u><b>\$342,912</b></u>

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments.

**Credit Risk**—The County credit risk policy states that the County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to those of the highest credit quality, pre-qualifying the financial institutions, broker's/dealers, intermediaries, and advisors with which the County Treasurer will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. At June 30, 2008, credit risk for the County's investments was as follows:

<b>Investment Type</b>	<b>Rating</b>	<b>Rating Agency</b>	<b>Amount</b>
U.S. agency securities	Aaa	Moody's	\$174,804
U.S. agency securities	Unrated	Not applicable	49,870
Repurchase agreements (implicitly guaranteed)	Aaa	Moody's	104,579
State Treasurer's investment pools	Unrated	Not applicable	11,408
Money market funds	Unrated	Not applicable	<u>1,108</u>
			<u><b>\$341,769</b></u>

**Custodial credit risk**—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County policy states that the County Treasurer will conform with Arizona Revised Statutes. At June 30, 2008, the County had \$104,579 of repurchase agreements (implicitly guaranteed), \$224,674 of U.S. agency securities, \$1,143 of U.S. Treasury securities, \$8,994 of investments with the State Treasurer, and \$1,108 of money market funds that were uninsured and held by the counterparty not in the County's name.

**Concentration of credit risk**—The County's investment policy states that the County Treasurer will diversify its investments by security type and institution when practical and feasible to do so. The County Treasurer will limit investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), and will invest in securities with varying maturities. The County had investments at June 30, 2008, of 5 percent or more in the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation. These investments were 11.9 percent, 34 percent, and 17.9 percent, respectively, of the County's total investments.

**Interest rate risk**—The County's investment policy states that the County Treasurer will minimize risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

investing operating funds primarily in shorter term securities. At June 30, 2008, the County had the following investments in debt securities.

<b>Investment Type</b>	<b>Investment Maturities</b>		
	<b>Amount</b>	<b>Less than 1 Year</b>	<b>1-5 Years</b>
State Treasurer's investment pool	\$ 11,408	\$ 11,408	\$ -
U.S. Treasury securities	1,143	1,143	
U.S. agency securities	224,674	112,127	112,547
Repurchase agreements (implicitly guaranteed)	104,579	104,579	
Money market funds	1,108	1,108	
	<b>\$342,912</b>	<b>\$230,365</b>	<b>\$112,547</b>

**Foreign currency risk**—The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments.

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

Cash, deposits, and investments:	
Cash on hand	\$ 30
Amount of deposits	39,978
Amount of investments	<u>342,912</u>
Total	<u>\$382,920</u>

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Investments Trust Funds</b>	<b>Agency Funds</b>	<b>Total</b>
Statement of Net Assets:					
Cash and cash equivalents	\$ 133,335	\$11,815	\$223,865	\$4,622	\$373,637
Cash and investments held by trustees	9,283				9,283
Total	<u>\$142,618</u>	<u>\$ 11,815</u>	<u>\$223,865</u>	<u>\$4,622</u>	<u>\$382,920</u>

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Note 4 – Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2007</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2008</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 86,110	\$ 13,816	\$ 4,586	\$ 95,340
Construction in progress	58,363	23,128	57,482	24,009
Total capital assets not being depreciated	<u>144,473</u>	<u>36,944</u>	<u>62,068</u>	<u>119,349</u>
Capital assets being depreciated:				
Buildings & improvements	135,438	1,382	-	136,820
Machinery & equipment	60,114	10,929	3,568	67,475
Infrastructure	131,507	62,015	1,434	192,088
Total	<u>327,059</u>	<u>74,326</u>	<u>5,002</u>	<u>396,383</u>
Less accumulated depreciation for:				
Buildings & improvements	23,832	6,933	-	30,765
Machinery & equipment	42,657	7,681	3,173	47,165
Infrastructure	30,096	4,335	-	34,431
Total	<u>96,585</u>	<u>18,949</u>	<u>3,173</u>	<u>112,361</u>
Total capital assets being depreciated, net	<u>230,474</u>	<u>55,377</u>	<u>1,829</u>	<u>284,022</u>
Governmental activities capital assets, net	<u>\$ 374,947</u>	<u>\$ 92,321</u>	<u>\$ 63,897</u>	<u>\$ 403,371</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 584	\$ -	\$ 584	\$ -
Total capital assets not being depreciated	<u>584</u>	<u>-</u>	<u>584</u>	<u>-</u>
Capital assets being depreciated:				
Buildings & improvements	2,096	3,034	50	5,080
Machinery & equipment	1,451	451	-	1,902
Total	<u>3,547</u>	<u>3,485</u>	<u>50</u>	<u>6,982</u>
Less accumulated depreciation for:				
Buildings & improvements	677	57	-	734
Machinery & equipment	667	243	-	910
Total	<u>1,344</u>	<u>300</u>	<u>-</u>	<u>1,644</u>
Total capital assets being depreciated, net	<u>2,203</u>	<u>3,185</u>	<u>50</u>	<u>5,338</u>
Business-type activities capital assets, net	<u>\$ 2,787</u>	<u>\$ 3,185</u>	<u>\$ 634</u>	<u>\$ 5,338</u>

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 9,011
Public safety	2,687
Highways and streets	6,678
Sanitation	26
Health	408
Welfare	39
Culture and recreation	100
Total governmental activities depreciation expense	\$ 18,949
Business-type activities:	
Long Term Care	\$ 247
Sheriff Inmate Services	11
Home Health	21
Fairgrounds	20
Adult Day Care	1
Total business-type activities depreciation expense	\$ 300

Pinal County was engaged in various major construction projects as of June 30, 2008. The projects include widening and improving the Ironwood/Gantzel roads and improving Edwin road. At June 30, 2008, the County had remaining contractual commitments of \$13,828 and \$1,106 for the Ironwood/Gantzel road project and the Edwin road project, respectively. The Ironwood/Gantzel road project is being financed by contributions and the Greater Arizona Development Authority Loan 2006-1. The Edwin road project is being funded by contributions, an intergovernmental agreement with Pima County, and revenues collected from the transportation excise tax.

**Note 5 – Short-term Debt**

LINE OF CREDIT

The County maintains a revolving line of credit with Wells Fargo to meet its short-term cash needs. At June 30, 2008, the County had an outstanding balance of \$0. Advances on the line of credit are payable on demand. The credit line is secured by the County's general taxing authority and other non-restricted revenues.

	<b>July 1, 2007</b>			<b>June 30, 2008</b>
	<b><u>Balance</u></b>	<b><u>Draws</u></b>	<b><u>Repayments</u></b>	<b><u>Balance</u></b>
Line of credit	\$0	\$7,617	\$7,617	\$0

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**Note 6 – Long-term Liabilities**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due within one year
<b>Governmental activities:</b>					
Obligations under capital leases	\$ 4,538	\$ 6,109	\$ 1,242	\$ 9,405	\$ 2,774
Compensated absences	9,326	7,958	5,724	11,560	5,130
Loan payable	63,220	3,695	2,160	64,755	2,510
Premium on loan	1,559	135	138	1,556	-
Certificates of participation	97,200	-	4,445	92,755	5,720
Premium on COPS	1,353	-	95	1,258	-
Estimated liabilities for claims and judgments	1,092	466	986	572	289
<b>Total governmental activities long-term liabilities</b>	<b>\$ 178,288</b>	<b>\$ 18,363</b>	<b>\$ 14,790</b>	<b>\$181,861</b>	<b>\$16,423</b>
<b>Business-type activities</b>					
Obligations under capital leases	\$ -	\$ 171	\$ -	\$ 171	\$ 33
Compensated absences	131	158	125	164	-
Loan payable	-	2,800	-	2,800	-
<b>Total business-type activities long-term liabilities</b>	<b>\$ 131</b>	<b>\$ 3,129</b>	<b>\$ 125</b>	<b>\$ 3,135</b>	<b>\$ 33</b>

**The Greater Arizona Development Authority Loan**

On April 1, 2006, Pinal County entered into a loan agreement with the Greater Arizona Development Authority (GADA) to provide funds for the construction and improvement of certain highways and streets. Interest is payable on February 1 and August 1 of each year and commenced on February 1, 2007, and is calculated based on the principal amount of the loan outstanding during such period.

On April 22, 2008, Pinal County entered into a loan agreement with the GADA to provide funds to construct an animal shelter facility expansion and a long term care facility expansion. This loan has been issued for both governmental and business-type activities. Interest will be payable on February 1 and August 1 of each year commencing February 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

The County has pledged a portion of future State Shared Revenues to repay the loans obtained from GADA, issued in fiscal year 2006 and 2008 to finance the construction and improvement of certain highways and streets, and the expansions to an existing animal shelter and long term care facility, respectively. Total principal and interest payments remaining on the loans is \$96,515 payable through

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August 2025. State shared revenues have averaged \$20.7 million per year over the last 5 years. For the current year, principal and interest paid and total State shared revenues recognized by the County were \$3,828 and \$24 million, respectively.

The Greater Arizona Development Authority loans outstanding at June 30, 2008 were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Governmental activity - The Greater Arizona Development Authority Loan 2006-1	\$ 63,220	2009 - 2026	4.0%- 5.0%	\$ 61,060
Governmental activity - The Greater Arizona Development Authority Loan 2008 A	\$ 1,695	2009-2018	3.0%- 5.0%	<u>1,695</u>
Business-type activity - The Greater Arizona Development Authority Loan 2008 A	\$ 2,800	2009-2018	3.0%- 5.0%	<u>2,800</u>
				<u>\$ 65,555</u>

**The Arizona Transportation HELP Loan**

On December 21, 2007, Pinal County entered into a loan agreement with the Arizona Transportation Board to provide funds for the reconstruction of Thornton Road. Interest on the HELP loan will be payable on February 1 each year commencing February 1, 2009.

The HELP loan outstanding at June 30, 2008 was as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Governmental activity - HELP Loan	\$ 2,000	2009 - 2012	2.35%	\$ 2,000
				<u>\$ 2,000</u>

The County has pledged future road improvement taxes to repay the Arizona Transportation HELP loan issued in fiscal year 2008 to finance the reconstruction of Thornton road. Total principal and interest payments remaining on the loan is \$2,137 payable through May 2012. Road Improvement taxes have averaged \$6 million per year over the last 5 years. For the current year, total road improvement taxes recognized by the County were \$6.3 million. There were no principal or interest payments required in the current year.

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The following schedule details debt service requirements to maturity for the County's loans payable at June 30, 2008:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 2,510	\$ 2,900	\$ -	\$ 88
2010	2,727	2,818	208	110
2011	3,315	2,714	245	103
2012	3,419	2,590	251	95
2013	2,801	2,461	264	84
2014-2018	16,116	10,177	1,484	245
2019-2023	19,702	5,729	348	8
2024-2026	14,165	975	-	-
Total	\$ 64,755	\$ 30,364	\$ 2,800	\$ 733

**Certificates of Participation**

On December 1, 1998, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$11,640. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates were used by the County for the refinancing of the Series 1994 certificates of participation, which were legally defeased in 2002. The indenture provides for the establishment and maintenance of a Reserve Fund. The County has deposited the required monies, which shall be used only for the purpose of making up deficiencies in the Rent Payment Fund for principal and interest payments. The certificates are generally noncallable with interest rates from 4.4 to 4.5 percent, payable semiannually on June 1 and December 1 of each year through the year 2009.

On August 1, 2001, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$30,800. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates were used by the County as the primary source of funding for construction of the buildings and improvements which consist of a Superior Court Judicial Facility and a Sheriff's Administration Facility. The certificates are generally noncallable with interest rates from 4.2 to 5.125 percent, payable semiannually on June 1 and December 1 of each year through 2021.

On December 1, 2004, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$71,615. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates were used by the County as the primary source of funding for constructing and equipping an adult detention facility expansion including improvement to an existing adult detention facility, a sheriff's training facility and firing range, and a new juvenile detention facility. The certificates are generally non-callable with interest rates from 3.0 to 5.25 percent, payable semiannually on June 1 and December 1 of each year through 2030.

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Certificates outstanding at June 30, 2008 were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Pinal County Municipal Property Corporation 1998	\$ 11,640	2009	4.4% to 4.5%	\$ 2,540
Pinal County Municipal Property Corporation 2001	30,800	2009-2021	4.2% to 5.125%	23,650
Pinal County Municipal Property Corporation 2004	71,615	2009-2030	3.0% to 5.25%	66,565
				<u>\$ 92,755</u>

The following schedule details debt service requirements to maturity for the County's certificates of participation payable at June 30, 2008:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,720	\$ 4,392
2010	3,295	4,175
2011	3,425	4,046
2012	3,565	3,904
2013	3,715	3,760
2014-2018	21,430	15,913
2019-2023	22,235	10,117
2024-2028	19,905	4,959
2029-2030	9,465	479
Total	<u>\$ 92,755</u>	<u>\$ 51,745</u>

**Capital leases**

The County has acquired buildings, heavy machinery, and other machinery and equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through capital leases are as follows:

<u></u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings and improvements	\$ 1,365	\$ -
Machinery and equipment	11,812	92
Subtotal	13,177	92
Less: accumulated depreciation	3,186	-
Carrying value	<u>\$ 9,991</u>	<u>\$ 92</u>

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The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2008:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business –type Activities</u>
2009	\$ 3,112	\$ 38
2010	2,784	38
2011	2,318	38
2012	1,107	36
2013	881	36
Total minimum lease payments	10,202	186
Less amount representing interest	797	15
Present value of net minimum lease payments	<u>\$ 9,405</u>	<u>\$ 171</u>

**Landfill closure and postclosure care costs**

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

**Compensated absences and claims and judgments**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2008, the County paid for governmental-type activity compensated absences as follows: 72 percent from the General Fund, 10 percent from the Public Works Highway Fund, and 18 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

**Note 7 – Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the County joined and is covered by two public entity risk pools and a legally separate trust: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Pinal County Employee Benefit Trust, which are described below.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well

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as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$10 per occurrence for property claims and \$50 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$100 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula, that allocates pool expenditures and liabilities among the members.

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

Pursuant to A.R.S. §11-981, the County has established the Pinal County Employee Benefit Trust, which covers medical, dental, vision, short-term disability, employee life and accidental disability, and dependent life claims. The County is not liable for medical, dental, vision, short-term disability, employee life and accidental liability, and dependent life insurance claims of the Trust. However, the County is responsible for paying a premium to the Trust. The Trust and its insurance company are liable for claims up to \$2,000 for each covered employee. Settled claims have not exceeded coverage provided in any of the past three fiscal years.

The liability for medical, dental, vision, and short-term disability claims of the Trust totaling \$1,511 at June 30, 2008, is the estimated ultimate cost of settling claims that have been reported but unpaid and incurred but not reported. This estimate is based on an actuarial estimate. Changes in the Trust's claims payable for the year ended June 30, 2007 and 2008, were as follows:

	2007	2008
Claims payable, beginning of year	\$ 1,272	\$ 1,591
Current-year claims and changes in estimate	10,892	12,452
Claim payments	<u>(10,573)</u>	<u>(12,532)</u>
Claims payable, end of year	<u>\$ 1,591</u>	<u>\$ 1,511</u>

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

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**Note 8 – Pensions and Other Post-Employment Benefits (OPEB)**

**Plan Descriptions**—The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan (EORP) is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are generally paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions, including general employees of the County, and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System (PSPRS)* administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The *Corrections Officer Retirement Plan (CORP)* administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers certain employees of the State of Arizona's Department of Corrections and Department of Juvenile Corrections, and county employees whose primary duties require direct inmate contact. In addition, in 2008 the CORP was expanded for the *Administrative Office of the Courts (CORP-AOC)*. Covered CORP-AOC members include probation, surveillance, and juvenile detention officers that previously participated in ASRS. The CORP is governed by The Fund Manager of PSPRS and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

**ASRS**

3300 N. Central Ave.  
P.O. Box 33910  
Phoenix, AZ 85067-3910  
(602) 240-2000 or (800) 621-3778

**PSPRS and CORP**

3010 E. Camelback Rd., Suite 200  
Phoenix, AZ 85016-4416  
(602) 255-5575

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**Funding Policy**—The Arizona State Legislature establishes and may amend active plan members’ and the County’s contribution rates.

