



**Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2015**



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**Coconino County
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015**

COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott
District 1
Vice Chair

Elizabeth C. Archuleta
District 2

Matthew G. Ryan
District 3

Mandy Metzger
District 4
Chairperson

Lena Fowler
District 5

Cynthia Seelhammer
County Manager

Larry Dannenfeldt
Deputy County Manager

Mike Townsend
Deputy County Manager

Finance Team

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

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Coconino County
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INTRODUCTORY SECTION

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December 23, 2015

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

We are pleased to provide you the Comprehensive Annual Financial Report (CAFR) of Coconino County for the fiscal year ended June 30, 2015. The report provides additional information to the Board and citizens on the County's financial position and results of operations. Pursuant to Arizona Revised Statute (A.R.S.) 41-1279.21 the Coconino County CAFR was audited in accordance with generally accepted auditing standards for the year ended June 30, 2015 and has been issued an unmodified ("clean") opinion.

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

The Arizona Office of the Auditor General has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

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

The County's CAFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes §41-725. This report consists of management's representations concerning

the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Coconino County Profile

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

The estimated 2015 population of Coconino County is 135,695. Flagstaff is the County seat and the largest city in the County. The County is home to the Grand Canyon, four other federal recreation areas and three state parks. The County is also home to reservation land belonging to the Navajo, Hopi, Havasupai, Hualapai and Paiute tribes.

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

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

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

The Board and the County Manager use a ten-year financial plan, along with fiscal management policies, budget management policies, and strategic goals and priorities to guide the overall development and management of the budget. Annually, departments are required to provide revenue and expenditure estimates for the current fiscal year and planned operations for the following year. These estimates are used to update the ten-year financial plan. Departments submit their budgets which are evaluated using criteria and strategies adopted by the Board of Supervisors and budget recommendations are based on these evaluations. Final budget decisions are also subject to the availability of funds within the context of the ten-year financial

plans; conformance with fiscal and budget management policies; and meeting the County's strategic goals and priorities.

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

Assessing Coconino County's Economic Condition

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

Economic Outlook. As reported by the Arizona Department of Administration Employment Forecast, released in February, 2015, the Office of Employment and Population Statistics within the Arizona Department of Administration is forecasting gradual gains in non-farm employment in Arizona for the 2015-2016 time period. An over-the-year gain of 56,600 non-farm job is expected in 2015 and 63,100 in 2016, representing growth of 2.2 percent in 2015 and 2.4 percent in 2016 across the State of Arizona. The overall employment situation in Arizona continues to improve. This is consistent with improvement seen in many economic indicators including population growth. While the U.S. has recovered all the jobs shed since the prerecession peak, Arizona has recovered approximately 73.9 percent of jobs lost as of December, 2014. The recovery is expected to continue in Arizona. All eleven major sectors are expected to grow in 2015 and 2016. There are several factors supporting Arizona's economic growth, including continued improvement in real Gross Domestic Product (GDP), real personal income, employment, and retail sales. There is a continuation of private sector employment gains.

Governmental revenues are not growing at the rate of the private sector. This will challenge local governments in planning for adequate compensation levels to compete for experienced staff and to plan for implementing deferred capital needs in the areas of technology and facilities capital repair and replacement. In addition, retirement contributions have continued to grow at an accelerated rate prior to, and after the recent recession. The changes implemented over many years to the Arizona State Retirement System resulted in slowing the growth of contribution requirements and in the next few years rates may begin to decline. The area of concern that has had the largest growth of unfunded liabilities and contribution requirements is the Public Safety Personnel Retirement System (PSPRS).

Impact of State Economic Condition. Although the County's sound long-term financial planning considered and included a recessionary growth model based on prior recessions, the depth and breadth of the most recent economic downturn to both the State and local economies continues to impact County revenues. The County anticipates potential reduced and reallocated State and Federal Highways and Streets revenues, shifts in mandated State costs to counties, and further cuts to County funding for Public Safety, Courts, Health and Social Services programs. This causes continued uncertainty for Counties across the state and into the foreseeable future. The County will continue to work with the Governor, State Legislators, County Supervisors Association and the Arizona Association of Counties to find solutions to

state cost shifts to counties. In addition to these efforts, the County is actively pursuing solutions to decrease reliance on state controlled revenues and to increase locally controlled sources. Additional details are included in Management's Discussion and Analysis (MD&A) under "Economic Factors and Next Year's Budget" which can be found in the Financial section of the CAFR.

Local economy. The economy of Coconino County is based primarily on public administration, the service industry, wholesale and retail trade, and tourism. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. The list of major employers experienced a change during fiscal year 2015. The Walgreens Distribution Center, which employed 400 highly compensated people closed in April 2015. A new addition to the list is the Twin Arrows Navajo Casino and Resort which employs 700. The list of major employers include; Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, City of Flagstaff, Twin Arrows Navajo Casino and Resort, Walmart, Grand Canyon Railway, SCA Tissue, Coconino Community College, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, and Nestle-Purina.

Tourism significantly impacts the local economy. Old Route 66 runs across most of the County as well as US Interstate 40. Attractions include National Parks, National Monuments and State Parks, some of which are: the Grand Canyon, Sedona/Oak Creek Canyon, Glen Canyon National Recreation Area, Wupatki National Monument, Sunset Crater National Monument, Walnut Canyon National Monument, and Slide Rock State Park. Over 9.5 million people visited these attractions in FY15.

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year (FY) 2007. In FY15 the County continued to expand on the Strategic Budget Process begun in FY10. The goal of the process is to provide consistent delivery of essential services to its residents in times of economic growth or recession, and to identify opportunities for cost containment through prevention efforts. Keys to this process are; 1) a ten-year financial plan, 2) aligning high probability revenue types with mission critical expenditures, 3) balancing recurring expenditures with recurring revenue, 4) building prudent reserves, 5) planning the budget to include employee compensation, facilities R & R, and IT, 6) continued development of the Strategic Budgeting Process, and 7) development of new revenue sources.

The County, as a member of the Northern Arizona Public Employee Benefit Trust (NAPEBT), has successfully achieved lower than average growth in health insurance costs over the past several years. Through becoming a self-funded trust and implementing a wellness program, claims experience has stayed well below national averages.

Budget Management Policy

- The Board uses the approved County fiscal policies and strategic priorities to guide the County's budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.

- During the budget process, departments are asked to develop and evaluate a line item budget for both revenues and expenditures and present program performance measures and outcomes. Funding for all County programs is submitted to the Budget Team and County Manager, for a recommendation to the Board of Supervisors for approval of funding. Requests for increases to program funding must demonstrate the estimated return on investment, efficiency, or be clearly tied to a specific strategic priority outcome indicator, as adopted by the Board of Supervisors.
- All requested funding increases should be tied to the outcomes of the adopted Strategic Priority Areas and will be evaluated for funding based on criteria adopted by the Board of Supervisors.

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

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

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

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

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

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

Major Initiatives/Impacts

Schultz Fire and Flood

In late June 2010, the Schultz Fire burned approximately 15,000 acres on steep mountain slopes in the County. The annual monsoon season started one week later and the County began to experience catastrophic flooding in an unincorporated residential area east of Flagstaff. Significant risk to public safety and health existed with over 1,500 properties affected and by the end of FY11 over \$5 million was spent on response and mitigation efforts. Full-time staff identified and applied for funding and managed the mitigation efforts. These efforts have secured over \$20 million in Federal and State funding to date. We estimate there will be

flooding concerns for the next 10 years. The mitigation investments constructed and future projects planned will protect life and property in the area and reduce the costs of County staff to maintain and repair infrastructure in the flood area. Over \$8 million was expended in fiscal year 2015; of that amount \$2.8 million was in state and federal grants. Final mitigation projects were completed in the summer of 2015.

Slide Fire and Flood

On May 20, 2014, the Slide Fire began in Oak Creek Canyon, north of Slide Rock State Park along State Route 89A north of Sedona. The fire charred more than 21,000 acres and has created the potential for severe flooding within Oak Creek and West Fork Canyons and several smaller drainages. County Public Works Department and its partner, Natural Resources Conservation Service performed many pre-flood mitigation projects beginning as soon as the fire was extinguished. County Emergency Management and the Sheriff's Department responded to multiple flood emergency incidents in FY15.

Road Maintenance Sales Tax (Proposition 403)

Revenue reductions from HURF funds and lack of federal dollars for highway and road improvements left the Board of Supervisors with few options to address seriously deteriorating roads. County residents were involved in a Citizens Road Advisory Committee, which came out of their deliberations with a recommendation to the Board of Supervisors that a ballot measure was the best option.

Coconino County led a successful educational campaign, over a six month period, leading up to the November 2014 election to ask the voters of the county to approve Prop 403, a 3/10th of a cent sales tax dedicated to maintenance of the county road system. The voters approved the ballot measure by a good margin. The 3/10th of a cent sales tax went into effect on January 1, 2015. The tax will be in effect for 20 years.

Repair and Replacement (R&R) and Strategic Capital Planning

The County maintains a Facilities Repair and Replacement Fund for the routine maintenance of County facilities. This fund is used for carpet replacement, HVAC repairs and replacements, painting, window replacements, and many other projects. Facilities staff has a planned ten-year schedule of projects and the financial plan includes maintaining funding for a minimum of four years of projects. Four years of funding will allow the County to continue investing in our assets during the average two-year economic downturn and through a two-year recovery period. This four-year funding target was funded as part of the FY15 budget. The County also has a strategic plan for our Information Technology department that we hope to begin implementing in the near future.

Legislative Impacts

Legislation was introduced and passed at the State level, in FY14, reestablishing the County Assistance Fund which provides lottery revenues to the counties. Coconino County received additional revenue of \$550,038 in FY15. This funding is subject to loss through further legislative action. In FY15 the Legislature passed a measure which eliminated County Assistance Funding from 3 additional counties, and Coconino County is in the next level of counties which could see elimination of funding.

Legislation was passed at the State level, in FY15, which requires all counties to provide funds to support the operations of the Arizona Department of Revenue and Arizona Juvenile Corrections Department. This impact will be realized and reported in FY16.

Compensation plan

The Board of Supervisors approved a 1.5% compression adjustment in FY15, which was implemented in FY16, in addition to budgeted funding of a 2.5% merit increase for County staff. Coconino County continued innovative one-time monetary and non-monetary compensation programs, such as, the Personal Day Purchase Program (a type of voluntary furlough), as well as a Vacation Sell Back Program.

Wellness program

Coconino County, as a partner of the Northern Arizona Public Employees Benefit Trust, implemented the Wellness Incentive Program in FY13 and continued to expand and grow the program with much success in FY15. The program provides a monetary incentive to encourage employees to participate in a proactive health screening assessment and to live healthy lifestyles. The results are healthy employees that lead more fulfilling lives and a reduction in targeted catastrophic illnesses that drive health claims experience, which keep overall health care costs lower. The next major initiative for NAPEBT is to pursue an “Onsite” Clinic, which will provide more efficient health care for NAPEBT employees, reduce time away from work, provide access to primary care at reduced co-pays with extended hours and incorporates wellness and chronic disease management.

Criminal Justice Coordinating Council (CJCC)

The purpose of the CJCC is to study the criminal justice systems in the region, review opportunities to collaborate, identify areas for improvement and formulate policy, plans and programs for change to create efficiencies within our criminal justice system. Its mission is to communicate and present planning, financial, operational, managerial, and programmatic recommendations to the agencies represented on the Council. The Council is committed to providing the coordinated leadership necessary to establish cohesive public policies which are based on research, evaluation and monitoring of policy decisions and program implementations. There are currently nineteen members of the council from multiple jurisdictions within the region. The consensus of these members is required for decisions and recommendations. The direction and mission of the CJCC has been clear and the partners are motivated to make improvements to the system.

The CJCC has developed a system performance tool to identify changes to performance criteria. This helps to identify changes early in the process in order to analyze and understand what impacts occur throughout the system. In addition, the County’s Chief Health Officer was added to the Executive Committee as the impacts for those dealing with behavioral health problems are having an increasing impact on criminal justice systems in Coconino County and across the country.

Other Initiatives

Coconino County completed intergovernmental agreements with municipalities for Court Services in Tusayan and Williams. This allows the Justice of the Peace to fill the duties of Town Magistrate and leverage the investment of support staff, one-stop court services for citizens and delivery of services at reduced costs for taxpayers.