*Cost-sharing plans*—For the year ended June 30, 2008, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.6 percent (9.1 percent retirement and 0.5 percent long-term disability) of the members’ annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 9.6 percent (8.05 percent for retirement, 1.05 percent for health insurance premium, and 0.5 percent for long-term disability) of the members’ annual covered payroll.

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

<b>Year ended June 30,</b>	<b><u>ASRS</u></b> <b><u>Retirement Fund</u></b>	<b><u>Health Benefit</u></b> <b><u>Supplement Fund</u></b>	<b><u>Long-Term</u></b> <b><u>Disability Fund</u></b>
2008	\$ 6,175	\$ 805	\$ 384
2007	5,385	840	362
2006	3,276	642	284

*Agent plans*—For the year ended June 30, 2008, active PSPRS members were required by statute to contribute 7.65 percent of the members’ annual covered payroll and the County was required to contribute 15.25 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.62 percent of covered payroll. Active CORP members (adult detention officers) were required by statute to contribute 7.96 percent of the members’ annual covered payroll and the County was required to contribute 5.64 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.48 percent of covered payroll. Active CORP-AOC members were required by statute to contribute 7.96 percent of the members’ annual covered payroll and the County was required to contribute 9.25 percent. The contribution rates for 2008 were established by state statute and did not separate the retirement and health insurance premium contribution rates. Active CORP members (dispatchers) were required by statute to contribute 7.96 percent of the members’ annual covered payroll and the County was required to contribute 5.12 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.37 percent of covered payroll.

Actuarial methods and assumptions – Except for the contribution requirements for CORP-AOC, which were established by state statute, the contribution requirements for the year ended June 30, 2008, were established by the June 30, 2006, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

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Projections of benefits are based on 1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for PSPRS and CORP (Adult Detention and Dispatchers) and the actuarial methods and assumptions used to establish the fiscal year 2008 contribution requirements for PSPRS and CORP (Adult Detention and Dispatchers), are as follows:

Actuarial valuation date	June 30, 2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent open
Remaining amortization period	30 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50% - 8.50%
Inflation rate	5.00%

**Annual Pension/OPEB Cost**—The County's pension/OPEB cost for the agent plans for the year ended June 30, 2008, and related information follows:

	<u>PSPRS</u>		<u>CORP</u>					
			<u>Adult Detention</u>		<u>AOC</u>	<u>Dispatchers</u>		
	<u>Pension</u>	<u>Health Insurance</u>	<u>Pension</u>	<u>Health Insurance</u>	<u>Pension and Health Insurance</u>	<u>Pension</u>	<u>Health Insurance</u>	
Annual pension/OPEB cost	\$ 1,892	\$ 80	\$ 608	\$ 57	\$ 520	\$ 38	\$ 3	
Contributions made	1,892	80	608	57	520	38	3	

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**Trend Information**—Annual pension cost information for the current and two preceding years follows for each of the agent plans. Annual OPEB cost information for the current year (i.e., transition year) is as follows. Information about preceding years will be added over the next 2 years.

<u>Plan</u>	<u>Year Ended June 30</u>	<u>Annual Pension/OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension/OPEB Obligation</u>
<b>PSPRS</b>				
Pension	2008	1,892	100%	-
Health insurance	2008	80	100%	-
Pension and	2007	1,398	100%	-
health insurance	2006	1,090	100%	-
<b>CORP</b>				
<b>Adult Detention Officers</b>				
Pension	2008	608	100%	-
Health insurance	2008	57	100%	-
Pension and	2007	397	100%	-
health insurance	2006	299	100%	-
<b>AOC*</b>				
Pension and	2008	520	100%	-
health insurance	2007	N/A	N/A	N/A
	2006	N/A	N/A	N/A
<b>Dispatchers</b>				
Pension	2008	38	100%	-
Health insurance	2008	3	100%	-
Pension and	2007	31	100%	-
health insurance	2006	23	100%	-

\*The AOC began in 2008, therefore, previous years' cost information is not applicable.

**Funded Status**—The funded status of the plans, as of the most recent valuation date, June 30, 2008, along with the actuarial assumptions and methods used in those valuations follow. Additionally, the required schedule of funding progress, presented in the required supplementary information section following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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	Actuarial Accrued Liability (a)	Actuarial Value of Plan Assets (b)	Unfunded actuarial accrued liability (funding excess) (a-b)	Funded Ratio (b/a)	Annual Covered Payroll (c)	Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll [(a-b)/c]
<b>PSPRS</b>						
Pension	\$ 42,371	\$ 28,672	\$ 13,699	67.67%	\$ 13,560	101.03%
Health						
Insurance	1,223	-	1,223	0.00%	13,560	9.02%
<b>CORP</b>						
Adult						
Detention						
<u>Officers</u>						
Pension	12,297	11,064	1,233	89.97%	12,229	10.08%
Health						
Insurance	448	-	448	0.00%	12,229	3.66%
<u>AOC*</u>						
Pension	N/A	N/A	N/A	N/A	N/A	N/A
Health						
Insurance	N/A	N/A	N/A	N/A	N/A	N/A
<u>Dispatchers</u>						
Pension	1,299	945	354	72.75%	981	36.09%
Health						
Insurance	37	-	37	0.00%	981	3.77%

\*The funded status information for CORP-AOC is only reported for the plan as a whole and, therefore, actuarial information for the County, as a participating government, is not available.

The actuarial methods and assumptions used are the same for all plans and related benefits, and for the most recent valuation date, are as follows:

Actuarial valuation date	June 30, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	28 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50% - 8.50%
Inflation rate	5.00%

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**Note 9 – Interfund Balances and Activity**

**Interfund receivables and payables**—interfund balances at June 30, 2008, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Public Works Highway Fund	\$ 2
	Other Governmental Funds	4,463
	Other Enterprise Funds	317
		4,782
Public Works Highway Fund	Other Governmental Funds	91
Road Tax District Fund	Public Works Highway Fund	6
	Other Governmental Funds	1
		7
Other Governmental Funds	General Fund	76
	Public Works Highway Fund	7
	Other Governmental Funds	30
		113
Total		\$ 4,993

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2008, and are expected to be repaid within one year from the date of the financial statements.

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**Interfund transfers**—Interfund transfers for the year ended June 30, 2008, were as follows:

Transfer from	Transfer To	Amount
General Fund	Other Governmental Funds	\$ 12,473
	Other Enterprise Funds	195
		<u>12,668</u>
Public Works Highway Fund	General Fund	1,000
	Other Governmental Funds	100
		<u>1,100</u>
Other Governmental Funds	General Fund	199
	Other Governmental Funds	6,204
		<u>6,403</u>
Long Term Care	General Fund	257
	Other Governmental Funds	276
		<u>533</u>
Other Enterprise Funds	General Fund	<u>10</u>
<b>Total</b>		<u><u>\$ 20,714</u></u>

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds to pay for capital outlay. All significant interfund transfers were routine and consistent with the activities of the fund making the transfer.

**Note 10 – County Treasurer’s Investment Pool**

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

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

The Treasurer allocates interest earnings to each of the pool's participants. However, for the County's monies in the pool the Board of Supervisors authorized \$339 of interest earned in certain other funds to be transferred to the General Fund.

Substantially, all deposits and investments of the County's primary government are included in the County Treasurer's investment pool, except for \$1,817 in deposits, \$1,108 of investments in money market funds, and \$11,408 of investments in State Treasurer's Investment Pools. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks exclusive of investments in the State Treasurer's investment pools. See Note 3 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

<b>Investment Type</b>	<b>Principal</b>	<b>Interest Rates</b>	<b>Maturities</b>	<b>Amount</b>
Repurchase agreements (implicitly guaranteed)	\$104,578	1.025-2.05%	Daily	\$ 104,579
U.S. Agency securities	222,337	0-5.5%	7/08-2/13	224,674
U.S. Treasury securities	1,141	5%	7/08	1,143

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

**Statement of Net Assets**

Assets	\$ 369,481
Liabilities	-
Net assets	<u>\$ 369,481</u>

Net assets held in trust for:

Internal participants	\$ 146,983
External participants	222,498
Total net assets held in trust	<u>\$ 369,481</u>

**Statement of Changes in Net Assets**

Total additions	\$ 1,116,026
Total deductions	<u>(1,113,803)</u>
Net increase	<u>2,223</u>
Net assets held in trust:	
July 1, 2007	<u>367,258</u>
June 30, 2008	<u>\$ 369,481</u>

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Note 11 – Related Party Transactions**

Due to a lack of providers within Pinal County, the Pinal County Long-Term Care Health Plan (Plan) contracts for services with other County operations. These operations providing medically-related services include the Pinal County Horizon Home Health Care, which provides adult day health care. For the year ended June 30, 2008, the Plan paid these operations \$3,439 for services and has claims payable to them of \$287.

In addition to medical and medically-related services, the Plan contracts with Pinal County for certain other services. During the year, the Plan paid the County \$257 for rent, legal, finance, and other administrative services. The Plan's employees are employees of the County and are subject to all rules and regulations of Pinal County. The Plan's liability insurance is provided as part of the County's coverage.

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# Required Supplementary Information



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**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 98,250	\$ 92,540	\$ (5,710)
Licenses and permits	4,517	3,544	(973)
Intergovernmental	38,347	37,209	(1,138)
Charges for services	21,726	17,666	(4,060)
Fines and forfeits	1,638	2,087	449
Investment earnings	1,704	1,844	140
Contributions	5	20	15
Rentals	15	40	25
Miscellaneous	452	594	142
Total revenues	<u>166,654</u>	<u>155,544</u>	<u>(11,110)</u>
<b>Expenditures</b>			
General Government			
Assessor	3,003	2,777	226
Assistant County Manager-Admin	85,516	53,709	31,807
Assistant County Manager-Development	5,685	5,116	569
Assistant County Manager-Health	976	797	179
Attorney	6	3	3
Board of Supervisors	1,109	1,115	(6)
Clerk of Superior Court	3,410	3,397	13
County Manager	1,219	1,101	118
Courts	561	551	10
Recorder	1,431	1,348	83
Treasurer	1,319	1,240	79
Total General Government	<u>104,235</u>	<u>71,154</u>	<u>33,081</u>
Public Safety			
Assistant County Manager-Admin	792	766	26
Assistant County Manager-Health	2,640	2,196	444
Attorney	6,796	6,003	793
Courts	17,378	16,506	872
Sheriff	36,030	35,409	621
Total Public Safety	<u>63,636</u>	<u>60,880</u>	<u>2,756</u>
Sanitation			
Solid Waste	557	486	71
Total Sanitation	<u>557</u>	<u>486</u>	<u>71</u>

(Continued)

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2008**

(Concluded)  
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Health			
Assistant County Manager-Admin	\$ 13,269	\$ 14,130	\$ (861)
Assistant County Manager-Development	1,211	964	247
Assistant County Manager-Health	5,168	4,770	398
Total Health	<u>19,648</u>	<u>19,864</u>	<u>(216)</u>
Welfare			
Housing Administration	969	932	37
Total Welfare	<u>969</u>	<u>932</u>	<u>37</u>
Culture and Recreation			
Parks and Ground Maintenance	205	128	77
Total Culture and Recreation	<u>205</u>	<u>128</u>	<u>77</u>
Education			
School Superintendent	742	747	(5)
Total Education	<u>742</u>	<u>747</u>	<u>(5)</u>
Debt service:			
Principal retirement	12	10	2
Interest	2	2	0
Costs of issuance	-	86	(86)
Total general fund expenditures	<u>190,006</u>	<u>154,289</u>	<u>35,717</u>
Excess (deficiency) of revenues over expenditures	<u>(23,352)</u>	<u>1,255</u>	<u>24,607</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,568	1,466	(102)
Transfers out	(14,043)	(12,668)	1,375
Proceeds from sale of capital assets	10	48	38
Capital lease agreements	-	3,877	3,877
Loan proceeds	-	1,695	1,695
Insurance reimbursement	-	98	98
Premium on new debt issued	-	135	135
Total other financing uses	<u>(12,465)</u>	<u>(5,349)</u>	<u>7,116</u>
Net change in fund balances	<u>(35,817)</u>	<u>(4,094)</u>	<u>31,723</u>
Fund balances, July 1, 2007	<u>35,817</u>	<u>46,597</u>	<u>10,780</u>
Change in reserve for inventories	-	(18)	(18)
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 42,485</u>	<u>\$ 42,485</u>

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Works Highway Fund**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Licenses and permits	\$ 16	\$ -	\$ (16)
Intergovernmental	24,983	22,505	(2,478)
Charges for services	-	1	1
Investment earnings	231	481	250
Contributions	-	10	10
Miscellaneous	-	153	153
Total revenues	<u>25,230</u>	<u>23,150</u>	<u>(2,080)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	33,977	25,230	8,747
Debt Service:			
Principal retirement	-	712	(712)
Interest	-	145	(145)
Total expenditures	<u>33,977</u>	<u>26,087</u>	<u>7,890</u>
Deficiency of revenues over expenditures	<u>(8,747)</u>	<u>(2,937)</u>	<u>5,810</u>
<b>Other financing sources (uses):</b>			
Transfers in	87	-	(87)
Transfers out	(2,600)	(1,100)	1,500
Proceeds from sale of capital assets	-	193	193
Proceeds from capital leases	3,534	1,838	(1,696)
Total other financing sources	<u>1,021</u>	<u>931</u>	<u>(90)</u>
Net change in fund balances	<u>(7,726)</u>	<u>(2,006)</u>	<u>5,720</u>
Fund balances, July 1, 2007	7,726	12,317	4,591
Change in reserve for inventories	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 10,310</u>	<u>\$ 10,310</u>

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road Tax Districts Fund**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 6,768	\$ 6,308	\$ (460)
Intergovernmental	3,589	143	(3,446)
Investment earnings	156	835	679
Contributions	1,650	80	(1,570)
Total revenues	<u>12,163</u>	<u>7,366</u>	<u>(4,797)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	18,833	3,809	15,024
Total expenditures	<u>18,833</u>	<u>3,809</u>	<u>15,024</u>
Excess (deficiency) of revenues over expenditures	<u>(6,670)</u>	<u>3,557</u>	<u>10,227</u>
<b>Other financing sources:</b>			
Loan proceeds	-	2,000	2,000
Total other financing sources	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Net change in fund balances	<u>(6,670)</u>	<u>5,557</u>	<u>12,227</u>
Fund balances, July 1, 2007	6,670	15,990	9,320
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 21,547</u>	<u>\$ 21,547</u>

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Development Impact Fee Fund**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Charges for services	\$ 9,831	\$ 10,122	\$ 291
Investment earnings	-	629	629
Total revenues	<u>9,831</u>	<u>10,751</u>	<u>920</u>
<b>Expenditures</b>			
Current:			
Public safety	1,058	-	1,058
Highways and streets	8,510	-	8,510
Culture and recreation	263	-	263
Total expenditures	<u>9,831</u>	<u>-</u>	<u>9,831</u>
Excess revenues over expenditures	<u>-</u>	<u>10,751</u>	<u>10,751</u>
Net change in fund balances	-	10,751	10,751
Fund balances, July 1, 2007	-	6,826	6,826
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 17,577</u>	<u>\$ 17,577</u>

**Pinal County**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Note 1 – Budgetary Basis of Accounting**

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

Expenditures may not legally exceed appropriations at the department level. Currently, only the General Fund includes multiple departments, each of which has its own adopted budget. Expenditures exceeding final budget amounts at the department level (the legal level of budgetary control) are presented on the Budgetary Comparison Schedule – General Fund. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

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

**Note 2 – Expenditures in Excess of Appropriations**

For the year ended June 30, 2008, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund:	
Board of Supervisors	\$ 6
School Superintendent	5