Coconino County Parks and Recreation implemented a third creative and successful public/private partnership located at Fort Tuthill County Park. The county partnered with the Flagstaff Biking Association, and won a Bell Helmet Grant in the amount of \$30,000 to build Phase I of a regional Bike Park at Fort Tuthill. The Bike Park is a totally free amenity which benefits county residents and visitors. The two existing public/private partnerships, Flagstaff Extreme Adventure Course and North Pole Experience continue to provide capital improvements in the park for the benefit of and future ownership of county residents, and through revenue sharing agreements, provide needed recurring revenues to increase funding available for maintenance needs within the park. Both of these partners increased revenue generation during FY15 with more successful promotions and additional improvements.

Other

Single Audit

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

Expenditure Limitation

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

Awards

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

In addition, Coconino County has received the GFOA’s Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2014. In order to qualify for the

award the County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

Acknowledgments

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

Respectfully submitted,

Cynthia Seelhammer
County Manager

Bonny Lynn
Chief Fiscal Officer



Government Finance Officers Association

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

Presented to

**Coconino County
Arizona**

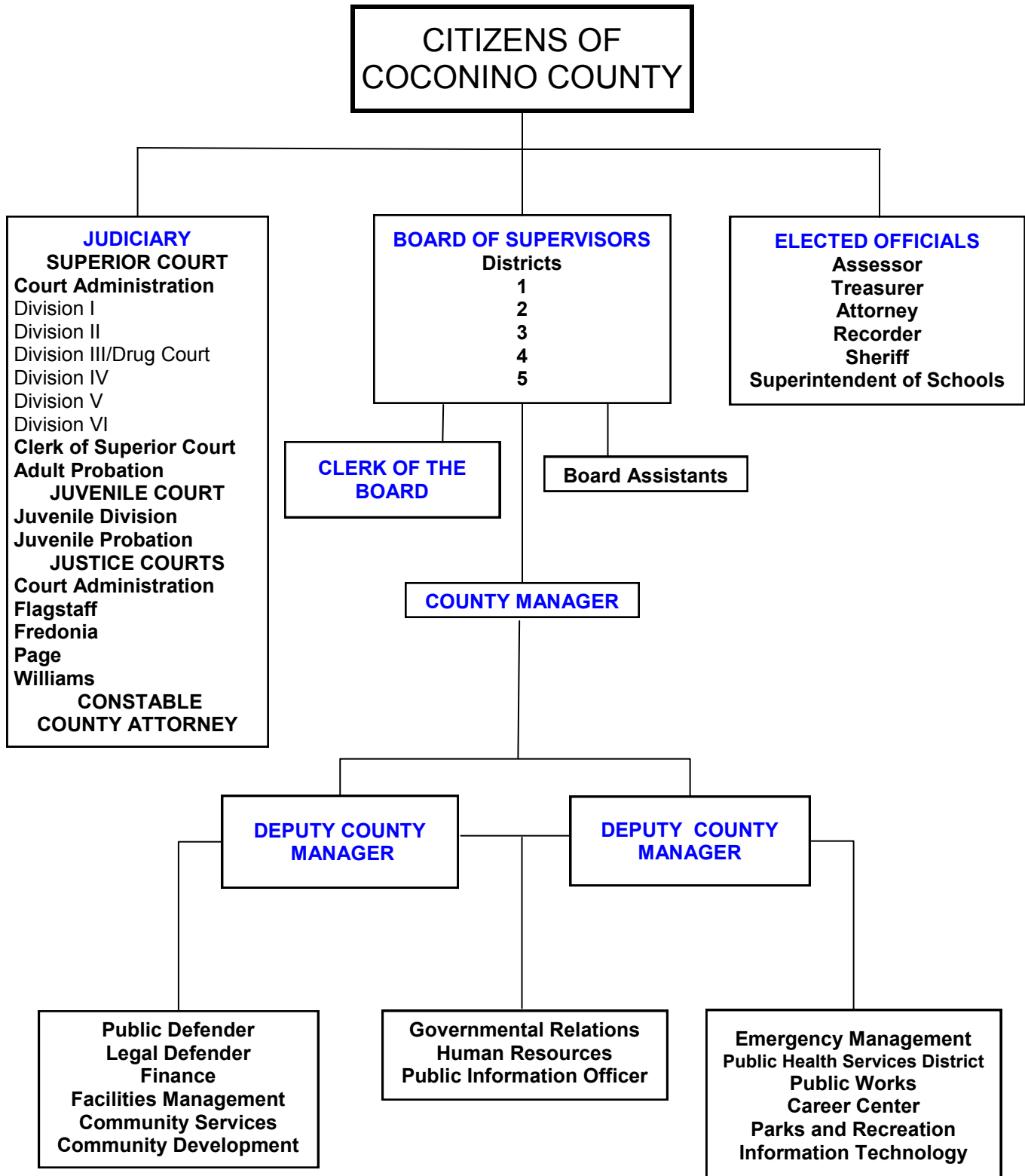
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

COCONINO COUNTY

Organizational Chart



COCONINO COUNTY

County Officials

BOARD OF SUPERVISORS

District 1	Art Babbott, Vice Chair
District 2	Elizabeth C. Archuleta
District 3	Matthew G. Ryan
District 4	Mandy Metzger, Chairperson
District 5	Lena Fowler
County Manager	Cynthia Seelhammer
Deputy County Manager	Larry Dannenfeldt
Deputy County Manager	Mike Townsend
Clerk of the Board	Wendy Escoffier

ELECTED OFFICIALS

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

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer)	Cindy Winn
Career Center	Carol Curtis
Community Development	Jay Christelman
Community Services	Janet Regner
Court Administrator	Gary Krcmarik
Facilities Management	Susan Brown
Public Health Services District	Marie Peoples
Human Resources	Allison Eckert
Finance	Bonny Lynn
Information Technology	Kristopher Estes
Juvenile Court Services	Bryon Matsuda
Legal Defender	Gary Pearlmutter
Parks and Recreation	Judy Weiss
Public Defender	Sandra Diehl
Public Works	Andrew Bertelsen
Superior Court Juvenile Court Judge/Commissioner	Margaret McCullough

FINANCIAL SECTION

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Coconino County, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2015, the County adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 22 through 35, Budgetary Comparison Schedules on pages 106 through 112, Schedule of the County's Proportionate Share of the Net Pension Liability—Cost-Sharing Pension Plans on page 113, Schedule of Changes in the County's Net Pension Liability and Related Ratios—Agent Pension Plans on pages 114 through 115, Schedule of County Pension Contributions on pages 116 through 117, and Schedule of Agent Retirement Plans' and Coconino County Postemployment Healthcare Plan's Funding Progress on page 119. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to 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, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is 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* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 23, 2015

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

Coconino County
Management's Discussion and Analysis
June 30, 2015

Management's Discussion and Analysis (MD&A) of the County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter on page 3-11 and the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2015

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$137.78 million (net position). The unrestricted net deficit in the amount of -\$86.37 million consists of positive net position in the amount of \$24.47 million that may be used to meet the government's ongoing obligations to citizens and creditors. The negative unrestricted net position in the amount of \$110.84 million is primarily the result of the County's unfunded pension and OPEB obligations.
- The decrease in the County's net position was \$95.83 million in fiscal year 2015.
- At the close of fiscal year 2015, the County's governmental funds reported combined ending fund balances of \$98.66 million, an increase of \$2.46 million.
- The General Fund reported an unassigned fund balance of \$26.13 million at the close of fiscal year 2015, a decrease of \$0.52 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Notes to the Financial Statements and Required Supplementary Information

Notes to the financial statements—The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 56-103 of this report.*

Required supplementary information—In addition to the basic statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. *Required supplementary information can be found on pages 106-120 of this report.*

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Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The Statement of Net Position presents the financial position of the County at the end of the fiscal year, including all assets and deferred outflows, all liabilities and deferred inflows. The following table summarizes the County's assets and deferred outflows, liabilities and deferred inflows, and net position on June 30, 2015 and June 30, 2014. Net Position may serve over time as a useful indicator of a County's financial position.

	Governmental Activities (in millions)	
	2015	2014
Current and other assets	\$115.76	\$106.56
Capital assets	150.22	145.93
Total assets	265.98	252.49
Deferred outflows of resources	19.68	
Current liabilities	12.43	7.47
Long-term liabilities outstanding	123.05	11.41
Total liabilities	135.48	18.88
Deferred inflows of resources	12.40	
Net position:		
Net investment in capital assets	149.87	145.48
Restricted	74.28	69.54
Unrestricted	(86.37)	18.59
Total net position	\$137.78	\$233.61

The implementation of GASB 68, which included a restatement of net position, also significantly contributed to an increase of \$19.68 million in total deferred outflows of resources, an increase of \$12.40 million in total deferred inflows of resources, an increase of \$110.84 million in net pension liability, and a decrease of \$104.96 million in unrestricted net position.

Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the County's net position that are applicable to a future reporting period. In fiscal year 2015 the County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*; an amendment of GASB Statement No. 27, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; an amendment of GASB Statement No. 68. Due to the implementation of the above mentioned GASBs, deferred outflows of resources

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increased \$19.68 million compared to fiscal year 2014 which was \$0.00 million (see Note 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Liabilities

Total liabilities increased \$116.60 million compared to fiscal year 2014 due to the following: an increase in accounts payable of \$2.98 million, an increase in due to other governments of \$1.67 million, and an increase in long term liabilities of \$111.64 million. The increase in accounts payable is attributable to large Public Works projects completed over the summer of 2015. The increase in due to other governments was the result of Forest Fee revenue received too late to expend prior to June 30, 2015. The increase in long term liabilities is attributable to future postemployment health benefit liability and net pension liability (see Note 6 – LONG-TERM LIABILITIES).

Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position by the County that are applicable to a future reporting period. In fiscal year 2015 the County implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*; an amendment of GASB Statement No. 27, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; an amendment of GASB Statement No. 68. Due to the implementation, in fiscal year 2015, of the above mentioned GASBs, deferred inflows of resources increased \$12.40 million compared to fiscal year 2014 which was \$0.00 million (see Note 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Net investment in capital assets

The County's net investment in capital assets increased by \$4.39 million in the current fiscal year, with total net investment in capital assets of \$149.87 million. Capital assets include land, buildings, equipment, and infrastructure. These assets are used to provide services to citizens, but are not available for future spending.

Restricted Net Position

Expendable restricted net position includes resources in which the County is legally obligated to spend the resources in accordance with restrictions provided by external parties. The portion of the County's net position which is subject to external restrictions is \$74.28 million. The County's restricted net position increased by \$4.74 million in the current fiscal year.

Unrestricted Net Position

Unrestricted net position is not subject to externally imposed stipulations; however, most of these resources have been designated for particular capital projects and for the County's unfunded pension and OPEB obligations. The reported negative balance of the County's net position, -\$86.37 million, is unrestricted and consists of, positive net position in the amount of \$24.47 million that may be used to meet the government's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements, and negative unrestricted net position in the amount of -\$110.84 million

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which is primarily the result of the County's unfunded pension and OPEB obligations (see Note 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS for more information).

Total Net Position

The County's total net position from governmental activities at the end of the fiscal year was \$137.78 million. The County's total net position decreased by \$95.83 million compared to fiscal year 2014. The major cause of the decrease is the unfunded pension liability in the amount of \$110.84 million. As explained above, the County experienced a net decrease mainly due to changes in unrestricted net position as a result of implementing in fiscal year 2015 GASB Statement 68, *Accounting and Financial Reporting for Pensions*; an amendment of GASB Statement No. 27, and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; an amendment of GASB Statement No. 68.

Deferred Outflows of Resources & Deferred Inflows of Resources

Deferred Outflows of Resources

Deferred outflows of resources are new to the County's Statement of Net Position for this fiscal year. This classification balance, although similar to "assets," is set apart because these items do not meet the technical definition of being a County asset on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense/expenditure.

Deferred outflow of resources being reported are related to the implementation of GASB Statement No. 68 and GASB Statement No. 71 for pension liability reporting. GASB 71 requires that employer contributions made during the fiscal year to the retirement system be reported as deferred outflows of resources. Consequently, a portion of the deferred outflows of resources reported are comprised of current year employer contributions to the retirement system. However, there are other deferred outflows of resources attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

Deferred Inflows of Resources

Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the County as of the date of the financial statements. When all the recognition criteria are met, the deferred inflow of resources will become revenue or an increase to net position.

Deferred inflows of resources being reported on the County's Statement of Net Position are related to pensions and represent a net amount attributable to the various components that impact pension changes, and can include investment changes amortization, changes due to actuarial assumptions, and differences between expected or actual experience.

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Statement of Activities

The Statement of Activities presents information on how the County's net position changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2015 compared to the prior year.