The excess expenditures were primarily the result of unexpected and/or additional unanticipated revenues. The County is evaluating whether these excesses should be considered in next year's budget or if another solution is possible to avoid this situation again.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Agent Retirement Plans' Funding Progress**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Public Safety Personnel Retirement System**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
Pension 6/30/2008	\$28,672	\$42,371	(\$13,699)	67.67%	\$13,560	(101.03%)
Health Insurance 6/30/08	\$0	\$1,223	(\$1,223)	0.00%	\$13,560	(9.02%)
Pension and Health Insurance 6/30/2007	\$25,873	\$38,843	(\$12,970)	66.61%	\$10,719	(121.00%)
6/30/2006	25,237	33,900	(8,663)	74.45%	8,952	(96.77%)

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Agent Retirement Plans' Funding Progress**  
**June 30, 2008**

(Amounts expressed in thousands)

**Corrections Officer Retirement Plan**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Plan Assets (a)</b>	<b>Actuarial Accrued Liability (b)</b>	<b>Funding (Liability) Excess (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)</b>
Adult Detention <u>Officers</u>						
Pension 6/30/2008	\$11,064	\$12,297	(\$1,233)	89.97%	\$12,229	(10.08%)
Health Insurance 6/30/08	\$0	\$448	(\$448)	0.00%	\$12,229	(3.66%)
Pension and Health Insurance 6/30/2007	\$8,505	\$9,880	(\$1,375)	86.08%	\$10,003	(13.75%)
6/30/2006	7,114	7,478	(364)	95.13%	5,962	(6.11%)
<u>AOC*</u>						
Pension 6/30/2008	N/A	N/A	N/A	N/A	N/A	N/A
Health Insurance 6/30/08	N/A	N/A	N/A	N/A	N/A	N/A
Pension and Health Insurance 6/30/2007	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2006	N/A	N/A	N/A	N/A	N/A	N/A
<u>Dispatchers</u>						
Pension 6/30/2008	\$945	\$1,299	(\$354)	72.75%	\$981	(36.09%)
Health Insurance 6/30/08	\$0	\$37	(\$37)	0.00%	\$981	(3.77%)
Pension and Health Insurance 6/30/2007	\$826	\$1,164	(\$338)	70.96%	\$680	(49.71%)
6/30/2006	949	1,141	(192)	83.17%	635	(30.24%)

\*The funding progress information for CORP-AOC is only reported for the plan as a whole and, therefore, actuarial information for the County as a participating government is not available. In addition, as the plan began in fiscal year 2008, prior year information was not available.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Notes to Schedule of Agent Retirement Plans' Funding Progress**  
**June 30, 2008**  
(Amounts expressed in thousands)

**Note 1 – Actuarial Information Available**

For valuation years prior to 2008, which was prior to the implementation of GASB Statement Nos. 43 and 45, the actuarial measurements were made in the aggregate as to pension and health insurance benefits. In future years when GASB Statement Nos. 43 and 45 measurements are made and reported, the pension and health insurance benefits information will be disaggregated and reported separately.

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# Combining Statements and Individual Schedules



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**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 33,710	\$ 10,463	\$ 183	\$ 44,356
Cash and investments held by trustees	-	3,152	6,131	9,283
Receivables (net):				
Property taxes	392	-	1	393
Accounts	400	55	19	474
Due from other funds	91	18	4	113
Due from other governments	3,945	-	-	3,945
Inventories	146	-	-	146
Prepaid items	121	5	-	126
Total assets	<u>\$ 38,805</u>	<u>\$ 13,693</u>	<u>\$ 6,338</u>	<u>\$ 58,836</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 3,033	\$ 502	\$ -	\$ 3,535
Accrued payroll and employee benefits	1,072	5	-	1,077
Retainage payable	-	110	-	110
Due to other funds	1,508	3,077	-	4,585
Due to other governments	56	-	-	56
Deposits held for others	111	21	-	132
Interest payable	-	-	1,186	1,186
Deferred revenue	1,822	-	1	1,823
Total liabilities	<u>7,602</u>	<u>3,715</u>	<u>1,187</u>	<u>12,504</u>
Fund Balances:				
Reserved for:				
Inventories	146	-	-	146
Prepaid items	121	5	-	126
Unreserved	30,936	9,973	5,151	46,060
Total fund balances	<u>31,203</u>	<u>9,978</u>	<u>5,151</u>	<u>46,332</u>
Total liabilities and fund balances	<u>\$ 38,805</u>	<u>\$ 13,693</u>	<u>\$ 6,338</u>	<u>\$ 58,836</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
<b>Revenues</b>				
Taxes	\$ 10,552	\$ -	\$ 42	\$ 10,594
Licenses and permits	2,252	-	-	2,252
Intergovernmental	32,238	19	-	32,257
Charges for services	7,181	315	-	7,496
Fines and forfeits	1,377	-	-	1,377
Investment earnings	1,445	1,087	263	2,795
Contributions	756	1,742	-	2,498
Rentals	751	-	-	751
Miscellaneous	392	3,909	-	4,301
Total revenues	<u>56,944</u>	<u>7,072</u>	<u>305</u>	<u>64,321</u>
<b>Expenditures</b>				
Current:				
General government	1,807	-	-	1,807
Public safety	21,443	-	-	21,443
Highways and streets	7,220	-	-	7,220
Sanitation	415	-	-	415
Health	10,608	-	-	10,608
Welfare	5,028	-	-	5,028
Culture and recreation	1,269	-	-	1,269
Education	9,624	-	-	9,624
Debt Service:				
Principal retirement	-	-	6,898	6,898
Interest	-	-	7,486	7,486
Miscellaneous	-	-	11	11
Capital outlay	-	19,760	-	19,760
Total expenditures	<u>57,414</u>	<u>19,760</u>	<u>14,395</u>	<u>91,569</u>
Excess (deficiency) of revenues over expenditures	<u>(470)</u>	<u>(12,688)</u>	<u>(14,090)</u>	<u>(27,248)</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,190	1,811	14,052	19,053
Transfers out	(1,235)	(5,168)	-	(6,403)
Proceeds from the sale of capital assets	116	-	-	116
Capital lease agreements	355	39	-	394
Total other financing sources (uses)	<u>2,426</u>	<u>(3,318)</u>	<u>14,052</u>	<u>13,160</u>
Net change in fund balances	1,956	(16,006)	(38)	(14,088)
Fund balances, July 1, 2007	29,202	25,984	5,189	60,375
Change in reserve for inventories	45	-	-	45
Fund balances, June 30, 2008	<u>\$ 31,203</u>	<u>\$ 9,978</u>	<u>\$ 5,151</u>	<u>\$ 46,332</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Adult Probation	Airport Economic Development	Air Quality
<b>Assets</b>			
Cash and cash equivalents	\$ 286	\$ 426	\$ 1,353
Receivables (net):			
Property taxes	-	-	-
Accounts	1	1	1
Due from other funds	1	-	3
Due from other governments	35	143	-
Inventories	-	-	-
Prepaid items	2	-	1
	<u>325</u>	<u>570</u>	<u>1,358</u>
Total assets	<u>\$ 325</u>	<u>\$ 570</u>	<u>\$ 1,358</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 22	\$ 149	\$ 40
Accrued payroll and employee benefits	116	5	54
Due to other funds	3	2	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	-	120
	<u>141</u>	<u>156</u>	<u>214</u>
Total liabilities	<u>141</u>	<u>156</u>	<u>214</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	2	-	1
Unreserved	182	414	1,143
	<u>184</u>	<u>414</u>	<u>1,144</u>
Total fund balances (deficit)	<u>184</u>	<u>414</u>	<u>1,144</u>
Total liabilities and fund balances	<u>\$ 325</u>	<u>\$ 570</u>	<u>\$ 1,358</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
<b>Assets</b>			
Cash and cash equivalents	\$ 512	\$ 4,292	\$ 2,233
Receivables (net):			
Property taxes	52	-	-
Accounts	2	44	65
Due from other funds	-	11	32
Due from other governments	-	593	74
Inventories	-	-	-
Prepaid items	-	16	-
	<u>566</u>	<u>4,956</u>	<u>2,404</u>
Total assets	<u>\$ 566</u>	<u>\$ 4,956</u>	<u>\$ 2,404</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 44	\$ 63	\$ 3
Accrued payroll and employee benefits	51	133	30
Due to other funds	-	173	45
Due to other governments	-	-	-
Deposits held for others	19	-	-
Deferred revenue	55	141	-
	<u>169</u>	<u>510</u>	<u>78</u>
Total liabilities	<u>169</u>	<u>510</u>	<u>78</u>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	16	-
Unreserved	397	4,430	2,326
	<u>397</u>	<u>4,446</u>	<u>2,326</u>
Total fund balances (deficit)	<u>397</u>	<u>4,446</u>	<u>2,326</u>
Total liabilities and fund balances	<u>\$ 566</u>	<u>\$ 4,956</u>	<u>\$ 2,404</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Old Courthouse Preservation	Detention Expansion	Courts
<b>Assets</b>			
Cash and cash equivalents	\$ 70	\$ 1	\$ 1,657
Receivables (net):			
Property taxes	-	-	-
Accounts	-	-	27
Due from other funds	-	-	-
Due from other governments	109	-	68
Inventories	-	-	-
Prepaid items	-	-	1
	<u>\$ 179</u>	<u>\$ 1</u>	<u>\$ 1,753</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 9
Accrued payroll and employee benefits	-	-	30
Due to other funds	-	45	95
Due to other governments	-	-	11
Deposits held for others	-	-	-
Deferred revenue	-	-	-
	<u>-</u>	<u>45</u>	<u>145</u>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	1
Unreserved	179	(44)	1,607
	<u>179</u>	<u>(44)</u>	<u>1,608</u>
Total fund balances (deficit)	<u>179</u>	<u>(44)</u>	<u>1,608</u>
Total liabilities and fund balances	<u>\$ 179</u>	<u>\$ 1</u>	<u>\$ 1,753</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Health Services	Justice Courts	Juvenile Probation
<b>Assets</b>			
Cash and cash equivalents	\$ 61	\$ 2,116	\$ 704
Receivables (net):			
Property taxes	-	-	-
Accounts	-	45	17
Due from other funds	-	-	3
Due from other governments	64	-	175
Inventories	-	-	-
Prepaid items	-	1	-
	<u>\$ 125</u>	<u>\$ 2,162</u>	<u>\$ 899</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 5	\$ 14	\$ 31
Accrued payroll and employee benefits	27	-	127
Due to other funds	165	1	27
Due to other governments	-	-	45
Deposits held for others	-	-	-
Deferred revenue	-	-	-
	<u>197</u>	<u>15</u>	<u>230</u>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	1	-
Unreserved	(72)	2,146	669
	<u>(72)</u>	<u>2,147</u>	<u>669</u>
Total fund balances (deficit)	<u>(72)</u>	<u>2,147</u>	<u>669</u>
Total liabilities and fund balances	<u>\$ 125</u>	<u>\$ 2,162</u>	<u>\$ 899</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Local Transport Assist Grant	Library Grants	Miscellaneous Grants
<b>Assets</b>			
Cash and cash equivalents	\$ 571	\$ 10	\$ 246
Receivables (net):			
Property taxes	-	-	-
Accounts	3	-	-
Due from other funds	-	-	-
Due from other governments	-	-	45
Inventories	-	-	-
Prepaid items	-	-	-
	<u>\$ 574</u>	<u>\$ 10</u>	<u>\$ 291</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 4	\$ 8	\$ 14
Accrued payroll and employee benefits	3	-	-
Due to other funds	1	-	8
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	528	-	220
	<u>536</u>	<u>8</u>	<u>242</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	38	2	49
	<u>38</u>	<u>2</u>	<u>49</u>
Total fund balances (deficit)	<u>38</u>	<u>2</u>	<u>49</u>
Total liabilities and fund balances	<u>\$ 574</u>	<u>\$ 10</u>	<u>\$ 291</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	<u>Public Defender</u>	<u>Public Works Roadways</u>	<u>Public Works Services</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 130	\$ 4,861	\$ 2,301
Receivables (net):			
Property taxes	-	-	-
Accounts	-	29	8
Due from other funds	-	7	2
Due from other governments	10	-	109
Inventories	-	-	-
Prepaid items	-	-	26
	<u>140</u>	<u>4,897</u>	<u>2,446</u>
Total assets	<u>\$ 140</u>	<u>\$ 4,897</u>	<u>\$ 2,446</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 9	\$ 506	\$ 50
Accrued payroll and employee benefits	6	73	14
Due to other funds	-	3	105
Due to other governments	-	-	-
Deposits held for others	-	31	-
Deferred revenue	26	-	-
	<u>41</u>	<u>613</u>	<u>169</u>
Total liabilities	<u>41</u>	<u>613</u>	<u>169</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	26
Unreserved	99	4,284	2,251
	<u>99</u>	<u>4,284</u>	<u>2,277</u>
Total fund balances (deficit)	<u>99</u>	<u>4,284</u>	<u>2,277</u>
Total liabilities and fund balances	<u>\$ 140</u>	<u>\$ 4,897</u>	<u>\$ 2,446</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Sheriff	Treasurer	Housing Grants
<b>Assets</b>			
Cash and cash equivalents	\$ 1,610	\$ 181	\$ 683
Receivables (net):			
Property taxes	-	-	-
Accounts	5	1	112
Due from other funds	22	-	-
Due from other governments	1,358	-	333
Inventories	-	-	38
Prepaid items	1	-	65
	<u>\$ 2,996</u>	<u>\$ 182</u>	<u>\$ 1,231</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,640	\$ -	\$ 55
Accrued payroll and employee benefits	70	-	-
Due to other funds	518	-	297
Due to other governments	-	-	-
Deposits held for others	-	-	28
Deferred revenue	465	-	1
	<u>2,693</u>	<u>-</u>	<u>381</u>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	-	-	38
Prepaid items	1	-	65
Unreserved	302	182	747
	<u>303</u>	<u>182</u>	<u>850</u>
Total fund balances (deficit)	<u>303</u>	<u>182</u>	<u>850</u>
Total liabilities and fund balances	<u>\$ 2,996</u>	<u>\$ 182</u>	<u>\$ 1,231</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Flood Control District	Library District	Lighting Special Districts
<b>Assets</b>			
Cash and cash equivalents	\$ 3,936	\$ 1,443	\$ 2
Receivables (net):			
Property taxes	144	92	2
Accounts	22	9	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	7	-
	<u>\$ 4,102</u>	<u>\$ 1,551</u>	<u>\$ 4</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 132	\$ 80	\$ 1
Accrued payroll and employee benefits	5	18	-
Due to other funds	1	1	1
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	112	72	1
	<u>250</u>	<u>171</u>	<u>3</u>
<b>Fund Balances:</b>			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	7	-
Unreserved	3,852	1,373	1
	<u>3,852</u>	<u>1,380</u>	<u>1</u>
Total fund balances (deficit)	<u>\$ 4,102</u>	<u>\$ 1,551</u>	<u>\$ 4</u>
Total liabilities and fund balances	<u>\$ 4,102</u>	<u>\$ 1,551</u>	<u>\$ 4</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Public Health Services District
<b>Assets</b>			
Cash and cash equivalents	\$ 1,275	\$ 49	\$ 798
Receivables (net):			
Property taxes	-	3	-
Accounts	4	-	3
Due from other funds	-	-	10
Due from other governments	-	-	829
Inventories	-	-	108
Prepaid items	-	-	1
	<u>\$ 1,279</u>	<u>\$ 52</u>	<u>\$ 1,749</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 23	\$ -	\$ 131
Accrued payroll and employee benefits	10	-	300
Due to other funds	-	-	17
Due to other governments	-	-	-
Deposits held for others	-	-	33
Deferred revenue	-	3	-
	<u>33</u>	<u>3</u>	<u>481</u>
<b>Fund Balances:</b>			
<b>Reserved for:</b>			
Inventories	-	-	108
Prepaid items	-	-	1
Unreserved	1,246	49	1,159
	<u>1,246</u>	<u>49</u>	<u>1,268</u>
Total fund balances (deficit)	<u>1,246</u>	<u>49</u>	<u>1,268</u>
Total liabilities and fund balances	<u>\$ 1,279</u>	<u>\$ 52</u>	<u>\$ 1,749</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Queen Creek Domestic Water Imprvmnt District	Accom- modation School	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9	\$ 1,894	\$ 33,710
Receivables (net):			
Property taxes	2	97	392
Accounts	-	1	400
Due from other funds	-	-	91
Due from other governments	-	-	3,945
Inventories	-	-	146
Prepaid items	-	-	121
	<u>\$ 11</u>	<u>\$ 1,992</u>	<u>\$ 38,805</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 3,033
Accrued payroll and employee benefits	-	-	1,072
Due to other funds	-	-	1,508
Due to other governments	-	-	56
Deposits held for others	-	-	111
Deferred revenue	2	76	1,822
	<u>2</u>	<u>76</u>	<u>7,602</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	146
Prepaid items	-	-	121
Unreserved	9	1,916	30,936
	<u>9</u>	<u>1,916</u>	<u>31,203</u>
Total fund balances (deficit)	<u>9</u>	<u>1,916</u>	<u>31,203</u>
Total liabilities and fund balances	<u>\$ 11</u>	<u>\$ 1,992</u>	<u>\$ 38,805</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Adult Probation	Airport Economic Development	Air Quality
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	1,169
Intergovernmental	2,287	153	157
Charges for services	664	-	-
Fines and forfeits	-	-	-
Investment earnings	12	2	6
Contributions	-	-	-
Rentals	-	411	-
Miscellaneous	-	35	-
Total revenues	<u>2,963</u>	<u>601</u>	<u>1,332</u>
<b>Expenditures</b>			
Current:			
General government	-	551	-
Public safety	2,863	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	1,421
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>2,863</u>	<u>551</u>	<u>1,421</u>
Excess (deficiency) of revenues over expenditures	<u>100</u>	<u>50</u>	<u>(89)</u>
<b>Other financing sources (uses):</b>			
Transfers in	12	-	-
Transfers out	(30)	-	-
Proceeds from the sale of capital assets	1	-	-
Capital lease agreements	-	-	126
Total other financing sources (uses)	<u>(17)</u>	<u>-</u>	<u>126</u>
Net change in fund balances	83	50	37
Fund balances, July 1, 2007	<u>101</u>	<u>364</u>	<u>1,107</u>
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	<u>\$ 184</u>	<u>\$ 414</u>	<u>\$ 1,144</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
<b>Revenues</b>			
Taxes	\$ 1,157	\$ -	\$ -
Licenses and permits	157	-	-
Intergovernmental	32	3,252	412
Charges for services	246	230	626
Fines and forfeits	26	1,351	-
Investment earnings	13	197	88
Contributions	15	-	-
Rentals	-	-	-
Miscellaneous	50	39	-
Total revenues	1,696	5,069	1,126
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	4,907	595
Highways and streets	-	-	-
Sanitation	-	-	-
Health	1,536	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	1,536	4,907	595
Excess (deficiency) of revenues over expenditures	160	162	531
<b>Other financing sources (uses):</b>			
Transfers in	53	705	109
Transfers out	-	(80)	(133)
Proceeds from the sale of capital assets	-	80	-
Capital lease agreements	47	7	29
Total other financing sources (uses)	100	712	5
Net change in fund balances	260	874	536
Fund balances, July 1, 2007	137	3,572	1,790
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	\$ 397	\$ 4,446	\$ 2,326

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Old Courthouse Preservation	Detention Expansion	Courts
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	387	-	544
Charges for services	-	-	296
Fines and forfeits	-	-	-
Investment earnings	-	-	71
Contributions	2	-	-
Rentals	-	-	-
Miscellaneous	-	2	-
Total revenues	389	2	911
<b>Expenditures</b>			
Current:			
General government	547	-	-
Public safety	-	6	851
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	547	6	851
Excess (deficiency) of revenues over expenditures	(158)	(4)	60
<b>Other financing sources (uses):</b>			
Transfers in	100	-	263
Transfers out	-	-	-
Proceeds from the sale of capital assets	-	-	-
Capital lease agreements	-	-	3
Total other financing sources (uses)	100	-	266
Net change in fund balances	(58)	(4)	326
Fund balances, July 1, 2007	237	(40)	1,282
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	\$ 179	\$ (44)	\$ 1,608

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Health Services	Justice Courts	Juvenile Probation
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	340	-	3,232
Charges for services	-	733	145
Fines and forfeits	-	-	-
Investment earnings	1	85	36
Contributions	1	-	1
Rentals	-	-	-
Miscellaneous	-	-	1
Total revenues	<u>342</u>	<u>818</u>	<u>3,415</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	214	3,364
Highways and streets	-	-	-
Sanitation	-	-	-
Health	607	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>607</u>	<u>214</u>	<u>3,364</u>
Excess (deficiency) of revenues over expenditures	<u>(265)</u>	<u>604</u>	<u>51</u>
<b>Other financing sources (uses):</b>			
Transfers in	276	-	31
Transfers out	-	(222)	(22)
Proceeds from the sale of capital assets	-	-	-
Capital lease agreements	-	3	-
Total other financing sources (uses)	<u>276</u>	<u>(219)</u>	<u>9</u>
Net change in fund balances	11	385	60
Fund balances, July 1, 2007	<u>(83)</u>	<u>1,762</u>	<u>609</u>
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	<u>\$ (72)</u>	<u>\$ 2,147</u>	<u>\$ 669</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Local Transport Assist Grant	Library Grants	Miscellaneous Grants
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	133	38	92
Charges for services	4	-	-
Fines and forfeits	-	-	-
Investment earnings	31	-	1
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	168	38	93
<b>Expenditures</b>			
Current:			
General government	-	-	74
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	170	-	-
Welfare	-	-	-
Culture and recreation	-	35	-
Education	-	-	-
Total expenditures	170	35	74
Excess (deficiency) of revenues over expenditures	(2)	3	19
<b>Other financing sources (uses):</b>			
Transfers in	-	-	20
Transfers out	-	-	-
Proceeds from the sale of capital assets	-	-	-
Capital lease agreements	-	-	-
Total other financing sources (uses)	-	-	20
Net change in fund balances	(2)	3	39
Fund balances, July 1, 2007	40	(1)	10
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	\$ 38	\$ 2	\$ 49

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Public Defender	Public Works Roadways	Public Works Services
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	925	-
Intergovernmental	87	-	1,045
Charges for services	-	933	4
Fines and forfeits	-	-	-
Investment earnings	1	378	70
Contributions	-	607	-
Rentals	-	-	-
Miscellaneous	-	1	-
Total revenues	88	2,844	1,119
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	202	-	721
Highways and streets	-	6,027	247
Sanitation	-	-	405
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	202	6,027	1,373
Excess (deficiency) of revenues over expenditures	(114)	(3,183)	(254)
<b>Other financing sources (uses):</b>			
Transfers in	73	1	208
Transfers out	-	(75)	(18)
Proceeds from the sale of capital assets	-	9	23
Capital lease agreements	-	1	-
Total other financing sources (uses)	73	(64)	213
Net change in fund balances	(41)	(3,247)	(41)
Fund balances, July 1, 2007	140	7,531	2,318
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	\$ 99	\$ 4,284	\$ 2,277

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Sheriff	Treasurer	Housing Grants
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	5,955	12	4,215
Charges for services	1,688	37	-
Fines and forfeits	-	-	-
Investment earnings	71	5	1
Contributions	-	-	-
Rentals	-	-	340
Miscellaneous	-	2	26
Total revenues	<u>7,714</u>	<u>56</u>	<u>4,582</u>
<b>Expenditures</b>			
Current:			
General government	-	15	-
Public safety	7,720	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	5,028
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>7,720</u>	<u>15</u>	<u>5,028</u>
Excess (deficiency) of revenues over expenditures	<u>(6)</u>	<u>41</u>	<u>(446)</u>
<b>Other financing sources (uses):</b>			
Transfers in	70	-	60
Transfers out	(49)	-	-
Proceeds from the sale of capital assets	3	-	-
Capital lease agreements	-	2	-
Total other financing sources (uses)	<u>24</u>	<u>2</u>	<u>60</u>
Net change in fund balances	18	43	(386)
Fund balances, July 1, 2007	<u>285</u>	<u>139</u>	<u>1,231</u>
Change in reserve for inventories	-	-	5
Fund balances (deficit), June 30, 2008	<u>\$ 303</u>	<u>\$ 182</u>	<u>\$ 850</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Flood Control District	Library District	Lighting Special Districts
<b>Revenues</b>			
Taxes	\$ 2,563	\$ 1,747	\$ 13
Licenses and permits	1	-	-
Intergovernmental	23	43	-
Charges for services	42	-	-
Fines and forfeits	-	-	-
Investment earnings	142	52	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	26	-
Total revenues	2,771	1,868	13
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	931	-	15
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	1,234	-
Education	-	-	-
Total expenditures	931	1,234	15
Excess (deficiency) of revenues over expenditures	1,840	634	(2)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	(1)	-	-
Proceeds from the sale of capital assets	-	-	-
Capital lease agreements	-	45	-
Total other financing sources (uses)	(1)	45	-
Net change in fund balances	1,839	679	(2)
Fund balances, July 1, 2007	2,013	701	3
Change in reserve for inventories	-	-	-
Fund balances (deficit), June 30, 2008	\$ 3,852	\$ 1,380	\$ 1

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Public Health Services District
<b>Revenues</b>			
Taxes	\$ -	\$ 29	\$ 2,585
Licenses and permits	-	-	-
Intergovernmental	-	-	4,045
Charges for services	1,068	-	151
Fines and forfeits	-	-	-
Investment earnings	21	2	23
Contributions	-	-	129
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,089</u>	<u>31</u>	<u>6,933</u>
<b>Expenditures</b>			
Current:			
General government	604	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	10	-
Health	-	-	6,874
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>604</u>	<u>10</u>	<u>6,874</u>
Excess (deficiency) of revenues over expenditures	<u>485</u>	<u>21</u>	<u>59</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	1,209
Transfers out	(422)	-	(183)
Proceeds from the sale of capital assets	-	-	-
Capital lease agreements	92	-	-
Total other financing sources (uses)	<u>(330)</u>	<u>-</u>	<u>1,026</u>
Net change in fund balances	155	21	1,085
Fund balances, July 1, 2007	<u>1,091</u>	<u>28</u>	<u>143</u>
Change in reserve for inventories	-	-	40
Fund balances (deficit), June 30, 2008	<u>\$ 1,246</u>	<u>\$ 49</u>	<u>\$ 1,268</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2008**  
(Amounts Expressed in thousands)

	Queen Creek Domestic Water Imprvmt District	Accom- modation School	Total
<b>Revenues</b>			
Taxes	\$ 16	\$ 2,442	\$ 10,552
Licenses and permits	-	-	2,252
Intergovernmental	-	5,754	32,238
Charges for services	-	314	7,181
Fines and forfeits	-	-	1,377
Investment earnings	-	136	1,445
Contributions	-	1	756
Rentals	-	-	751
Miscellaneous	-	210	392
Total revenues	16	8,857	56,944
<b>Expenditures</b>			
Current:			
General government	16	-	1,807
Public safety	-	-	21,443
Highways and streets	-	-	7,220
Sanitation	-	-	415
Health	-	-	10,608
Welfare	-	-	5,028
Culture and recreation	-	-	1,269
Education	-	9,624	9,624
Total expenditures	16	9,624	57,414
Excess (deficiency) of revenues over expenditures	-	(767)	(470)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	3,190
Transfers out	-	-	(1,235)
Proceeds from the sale of capital assets	-	-	116
Capital lease agreements	-	-	355
Total other financing sources (uses)	-	-	2,426
Net change in fund balances	-	(767)	1,956
Fund balances, July 1, 2007	9	2,683	29,202
Change in reserve for inventories	-	-	45
Fund balances (deficit), June 30, 2008	\$ 9	\$ 1,916	\$ 31,203

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous
<b>Assets</b>			
Cash and cash equivalents	\$ 43	\$ -	\$ 2,047
Cash and investments held by trustees	-	455	-
Receivables (net):			
Accounts	-	-	-
Due from other funds	-	-	18
Prepaid items	-	-	5
Total assets	\$ 43	\$ 455	\$ 2,070
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	\$ 10	\$ 291
Accrued payroll and employee benefits	-	-	-
Retainage payable	-	77	-
Due to other funds	-	505	-
Deposits held for others	-	-	-
Total liabilities	-	592	291
Fund Balances:			
Reserved for:			
Prepaid items	-	-	5
Unreserved	43	(137)	1,774
Total fund balances	43	(137)	1,779
Total liabilities and fund balances	\$ 43	\$ 455	\$ 2,070

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	<u>Adult/Juvenile Detention Construction Fund</u>	<u>Public Works Gantzel Road Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 8,373	\$ 10,463
Cash and investments held by trustees	2,697	-	3,152
Receivables (net):			
Accounts	13	42	55
Due from other funds	-	-	18
Prepaid items	-	-	5
Total assets	<u>\$ 2,710</u>	<u>\$ 8,415</u>	<u>\$ 13,693</u>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	\$ 201	\$ 502
Accrued payroll and employee benefits	5	-	5
Retainage payable	33	-	110
Due to other funds	2,572	-	3,077
Deposits held for others	-	21	21
Total liabilities	<u>2,610</u>	<u>222</u>	<u>3,715</u>
Fund Balances:			
Reserved for:			
Prepaid items	-	-	5
Unreserved	<u>100</u>	<u>8,193</u>	<u>9,973</u>
Total fund balances	<u>100</u>	<u>8,193</u>	<u>9,978</u>
Total liabilities and fund balances	<u>\$ 2,710</u>	<u>\$ 8,415</u>	<u>\$ 13,693</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ 19
Charges for services	-	-	-
Investment earnings	2	19	-
Contributions	-	-	7
Miscellaneous	-	9	82
Total revenues	<u>2</u>	<u>28</u>	<u>108</u>
<b>Expenditures</b>			
Capital outlay	<u>10</u>	<u>386</u>	<u>1,472</u>
Total expenditures	<u>10</u>	<u>386</u>	<u>1,472</u>
Deficiency of revenues over expenditures	<u>(8)</u>	<u>(358)</u>	<u>(1,364)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-		1,811
Transfers out	-	-	(37)
Capital lease agreements	-	-	39
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,813</u>
Net change in fund balances	(8)	(358)	449
Fund balances, July 1, 2007	<u>51</u>	<u>221</u>	<u>1,330</u>
Fund balances (deficit), June 30, 2008	<u>\$ 43</u>	<u>\$ (137)</u>	<u>\$ 1,779</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Adult/Juvenile Detention Construction Fund	Public Works Gantzel Road Fund	Total
<b>Revenues</b>			
Intergovernmental	\$ -	\$ -	\$ 19
Charges for services	-	315	315
Investment earnings	145	921	1,087
Contributions	-	1,735	1,742
Miscellaneous	-	3,818	3,909
Total revenues	<u>145</u>	<u>6,789</u>	<u>7,072</u>
<b>Expenditures</b>			
Capital outlay	<u>658</u>	<u>17,234</u>	<u>19,760</u>
Total expenditures	<u>658</u>	<u>17,234</u>	<u>19,760</u>
Deficiency of revenues over expenditures	<u>(513)</u>	<u>(10,445)</u>	<u>(12,688)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	1,811
Transfers out	(176)	(4,955)	(5,168)
Capital lease agreements	-	-	39
Total other financing sources (uses)	<u>(176)</u>	<u>(4,955)</u>	<u>(3,318)</u>
Net change in fund balances	(689)	(15,400)	(16,006)
Fund balances, July 1, 2007	<u>789</u>	<u>23,593</u>	<u>25,984</u>
Fund balances (deficit), June 30, 2008	<u>\$ 100</u>	<u>\$ 8,193</u>	<u>\$ 9,978</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 22	\$ 161	\$ 183
Cash and investments held by trustees	6,131	-	6,131
Receivables (net):			
Property taxes	-	1	1
Accounts	18	1	19
Due from other funds	4	-	4
	<u>\$ 6,175</u>	<u>\$ 163</u>	<u>\$ 6,338</u>
<b>Fund Balance</b>			
Liabilities:			
Interest payable	\$ 1,186	\$ -	\$ 1,186
Deferred revenue	-	1	1
	<u>1,186</u>	<u>1</u>	<u>1,187</u>
Fund Balances:			
Unreserved	<u>4,989</u>	<u>162</u>	<u>5,151</u>
Total fund balances	<u>4,989</u>	<u>162</u>	<u>5,151</u>
Total liabilities and fund balances	<u>\$ 6,175</u>	<u>\$ 163</u>	<u>\$ 6,338</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
<b>Revenues</b>			
Taxes	\$ -	\$ 42	\$ 42
Investment earnings	247	16	263
Total revenues	<u>247</u>	<u>58</u>	<u>305</u>
<b>Expenditures</b>			
Debt Service:			
Principal retirement	6,898	-	6,898
Interest	7,486	-	7,486
Miscellaneous	10	1	11
Total expenditures	<u>14,394</u>	<u>1</u>	<u>14,395</u>
Excess (deficiency) of revenues over expenditures	<u>(14,147)</u>	<u>57</u>	<u>(14,090)</u>
<b>Other financing sources:</b>			
Transfers in	14,052	-	14,052
Total other financing sources	<u>14,052</u>	<u>-</u>	<u>14,052</u>
Net change in fund balances	(95)	57	(38)
Fund balances, July 1, 2007	<u>5,084</u>	<u>105</u>	<u>5,189</u>
Fund balances, June 30, 2008	<u>\$ 4,989</u>	<u>\$ 162</u>	<u>\$ 5,151</u>