	Governmental Activities (in millions)	
	<u>2015</u>	<u>2014</u>
Revenues		
Program revenues:		
Charges for services	\$ 11.49	\$ 12.37
Operating grants and contributions	38.18	36.00
Capital grants and contributions	0.01	0.01
Total program revenue	<u>49.68</u>	<u>48.38</u>
General revenues:		
State shared revenue	23.30	22.25
Sales taxes	32.09	27.75
Property taxes	19.06	19.23
Grants and contributions not restricted to specific programs	2.48	2.62
Investment earnings	0.70	1.42
Gain on disposal of capital assets	0.22	0.45
Miscellaneous	0.09	0.07
Total general revenue	<u>77.94</u>	<u>73.79</u>
Total revenues	<u>127.62</u>	<u>122.17</u>
 Program Expenses		
General government	34.77	29.99
Public safety	42.40	42.12
Highways and streets	14.91	14.06
Sanitation	2.01	1.61
Health	13.91	13.74
Welfare	4.49	4.93
Culture and recreation	6.68	6.60
Education	6.71	7.33
Interest on long-term debt	0.02	0.05
Total program expenses	<u>125.90</u>	<u>120.43</u>
Change in net position	<u>1.72</u>	<u>1.74</u>
Net position - beginning	<u>233.61</u>	<u>231.87</u>
Prior period adjustment	<u>(97.55)</u>	
Net position - beginning, as restated	<u>136.06</u>	
Net position - ending	<u>\$ 137.78</u>	<u>\$ 233.61</u>

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Note: The County implemented GASB Statement Nos. 68 and 71 in fiscal year 2015; therefore, pension liability and the related elements were not a required presentation in fiscal year 2014. The implementation of GASB Statement Nos. 68 and 71 resulted in a restatement of the County's beginning net position from fiscal year 2014, which is reflected in the comparative table shown on the previous page.

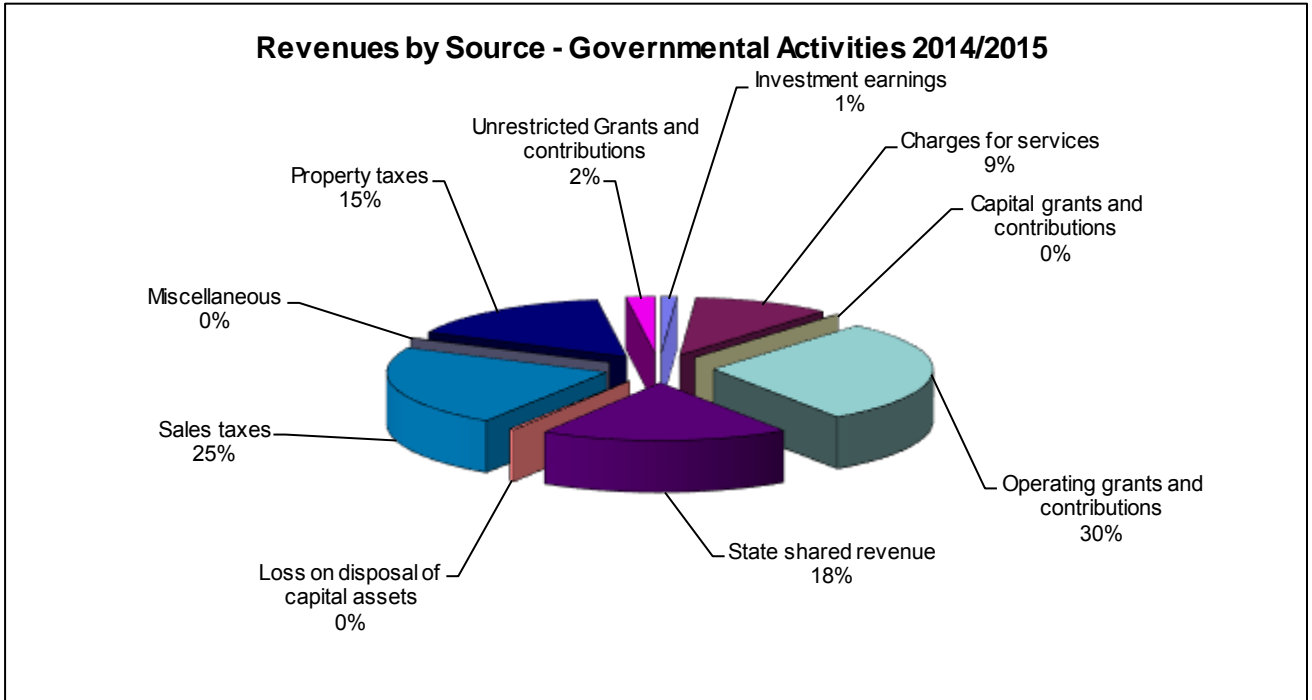
Overall program revenues increased by \$1.30 million in the current fiscal year. This increase was from an increase in operating grants and contributions of \$2.19 million and a reduction in charges for services of \$0.88 million due to a decrease in the number of prisoners being housed for other governments in the County Jail. Program expenses increased \$5.47 million in the current fiscal year.

Total general revenue increased by \$4.15 million in fiscal year 2015. This was due in large part to increased State shared and local county sales tax collections of \$5.39 million, offset by reductions in property tax collections of \$0.17 million, due to a few large property tax delinquencies, and reductions in investment earnings of \$0.72 million due to investment market changes, and a reduction in gains from disposal of capital assets of \$0.23 million.

State shared revenue increased \$1.05 million due in part to the moderate rebound in taxable sales at the state level, and can also be attributed to an additional "hold harmless" allocation based on assessed values in Coconino County representing a larger percentage of the total state assessed values that is greater than Coconino County's percentage of the total state population.

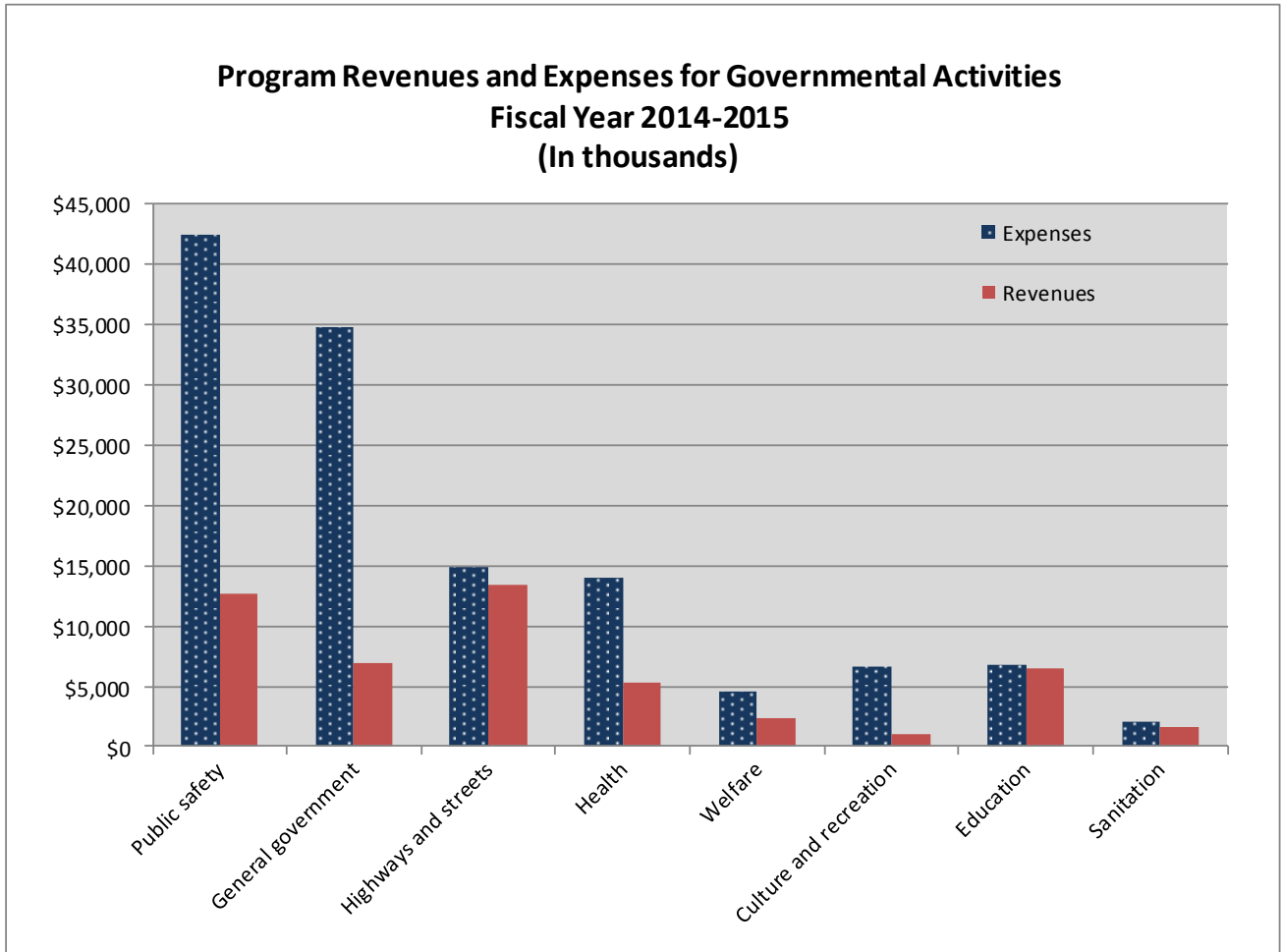
Local county sales tax revenue increased by \$4.34 million due in large part to the new Road Maintenance Sales Tax (RMST), passed as a ballot measure by county voters in November 2014, for 3/10th of a cent, specifically for road maintenance and improvement projects. Collection of this sales tax began on January 1, 2015. The improving economy was also a factor in the increase in local sales tax collection.

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General Government expenses increased \$4.78 million in the current fiscal year due to increased expenses for State mandated “restoration to competency” as well as the completion of the County data center relocation project. Highways, streets and sanitation expenses increased due to the implementation of a new permit tracking system, the start of summer road maintenance projects, and repair, replacement and maintenance projects at Kachina Village Improvement District. Welfare expenses and education expenses decreased due to reduced grant expenses for Community Services, the Career Center, and in the Superintendent of Schools Office.

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As shown in the “Revenues by Source for Governmental Activities” chart and “Program Revenues and Expenses for Governmental Activities” chart, for governmental activities overall, without regard to program, operating grants and contributions are the largest single source of funds (30%), followed by sales taxes (25%), and State shared revenue (18%). Public safety is the largest functional area in expense (34%), followed by general government (28%), highways and streets (12%) and public health services (11%).

The County uses credit cards to pay certain vendors for goods and services and for employee travel expenses. The County received a financial consideration resulting from credit card payments for the year ended June 30, 2015 in the amount of \$69,186.

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Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reported six major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, Parks and Open Spaces Tax Projects and Flood Control District. At year-end the County's governmental funds reported combined fund balances of \$98.66 million, which is an increase of \$2.46 million from last year, or an increase of 2.56%. Of the total, \$97.04 million (98.36%) constitutes spendable fund balance.

Revenues and expenditures for governmental functions overall increased by 2.25% and 2.84%, respectively. These increases were the result of an increase in local and State sales tax revenues and annual merit increases for employees. Governmental fund revenues exceeded governmental fund expenditures by \$2.33 million in the current fiscal year and the fund balance increased by \$2.46 million.

The General Fund is the County's primary operating fund. At the end of the current fiscal year the spendable fund balance of the General Fund was \$26.13 million. Spendable fund balance represents 94.51% of the General Fund's total fund balance. The General Fund's fund balance decreased by \$0.57 million over fiscal year 2014.

The Public Works/HURF Fund, fund balance increased by \$0.64 million in the current fiscal year. The increase was from revenues exceeding expenditures, partially due to a very mild winter resulting in much lower expenditure for snow removal. A fiscal year 2014 Board approved transfer from HURF to Flood Control District for flood mitigation work, in the amount of \$1.96 million, was completed in fiscal year 2015.

The Flood Control District Fund, fund balance decreased by \$1.09 million due to a reduction in grant awards. The reduction is based upon a return to more normal flood control activity, following five years of flood remediation projects as a result of the 2010 Schultz Flood event.

The Jail District Fund, fund balance increased by \$3.63 million in the current fiscal year. It increased primarily due to decreased operating expenditures, including vacancy savings.

The Parks and Open Spaces Tax Projects Fund, fund balance increased by \$0.50 million in the current fiscal year. This increase was due to final sales tax collected revenue and a delay in completing planned FY15 projects. The project expenditures will be realized in FY16.