**PINAL COUNTY**  
**Special Revenue Funds - Adult Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>ADULT PROBATION</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 2,212	\$ 2,287	\$ 75
Charges for services	705	664	(41)
Investment earnings	-	12	12
Total revenues	<u>2,917</u>	<u>2,963</u>	<u>46</u>
<b>Expenditures</b>			
Current:			
Public safety	2,859	2,863	(4)
Total expenditures	<u>2,859</u>	<u>2,863</u>	<u>(4)</u>
Excess of revenues over expenditures	<u>58</u>	<u>100</u>	<u>42</u>
<b>Other financing sources (uses):</b>			
Transfers in	267	12	(255)
Transfers out	(325)	(30)	295
Sale of capital assets	-	1	1
Total other financing uses	<u>(58)</u>	<u>(17)</u>	<u>41</u>
Net change in fund balances	-	83	83
Fund balances, July 1, 2007	-	101	101
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 184</u>	<u>\$ 184</u>

**PINAL COUNTY**  
**Special Revenue Funds - Airport Economic Development**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>AIRPORT ECONOMIC DEVELOPMENT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 153	\$ 153
Investment earnings	-	2	2
Rentals	407	411	4
Miscellaneous	22	35	13
Total revenues	<u>429</u>	<u>601</u>	<u>172</u>
<b>Expenditures</b>			
Current:			
General government	<u>494</u>	<u>551</u>	<u>(57)</u>
Total expenditures	<u>494</u>	<u>551</u>	<u>(57)</u>
Excess (deficiency) of revenues over expenditures	<u>(65)</u>	<u>50</u>	<u>115</u>
Net change in fund balances	(65)	50	115
Fund balances, July 1, 2007	<u>65</u>	<u>364</u>	<u>299</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 414</u>	<u>\$ 414</u>

**PINAL COUNTY**  
**Special Revenue Funds - Air Quality**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>AIR QUALITY</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Licenses and permits	\$ 1,229	\$ 1,169	\$ (60)
Intergovernmental	169	157	(12)
Investment earnings	2	6	4
Total revenues	1,400	1,332	(68)
<b>Expenditures</b>			
Current:			
Health	1,649	1,421	228
Total expenditures	1,649	1,421	228
Deficiency of revenues over expenditures	(249)	(89)	160
<b>Other financing sources:</b>			
Proceeds from capital leases	-	126	126
Total other financing sources	-	126	126
Net change in fund balances	(249)	37	286
Fund balances, July 1, 2007	249	1,107	858
Fund balances, June 30, 2008	\$ -	\$ 1,144	\$ 1,144

**PINAL COUNTY**  
**Special Revenue Funds - Animal Control**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>ANIMAL CONTROL</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 1,180	\$ 1,157	\$ (23)
Licenses and permits	110	157	47
Intergovernmental	-	32	32
Charges for services	141	246	105
Fines and forfeits	40	26	(14)
Investment earnings	-	13	13
Contributions	-	15	15
Miscellaneous	15	50	35
Total revenues	<u>1,486</u>	<u>1,696</u>	<u>210</u>
<b>Expenditures</b>			
Current:			
Health	<u>1,541</u>	<u>1,536</u>	<u>5</u>
Total expenditures	<u>1,541</u>	<u>1,536</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	<u>(55)</u>	<u>160</u>	<u>215</u>
<b>Other financing sources (uses):</b>			
Transfers in	133	53	(80)
Transfers out	(80)	-	80
Proceeds from capital leases	-	47	47
Total other financing sources	<u>53</u>	<u>100</u>	<u>47</u>
Net change in fund balances	(2)	260	262
Fund balances, July 1, 2007	<u>2</u>	<u>137</u>	<u>135</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 397</u>	<u>\$ 397</u>

**PINAL COUNTY**  
**Special Revenue Funds - Attorney**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>ATTORNEY</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 3,649	\$ 3,252	\$ (397)
Charges for services	158	230	72
Fines and forfeits	1,477	1,351	(126)
Investment earnings	20	197	177
Miscellaneous	20	39	19
Total revenues	<u>5,324</u>	<u>5,069</u>	<u>(255)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>5,996</u>	<u>4,907</u>	<u>1,089</u>
Total expenditures	<u>5,996</u>	<u>4,907</u>	<u>1,089</u>
Excess (deficiency) of revenues over expenditures	<u>(672)</u>	<u>162</u>	<u>834</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,068	705	(363)
Transfers out	(486)	(80)	406
Sale of capital assets	20	80	60
Proceeds from capital leases	-	7	7
Total other financing sources	<u>602</u>	<u>712</u>	<u>110</u>
Net change in fund balances	<u>(70)</u>	<u>874</u>	<u>944</u>
Fund balances, July 1, 2007	<u>70</u>	<u>3,572</u>	<u>3,502</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 4,446</u>	<u>\$ 4,446</u>

**PINAL COUNTY**  
**Special Revenue Funds - Clerk of Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>CLERK OF COURTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 736	\$ 412	\$ (324)
Charges for services	476	626	150
Investment earnings	38	88	50
Total revenues	1,250	1,126	(124)
<b>Expenditures</b>			
Current:			
Public Safety	1,589	595	994
Total expenditures	1,589	595	994
Excess (deficiency) of revenues over expenditures	(339)	531	870
<b>Other financing sources (uses):</b>			
Transfers in	362	109	(253)
Transfers out	(160)	(133)	27
Sale of capital assets	-	29	29
Total other financing sources	202	5	(197)
Net change in fund balances	(137)	536	673
Fund balances, July 1, 2007	137	1,790	1,653
Fund balances, June 30, 2008	\$ -	\$ 2,326	\$ 2,326

**PINAL COUNTY**  
**Special Revenue Funds - Old Courthouse Preservation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>OLD COURTHOUSE PRESERVATION</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 600	\$ 387	\$ (213)
Contributions	415	2	(413)
Total revenues	<u>1,015</u>	<u>389</u>	<u>(626)</u>
<b>Expenditures</b>			
Current:			
General government	1,383	547	836
Total expenditures	<u>1,383</u>	<u>547</u>	<u>836</u>
Deficiency of revenues over expenditures	<u>(368)</u>	<u>(158)</u>	<u>210</u>
<b>Other financing sources:</b>			
Transfers in	100	100	-
Total other financing sources	<u>100</u>	<u>100</u>	<u>-</u>
Net change in fund balances	(268)	(58)	210
Fund balances, July 1, 2007	268	237	(31)
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 179</u>	<u>\$ 179</u>

**PINAL COUNTY**  
**Special Revenue Funds - Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>COURTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 539	\$ 544	\$ 5
Charges for services	147	296	149
Investment earnings	15	71	56
Total revenues	<u>701</u>	<u>911</u>	<u>210</u>
<b>Expenditures</b>			
Current:			
Public safety	1,408	851	557
Total expenditures	<u>1,408</u>	<u>851</u>	<u>557</u>
Excess (deficiency) of revenues over expenditures	<u>(707)</u>	<u>60</u>	<u>767</u>
<b>Other financing sources (uses):</b>			
Transfers in	349	263	(86)
Transfers out	(14)	-	14
Proceeds from capital leases	-	3	3
Total other financing sources	<u>335</u>	<u>266</u>	<u>(69)</u>
Net change in fund balances	<u>(372)</u>	<u>326</u>	<u>698</u>
Fund balances, July 1, 2007	<u>372</u>	<u>1,282</u>	<u>910</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 1,608</u>	<u>\$ 1,608</u>

**PINAL COUNTY**  
**Special Revenue Funds - Health Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>HEALTH SERVICES</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 351	\$ 340	\$ (11)
Investment earnings	-	1	1
Contributions	-	1	1
Total revenues	<u>351</u>	<u>342</u>	<u>(9)</u>
<b>Expenditures</b>			
Current:			
Health	623	607	16
Total expenditures	<u>623</u>	<u>607</u>	<u>16</u>
Deficiency of revenues over expenditures	<u>(272)</u>	<u>(265)</u>	<u>7</u>
<b>Other financing sources:</b>			
Transfers in	272	276	4
Total other financing sources	<u>272</u>	<u>276</u>	<u>4</u>
Net change in fund balances	-	11	11
Fund balances, July 1, 2007	-	(83)	(83)
Fund balances (deficit), June 30, 2008	<u>\$ -</u>	<u>\$ (72)</u>	<u>\$ (72)</u>

**PINAL COUNTY**  
**Special Revenue Funds - Justice Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>JUSTICE COURTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 666	\$ 733	\$ 67
Investment earnings	1	85	84
Total revenues	667	818	151
<b>Expenditures</b>			
Current:			
Public safety	769	214	555
Total expenditures	769	214	555
Excess (deficiency) of revenues over expenditures	(102)	604	706
<b>Other financing sources (uses):</b>			
Transfers out	(222)	(222)	-
Proceeds from capital leases	-	3	3
Total other financing uses	(222)	(219)	3
Net change in fund balances	(324)	385	709
Fund balances, July 1, 2007	324	1,762	1,438
Fund balances, June 30, 2008	\$ -	\$ 2,147	\$ 2,147

**PINAL COUNTY**  
**Special Revenue Funds - Juvenile Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>JUVENILE PROBATION</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 3,430	\$ 3,232	\$ (198)
Charges for services	89	145	56
Investment earnings	-	36	36
Contributions	-	1	1
Miscellaneous	2	1	(1)
Total revenues	<u>3,521</u>	<u>3,415</u>	<u>(106)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>3,520</u>	<u>3,364</u>	<u>156</u>
Total expenditures	<u>3,520</u>	<u>3,364</u>	<u>156</u>
Excess of revenues over expenditures	<u>1</u>	<u>51</u>	<u>50</u>
<b>Other financing sources (uses):</b>			
Transfers in	21	31	10
Transfers out	(22)	(22)	-
Total other financing sources (uses)	<u>(1)</u>	<u>9</u>	<u>10</u>
Net change in fund balances	-	60	60
Fund balances, July 1, 2007	-	609	609
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 669</u>	<u>\$ 669</u>

**PINAL COUNTY**  
**Special Revenue Funds - Local Transport Assist Grant**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>LOCAL TRANSPORT ASSIST GRANT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 133	\$ 133
Charges for services	4	4	-
Investment earnings	6	31	25
Total revenues	<u>10</u>	<u>168</u>	<u>158</u>
<b>Expenditures</b>			
Current:			
Health	<u>140</u>	<u>170</u>	<u>(30)</u>
Total expenditures	<u>140</u>	<u>170</u>	<u>(30)</u>
Deficiency of revenues over expenditures	<u>(130)</u>	<u>(2)</u>	<u>128</u>
Net change in fund balances	(130)	(2)	128
Fund balances, July 1, 2007	<u>130</u>	<u>40</u>	<u>(90)</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>

**PINAL COUNTY**  
**Special Revenue Funds - Library Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>LIBRARY GRANTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 37	\$ 38	\$ 1
Total revenues	<u>37</u>	<u>38</u>	<u>1</u>
<b>Expenditures</b>			
Current:			
Culture and recreation	37	35	2
Total expenditures	<u>37</u>	<u>35</u>	<u>2</u>
Excess of revenues over expenditures	<u>-</u>	<u>3</u>	<u>3</u>
Net change in fund balance	-	3	3
Fund balances, July 1, 2007	-	(1)	(1)
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

**PINAL COUNTY**  
**Special Revenue Funds - Miscellaneous Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>MISCELLANEOUS GRANTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 440	\$ 92	\$ (348)
Investment earnings	-	1	1
Total revenues	<u>440</u>	<u>93</u>	<u>(347)</u>
<b>Expenditures</b>			
Current:			
General Government	<u>460</u>	<u>74</u>	<u>386</u>
Total expenditures	<u>460</u>	<u>74</u>	<u>386</u>
Excess (deficiency) of revenues over expenditures	(20)	19	39
<b>Other financing sources:</b>			
Transfers in	<u>20</u>	<u>20</u>	<u>-</u>
Total other financing sources	<u>20</u>	<u>20</u>	<u>-</u>
Net change in fund balances	-	39	39
Fund balances, July 1, 2007	<u>-</u>	<u>10</u>	<u>10</u>
Fund balances, June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ 49</u></u>	<u><u>\$ 49</u></u>

**PINAL COUNTY**  
**Special Revenue Funds - Public Defender**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>PUBLIC DEFENDER</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 67	\$ 87	\$ 20
Investment earnings	4	1	(3)
Total revenues	<u>71</u>	<u>88</u>	<u>17</u>
<b>Expenditures</b>			
Current:			
Public safety	198	202	(4)
Total expenditures	<u>198</u>	<u>202</u>	<u>(4)</u>
Deficiency of revenues over expenditures	(127)	(114)	13
<b>Other financing sources:</b>			
Transfers in	73	73	-
Total other financing sources	<u>73</u>	<u>73</u>	<u>-</u>
Net change in fund balances	(54)	(41)	13
Fund balances, July 1, 2007	54	140	86
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 99</u>

**PINAL COUNTY**  
**Special Revenue Funds - Public Works Roadways**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>PUBLIC WORKS ROADWAYS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Licenses and permits	\$ 2,100	\$ 925	\$ (1,175)
Charges for services	1,450	933	(517)
Investment earnings	-	378	378
Contributions	936	607	(329)
Miscellaneous	-	1	1
Total revenues	<u>4,486</u>	<u>2,844</u>	<u>(1,642)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	13,224	6,027	7,197
Total expenditures	<u>13,224</u>	<u>6,027</u>	<u>7,197</u>
Deficiency of revenues over expenditures	<u>(8,738)</u>	<u>(3,183)</u>	<u>5,555</u>
<b>Other financing sources (uses):</b>			
Transfers in	3,142	1	(3,141)
Transfers out	(717)	(75)	642
Sale of capital assets	-	9	9
Proceeds from capital leases	-	1	1
Total other financing sources (uses)	<u>2,425</u>	<u>(64)</u>	<u>(2,489)</u>
Net change in fund balances	<u>(6,313)</u>	<u>(3,247)</u>	<u>3,066</u>
Fund balances, July 1, 2007	<u>6,313</u>	<u>7,531</u>	<u>1,218</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 4,284</u>	<u>\$ 4,284</u>

**PINAL COUNTY**  
**Special Revenue Funds - Public Works Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>PUBLIC WORKS SERVICES</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 1,226	\$ 1,045	\$ (181)
Charges for services	70	4	(66)
Investment earnings	2	70	68
Total revenues	<u>1,298</u>	<u>1,119</u>	<u>(179)</u>
<b>Expenditures</b>			
Current:			
Public Safety	1,119	721	398
Highway and streets	1,033	247	786
Sanitation	387	405	(18)
Total expenditures	<u>2,539</u>	<u>1,373</u>	<u>1,166</u>
Deficiency of revenues over expenditures	<u>(1,241)</u>	<u>(254)</u>	<u>987</u>
<b>Other financing sources (uses):</b>			
Transfers in	208	208	-
Transfers out	(87)	(18)	69
Sale of capital assets	-	23	23
Total other financing sources	<u>121</u>	<u>213</u>	<u>92</u>
Net change in fund balances	<u>(1,120)</u>	<u>(41)</u>	<u>1,079</u>
Fund balances, July 1, 2007	1,120	2,318	1,198
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 2,277</u>	<u>\$ 2,277</u>

**PINAL COUNTY**  
**Special Revenue Funds - Sheriff**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>SHERIFF</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 1,478	\$ 5,955	\$ 4,477
Charges for services	7,559	1,688	(5,871)
Investment earnings	-	71	71
Contributions	36	-	(36)
Total revenues	<u>9,073</u>	<u>7,714</u>	<u>(1,359)</u>
<b>Expenditures</b>			
Current:			
Public safety	<u>9,552</u>	<u>7,720</u>	<u>1,832</u>
Total expenditures	<u>9,552</u>	<u>7,720</u>	<u>1,832</u>
Deficiency of revenues over expenditures	<u>(479)</u>	<u>(6)</u>	<u>473</u>
<b>Other financing sources (uses):</b>			
Transfers in	100	70	(30)
Transfers out	(89)	(49)	40
Sale of capital assets	-	3	3
Total other financing sources	<u>11</u>	<u>24</u>	<u>13</u>
Net change in fund balances	<u>(468)</u>	<u>18</u>	<u>486</u>
Fund balances, July 1, 2007	<u>468</u>	<u>285</u>	<u>(183)</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ 303</u>

**PINAL COUNTY**  
**Special Revenue Funds - Treasurer**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>TREASURER</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 12	\$ 12
Charges for services	20	37	17
Investment earnings	2	5	3
Miscellaneous	-	2	2
Total revenues	22	56	34
<b>Expenditures</b>			
Current:			
General government	28	15	13
Total expenditures	28	15	13
Excess (deficiency) of revenues over expenditures	(6)	41	47
<b>Other financing sources:</b>			
Proceeds from capital leases	-	2	2
Total other financing sources	-	2	2
Net change in fund balance	(6)	43	49
Fund balances, July 1, 2007	6	139	133
Fund balances, June 30, 2008	\$ -	\$ 182	\$ 182

**PINAL COUNTY**  
**Special Revenue Funds - Housing Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>HOUSING GRANTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 1,137	\$ 4,215	\$ 3,078
Investment earnings	-	1	1
Rentals	-	340	340
Miscellaneous	1,250	26	(1,224)
Total revenues	<u>2,387</u>	<u>4,582</u>	<u>2,195</u>
<b>Expenditures</b>			
Current:			
Welfare	2,452	5,028	(2,576)
Total expenditures	<u>2,452</u>	<u>5,028</u>	<u>(2,576)</u>
Deficiency of revenues over expenditures	<u>(65)</u>	<u>(446)</u>	<u>(381)</u>
<b>Other financing sources:</b>			
Transfers in	65	60	(5)
Total other financing sources	<u>65</u>	<u>60</u>	<u>(5)</u>
Net change in fund balance	-	(386)	(386)
Fund balances, July 1, 2007	-	1,231	1,231
Change in reserve for inventories	-	5	5
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 850</u>

**PINAL COUNTY**  
**Special Revenue Funds - Flood Control District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>FLOOD CONTROL DISTRICT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 1,530	\$ 2,563	\$ 1,033
Licenses and permits	20	1	(19)
Intergovernmental	2,250	23	(2,227)
Charges for services	-	42	42
Investment earnings	-	142	142
Total revenues	<u>3,800</u>	<u>2,771</u>	<u>(1,029)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	<u>4,219</u>	<u>931</u>	<u>3,288</u>
Total expenditures	<u>4,219</u>	<u>931</u>	<u>3,288</u>
Excess (deficiency) of revenues over expenditures	(419)	1,840	2,259
<b>Other financing uses:</b>			
Transfers out	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Total other financing uses	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balances	(419)	1,839	2,258
Fund balances, July 1, 2007	419	2,013	1,594
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 3,852</u>	<u>\$ 3,852</u>

**PINAL COUNTY**  
**Special Revenue Funds - Library District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>LIBRARY DISTRICT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 1,361	\$ 1,747	\$ 386
Intergovernmental	20	43	23
Investment earnings	18	52	34
Miscellaneous	30	26	(4)
Total revenues	1,429	1,868	439
<b>Expenditures</b>			
Current:			
Culture and recreation	1,474	1,234	240
Total expenditures	1,474	1,234	240
Excess (deficiency) of revenues over expenditures	(45)	634	679
<b>Other financing sources (uses):</b>			
Transfers out	(55)	-	55
Proceeds from capital leases	-	45	45
Total other financing sources (uses)	(55)	45	100
Net change in fund balances	(100)	679	779
Fund balances, July 1, 2007	100	701	601
Fund balances, June 30, 2008	\$ -	\$ 1,380	\$ 1,380

**PINAL COUNTY**  
**Special Revenue Funds - Lighting Special Districts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>LIGHTING SPECIAL DISTRICTS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 12	\$ 13	\$ 1
Total revenues	<u>12</u>	<u>13</u>	<u>1</u>
<b>Expenditures</b>			
Current:			
Highway and streets	12	15	(3)
Total expenditures	<u>12</u>	<u>15</u>	<u>(3)</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Net change in fund balance	-	(2)	(2)
Fund balances, July 1, 2007	-	3	3
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**PINAL COUNTY**  
**Special Revenue Funds - Miscellaneous Fees**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>MISCELLANEOUS FEES</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 2,130	\$ 1,068	\$ (1,062)
Investment earnings	-	21	21
Total revenues	<u>2,130</u>	<u>1,089</u>	<u>(1,041)</u>
<b>Expenditures</b>			
Current:			
General government	<u>2,060</u>	<u>604</u>	<u>1,456</u>
Total expenditures	<u>2,060</u>	<u>604</u>	<u>1,456</u>
Excess of revenues over expenditures	<u>70</u>	<u>485</u>	<u>415</u>
<b>Other financing sources (uses):</b>			
Transfers out	(650)	(422)	228
Proceeds from capital leases	-	92	92
Total other financing uses	<u>(650)</u>	<u>(330)</u>	<u>320</u>
Net change in fund balances	(580)	155	735
Fund balances, July 1, 2007	580	1,091	511
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 1,246</u>	<u>\$ 1,246</u>

**PINAL COUNTY**  
**Special Revenue Funds - Desert Vista Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>DESERT VISTA SANITATION DISTRICT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 32	\$ 29	\$ (3)
Investment earnings	-	2	2
Total revenues	<u>32</u>	<u>31</u>	<u>(1)</u>
<b>Expenditures</b>			
Current:			
Sanitation	<u>132</u>	<u>10</u>	<u>122</u>
Total expenditures	<u>132</u>	<u>10</u>	<u>122</u>
Excess (deficiency) of revenues over expenditures	<u>(100)</u>	<u>21</u>	<u>121</u>
<b>Other financing sources:</b>			
Sale of capital assets	<u>100</u>	<u>-</u>	<u>(100)</u>
Total other financing sources	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	-	21	21
Fund balances, July 1, 2007	<u>-</u>	<u>28</u>	<u>28</u>
Fund balances, June 30, 2008	<u><u>\$ -</u></u>	<u><u>\$ 49</u></u>	<u><u>\$ 49</u></u>

**PINAL COUNTY**  
**Special Revenue Funds - Public Health Services District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b><u>PUBLIC HEALTH SERVICES DISTRICT</u></b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 4,305	\$ 2,585	\$ (1,720)
Intergovernmental	4,599	4,045	(554)
Charges for services	143	151	8
Investment earnings	1	23	22
Contributions	117	129	12
Total revenues	<u>9,165</u>	<u>6,933</u>	<u>(2,232)</u>
<b>Expenditures</b>			
Current:			
Health	<u>10,208</u>	<u>6,874</u>	<u>3,334</u>
Total expenditures	<u>10,208</u>	<u>6,874</u>	<u>3,334</u>
Excess (deficiency) of revenues over expenditures	<u>(1,043)</u>	<u>59</u>	<u>1,102</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,207	1,209	2
Transfers out	<u>(227)</u>	<u>(183)</u>	<u>44</u>
Total other financing sources	<u>980</u>	<u>1,026</u>	<u>46</u>
Net change in fund balances	(63)	1,085	1,148
Fund balances, July 1, 2007	63	143	80
Change in reserve for inventories	-	40	40
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 1,268</u>	<u>\$ 1,268</u>

**PINAL COUNTY**  
**Special Revenue Funds - Queen Creek**  
**Domestic Water Improvement District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>QUEEN CREEK DOMESTIC WATER IMPROVEMENT DISTRICT</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 17	\$ 16	\$ (1)
Total revenues	<u>17</u>	<u>16</u>	<u>(1)</u>
<b>Expenditures</b>			
Current:			
General Government	<u>17</u>	<u>16</u>	<u>1</u>
Total expenditures	<u>17</u>	<u>16</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balances, July 1, 2007	<u>-</u>	<u>9</u>	<u>9</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

**PINAL COUNTY**  
**Capital Projects - Public Works Special Projects**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b><u>PUBLIC WORKS SPECIAL PROJECTS</u></b>	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 2	2
Total revenues	<u>-</u>	<u>2</u>	<u>2</u>
<b>Expenditures</b>			
Capital outlay	<u>10</u>	<u>10</u>	<u>-</u>
Total expenditures	<u>10</u>	<u>10</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>(10)</u>	<u>(8)</u>	<u>2</u>
Net change in fund balances	(10)	(8)	2
Fund balances, July 1, 2007	<u>10</u>	<u>51</u>	<u>41</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</u>

**PINAL COUNTY**  
**Capital Projects Miscellaneous**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>CAPITAL PROJECTS MISCELLANEOUS</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 87	\$ 19	\$ (68)
Contributions	5	7	2
Miscellaneous	-	82	82
Total revenues	<u>92</u>	<u>108</u>	<u>16</u>
<b>Expenditures</b>			
Capital outlay	<u>23,281</u>	<u>1,472</u>	<u>21,809</u>
Total expenditures	<u>23,281</u>	<u>1,472</u>	<u>21,809</u>
Deficiency of revenues over expenditures	<u>(23,189)</u>	<u>(1,364)</u>	<u>21,825</u>
<b>Other financing sources (uses):</b>			
Transfers in	2,147	1,811	(336)
Transfers out	(36)	(37)	(1)
Proceeds from capital leases	-	39	39
Proceeds from COPS	20,000	-	(20,000)
Total other financing sources	<u>22,111</u>	<u>1,813</u>	<u>(20,298)</u>
Net change in fund balances	(1,078)	449	1,527
Fund balances, July 1, 2007	<u>1,078</u>	<u>1,330</u>	<u>252</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 1,779</u>	<u>\$ 1,779</u>

**PINAL COUNTY**  
**Capital Projects - Adult/Juvenile Detention Construction Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>ADULT/JUVENILE DETENTION CONSTRUCTION FUND</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Investment earnings	\$ -	\$ 145	\$ 145
Total revenues	-	145	145
<b>Expenditures</b>			
Current:			
Capital outlay	1,500	658	842
Total expenditures	1,500	658	842
Deficiency of revenues over expenditures	(1,500)	(513)	987
<b>Other financing uses:</b>			
Transfers out	-	(176)	(176)
Total other financing uses	-	(176)	(176)
Net change in fund balances	(1,500)	(689)	811
Fund balances, July 1, 2007	1,500	789	(711)
Fund balances, June 30, 2008	\$ -	\$ 100	\$ 100

**PINAL COUNTY**  
**Capital Projects - Public Works Gantzel Road Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b><u>PUBLIC WORKS GANTZEL ROAD FUND</u></b>	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Charges for services	\$ -	\$ 315	315
Investment earnings	-	921	\$ 921
Contributions	-	1,735	1,735
Miscellaneous	-	3,818	3,818
Total revenues	<u>-</u>	<u>6,789</u>	<u>6,789</u>
<b>Expenditures</b>			
Capital outlay	<u>37,951</u>	<u>17,234</u>	<u>20,717</u>
Total expenditures	<u>37,951</u>	<u>17,234</u>	<u>20,717</u>
Deficiency of revenues over expenditures	<u>(37,951)</u>	<u>(10,445)</u>	<u>27,506</u>
<b>Other financing uses:</b>			
Transfers out	<u>(5,049)</u>	<u>(4,955)</u>	<u>94</u>
Total other financing uses	<u>(5,049)</u>	<u>(4,955)</u>	<u>94</u>
Net change in fund balances	(43,000)	(15,400)	27,600
Fund balances, July 1, 2007	<u>43,000</u>	<u>23,593</u>	<u>(19,407)</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 8,193</u>	<u>\$ 8,193</u>

**PINAL COUNTY**  
**Debt Service**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>DEBT SERVICE</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Investment earnings	\$ -	\$ 247	\$ 247
Total revenues	<u>-</u>	<u>247</u>	<u>247</u>
<b>Expenditures</b>			
Debt Service			
Principal retirement	6,898	6,898	-
Interest	7,522	7,486	36
Miscellaneous	-	10	(10)
Total expenditures	<u>14,420</u>	<u>14,394</u>	<u>26</u>
Deficiency of revenues over expenditures	<u>(14,420)</u>	<u>(14,147)</u>	<u>273</u>
<b>Other financing sources:</b>			
Transfers in	<u>14,420</u>	<u>14,052</u>	<u>(368)</u>
Total other financing sources	<u>14,420</u>	<u>14,052</u>	<u>(368)</u>
Net change in fund balances	-	(95)	(95)
Fund balances, July 1, 2007	<u>-</u>	<u>5,084</u>	<u>5,084</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 4,989</u>	<u>\$ 4,989</u>

**PINAL COUNTY**  
**Maricopa Rd Debt Service**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

<b>MARICOPA RD DEBT SERVICE</b>	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes	\$ 527	\$ 42	\$ (485)
Investment earnings	-	16	16
Total revenues	<u>527</u>	<u>58</u>	<u>(469)</u>
<b>Expenditures</b>			
Debt Service			
Principal retirement	474	-	474
Interest	53	-	53
Miscellaneous	-	1	(1)
Total expenditures	<u>527</u>	<u>1</u>	<u>526</u>
Excess of revenues over expenditures	<u>-</u>	<u>57</u>	<u>57</u>
Net change in fund balances	-	57	57
Fund balances, July 1, 2007	<u>-</u>	<u>105</u>	<u>105</u>
Fund balances, June 30, 2008	<u>\$ -</u>	<u>\$ 162</u>	<u>\$ 162</u>