The Public Health Services District Fund, fund balance increased by \$0.31 million in the current fiscal year. The change in fund balance was primarily from a decrease in the cost of the Title 36 (involuntary commitment) services contract.

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General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund at year-end were \$0.33 million more than the original adopted budget. This change was primarily due to budget adjustments for new grants and construction projects.
- For the General Fund, actual expenditures were \$23.89 million less than the final budget. The expenditures variance was primarily unexpended contingency funds and fiscal reserves.
- The final budgeted revenues for the General Fund at year-end were \$1,340 more than the original adopted budget. For the General Fund, actual revenues exceeded the final budget by \$2.14 million. The increase was primarily due to significant increases in County Sales tax and State Shared Sales tax revenues.

Capital Assets and Debt Administration

Capital Assets (Note 5)

During the current fiscal year, the County added \$1.31 million to its buildings and other improvements inventory, reduced its machinery and equipment inventory by \$0.37 million. The reduction in machinery and equipment was the result of performing a physical inventory during FY15 where previously unreported equipment and vehicle disposals were identified and removed from the capital asset list. The County added \$4.43 million to its infrastructure inventory. The increase to land was the purchase of two parcels for the Copeland Detention Basin. The increase in buildings and other improvements includes 3 new signs at the entrance to Fort Tuthill, a building at KVID, shade structures at Rogers Lake and the Amphitheater and the creation of the Peaks View Equestrian arena. The increase to infrastructure includes a culvert for Rodeo Drive, improvements to the Munds Canyon Wash bridge, drainage improvements on Bowstring Road, North Paintbrush, Alice Drive and Campbell Avenue. Also added were improvements to the Campbell Avenue channel and a section of the upper Campbell Avenue roadway. The County's overall estimated value of capital asset inventory increased \$4.29 million net of increases in depreciation (see Note 5 – CAPITAL ASSETS found on page 71 of this report).

Coconino County
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The following table reflects the changes in capital assets for the County for the fiscal year 2015 compared to fiscal year 2014.

	Governmental Activities (net of depreciation) (in millions)	
	2015	2014
Land	\$ 40.85	\$ 39.27
Buildings and other improvements	51.28	52.33
Machinery and equipment	5.13	4.92
Infrastructure	45.71	44.37
Construction in progress	7.25	5.04
Total	\$ 150.22	\$ 145.93

Long-term Debt (Note 6)

At the end of the current fiscal year the County had \$345,131 in special assessment debt outstanding. The long-term liability for future postemployment health benefit (OPEB) liability has increased by \$0.90 million to \$6.33 million in the current year. This change is the result of \$997 thousand in additional annual OPEB cost and only \$93 thousand in actual contributions made during fiscal year 2015 (see Note 6 – LONG-TERM LIABILITIES found on page 72 of this report).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The County utilizes a Ten-Year Financial Plan, which is updated quarterly, to forecast the County's financial future. The largest single revenue source is local and State shared sales taxes. Local and State shared sales taxes constitute approximately 43% of the County's government-wide general revenues and approximately 60% of General Fund revenues. This makes the County's revenues sensitive to both improvements and downturns in the economy. County staff incorporated historical financial trends, and local, national and global economic trends into the County's fiscal 2015 budget. State shared sales tax and County sales tax revenues stabilized in fiscal year 2012 and are now above the pre-recession measurement year of fiscal year 2007 levels; State shared sales tax exceeds the fiscal year 2007 level by 10.3% and County sales tax is 9.7% above the fiscal year 2007 level.

The key elements of the fiscal year 2015 budget are based on the assumption that economic recovery began in fiscal year 2011, and we are now showing recovery in our state revenues. The county continues to see lower levels in federal and state grant revenue, and uncertainty in federal PILT and SRS.

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The county established the following Financial Planning Milestones in the fiscal year 2015 budget:

- Align “high probability of receipt” revenue types with recurring expenditures.
- Allocate budgeted receipts above recessionary revenue levels to one-time or non-mission-critical expenditures.
- Plan adequate reserves for revenue smoothing and an emergency reserve, to allow for unknown and unplanned events.
- Provide adequate compensation to retain trained and experienced staff, who will efficiently and effectively deliver services.
- Strategically plan for long-term facility and technology resources to have appropriate work space and tools available for staff.

In developing the fiscal year 2015 budget, major areas of concern were:

- Impacts from the State shifting costs to the County, while reducing County revenue allocations to subsidize the State budget deficit.
- Potential reductions in Federal funding, particularly the loss of Secure Rural Schools funding (previously known as Forest Fees), a major source of funding for schools and roads.
- The commitment to our employees in the form of appropriate compensation to the extent possible and avoiding the cost of increased turnover which decreases efficiency.
- Continuing increases in pension costs that further constrict limited resources.
- Focus on holding health insurance costs well below national averages by expanding participation in the successful wellness program for employees, while considering other best practices.

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

REQUESTS FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

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Coconino County
Statement of Net Position
June 30, 2015

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 93,779,020
Investments	584,951
Cash and investments held by trustee	27,996
Receivables (net of allowances for uncollectibles):	
Property taxes	692,674
Accounts	414,729
Special assessments	190,165
Road sales tax	1,515,367
Jail District sales tax	2,643,218
Accrued interest	154,028
Due from other governments	15,393,919
Inventories	192,696
Prepaid items	173,420
Capital assets, not being depreciated	48,098,074
Capital assets, being depreciated, net	102,119,396
Total assets	265,979,653
 Deferred Outflows of Resources	
Deferred outflows related to pensions	19,678,355
Total deferred outflows of resources	19,678,355
 Liabilities	
Accounts payable	7,781,371
Accrued payroll and employee benefits	2,424,836
Due to other governments	2,111,531
Deposits held for others	65,807
Unearned revenues	49,038
Noncurrent liabilities	
Due within 1 year	3,487,293
Due in more than 1 year	119,561,533
Total liabilities	135,481,409
 Deferred Inflows of Resources	
Deferred inflows related to pensions	12,398,947
Total deferred inflows of resources	12,398,947
 Net Position	
Net investment in capital assets	149,872,339
Restricted for:	
General government	2,604,868
Public safety	21,192,016
Highways and streets	25,822,841
Sanitation	1,539,844
Health	2,441,638
Welfare	20,096
Culture and recreation	855,646
Education	1,447,023
Debt service	433,744
Capital projects	17,926,727
Unrestricted	(86,379,130)
Total net position	\$ 137,777,652

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

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Coconino County
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
			Capital Grants and Contributions	Total
Primary government:				
Governmental activities:				
General government	34,766,812	4,737,629	2,166,744	\$ (27,862,439)
Public safety	42,398,679	2,538,879	10,116,459	(29,743,341)
Highways and streets	14,906,659	114,459	13,229,517	6,744 (1,555,939)
Sanitation	2,007,358	1,327,150	258,854	77 (421,277)
Health	13,915,744	1,463,783	3,794,463	(8,657,498)
Welfare	4,486,667	243,096	2,154,596	(2,088,975)
Culture and recreation	6,682,930	879,799	191,494	(5,611,637)
Education	6,708,189	180,507	6,272,332	(255,350)
Interest on long-term debt	24,582			(24,582)
Total governmental activities	<u>\$ 125,897,620</u>	<u>\$ 11,485,302</u>	<u>\$ 38,184,459</u>	<u>\$ 6,821</u> (76,221,038)
General revenues				
Taxes:				
Property taxes, levied for general purposes				9,023,305
Property taxes, levied for library				3,848,918
Property taxes, levied for flood control				2,425,568
Property taxes, levied for accommodation school				8
Property taxes, levied for health services				3,761,327
General county sales tax				13,579,820
Road sales tax				3,778,550
Jail District sales tax				13,576,136
Parks and open spaces sales tax				997,627
Excise tax				70,356
Franchise tax				94,022
Shared revenue - state sales tax				19,995,985
Shared revenue - state vehicle license tax				3,301,848
Grants and contributions not restricted to specific programs				2,484,148
Investment earnings				700,571
Gain on disposal of capital assets				218,749
Miscellaneous				86,637
Total general revenues				<u>77,943,575</u>
Change in net position				1,722,537
Net position - beginning				233,609,876
Prior period adjustment (Note 2)				(97,554,761)
Net position, July 1, 2014				<u>136,055,115</u>
Net position, June 30, 2015				<u>\$ 137,777,652</u>

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

Coconino County
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	Public Works/HURF Fund	Jail District Fund
Assets			
Cash and cash equivalents	\$ 22,967,974	\$ 22,002,978	\$ 17,678,516
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes	308,649		
Accounts	32,561	42,926	32,703
Special assessments			
Road sales tax		1,515,367	
Jail District sales tax			2,643,218
Accrued interest	36,016	34,679	29,235
Advances to other funds	1,448,262		
Due from:			
Other funds	5,129,806	1,681,540	107,456
Other governments	7,074,135	1,900,436	246,837
Inventories	326		
Prepaid items	68,650	9,617	472
Total assets	<u>\$ 37,066,379</u>	<u>\$ 27,187,543</u>	<u>\$ 20,738,437</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,241,789	\$ 2,975,738	\$ 342,940
Accrued payroll and employee benefits	1,274,980	155,204	282,085
Advances from other funds			
Due to:			
Other funds	4,802,149	3,018,503	297,034
Other governments	1,792,978	500	189,578
Deposits held for others	21,305		
Unearned revenue	42,768		
Total liabilities	<u>9,175,969</u>	<u>6,149,945</u>	<u>1,111,637</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	246,825		
Unavailable revenue - special assessments			
Unavailable revenue - intergovernmental		46,557	14,321
Unavailable revenue - charges for services			600
Unavailable revenue - other			7,943
Total deferred inflows of resources	<u>246,825</u>	<u>46,557</u>	<u>22,864</u>
Fund balances:			
Nonspendable	1,517,238	9,617	472
Restricted		20,981,424	19,603,464
Unassigned	26,126,347		
Total fund balances	<u>27,643,585</u>	<u>20,991,041</u>	<u>19,603,936</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,066,379</u>	<u>\$ 27,187,543</u>	<u>\$ 20,738,437</u>

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

Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 674,528	\$	\$ 14,547,545	\$ 14,944,201	\$ 92,815,742
			584,951	584,951
			27,996	27,996
142,627	93,159		148,239	692,674
48,285		11,610	187,577	355,662
			190,165	190,165
				1,515,367
				2,643,218
2,135		23,012	27,442	152,519
			50,000	1,498,262
989,240	2,624,906		4,279,467	14,812,415
1,067,265	3,527,422		1,577,824	15,393,919
				326
67,296	11,165		16,220	173,420
<u>\$ 2,991,376</u>	<u>\$ 6,256,652</u>	<u>\$ 14,582,167</u>	<u>\$ 22,034,082</u>	<u>\$ 130,856,636</u>
\$ 148,148	\$ 2,045,839	\$ 14,276	\$ 877,654	\$ 7,646,384
171,704	6,198	3,353	291,339	2,184,863
	1,000,000		498,262	1,498,262
137,823	4,284,166		2,586,223	15,125,898
91,188			37,287	2,111,531
			44,502	65,807
			6,270	49,038
<u>548,863</u>	<u>7,336,203</u>	<u>17,629</u>	<u>4,341,537</u>	<u>28,681,783</u>
114,857	60,045		119,874	541,601
			191,511	191,511
321,012	1,981,347		385,980	2,749,217
16,107			46	16,753
			10,123	18,066
<u>451,976</u>	<u>2,041,392</u>		<u>707,534</u>	<u>3,517,148</u>
67,296	11,165		16,220	1,622,008
1,923,241		14,564,538	17,140,183	74,212,850
	(3,132,108)		(171,392)	22,822,847
<u>1,990,537</u>	<u>(3,120,943)</u>	<u>14,564,538</u>	<u>16,985,011</u>	<u>98,657,705</u>
<u>\$ 2,991,376</u>	<u>\$ 6,256,652</u>	<u>\$ 14,582,167</u>	<u>\$ 22,034,082</u>	<u>\$ 130,856,636</u>

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Coconino County
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 June 30, 2015

Fund balances – total governmental funds	\$ 98,657,705
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	149,490,191
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,517,148
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund are included in governmental activities in the Statement of Net Position.	1,221,559
Long-term liabilities, including bonds payable, compensated absences payable, and claims and judgments payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(12,210,353)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(110,222,422)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	19,606,387
Deferred inflows of resources related to pensions	(12,282,563)
Net position of governmental activities	\$ 137,777,652