**PINAL COUNTY**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2008**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 804	\$ 319	\$ 16	\$ 379	\$ 1,518
Receivables (net):					
Accounts	17	1	2	2	22
Inventories	-	25	1	-	26
Total current assets	<u>821</u>	<u>345</u>	<u>19</u>	<u>381</u>	<u>1,566</u>
Noncurrent assets:					
Restricted cash and cash equivalents	-	80	-	-	80
Capital assets:					
Buildings and improvements	-	-	376	-	376
Machinery and equipment	81	143	157	14	395
Less accumulated depreciation	(59)	(97)	(510)	(2)	(668)
Total noncurrent assets	<u>22</u>	<u>126</u>	<u>23</u>	<u>12</u>	<u>183</u>
Total assets	<u>\$ 843</u>	<u>\$ 471</u>	<u>\$ 42</u>	<u>\$ 393</u>	<u>\$ 1,749</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	\$ 2	\$ 35	\$ 14	\$ 17	\$ 68
Accrued payroll and employee benefits	7	190	13	-	210
Due to other funds	-	122	195	-	317
Deposits held for others	44	-	-	-	44
Total current liabilities	<u>53</u>	<u>347</u>	<u>222</u>	<u>17</u>	<u>639</u>
Noncurrent liabilities:					
Compensated absences	30	106	28	-	164
Obligations under capital leases	6	164	1	-	171
Total noncurrent liabilities	<u>36</u>	<u>270</u>	<u>29</u>	<u>-</u>	<u>335</u>
Total liabilities	<u>89</u>	<u>617</u>	<u>251</u>	<u>17</u>	<u>974</u>
<b>Net Assets</b>					
Invested in capital assets	22	46	23	12	103
Restricted for health	-	80	-	-	80
Unrestricted (deficit)	732	(272)	(232)	364	592
Total net assets	<u>\$ 754</u>	<u>\$ (146)</u>	<u>\$ (209)</u>	<u>\$ 376</u>	<u>\$ 775</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
<b>Operating revenues</b>					
Charges for services	\$ -	\$ 4,039	\$ 402	\$ 97	\$ 4,538
Miscellaneous	517	-	-	-	517
Total operating revenues	517	4,039	402	97	5,055
<b>Operating expenses</b>					
Long-term health care					
Personal services	168	4,138	446	5	4,757
Supplies	60	115	83	116	374
Depreciation	11	21	20	1	53
Insurance	-	49	-	-	49
Repairs and maintenance	43	12	11	3	69
Communication	16	6	9	3	34
Professional services	4	149	110	24	287
Public utility service	-	11	101	-	112
Miscellaneous	9	77	112	1	199
Total operating expenditures	311	4,578	892	153	5,934
Operating income (loss)	206	(539)	(490)	(56)	(879)
<b>Nonoperating revenues</b>					
Intergovernmental	-	-	85	6	91
Investment earnings	29	17	-	22	68
Total nonoperating revenues	29	17	85	28	159
Net income (loss) before contributions and transfers	235	(522)	(405)	(28)	(720)
Transfers in	-	-	195	-	195
Transfers out	-	(10)	-	-	(10)
Changes in fund net assets	235	(532)	(210)	(28)	(535)
Net assets, July 1, 2007	519	386	1	404	1,310
Net assets, June 30, 2008	\$ 754	\$ (146)	\$ (209)	\$ 376	\$ 775

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair- gounds	Adult Day Care	Total
<b>Cash flows from operating activities</b>					
Receipts from customers	\$ 500	\$ 4,039	\$ 400	\$ 95	\$ 5,034
Other receipts from operations	-	-	-	1	1
Payments to suppliers	(130)	(245)	(412)	(132)	(919)
Payments to employees	(162)	(4,041)	(464)	(6)	(4,673)
Net cash provided by (used for) operating activities	<u>208</u>	<u>(247)</u>	<u>(476)</u>	<u>(42)</u>	<u>(557)</u>
<b>Cash flows from noncapital financing activities</b>					
Receipts from federal and local agencies	-	-	85	6	91
Cash transfers from other funds	-	-	195	-	195
Cash transfers to other funds	-	(10)	-	-	(10)
Advances from other funds	-	122	195	-	317
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>112</u>	<u>475</u>	<u>6</u>	<u>593</u>
<b>Cash flows from capital and related financing activities</b>					
Purchases of capital assets	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>(12)</u>	<u>(16)</u>
Net cash used for capital and related financing activities	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>(12)</u>	<u>(16)</u>
<b>Cash flows from investing activities</b>					
Investment earnings received	<u>29</u>	<u>17</u>	<u>-</u>	<u>22</u>	<u>68</u>
Net cash provided by investing activities	<u>29</u>	<u>17</u>	<u>-</u>	<u>22</u>	<u>68</u>
Net increase (decrease) in cash and cash equivalents	236	(118)	(4)	(26)	88
Cash and cash equivalents, July 1, 2007	<u>568</u>	<u>517</u>	<u>20</u>	<u>405</u>	<u>1,510</u>
Cash and cash equivalents, June 30, 2008	<u>\$ 804</u>	<u>\$ 399</u>	<u>\$ 16</u>	<u>\$ 379</u>	<u>\$ 1,598</u>

(Continued)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2008**  
(Concluded)  
(Amounts expressed in thousands)

	<u>Sheriff Inmate Services</u>	<u>Home Health</u>	<u>Fair- gounds</u>	<u>Adult Day Care</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 206	\$ (539)	\$ (490)	\$ (56)	\$ (879)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	11	21	20	1	53
Changes in assets and liabilities:					
Decrease (increase) in assets:					
Accounts receivable	(17)	-	(2)	(2)	(21)
Due from other funds	-	-	-	1	1
Inventories	-	2	11	-	13
Increase (decrease) in liabilities:					
Accounts payable	(4)	8	2	15	21
Accrued payroll and employee benefits	1	55	(4)	(1)	51
Compensated absences	5	42	(14)	-	33
Obligations under capital leases	6	164	1	-	171
Total adjustments	<u>2</u>	<u>292</u>	<u>14</u>	<u>14</u>	<u>322</u>
Net cash provided by (used for) operating activities	<u>\$ 208</u>	<u>\$ (247)</u>	<u>\$ (476)</u>	<u>\$ (42)</u>	<u>\$ (557)</u>

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Assets**  
**Investment Trust Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 221,452	\$ 2,413	\$ 223,865
Interest receivable	1,046	1	1,047
Total assets	222,498	2,414	224,912
<b>Liabilities</b>			
Due to other governments	-	-	-
Total liabilities	-	-	-
<b>Net Assets</b>			
Held in trust for investment participants	\$ 222,498	\$ 2,414	\$ 224,912

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**June 30, 2008**

(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,402	\$ 3,220	\$ 4,622
<b>Liabilities</b>			
Deposits held for others	\$ 1,402	\$ 3,220	\$ 4,622

**PINAL COUNTY**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Investment Trust Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
<b>Additions</b>			
Contributions by participants	\$ 692,355	\$ -	\$ 692,355
Investment earnings	18,568	77	18,645
Total additions	<u>710,923</u>	<u>77</u>	<u>711,000</u>
<b>Deductions</b>			
Distributions to participants	702,008	-	702,008
Total distributions	<u>702,008</u>	<u>-</u>	<u>702,008</u>
Change in net assets	8,915	77	8,992
Net assets, July 1, 2007	213,583	2,337	215,920
Net assets, June 30, 2008	<u>\$ 222,498</u>	<u>\$ 2,414</u>	<u>\$ 224,912</u>

**PINAL COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2008**  
(Amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Special Purpose:</b>				
Assets				
Cash and cash equivalents	\$ 1,020	\$ 1,788	\$ 1,406	\$ 1,402
Liabilities				
Deposits held for others	\$ 1,020	\$ 1,788	\$ 1,406	\$ 1,402
<b>Other Agency:</b>				
Assets				
Cash and cash equivalents	\$ 4,348	\$ 46,161	\$ 47,289	\$ 3,220
Liabilities				
Deposits held for others	\$ 4,348	\$ 46,161	\$ 47,289	\$ 3,220
<b>Total - All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 5,368	\$ 47,949	\$ 48,695	\$ 4,622
Liabilities				
Deposits held for others	\$ 5,368	\$ 47,949	\$ 48,695	\$ 4,622

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# Statistical Section



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## STATISTICAL SECTION

This part of the Pinal County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

### **Financial Trends** – Schedules on pages 139 thru 143

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

### **Revenue Capacity** – Schedules on pages 144 thru 148

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

### **Debt Capacity** – Schedules on pages 149 thru 151

Debt capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt.

Required schedule not included as Pinal County has no General Bonded Debt:

- Ratios of General Bonded Debt Outstanding

### **Demographic and Economic Information** – Schedules on pages 152 thru 153

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

### **Operating Information** – Schedule on page 154

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

Required schedules not included as Pinal County does not track the information required for these schedules at this time:

- Operating Indicators by Function/Program
- Capital Assets by Function/Program

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

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**PINAL COUNTY**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
 (accrual basis of accounting)  
 (amounts expressed in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>							
Invested in capital assets, net of related debt	\$ 232,081	\$ 207,480	\$ 180,340	\$ 44,832	\$ 41,578	\$ 33,615	\$ 25,732
Restricted	106,422	102,515	67,584	39,872	28,679	20,917	18,547
Unrestricted	33,673	38,378	36,054	31,359	20,408	6,195	3,922
Total governmental activities net assets	\$ 372,176	\$ 348,373	\$ 283,978	\$ 116,063	\$ 90,665	\$ 60,727	\$ 48,201
<b>Business-type Activities</b>							
Invested in capital assets, net of related debt	\$ 2,538	\$ 2,787	\$ 2,379	\$ 949	\$ 442	\$ 93	\$ 81
Restricted	2,836	2,576	255	1,651	2,150	2,208	1,912
Unrestricted	2,973	1,263	1,196	965	1,579	1,262	984
Total business-type activities net assets	\$ 8,347	\$ 6,626	\$ 3,830	\$ 3,565	\$ 4,171	\$ 3,563	\$ 2,977
<b>Net Assets</b>							
Invested in capital assets, net of related debt	\$ 234,619	\$ 210,267	\$ 182,719	\$ 45,781	\$ 42,020	\$ 33,708	\$ 25,813
Restricted	109,258	105,091	67,839	41,523	30,829	23,125	20,459
Unrestricted	36,646	39,641	37,250	32,324	21,987	7,457	4,906
Total net assets	\$ 380,523	\$ 354,999	\$ 287,808	\$ 119,628	\$ 94,836	\$ 64,290	\$ 51,178

**PINAL COUNTY**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**

(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>							
Governmental activities							
General government	\$ 77,216	\$ 54,818	\$ 56,542	\$ 48,091	\$ 44,020	\$ 36,822	\$ 34,188
Public safety	83,808	73,643	60,481	46,396	37,958	37,732	32,487
Highways and streets	36,697	32,702	25,978	18,206	14,590	13,398	11,627
Sanitation	927	719	645	640	854	673	481
Health	30,530	27,321	24,982	22,846	20,202	19,574	19,146
Welfare	5,576	5,064	4,670	5,207	4,836	4,880	4,413
Culture and recreation	1,354	881	860	714	613	552	576
Education	10,371	10,861	8,379	7,571	7,235	6,327	6,395
Interest on long-term debt	7,622	8,738	5,134	141	183	221	253
Total governmental activities expenses	254,101	214,747	187,671	149,812	130,491	120,179	109,566
Business-type activities							
Long Term Care	53,090	45,116	45,629	40,597	35,611	32,570	26,466
Sheriff Inmate Services	311	214	182	176	151	130	83
Home Health	4,578	4,177	4,438	3,920	3,565	2,961	2,772
Fairgrounds	892	737	692	651	586	556	514
Adult Day Care	153	32	37	28	29	-	-
Total business-type activities	59,024	50,276	50,978	45,372	39,942	36,217	29,835
Total primary government expenses	\$ 313,125	\$ 265,023	\$ 238,649	\$ 195,184	\$ 170,433	\$ 156,396	\$ 139,401

**Program Revenues**

Governmental activities							
Charges for services:							
General government	\$ 8,898	\$ 12,723	\$ 17,708	\$ 16,125	\$ 12,109	\$ 8,066	\$ 3,003
Public Safety	21,401	14,318	9,846	9,481	7,115	7,783	7,834
Other activities	14,507	12,249	6,833	5,493	5,151	3,505	1,280
Operating grants and contributions	36,359	37,422	34,611	39,071	40,233	36,668	21,833
Capital grants and contributions	40,345	79,158	35,146	10,763	6,143	1,265	14,597
Total governmental activities program revenues	121,510	155,870	104,144	80,933	70,751	57,287	48,547

(continued)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Business-type activities							
Charges for Services							
Long Term Care	55,389	48,201	43,875	40,174	36,576	33,347	25,885
Home Health	4,039	3,992	4,482	3,980	3,634	3,148	3,009
Other activities	499	595	530	457	446	302	259
Operating grants and contributions	91	40	39	38	40	33	33
Capital grants and contributions	-	-	17	-	-	-	-
Total business-type activities program revenues	60,018	52,828	48,943	44,649	40,696	36,830	29,186
Total primary government program revenues	\$ 181,528	\$ 208,698	\$ 153,087	\$ 125,582	\$ 111,447	\$ 94,117	\$ 77,733
Net (expense)/revenue	\$ (132,591)	\$ (58,877)	\$ (83,527)	\$ (68,879)	\$ (59,740)	\$ (62,892)	\$ (61,019)
Governmental activities	994	2,552	(2,035)	(723)	754	613	(649)
Business-type activities	\$ (131,597)	\$ (56,325)	\$ (85,562)	\$ (69,602)	\$ (58,986)	\$ (62,279)	\$ (61,668)
Total primary government net expenses							
<b>General Revenues and Other Changes in Net Assets</b>							
Government Activities							
Taxes:							
Property taxes	\$ 84,915	\$ 69,978	\$ 61,354	\$ 68,386	\$ 65,725	\$ 52,533	\$ 48,321
General county sales tax	17,222	18,545	17,540	12,316	-	-	-
Share of State sales taxes	24,012	25,114	21,868	17,266	15,014	13,374	12,459
Road improvement tax	6,308	6,713	7,260	-	-	-	-
Other taxes	15,698	13,228	10,439	-	-	5,368	4,609
Investment earnings:							
Interest on investments	6,584	6,931	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	-	-	(908)	-
Miscellaneous	1,307	2,090	989	699	1,579	3,747	7,199
Transfers	348	379	(1,660)	276	423	295	413
Total governmental activities	156,394	142,978	122,401	100,614	83,234	75,418	74,268
Business-type activities:							
Investment earnings:							
Interest on investments	514	260	192	124	72	91	128
Miscellaneous	561	363	448	269	205	177	243
Transfers	(348)	(379)	1,660	(276)	(423)	(295)	(413)
Total business-type activities	727	244	2,300	117	(146)	(27)	(42)
Total primary government	\$ 157,121	\$ 143,222	\$ 124,701	\$ 100,731	\$ 83,088	\$ 75,391	\$ 74,226
<b>Change in Net Assets</b>							
Governmental Activities	\$ 23,803	\$ 84,101	\$ 38,874	\$ 31,735	\$ 23,494	\$ 12,526	\$ 13,249
Business-type Activities	1,721	2,796	265	(606)	608	586	(691)
Total Primary Government	\$ 25,524	\$ 86,897	\$ 39,139	\$ 31,129	\$ 24,102	\$ 13,112	\$ 12,558

**PINAL COUNTY**  
**Fund Balances of Governmental Funds**  
**Last Seven Fiscal Years**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
General Fund							
Reserved	\$ 952	\$ 519	\$ 482	\$ 6,866	\$ 1,688	\$ 1,613	\$ 1,601
Unreserved	41,533	46,078	45,614	31,755	25,618	13,301	11,312
Total general fund	<u>\$ 42,485</u>	<u>\$ 46,597</u>	<u>\$ 46,096</u>	<u>\$ 38,621</u>	<u>\$ 27,306</u>	<u>\$ 14,914</u>	<u>\$ 12,913</u>
All Other Governmental Funds							
Reserved	\$ 455	\$ 359	\$ 379	\$ 509	\$ 2,110	\$ 13,152	\$ 29,839
Unreserved, reported in:							
Special revenue funds	80,187	63,979	43,192	37,617	28,143	20,377	17,417
Capital projects funds	9,973	25,981	65,853	48,224	60	60	124
Debt service funds	5,151	5,189	8,640	-	-	-	-
Total all other governmental funds	<u>\$ 95,766</u>	<u>\$ 95,508</u>	<u>\$ 118,064</u>	<u>\$ 86,350</u>	<u>\$ 30,313</u>	<u>\$ 33,589</u>	<u>\$ 47,380</u>

Note: The All Other Governmental Funds: Unreserved totals have been restated for 2002.