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

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	Public Works/HURF Fund	Jail District Fund
Revenues:			
Property taxes	\$ 8,974,992	\$	\$
County sales taxes	13,744,308	3,778,550	13,576,136
Special assessments			
Licenses and permits	669,503	30,969	
Fees, fines, and forfeits	1,300,142		
Intergovernmental	26,782,924	11,594,209	1,219
Charges for services	1,789,308	1,947	897,899
Investment earnings	386,158	185,315	154,205
Contributions	185,737		13,600
Miscellaneous	189,457	4,113	2,729
Total revenues	<u>54,022,529</u>	<u>15,595,103</u>	<u>14,645,788</u>
Expenditures:			
Current:			
General government	28,717,395		
Public safety	12,966,175		13,514,000
Highways and streets	509,354	13,158,153	
Sanitation			
Health	98,776		
Welfare	1,003,175		
Culture and recreation	2,309,376		
Education	450,298		
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	<u>46,054,549</u>	<u>13,158,153</u>	<u>13,514,000</u>
Excess (deficiency) of revenues over expenditures	<u>7,967,980</u>	<u>2,436,950</u>	<u>1,131,788</u>
Other financing sources (uses):			
Sale of capital assets		110,958	
Transfers in	605,473	1,517,555	2,542,147
Transfers out	(9,144,554)	(3,427,015)	(40,714)
Total other financing sources (uses)	<u>(8,539,081)</u>	<u>(1,798,502)</u>	<u>2,501,433</u>
Net change in fund balances	(571,101)	638,448	3,633,221
Fund balances, July 1, 2014	28,214,686	20,352,593	15,970,715
Fund balances, June 30, 2015	<u>\$ 27,643,585</u>	<u>\$ 20,991,041</u>	<u>\$ 19,603,936</u>

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

Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,740,930	\$ 2,421,758	\$	\$ 3,828,651	\$ 18,966,331
42		997,627	43	32,096,706
			137,434	137,434
818,425	1,150			1,520,047
300			308,890	1,609,332
3,869,962	3,043,812	5,496	15,623,686	60,921,308
605,451			3,709,696	7,004,301
10,245	4	129,855	172,329	1,038,111
113,804	10,157		276,818	600,116
48,788		841	319,115	565,043
<u>9,207,947</u>	<u>5,476,881</u>	<u>1,133,819</u>	<u>24,376,662</u>	<u>124,458,729</u>
			2,421,769	31,139,164
685,206	9,809,570		6,687,583	43,662,534
			67,319	13,734,826
			1,941,069	1,941,069
12,992,291				13,091,067
137,168			2,951,049	4,091,392
			4,289,206	6,598,582
			6,006,252	6,456,550
		635,177	646,291	1,281,468
			105,144	105,144
			24,582	24,582
<u>13,814,665</u>	<u>9,809,570</u>	<u>635,177</u>	<u>25,140,264</u>	<u>122,126,378</u>
(4,606,718)	(4,332,689)	498,642	(763,602)	2,332,351
			17,000	127,958
4,917,178	3,250,383		2,594,571	15,427,307
(3,056)	(4,009)		(2,807,959)	(15,427,307)
<u>4,914,122</u>	<u>3,246,374</u>		<u>(196,388)</u>	<u>127,958</u>
307,404	(1,086,315)	498,642	(959,990)	2,460,309
1,683,133	(2,034,628)	14,065,896	17,945,001	96,197,396
<u>\$ 1,990,537</u>	<u>\$ (3,120,943)</u>	<u>\$ 14,564,538</u>	<u>\$ 16,985,011</u>	<u>\$ 98,657,705</u>

Coconino County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of the Governmental Funds
 to the Statement of Activities
 Year Ended June 30, 2015

Net change in fund balances – total governmental funds \$ 2,460,309

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

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

Capital outlay	11,059,957	
Depreciation expense	<u>(6,613,095)</u>	4,446,862

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

Decrease in compensated absences	88,668	
Increase in claims and judgments	(91,895)	
Increase in future postemployment health benefits	<u>(903,605)</u>	(906,832)

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

Principal repaid		105,145
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Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.

2,917,133

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

County pension contribution		6,927,134
Pension expense		(14,088,354)

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

(138,860)

Change in net position of governmental activities

\$ 1,722,537

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

Coconino County
Statement of Net Position
Proprietary Fund
June 30, 2015

	Governmental Activities - Internal Service Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 963,278
Receivables (net of allowances for uncollectibles):	
Accounts	59,067
Accrued interest	1,509
Due from other funds	313,629
Inventories	192,370
Total current assets	1,529,853
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	43,484
Equipment, net	683,795
Capital assets, net	727,279
Total noncurrent assets	727,279
Total assets	2,257,132
Deferred Outflows of Resources	
Deferred outflows related to pensions	71,968
Total deferred outflows of resources	71,968
Liabilities	
Current liabilities:	
Accounts payable	134,987
Accrued payroll and employee benefits	239,973
Due to other funds	146
Total current liabilities	375,106
Noncurrent liabilities:	
Net pension liability	616,051
Total noncurrent liabilities	616,051
Total liabilities	991,157
Deferred Inflows of Resources	
Deferred inflows related to pensions	116,384
Total deferred inflows of resources	116,384
Net Position	
Net investment in capital assets	727,279
Unrestricted	494,280
Total net position	\$ 1,221,559

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

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2015

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,384,937
Total operating revenues	2,384,937
Operating expenses:	
Personal services	743,720
Professional services	98,397
Supplies	1,422,210
Utilities	17,170
Repairs and maintenance	70,732
Travel	6,775
Depreciation	264,158
Total operating expenses	2,623,162
Operating Loss	(238,225)
Nonoperating revenues:	
Investment earnings	8,574
Gain on disposal of capital assets	90,791
Total nonoperating revenues	99,365
Decrease in net position	(138,860)
Total net position, July 1, 2014, as restated	1,360,419
Total net position, June 30, 2015	\$ 1,221,559

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

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015

	<u>Governmental Activities- Internal Service Fund</u>
<u>Cash flows from operating activities:</u>	
Receipts from other funds for services provided	\$ 2,430,186
Payments to suppliers and providers of goods and services	(1,576,642)
Payments to employees	<u>(741,805)</u>
Net cash provided by operating activities	<u>111,739</u>
 <u>Cash flows from capital and related financing activities:</u>	
Proceeds from sale of capital assets	98,762
Purchases of capital assets	<u>(111,615)</u>
Net cash used for capital and related financing activities	<u>(12,853)</u>
 <u>Cash flows from investing activities:</u>	
Interest received on investments	7,554
Net increase (decrease) in fair value of investments	<u>790</u>
Net cash provided by investing activities	<u>8,344</u>
 Net increase in cash and cash equivalents	 107,230
 Cash and cash equivalents, July 1, 2014	 <u>856,048</u>
 Cash and cash equivalents, June 30, 2015	 <u>\$ 963,278</u>
 <u>Reconciliation of operating loss to net cash provided by operating activities:</u>	
Operating loss	\$ (238,225)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	264,158
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in:	
Accounts receivable	(40,620)
Accrued payroll and employee benefits	12,573
Deferred outflows related to pensions	(31,810)
Deferred inflows related to pensions	116,384
Decrease in:	
Accounts payable	(58,993)
Due from other funds	88,871
Due to other funds	(3,002)
Inventories	90,860
Net pension liability	<u>(88,457)</u>
Net cash provided by operating activities	<u>\$ 111,739</u>

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

Coconino County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 101,474,046	\$ 1,835,811
Cash and investments held by trustee		950,113
Interest and dividends receivable	184,139	
Total assets	101,658,185	2,785,924
Liabilities		
Deposits held for others		2,514,606
Due to other governments		271,318
Total liabilities		2,785,924
Net Position		
Held in trust for investment trust participants	\$ 101,658,185	\$

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

Coconino County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2015

	Investment Trust Funds
Additions:	
Contribution from participants	\$ 229,577,154
Investment earnings:	
Interest and dividends	943,369
Net increase in fair value of investments	128,587
Total investment earnings	1,071,956
Total additions	230,649,110
Deductions:	
Distributions to participants	237,701,848
Total deductions	237,701,848
Change in net position	(7,052,738)
Net position, July 1, 2014	108,710,923
Net position, June 30, 2015	\$ 101,658,185

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

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BASIC FINANCIAL STATEMENTS - NOTES

Coconino County
Notes to Financial Statements
June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

A. Reporting Entity

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

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

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

Coconino County
Notes to Financial Statements
June 30, 2015

The following table describes the County's component units:

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

Coconino County
Notes to Financial Statements
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Related Organization:

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

B. Basis of Presentation

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

The *Flood Control District Fund* is a special revenue fund used to account for flood control services that are funded by a \$0.4000 per \$100 of assessed valuation property tax.

The *Parks and Open Spaces Tax Projects Fund* is a capital projects fund (reported as a special revenue fund prior to fiscal year 2013) used to account for parks and open space acquisitions and improvements that are funded by collections from a one-eighth cent sales tax and grants. Collections from the one-eighth cent sales tax ceased after September 2014.

The County also reports the following fund types:

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

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

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

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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

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

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D. Cash and Investments

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

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

E. Inventories

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

The County accounts for its inventories in the governmental funds using the consumption method. Inventories of the governmental funds are recorded as assets when purchased and expensed when consumed. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method of valuation.

F. Prepaid Items

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

G. Property Tax Calendar

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

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

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H. Capital Assets

Capital assets are reported at actual cost or estimated historical cost if historical records are not available. Donated assets are reported at 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 and proprietary fund's statements are as follows:

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

I. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

J. Pensions

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

K. Fund Balance Classifications

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

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

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

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

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

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

L. Investment Earnings

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

M. Compensated Absences

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

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

Non-exempt, eligible employees may accumulate up to 80 hours of compensatory time. Accruals beyond 80 hours require approval of the Human Resources director. The Fair Labor Standards Act requires the payoff of any compensatory time balance above 240 hours for most non-exempt positions and 480 hours for public safety positions. This is done periodically throughout the year. Upon termination, all unused compensatory time is paid to

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the employee. Accordingly, compensatory time is accrued as a liability in the government-wide and proprietary fund's financial statements.

Employees may accumulate up to 1,040 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. However, for employees who terminate with a minimum of 20 years of continuous service, sick leave benefits do vest. Such eligible terminating employees are compensated at the rate of one day for each four sick days accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary fund's financial statements.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	Governmental Activities	Internal Service Fund
Net Position as previously reported at June 30, 2014	\$233,609,876	\$2,024,769
Prior period adjustment— implementation of GASB 68:		
Net pension liability (measurement date as of June 30, 2013)	104,321,327	704,508
Deferred outflows- county contributions made during fiscal year 2014	(6,766,566)	(40,158)
Total prior period adjustment	<u>97,554,761</u>	<u>664,350</u>
Net position as restated, July 1, 2014	<u>\$136,055,115</u>	<u>\$1,360,419</u>

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NOTE 3 – DEPOSITS AND INVESTMENTS

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

Credit risk

Statutes have the following requirements for credit risk:

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

Custodial credit risk

The Arizona State Treasurer's Office became the Administrator of a State Wide Pooled Collateral Program, with an effective date of July 1, 2014. The purpose of the Pooled Collateral Program is to ensure all taxpayer funds on deposit with any federally insured depository in excess of any insurance is backed with 102% of eligible collateral and provide an efficient means for eligible depositories to aggregate collateral for public deposits. Under the Pooled Collateral Program, each financial institution with public deposits pledges a pool of collateral against all of the public deposits it holds for the state and local governments of the State of Arizona except as provided by law. That collateral is pledged to the pooled collateral administrator who is responsible for monitoring the collateral on behalf of all public depositors. The Pooled Collateral Administrator ("Administrator") is established in the

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Arizona State Treasurer's Office and may adopt and enforce policies and procedures as necessary to carry out its duties pursuant to A.R.S. §35-1202 et seq. The Administrator is responsible for ensuring that eligible depositories have posted 102% collateral for each public depositor in excess of any federally insured deposits. Coconino County's deposits are covered under the State Wide Pooled Collateral Program.

Concentration of credit risk

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

Interest rate risk

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

Foreign currency risk

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

Deposits – At June 30, 2015, the carrying amount of the County's deposits was \$33,895,801 and the bank balance was \$38,549,108. The County does not have a formal policy with respect to custodial credit risk. The County adheres to the custodial credit risk requirements in Statutes.

At June 30, 2015, \$8,489,697 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 8,489,697</u>
Total	<u>\$ 8,489,697</u>

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Investments – The County’s investments at June 30, 2015, were as follows:

Investment Type	Amount
U.S. agency securities	\$ 102,388,897
Corporate bonds	35,036,474
Negotiable CDs	11,391,475
Commercial paper	5,983,524
Municipal bonds	5,870,571
Money market mutual funds	3,020,000
Mutual funds-debt	439,933
State Treasurer's investment pool #7	307,502
Subtotal, debt securities	164,438,376
Mutual funds-equity	148,796
Total	\$ 164,587,172

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 Treasurer has a formal investment policy with respect to credit risk which mirrors A.R.S. 35-323. At June 30, 2015, credit risk for the County’s investments was as follows:

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Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	AAA	Moody's	\$ 102,388,897
Corporate bonds	A1	Moody's	16,653,848
Negotiable CDs	Unrated	Not Applicable	11,391,475
Corporate bonds	Baa1	Moody's	6,936,740
Corporate bonds	A	Standard and Poor's	4,299,095
Corporate bonds	A2	Moody's	3,524,465
Money market Mutual funds	Aaa-mf	Moody's	3,020,000
Commercial paper	A2	Standard and Poor's	2,996,823
Commercial paper	A1	Standard and Poor's	2,986,702
Municipal bonds	A+	Standard and Poor's	1,782,335
Corporate bonds	A+	Standard and Poor's	1,651,369
Municipal bonds	AA	Standard and Poor's	942,820
Municipal bonds	AAA	Standard and Poor's	812,788
Municipal bonds	AA+	Standard and Poor's	722,763
Corporate bonds	BBB+	Standard and Poor's	658,384
Corporate bonds	AA+	Standard and Poor's	507,244
Municipal bonds	AA-	Standard and Poor's	486,368
Municipal bonds	A	Standard and Poor's	441,370
State Treasurer's investment pool #7	Unrated	Not Applicable	307,502
Corporate bonds	AA-	Standard and Poor's	302,382
Corporate bonds	Aa3	Moody's	300,411
Mutual funds-debt	Unrated	Not Applicable	261,428
Municipal bonds	Aa3	Moody's	255,175
Municipal bonds	A2	Moody's	196,037
Mutual funds-debt	Unrated	Not Applicable	178,505
Corporate bonds	A-	Standard and Poor's	101,620
Corporate bonds	AA	Standard and Poor's	100,916
Municipal bonds	A1	Moody's	100,448
Municipal bonds	AAA	Moody's	80,170
Municipal bonds	Aa2	Moody's	50,296
			\$ 164,438,376

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

Concentration of credit risk – The County Treasurer has a formal policy with respect to concentration of credit risk. The policy allows more than 5% of the portfolio from any one issuer, with the exception of a corporate issuer. Corporate bonds in total shall not exceed 20% of the entire portfolio and no one corporate issuer shall exceed 5% of the entire portfolio. The County had investments at June 30, 2015, of five percent or more in Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments were 32.18%, 10.92%, 10.91%, and 6.29%, respectively, of the County's total investments.

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In May and June 2015, a total of \$15 million in agency bonds were called. The last position purchased by the Treasurer was on March 9, 2015. Cash received from the called bonds were not reinvested and were used for cash flow purposes. As a result, corporate bonds exceeded 20% of the portfolio total on June 30, 2015 by 1.3%.

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

At June 30, 2015, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	102,388,897	2.450
Corporate bonds	35,036,474	2.111
Negotiable CDs	11,391,475	1.754
Commercial paper	5,983,524	0.206
Municipal bonds	5,870,571	2.264
Money market mutual funds	3,020,000	0.066
State Treasurer's investment pool #7	307,502	0.300
Mutual funds-debt	261,428	7.300
Mutual funds-debt	178,505	6.600
	<u>\$ 164,438,376</u>	

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

Cash, deposits, and investments:

Cash on hand	\$ 168,964
Amount of deposits	33,895,801
Amount of investments	<u>164,587,172</u>
Total	<u>\$ 198,651,937</u>

Statement of Net Position:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 93,779,020	\$ 101,474,046	\$ 1,835,811	\$ 197,088,877
Investments	584,951			584,951
Cash and investments held by trustee(s)	27,996		950,113	978,109
Total	<u>\$ 94,391,967</u>	<u>\$ 101,474,046</u>	<u>\$ 2,785,924</u>	<u>\$ 198,651,937</u>

NOTE 4 – RECEIVABLES

Due from other governments – Amounts due from other governments at June 30, 2015, include \$3,356,573 and \$1,696,629 in state-shared revenue from sales taxes and fuel taxes, respectively; \$220,103 from the State of Arizona for state vehicle license tax; \$2,643,419 in county sales tax; \$3,929,796 in grants from the federal government; \$1,418,254 in grants from various state agencies; and \$372,364 in reimbursements from the Arizona Department of Emergency Management. The remaining balance of \$1,775,531 is composed of miscellaneous receivables from federal, state, and local government.

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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Governmental activities	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 39,271,117	\$ 1,574,418	\$	\$ 40,845,535
Construction in progress	5,043,736	8,895,365	6,686,562	7,252,539
Total capital assets not being depreciated	44,314,853	10,469,783	6,686,562	48,098,074
Capital assets being depreciated:				
Buildings and other improvements	88,463,980	1,310,454		89,774,434
Machinery and equipment	35,579,576	1,648,274	2,018,574	35,209,276
Infrastructure	100,081,490	4,430,657		104,512,147
Total capital assets being depreciated	224,125,046	7,389,385	2,018,574	229,495,857
Less accumulated depreciation for:				
Buildings and other improvements	36,130,530	2,362,147		38,492,677
Machinery and equipment	30,659,348	1,427,957	2,009,570	30,077,735
Infrastructure	55,718,900	3,087,149		58,806,049
Total accumulated depreciation	122,508,778	6,877,253	2,009,570	127,376,461
Total capital assets being depreciated, net	101,616,268	512,132	9,004	102,119,396
Total	<u>\$ 145,931,121</u>	<u>\$ 10,981,915</u>	<u>\$ 6,695,566</u>	<u>\$ 150,217,470</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 895,784
Public safety	1,217,383
Highways and streets	3,226,473
Sanitation	222,261
Health	113,441
Welfare	67,126
Culture and recreation	771,166
Education	99,461
Internal service fund	264,158
Total governmental activities depreciation expense	<u>\$ 6,877,253</u>

Construction and Other Significant Commitments – The County had major contractual commitments related to various capital projects at June 30, 2015, for the repair and construction of a major flood control project and facilities upgrades. At June 30, 2015, the County had spent \$6,444,506 on these projects and had remaining contractual commitments with contractors totaling \$1,716,598. These projects are being financed by Flood Control property tax, highway user revenues, federal and state emergency management reimbursements, and state grants.

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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, 2015:

<u>Governmental Activities</u>	<u>Balance July 1, 2014, as restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Due within 1 year</u>
Bonds payable:					
Special assessment bonds					
with governmental commitment	\$ 450,276	\$	\$ 105,145	\$ 345,131	\$ 85,000
Total bonds payable	<u>450,276</u>		<u>105,145</u>	<u>345,131</u>	<u>85,000</u>
Compensated absences payable	4,929,404	3,015,071	3,103,739	4,840,736	3,271,131
Claims and judgments payable	601,007	163,527	71,632	692,902	131,162
Future postemployment health benefit liability (Note 10)	5,427,979	996,848	93,243	6,331,584	
Net pension liability* (Note 10)	<u>104,321,327</u>	<u>14,863,921</u>	<u>8,346,775</u>	<u>110,838,473</u>	
Governmental activities long-term liabilities	<u>\$ 115,729,993</u>	<u>\$ 19,039,367</u>	<u>\$ 11,720,534</u>	<u>\$ 123,048,826</u>	<u>\$ 3,487,293</u>

* There was a restatement of net position as a result of the implementation of GASB Statement No.68 (see Note 2).

Special Assessment Bonds – Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. The special assessment districts pledged these assessments to repay the principal amount of \$3,767,917 in special assessment debt. Payment made by the assessed property owners are 100 percent pledged to pay the scheduled principal and interest payments on special assessment bonds. In the event of default by the property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the default assessment. At June 30, 2015, future pledged revenues through final maturity at July 1, 2019 totaled \$390,131 consisting of \$345,131 for principal and \$45,000 for interest. Future principal and interest payments are expected to require 100 percent of pledged special assessment revenues. Principal and interest paid for the current year and total current year special assessment revenues were \$129,726 and \$126,033, respectively. While there is no legal obligation for the County to further secure the special assessment debt of the districts below, the County has made a moral commitment to take steps necessary to prevent default.

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The following special assessment bonds were outstanding at June 30, 2015:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Special assessment bonds with governmental commitment	\$ 3,767,917	7/1/2014-19	4.75-5.65%	\$ 345,131

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2015:

Year Ending June 30	<u>Governmental Activities</u>	
	Assessment Bonds	
	Principal	Interest
2016	85,000	18,150
2017	89,000	13,700
2018	94,000	9,039
2019	77,131	4,111
Total	<u>\$ 345,131</u>	<u>\$ 45,000</u>

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

Compensated Absences and Claims and Judgments – Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2015, the County paid for compensated absences as follows: 52.14 percent from the General Fund, 32.50 percent from major funds, and 15.36 percent from other funds. The County paid for claims and judgments from the General Fund.

Coconino County
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NOTE 7 – FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2015, were as follows:

	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Flood Control District Fund	Parks and Open Spaces Tax Projects	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Nonspendable:								
Advances	\$ 1,448,262	\$	\$	\$	\$	\$	\$	\$ 1,448,262
Inventories	326							326
Prepaid items	68,650	9,617	472	67,296	11,165		16,220	173,420
Total nonspendable	<u>1,517,238</u>	<u>9,617</u>	<u>472</u>	<u>67,296</u>	<u>11,165</u>		<u>16,220</u>	<u>1,622,008</u>
Restricted for:								
Debt Service							242,233	242,233
Highways and Streets		20,981,424					4,785,243	25,766,667
Jail and Sheriff			19,603,464				1,230,464	20,833,928
Culture and Recreation							735,772	735,772
Health				1,923,241				1,923,241
Capital Projects						14,564,538	3,362,189	17,926,727
Education							1,175,434	1,175,434
Sanitation							1,539,844	1,539,844
Welfare							18,922	18,922
Probation							1,457,360	1,457,360
Superior Court							482,741	482,741
Justice Courts							426,383	426,383
Public and Legal Defenders							87,941	87,941
County Attorney							777,480	777,480
General Govt Services							818,177	818,177
Total restricted		<u>20,981,424</u>	<u>19,603,464</u>	<u>1,923,241</u>		<u>14,564,538</u>	<u>17,140,183</u>	<u>74,212,850</u>
Unassigned	<u>26,126,347</u>				<u>(3,132,108)</u>		<u>(171,392)</u>	<u>22,822,847</u>
Total fund balances	<u>\$27,643,585</u>	<u>\$20,991,041</u>	<u>\$19,603,936</u>	<u>\$ 1,990,537</u>	<u>\$(3,120,943)</u>	<u>\$14,564,538</u>	<u>\$16,985,011</u>	<u>\$98,657,705</u>

NOTE 8 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2015, the following nonmajor governmental fund reported a deficit in fund balance.

Fund	Deficit
Governmental Funds:	
Emergency Services Grants	\$ 171,392

The fund balance deficit for the Emergency Services Grants Fund resulted from operations during the year and is expected to be corrected during normal operations in fiscal year 2016.

Coconino County
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NOTE 9 – RISK MANAGEMENT

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

The County contracts with CopperPoint Mutual Insurance Company to meet Arizona statutory requirements on workers compensation coverage for its elected officials, employees, and volunteers. There is no deductible associated with this coverage and no loss limit per claim. The employer's liability section of our workers' compensation policy is insured with coverage limits at the \$1,000,000 level. There have been no claims against our employer's liability to date.

The County also purchases coverage from insurers for property insurance, commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, automobile liability and physical damage, healthcare professional liability, cyber liability, environmental impairment liability, and non-owned aircraft liability. The County self-insures liability claims for the first \$125,000 with the exception of a few specialty lines noted here after. The County self-insures environmental liability claims for the first \$50,000 and healthcare professional liability for the first \$100,000. There is a \$25,000 deductible for cyber liability, and also a \$25,000 deductible for automobile physical damage. A self-insurance retention fund has been established for these losses. There is no self-insured retention or deductible on our non-owned aircraft liability policy.