**PINAL COUNTY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Seven Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>							
Taxes	\$ 109,442	\$ 95,048	\$ 85,688	\$ 70,407	\$ 62,057	\$ 53,217	\$ 45,983
Licenses and permits	5,796	9,000	12,094	12,769	9,629	6,313	4,139
Intergovernmental	92,114	92,324	82,964	67,226	60,807	55,536	52,491
Charges for services	35,285	26,718	19,370	14,637	12,350	10,400	9,889
Fines and forfeits	3,464	4,905	2,586	3,032	2,396	2,641	2,228
Investment earnings	6,584	6,931	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	-	-	(908)	-
Contributions	2,608	8,041	10,846	9,571	4,863	-	-
Rentals	791	750	740	661	-	-	-
Miscellaneous	5,048	1,921	787	699	1,579	3,747	3,060
<b>Total revenues</b>	<b>261,132</b>	<b>245,638</b>	<b>219,686</b>	<b>180,673</b>	<b>154,174</b>	<b>131,955</b>	<b>119,057</b>
<b>Expenditures</b>							
Current:							
General government	72,961	59,789	48,842	55,602	46,973	39,187	32,064
Public safety	82,323	71,114	57,111	43,783	37,297	37,071	32,449
Highways and streets	36,259	30,721	27,712	27,677	24,661	18,246	16,125
Sanitation	901	680	583	568	887	805	495
Health	30,472	27,299	24,606	23,180	20,228	19,477	18,558
Welfare	5,960	5,027	4,636	5,192	4,898	4,877	4,400
Culture and recreation	1,397	879	823	825	600	547	526
Education	10,371	10,861	8,379	7,571	7,235	6,324	6,391
Capital outlay	19,760	49,181	62,471	22,422	11,254	16,472	3,576
Debt service:							
Principal retirement	7,620	6,131	5,890	1,075	1,040	1,000	835
Interest and fiscal charges	7,633	8,352	5,134	141	183	221	253
Cost of issuance	86	-	-	-	-	-	-
Other	11	13	1,316	-	-	-	-
<b>Total expenditures</b>	<b>275,754</b>	<b>270,047</b>	<b>247,503</b>	<b>188,036</b>	<b>155,256</b>	<b>144,227</b>	<b>115,672</b>
Excess (deficiency) of revenues over expenditures	(14,622)	(24,409)	(27,817)	(7,363)	(1,082)	(12,272)	3,385
<b>Other financing sources (uses):</b>							
Transfers in	20,519	22,698	25,337	6,531	6,470	5,886	6,801
Transfers out	(20,171)	(22,315)	(25,519)	(6,255)	(6,047)	(5,591)	(6,388)
Proceeds from sale of capital assets	357	303	321	522	458	187	217
Capital lease agreements	6,109	1,668	1,096	980	2,873	-	308
Loan proceeds	3,695	-	-	-	-	-	-
Insurance reimbursement	98	-	-	-	-	-	-
Premium in new debt issued	135	-	-	-	-	-	-
Loan issued	-	-	64,886	73,163	-	-	30,800
<b>Total other financing sources (uses)</b>	<b>10,742</b>	<b>2,354</b>	<b>66,121</b>	<b>74,941</b>	<b>3,754</b>	<b>482</b>	<b>31,738</b>
<b>Net change in fund balances</b>	<b>\$ (3,880)</b>	<b>\$ (22,055)</b>	<b>\$ 38,304</b>	<b>\$ 67,578</b>	<b>\$ 2,672</b>	<b>\$ (11,790)</b>	<b>\$ 35,123</b>
Debt Service as a percentage of noncapital expenditures	6.4%	7.4%	7.1%	0.7%	0.9%	1.0%	1.0%

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

Fiscal Year	Type	Net Assessed Value	Estimated Actual Value	Percent of Net Assessed Value to Estimated Actual Value
1998/99	Primary	587,976	4,461,518	13.2%
	Secondary	587,977	4,461,518	13.2%
1999/00	Primary	617,983	4,966,595	12.4%
	Secondary	637,059	4,966,595	12.8%
2000/01	Primary	651,803	5,201,945	12.5%
	Secondary	681,536	5,433,532	12.5%
2001/02	Primary	701,712	5,569,699	12.6%
	Secondary	738,563	5,855,392	12.6%
2002/03	Primary	816,902	6,502,309	12.6%
	Secondary	863,865	6,916,354	12.5%
2003/04	Primary	951,824	7,674,857	12.4%
	Secondary	1,021,719	7,674,857	13.3%
2004/05	Primary	1,061,159	8,633,604	12.3%
	Secondary	1,130,024	9,137,421	12.4%
2005/06	Primary	1,212,971	10,125,096	12.0%
	Secondary	1,277,269	10,600,989	12.0%
2006/07	Primary	1,472,160	12,523,363	11.8%
	Secondary	1,547,005	13,075,849	11.8%
2007/08	Primary	1,908,802	16,552,287	11.5%
	Secondary	2,334,827	20,071,892	11.6%

Source: County assessment records

**PINAL COUNTY**  
**TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY**  
**Last Ten Tax Years**

(\$ amounts expressed in thousands)

Tax Year	Commercial Property	Residential Property	Vacant/Ag Land	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
1998	273,475	213,521	93,166	7,814	587,976	4.5414%	4,461,518	13.18%
1999	259,006	246,466	103,683	8,828	617,983	4.8392%	4,966,595	12.44%
2000	245,139	291,483	109,621	5,560	651,803	4.8424%	5,201,945	12.53%
2001	260,990	315,201	122,255	3,266	701,712	4.8433%	5,569,699	12.60%
2002	272,409	406,616	133,068	4,809	816,902	4.8386%	6,502,309	12.56%
2003	311,126	482,277	153,496	4,925	951,824	4.8287%	7,674,857	12.40%
2004	326,002	559,659	172,334	3,164	1,061,159	4.8295%	8,633,604	12.29%
2005	340,847	672,221	196,997	2,906	1,212,971	4.8188%	10,125,096	11.98%
2006	367,878	872,284	225,673	6,324	1,472,159	4.6900%	12,523,364	11.76%
2007	406,589	1,186,738	308,491	6,984	1,908,802	4.4036%	16,552,287	11.53%

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

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

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

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>County Primary Rate</b>	<b>Library</b>	<b>Flood</b>	<b>Fire</b>	<b>O'Brien School</b>	<b>Total</b>
1998/99	587,976	4.1416	0.0570	0.0900	0.0968	0.1560	4.5414
1999/00	617,983	4.4532	0.0570	0.0900	0.0948	0.1442	4.8392
2000/01	651,803	4.4532	0.0570	0.0900	0.0980	0.1442	4.8424
2001/02	701,712	4.4532	0.0570	0.0900	0.1000	0.1431	4.8433
2002/03	816,902	4.4532	0.0570	0.0900	0.0953	0.1431	4.8386
2003/04	951,824	4.4532	0.0570	0.0900	0.0854	0.1431	4.8287
2004/05	1,061,159	4.4532	0.0570	0.0900	0.0862	0.1431	4.8295
2005/06	1,212,971	4.4532	0.0570	0.0900	0.0855	0.1331	4.8188
2006/07	1,472,159	4.3035	0.0570	0.1100	0.0864	0.1331	4.6900
2007/08	1,908,802	4.0183	0.0770	0.1300	0.0522	0.1261	4.4036

Source: County Tax Records

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

<b>Taxpayer</b>	<b>2008</b>			<b>1999</b>		
	<b>Primary Assessed Value</b>	<b>Rank</b>	<b>Percent of Total Value</b>	<b>Primary Assessed Value</b>	<b>Rank</b>	<b>Percent of Total Value</b>
Arizona Public Service Company	\$ 78,778	1	4.13%	\$ 39,806	1	6.77%
ASARCO Inc. (Grupo Mexico)	19,826	2	1.04%	31,792	3	5.41%
Qwest Corporation	19,007	3	1.00%	-	-	-
EI Paso Natural Gas Co.	14,880	4	0.78%	7,371	6	1.25%
CCA Properties of Arizona LLC	14,825	5	0.78%	6,102	9	1.04%
SFPP LP dba Kinder Morgan Energy	12,590	6	0.66%	-	-	-
Southwest Gas Corp. (T&D)	11,047	7	0.58%	6,263	7	1.07%
Wal-Mart Stores East, LP	7,365	8	0.39%	-	-	-
Pulte Home Corporation	6,115	9	0.32%	-	-	-
Wal-Mart Stores Inc	6,002	10	0.31%	-	-	-
BHP Cooper Inc. / San Manuel Division	-	-	-	39,780	2	6.77%
US West Communications Inc	-	-	-	13,394	5	2.28%
X	-	-	-	6,103	8	1.04%
Arizona Water	-	-	-	4,761	10	0.81%
BHP Copper Inc / (Environmental Facility)	-	-	-	22,620	4	3.85%
<b>Total</b>	<b>\$ 190,435</b>		<b>9.99%</b>	<b>\$ 177,992</b>		<b>30.29%</b>
<b>Total Assessed Value</b>	<b>\$ 1,908,802</b>			<b>\$ 587,977</b>		

Source: County Treasurer Tax Records

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	25,778	22,568	87.55%	1,054	23,622	91.64%
2000	29,432	24,620	83.65%	1,293	25,913	88.04%
2001	30,365	26,255	86.46%	1,583	27,838	91.68%
2002	32,214	29,223	90.72%	1,499	30,722	95.37%
2003	38,659	32,805	84.86%	1,377	34,182	88.42%
2004	43,845	39,052	89.07%	1,146	40,198	91.68%
2005	49,894	44,200	88.59%	1,284	45,484	91.16%
2006	56,915	50,854	89.35%	1,802	52,656	92.52%
2007	66,916	59,670	89.17%	2,315	61,985	92.63%
2008	81,141	73,935	91.12%	-	73,935	91.12%

Source: County financial records

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

(amounts expressed in thousands, except per capital amount)

Fiscal Year	Governmental Activities				Business -Type Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Certificate of Participation	Special Assessment Bonds	Capital Leases	Loans	Capital Leases	Loans	Capital Leases	Loans			
1998/1999	13,075	7,780	1,118	-	4	-	-	21,977	.82%	133	
1999/2000	12,235	7,050	1,339	-	-	-	-	20,624	.70%	119	
2000/2001	11,215	6,240	3,285	-	11	-	-	20,751	.65%	115	
2001/2002	40,905	5,405	2,814	-	-	-	-	49,124	1.37%	263	
2002/2003	38,675	4,405	1,634	-	-	-	-	44,714	1.17%	229	
2003/2004	36,375	3,365	4,215	-	-	-	-	43,955	1.07%	215	
2004/2005	105,590	2,290	4,332	-	-	-	-	112,212	2.49%	522	
2005/2006	101,480	1,165	4,323	63,220	-	-	-	170,188	3.40%	689	
2006/2007	97,200	-	4,538	63,220	-	-	-	164,958	2.73%	550	
2007/2008	92,755	-	9,405	64,755	171	2,800	-	169,886	N/A	518	

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.  
<sup>1</sup> See the Schedule of Demographic and Economic Statistics on page 152 for personal income and population data.

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

	Fiscal Year									
	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Debt Limit	\$ 35,279	\$ 38,224	\$ 40,892	\$ 44,314	\$ 51,832	\$ 61,303	\$ 67,801	\$ 76,636	\$ 92,820	\$ 140,090
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 35,279	\$ 38,224	\$ 40,892	\$ 44,314	\$ 51,832	\$ 61,303	\$ 67,801	\$ 76,636	\$ 92,820	\$ 140,090
Total net debt applicable to the limit as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2007/2008

Assessed Value:	2,334,827
Secondary	
Debt Limit (6% of total assessed value)	140,090
Debt applicable to limit:	
General obligation bonds	-
Less: Amount available in Debt Service Fund	-
Total net debt applicable to limit	-
Legal debt margin	140,090

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

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

<b>Fiscal Year</b>	<b>Special Assessment Bonds</b>			
	<b>Special Assessment Collections</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
1998/99	1031	530	314	122.16%
1999/00	974	730	359	89.44%
2000/01	1095	810	283	100.18%
2001/02	1007	835	253	92.56%
2002/03	1139	1000	221	93.28%
2003/04	1280	1040	183	104.66%
2004/05	1192	1075	141	98.03%
2005/06	1187	1125	96	97.22%
2006/07	1197	1165	50	98.52%
2007/08	N/A	N/A	N/A	N/A

Source: County financial and tax records

**PINAL COUNTY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Income<sup>2</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
1998/99	165	\$ 2,671,347	16	5.5%
1999/00	173	2,935,332	17	4.2%
2000/01	181	3,203,163	18	5.3%
2001/02	187	3,594,050	19	7.3%
2002/03	195	3,806,125	20	7.0%
2003/04	204	4,107,473	20	5.9%
2004/05	215	4,500,589	21	5.5%
2005/06	247	5,001,332	20	5.0%
2006/07	300	6,041,934	23	4.8%
2007/08	328	N/A	N/A	4.7%

<sup>1</sup> Population and unemployment data is obtained from the Arizona Department of Commerce, Pinal County Profile.

<sup>2</sup> Personal income and per capita income data is obtained from the Arizona Department of Economic Security, Arizona Regional Economic Profile

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

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

Employer	2008			1999		
	Employees <sup>1</sup>	Rank	Percentage of Total County Employment	Employees <sup>1</sup>	Rank	Percentage of Total County Employment
State of Arizona	3,009	1	3.02%	-	-	-
Pinal County	2,719	2	2.73%	1,260	4	2.21%
Corrections Corporation of America <sup>2</sup>	2,097	3	2.11%	-	-	-
Wal-Mart	1,143	4	1.15%	-	-	-
Casa Grande Regional Hospital	875	5	0.88%	500	7	0.88%
U.S. Government	823	6	0.83%	-	-	-
Harrahs Operating Co Inc Total	750	7	0.75%	-	-	-
Casa Grande Community Hospital Total	745	8	0.75%	-	-	-
ASARCO (Grupo Mexico)	715	9	0.72%	1,400	3	2.45%
Gila River Indian Community Total	705	10	0.71%	-	-	-
BHP Copper Inc Total	-	-	-	3,000	1	5.26%
Abbot Laboratories/Ross Products	-	-	-	350	10	0.61%
Fry's Food & Drug Stores	-	-	-	1,810	2	3.17%
Various School Districts	-	-	-	1,130	5	1.98%
Hexcel	-	-	-	540	6	0.95%
Mulay Plastics, Inc	-	-	-	370	9	0.65%
Desert Valley Care Center	-	-	-	500	8	0.88%

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

Source: Central Arizona Association of Government

<sup>2</sup>Estimated number of full-time equivalent employees

Source: Human Resources Department of each CCA facility

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

Function/Program	Full-time Employees (FTEs) as of June 30					
	2008	2007	2006	2005	2004	2003 (1)
Governmental activities						
General government	419	384	333	300	279	274
Public safety	1,434	1,356	1,076	929	937	874
Highways and streets	224	219	214	170	181	182
Sanitation	8	7	8	-	-	1
Health	247	205	188	174	177	141
Welfare	45	46	44	38	44	47
Culture and recreation	9	9	9	8	8	9
Education	60	69	52	51	52	52
Total governmental activities	2,446	2,295	1,924	1,670	1,678	1,580
Business-type activities						
Long Term Care	82	79	72	66	71	55
Sheriff/Inmate Services	2	2	2	4	2	2
Home Health	178	172	249	199	212	204
Fairgrounds	6	5	7	7	7	7
Adult Day Care	5	1	-	-	-	-
Total business-type activities	273	259	330	276	292	268
<b>Total</b>	<b>2,719</b>	<b>2,554</b>	<b>2,254</b>	<b>1,946</b>	<b>1,970</b>	<b>1,848</b>

Source: County Budget Office and Mary C O'Brien Accommodation School  
 \*Numbers have been rounded up to accommodate 1/2 employees

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