The County carries excess layers of liability with a combined limit of \$30,000,000 over our basic individual \$1,000,000 liability limits for commercial general liability, public official errors and omissions liability, law enforcement liability, employment practices liability, employee benefits liability, and automobile liability. We carry a separate \$5,000,000 on professional healthcare liability, \$1,000,000 on cyber liability, \$1,000,000 on environmental impairment liability, and \$5,000,000 on non-owned aircraft liability which are not included in our excess liability insurance coverage.

For real property and business personal property damage coverage the County has a \$25,000 deductible with blanket coverage up to the property values insured on a replacement cost basis on the special property form. This property insurance includes flood with a \$5,000,000 sublimit and a \$100,000 deductible for most properties. Two locations are listed with a higher \$500,000 deductible for flood insurance. Our property insurance also includes coverage for earthquake with a \$5,000,000 sublimit and a \$100,000 deductible. Crime coverage is carried at a limit of \$1,000,000 with a \$25,000 deductible. Settled claims have not exceeded commercial insurance coverage for any of the past three fiscal years.

Coconino County
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NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The County contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2015, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liabilities	\$110,838,473
Deferred outflows of resources	19,678,355
Deferred inflows of resources	12,398,947
Pension expense	14,125,130

The County's accrued payroll and employee benefits includes \$34,447 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2015. Also, the County reported \$6,927,134 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan description - County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan, a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

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

Coconino County
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ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the County was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.31 percent for retirement, 0.20 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the ASRS. The County's contributions to the pension plan for the year ended June 30, 2015, were \$3,929,303. The County's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

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Year ended June 30,	Health Benefit Supplement Fund	Long-Term Disability Fund
2015	\$ 212,883	\$ 43,298
2014	214,717	85,887
2013	232,842	85,972

During fiscal year 2015, the County paid for ASRS pension and OPEB contributions as follows: 53.7 percent from the General Fund, 32.8 percent from major funds, and 13.5 percent from other funds.

Pension liability – At June 30, 2015, the County reported a liability of \$58,741,596 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The County’s proportion of the net pension liability was based on the County’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2014. The County’s proportion measured as of June 30, 2014, was 0.397 percent, which was a decrease of .007 from its proportion measured as of June 30, 2013.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2015, the County recognized pension expense for ASRS of \$3,533,238. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,985,420	\$
Net difference between projected and actual earnings on pension plan investments		10,272,092
Changes in proportion and differences between county contributions and proportionate share of contributions	40,990	805,207
County contributions subsequent to the measurement date	3,929,303	
Total	<u>\$ 6,955,713</u>	<u>\$ 11,077,299</u>

The \$3,929,303 reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts

Coconino County
Notes to Financial Statements
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reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	\$(1,602,282)
2017	(1,602,282)
2018	(2,278,301)
2019	(2,568,024)

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

ASRS

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS		Long-Term
Asset Class	Target Allocation	Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	<u>4%</u>	4.50%
Total	<u>100%</u>	

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Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
County’s proportionate share of the net pension liability	\$ 74,246,365	\$ 58,741,596	\$50,329,480

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

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

Plan descriptions – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers (agent plans), and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for AOC officers (cost-sharing plans). The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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The PSPRS and CORP issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

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

PSPRS

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Retirement and Disability		
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years any age 10 years age 62	25 years age 52.5 10 years age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service or normal retirement, whichever is greater	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.	

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

Coconino County
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Employees covered by benefit terms – At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	52	8
Inactive employees entitled to but not yet receiving benefits	13	44
Active employees	51	90
Total	<u>116</u>	<u>142</u>

Contributions and annual OPEB cost – State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Sheriff	CORP Detention	CORP AOC
Active members—Pension	11.05%	8.41%	8.41%
County			
Pension	56.12%	7.97%	14.88%
Health insurance premium benefit	2.12%	0.85%	1.24%

In addition, the County was required by statute to contribute at the actuarially determined rate of 19.65 percent for the PSPRS of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the County's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

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	PSPRS Sheriff	CORP Detention
Pension		
Contributions made	\$1,819,260	\$295,361
Health Insurance Premium Benefit		
Annual OPEB cost	68,725	31,500
Contributions made	68,725	31,500

Contributions to the CORP AOC pension plan for the year ended June 30, 2015, were \$525,370. The County's contributions for the current and 2 preceding years for the CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

CORP AOC

Year ended June 30	Health Insurance Fund
2015	\$ 43,781
2014	39,346
2013	43,994

During fiscal year 2015, the County paid for PSPRS, CORP, and CORP AOC pension and OPEB contributions as follows: 71.5 percent from the General Fund, 12.3 percent from major funds, and 16.3 percent from other funds.

Pension liability – At June 30, 2015, the County reported the following net pension liabilities (and asset):

	Net Pension Liability
PSPRS Sheriff	\$29,959,119
CORP Detention	2,190,977
CORP AOC (County's proportionate share)	7,259,716

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions.

- In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the plans changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.

Coconino County
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- The wage growth actuarial assumption was decreased from 4.5 percent to 4.0 percent.

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

PSPRS and CORP – Pension

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP	Target	Long-Term
Asset Class	Allocation	Expected Real
		Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Coconino County
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Pension discount rates – The following discount rates were used to measure the total pension liabilities:

	PSPRS Sheriff	CORP Detention	CORP AOC
Discount rates	7.85%	7.85%	7.85%

The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability

PSPRS Sheriff	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2014	<u>32,979,729</u>	<u>9,408,628</u>	<u>23,571,101</u>
Changes for the year:			
Service cost	526,940		526,940
Interest on the total pension liability	2,499,646		2,499,646
Changes of benefit terms	1,149,553		1,149,553
Differences between expected and actual experience in the measurement of the pension liability	40,499		40,499
Changes of assumptions or other inputs	5,497,276		5,497,276
Contributions—employer		1,717,418	(1,717,418)
Contributions—employee		342,096	(342,096)
Net investment income		1,251,743	(1,251,743)
Benefit payments, including refunds of employee contributions	(2,801,153)	(2,801,153)	
Administrative expense		(10,081)	10,081
Other changes		24,720	(24,720)
Net changes	<u>6,912,761</u>	<u>524,743</u>	<u>6,388,018</u>
Balances at June 30, 2015	<u><u>39,892,490</u></u>	<u><u>9,933,371</u></u>	<u><u>29,959,119</u></u>

Coconino County
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CORP Detention	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2014	7,445,173	5,646,437	1,798,736
Changes for the year:			
Service cost	536,007		536,007
Interest on the total pension liability	588,300		588,300
Changes of benefit terms	43,775		43,775
Differences between expected and actual experience in the measurement of the pension liability	124,233		124,233
Changes of assumptions or other inputs	448,734		448,734
Contributions—employer		313,756	(313,756)
Contributions—employee		320,700	(320,700)
Net investment income		788,339	(788,339)
Benefit payments, including refunds of employee contributions	(437,813)	(437,813)	
Administrative expense		(6,198)	6,198
Other changes		(67,789)	67,789
Net changes	1,303,236	910,995	392,241
Balances at June 30, 2015	8,748,409	6,557,432	2,190,977

The County's proportion of the CORP AOC net pension liability as of June 30, 2013 and 2014 was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2014. The County's proportion measured as of June 30, 2013 and 2014 was 3.235 percent.

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

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	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
PSPRS Sheriff			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 35,544,412	\$ 29,959,119	\$ 26,133,967
CORP Detention			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 3,521,323	\$ 2,190,977	\$ 1,109,772
CORP AOC			
Rate	6.85%	7.85%	8.85%
County's proportionate share of the net pension liability	\$ 9,586,285	\$ 7,259,716	\$ 5,326,647

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

Pension expense – For the year ended June 30, 2015, the County recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS Sheriff	\$ 4,208,139
CORP Detention	498,685
CORP AOC	971,440

Pension deferred outflows/inflows of resources – At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 31,555	\$
Changes in assumptions or other inputs	4,283,240	
Net difference between projected and actual earnings on pension plan investments		417,498
County contributions subsequent to the measurement date	1,819,260	
Total	<u>\$ 6,134,055</u>	<u>\$ 417,498</u>

Coconino County
Notes to Financial Statements
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CORP Detention	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,696	\$
Changes in assumptions or other inputs	367,331	
Net difference between projected and actual earnings on pension plan investments		261,715
County contributions subsequent to the measurement date	295,361	
Total	\$ 764,388	\$ 261,715

CORP AOC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 344,598	\$
Changes in assumptions or other inputs	1,066,569	
Net difference between projected and actual earnings on pension plan investments		401,898
County contributions subsequent to the measurement date	525,370	
Total	\$ 1,936,537	\$ 401,898

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS Sheriff	CORP Detention	CORP AOC
2016	\$ 1,118,606	\$ 38,511	\$ 207,668
2017	1,118,606	38,511	207,668
2018	1,118,606	38,511	207,668
2019	541,480	38,511	207,668
2020		53,266	178,599

Coconino County
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Agent plan OPEB actuarial assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status 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 for the health insurance premium benefit 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.

Projections of benefits are based on (1) the plans as the County and plans' members understand them 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 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 all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2015 contribution requirements:

PSPRS and CORP – OPEB Contribution Requirements

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5%–8.5% for PSPRS and 4.5%–7.75% for CORP
Wage growth	4.5% for PSPRS and CORP

Coconino County
Notes to Financial Statements
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Agent plan OPEB trend information – Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Sheriff			
2015	\$ 68,725	100%	\$ 0
2014	68,144	100%	0
2013	67,838	100%	0

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
CORP Detention			
2015	\$ 31,500	100%	\$ 0
2014	30,825	100%	0
2013	31,371	100%	0

Agent plan OPEB funded status – The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2015, along with the actuarial assumptions and methods used in those valuations follow.

	PSPRS Sheriff	CORP Detention
Actuarial value of assets (a)	\$ 633,475	\$ 444,438
Actuarial accrued liability (b)	798,157	402,809
Unfunded actuarial accrued liability (funding excess) (b) – (a)	164,682	(41,629)
Funded ratio (a)/(b)	79.4%	110.3%
Annual covered payroll (c)	\$ 3,122,030	\$ 3,670,869
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) – (a) / (c)	5.3%	0.0%

Coconino County
Notes to Financial Statements
June 30, 2015

The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS and CORP – OPEB Funded Status

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed
Remaining amortization period	21 years for unfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120%
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

C. Elected Officials Retirement Plan

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

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

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years any age 10 years age 62 5 years age 65 5 years any age* any years and age if disabled	10 years age 62 5 years age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years

Coconino County
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EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

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

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

Contributions – State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2015, active EORP members were required by statute to contribute 13 percent of the members' annual covered payroll, and the County was required to contribute 23.5 percent of active EORP members' annual covered payroll. The County's contributions to the pension plan for the year ended June 30, 2015, were \$398,499. No OPEB contributions were required or made for the year ended June 30, 2015. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

EORP	
Year ended	Health Insurance Fund
June 30 2015	\$ -
2014	27,154
2013	18,087

Coconino County
Notes to Financial Statements
June 30, 2015

During fiscal year 2015, the County paid for EORP pension contributions as follows: 96.4 percent from the General Fund and 3.6 percent from major funds.

Pension liability – At June 30, 2015, the County reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$12,687,065
State’s proportionate share of the EORP net pension liability associated with the County	3,889,972
Total	<u>\$16,577,037</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, for the June 30, 2014, actuarial valuation, the plan changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.

The County’s proportion of the net pension liability as of June 30, 2013 and 2014 was based on the County’s actual contributions to the plan relative to the total of all participating employers’ actual contributions for the year ended June 30, 2014. The County’s proportion measured as of June 30, 2013 and 2014 was 1.892 percent.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2015, the County recognized pension expense for EORP of \$4,913,628 and revenue of \$1,153,033 for the County’s proportionate share of the State’s appropriation to EORP. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Coconino County
Notes to Financial Statements
June 30, 2015

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 55,747	\$
Changes in assumptions or other inputs	3,433,416	
Net difference between projected and actual earnings on pension plan investments		240,537
County contributions subsequent to the measurement date	398,499	
Total	<u><u>\$ 3,887,662</u></u>	<u><u>\$ 240,537</u></u>

The \$398,499 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2016	\$ 1,949,289
2017	1,419,605
2018	(60,134)
2019	(60,134)

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

EORP	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

Coconino County
Notes to Financial Statements
June 30, 2015

The long-term expected rate of return on EORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Discount rate – At June 30, 2014, the discount rate used to measure the EORP total pension liability was 5.67 percent, which was a decrease of 2.18 from the discount rate used as of June 30, 2013. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 2030. A municipal bond rate of 4.29 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 30, 2014, was applied to periods of projected benefit payments after June 30, 2030.

Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 5.67 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.67 percent) or 1 percentage point higher (6.67 percent) than the current rate:

Coconino County
Notes to Financial Statements
June 30, 2015

EORP Rate	1% Decrease (4.67%)	Current Discount Rate (5.67%)	1% Increase (6.67%)
County's proportionate share of the net pension liability	\$ 14,811,089	\$ 12,687,065	\$10,893,663

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

D. Postemployment Healthcare Plan

Plan Description—Employees retiring from Coconino County service, who receive monthly income from any of the Arizona State individual retirement plans, are eligible to continue insurance coverage through the same plan as active employees and their beneficiaries up to the age of 65 through the Northern Arizona Public Employees Benefit Trust (NAPEBT). NAPEBT administers a cost-sharing multiple employer postemployment healthcare benefit plan; however, it is reported as an agent-multiple employer plan for financial reporting purposes as the plan assets are not dedicated solely to providing benefits to retirees and their beneficiaries. Coconino County is a member of NAPEBT and the benefits and premium rates are approved by the Trust and the Board of Supervisors on an annual basis for active and retired members. NAPEBT issues a publicly available financial report that may be obtained on their website. Although Coconino County does not explicitly pay a portion of the retirees' premiums, because of the inclusion of this class in the insured pool, there is an implicit subsidy or "premium rate differential" that is incurred by the County.

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

Annual OPEB Cost and Net OPEB Obligation – The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Change in Net OPEB Obligation
6/30/2015	\$ 996,848	\$ 93,243	9.35%	\$ 903,605
6/30/2014	949,983	133,882	14.09%	816,101
6/30/2013	1,128,014	50,817	4.50%	1,077,197

Coconino County
Notes to Financial Statements
June 30, 2015

Components of Annual OPEB Costs and Net OPEB Obligation – The annual components of OPEB cost and net OPEB obligation as of June 30, 2015, were as follows:

Annual required contribution (ARC)	Interest on existing net OPEB obligation	ARC adjustment	Increase in OPEB	Net OPEB Obligation
\$ 1,086,643	\$ 246,517	\$(336,312)	\$ 903,605	\$ 6,331,584

Funding Status and Funding Progress – The latest actuarial valuation done was as of July 1, 2013. The funded status of the plan as of June 30, 2015, was as follows:

Actuarial Valuation Date	(1) Actuarial value of plan assets	(2) Actuarial accrued liability (AAL)	(3) Funded ratio (1) / (2)	(4) Unfunded AAL (2) - (1)	(5) Covered payroll	(6) Unfunded AAL as a percentage of covered payroll (4) / (5)
7/1/2013	\$	\$ 8,472,061	0.00%	\$ 8,472,061	\$ 49,547,980	17.10%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of the funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on 1) the plan as the County and plan's members understand it and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used for most recent valuation date are as follows:

Coconino County
Notes to Financial Statements
June 30, 2015

Valuation Date	July 1, 2013
Actuarial cost method	Entry Age, Level Dollar
Amortization method	30-Year Amortization, level dollar, Open
Remaining amortization period	30 years
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	Based on the assumptions for the ASRS Defined Benefit valuation as of June 30, 2012
Active members	945
Retirees, beneficiaries, and dependents	81
Asset Valuation method	N/A. No assets in an OPEB trust
Inflation rate	N/A
Projected salary increase	N/A
Post-retirement benefits increase	N/A
Healthcare cost trend rate	7.50% graded down to ultimate rate of 5.0% over 5 years

NOTE 11 – INTERFUND BALANCES AND ACTIVITY

Interfund Receivables and Payables – Interfund balances at June 30, 2015, were as follows:

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

	Payable to							Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Flood Control District Fund	Nonmajor Governmental Funds	Internal Service Fund	
Payable from								
General Fund	\$	\$ 2,737	\$ 104,446	\$ 988,740	\$	\$3,622,018	\$ 84,208	\$ 4,802,149
Public Works/HURF Fund	94,041				2,624,906	103,228	196,328	3,018,503
Jail District Fund	248,471					40,714	7,849	297,034
Public Health Services District Fund	124,079						13,744	137,823
Flood Control District Fund	2,941,091	1,342,456					619	4,284,166
Nonmajor Governmental Funds	1,722,124	336,347	3,010	500		513,361	10,881	2,586,223
Internal Service Fund						146		146
Total	\$ 5,129,806	\$ 1,681,540	\$ 107,456	\$ 989,240	\$ 2,624,906	\$ 4,279,467	\$ 313,629	\$ 15,126,044

Coconino County
Notes to Financial Statements
June 30, 2015

Interfund Transfers – Interfund transfers for the year ended June 30, 2015, were as follows:

	Transfer to						Total
	General Fund	Public Works/ HURF Fund	Jail District Fund	Public Health Services District Fund	Flood Control District Fund	Nonmajor Governmental Funds	
Transfer from							
General Fund	\$	\$ 23,516	\$ 2,542,147	\$ 4,917,178	\$	\$ 1,661,713	\$ 9,144,554
Public Works/HURF Fund	94,041				3,250,383	82,591	3,427,015
Jail District Fund						40,714	40,714
Public Health Services District	3,056						3,056
Flood Control District Fund		4,009					4,009
Nonmajor Governmental Funds	508,376	1,490,030				809,553	2,807,959
Total	\$605,473	\$1,517,555	\$ 2,542,147	\$ 4,917,178	\$ 3,250,383	\$ 2,594,571	\$15,427,307

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

Advances From/To Other Funds

Advances from/to other funds represent monies owed from the Toho Tolani Improvement District (nonmajor governmental funds) to the Forest Fees Revolving Fund (nonmajor governmental fund) to assist with attorney fees. The outstanding amount of these advances as of June 30, 2015 was \$50,000.

The General Fund has advanced \$435,320 to the Toho Tolani Improvement District to assist with attorney fees, \$12,942 to various County Road Improvement Districts to cover debt service payments and \$1 million to the Flood Control District to provide cash to cover expenditures made for the catastrophic flooding.

The \$1 million advance to the Flood Control District is expected to be paid back in fiscal years 2017 through 2019. The advances to Toho Tolani are expected to be awarded by the Arizona Court of Appeals in fiscal year 2016.

Advances To	Advances from		Total
	Forest Fees Fund	General Fund	
Rio Arroyo	\$	\$ 1,545	\$ 1,545
Lupine		2,100	2,100
Oakwood Pines		1,783	1,783
Pinon Improvement		7,514	7,514
Flood Control		1,000,000	1,000,000
Toho Tolani	50,000	435,320	485,320
Total Advances From	\$ 50,000	\$ 1,448,262	\$ 1,498,262

Coconino County
Notes to Financial Statements
June 30, 2015

NOTE 12 – COUNTY TREASURER’S INVESTMENT POOL

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

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

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

The deposits and investments the County holds are included in the County Treasurer’s investment pool, except for \$1,863,786 of deposits, \$439,933 of investments in mutual funds-debt, \$307,502 in the State Treasurer’s Investment Pool #7, and \$148,796 of investments in equities. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 3 for the disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
U.S. agency securities	\$ 102,499,103	0.500-1.850%	08/12/2015-01/23/2020	\$ 102,388,897
Corporate bonds	35,389,818	0.779-3.625%	08/15/2015-01/15/2020	35,036,474
Negotiable CDs	11,350,210	0.400-2.650%	07/06/2015-07/23/2019	11,391,475
Commercial paper	5,983,524	0.480-1.220%	less than 1 year	5,983,524
Municipal bonds	5,900,727	1.110-4.276%	7/01/2015-04/01/2020	5,870,571
Money market mutual funds	3,020,000	0.01%	less than 1 year	3,020,000

Coconino County
Notes to Financial Statements
June 30, 2015

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

Statement of Net Position	
Assets	\$ 196,061,116
Net position	<u>\$ 196,061,116</u>
Net position held in trust for:	
Internal participants	\$ 94,555,121
External participants	<u>101,505,995</u>
Total net position held in trust	<u>\$ 196,061,116</u>
Statement of Changes in Net Position	
Total additions	\$ 354,845,986
Total deletions	<u>346,700,500</u>
Net increase	8,145,486
Net position held in trust	
July 1, 2014	<u>187,915,630</u>
June 30, 2015	<u>\$ 196,061,116</u>

NOTE 13 – MAINTENANCE OF EFFORT

Coconino County is required to maintain statutory levels of support for the Coconino County Jail District and the Coconino County Public Health Services District. In accordance with A.R.S. Section 48-4024, Coconino County is required to make annual maintenance of effort payments (MOE) to the Coconino County Jail District, a special revenue fund type. The payments will be made through fiscal year 2027, and are determined by first establishing a base expenditure which was used as the initial fiscal year 1998 MOE payment. Subsequent payments are determined by adjusting the base expenditure by the annual change in the gross domestic product price deflator, obtained from the State of Arizona Economic Estimates Commission. These payments are recorded by the jail district as transfers. The MOE payment for fiscal year 2015 was \$2,542,147. In accordance with A.R.S. Section 48-5802 Coconino County is required to maintain a specific level of expenditures for public health services. This is accomplished by transferring funds to the Public Health Services District, a special revenue fund type. The payment for fiscal year 2015 was \$3,928,438.

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REQUIRED SUPPLEMENTARY INFORMATION

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 9,241,236	\$ 9,241,236	\$ 8,974,992	\$ (266,244)
County sales taxes	12,834,600	12,834,600	13,744,308	909,708
Licenses and permits	878,500	878,500	669,503	(208,997)
Fees, fines, and forfeits	1,091,650	1,091,650	1,300,142	208,492
Intergovernmental	25,840,813	25,842,153	26,782,924	940,771
Charges for services	1,536,797	1,536,797	1,789,308	252,511
Investment earnings	238,860	238,860	386,158	147,298
Contributions	130,150	130,150	185,737	55,587
Miscellaneous	90,015	90,015	189,457	99,442
Total revenues	51,882,621	51,883,961	54,022,529	2,138,568
Expenditures:				
General government				
Assessor	2,194,832	2,194,832	1,069,265	1,125,567
Board of Supervisors	1,255,051	1,257,143	937,833	319,310
Clerk of the Superior Court	1,173,336	1,173,336	1,123,919	49,417
Community Development	1,810,274	1,840,530	1,461,209	379,321
Community Initiatives	230,770	222,864	113,056	109,808
County Attorney	3,286,392	3,257,993	3,028,872	229,121
County Manager	1,315,441	1,315,441	1,079,298	236,143
Facilities	4,060,927	4,376,589	3,018,424	1,358,165
Finance/Budget	1,642,856	1,642,856	1,336,735	306,121
Flagstaff Justice Court	1,171,036	1,184,643	1,169,612	15,031
Fredonia Justice Court	166,840	169,887	166,301	3,586
Human Resources	1,586,037	1,608,170	1,124,117	484,053
Information Technology	2,460,706	2,466,861	2,140,498	326,363
Legal Defender	962,147	966,147	1,158,263	(192,116)
Non-departmental	19,633,811	19,405,135	1,168,340	18,236,795
Page Justice Court	345,692	355,624	361,946	(6,322)
Public Defender	2,256,211	2,256,211	2,192,567	63,644
Recorder	1,975,413	1,975,413	1,844,271	131,142
Superior Courts	2,907,335	3,101,382	3,321,973	(220,591)
Treasurer	669,790	669,790	557,102	112,688
Williams Justice Court	331,854	344,958	343,794	1,164
Total general government	51,436,751	51,785,805	28,717,395	23,068,410

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

(continued)

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	1,549,004	1,542,941	1,520,852	22,089
Constable	101,804	101,804	94,726	7,078
Juvenile Probation	2,884,418	2,884,418	2,571,584	312,834
Sheriff	9,150,350	9,139,399	8,779,013	360,386
Total public safety	<u>13,685,576</u>	<u>13,668,562</u>	<u>12,966,175</u>	<u>702,387</u>
Highways and streets				
Information Technology	537,578	537,578	509,354	28,224
Health				
Information Technology	121,203	121,203	98,776	22,427
Welfare				
Community Services	1,019,066	1,027,123	1,003,175	23,948
Culture and recreation				
Parks and Recreation	2,298,970	2,348,145	2,309,376	38,769
Education				
School Superintendent	512,750	453,716	450,298	3,418
Total expenditures	<u>69,611,894</u>	<u>69,942,132</u>	<u>46,054,549</u>	<u>23,887,583</u>
Excess (deficiency) of revenues over expenditures	(17,729,273)	(18,058,171)	7,967,980	26,026,151
Other financing sources (uses):				
Sale of capital assets				
Transfers in	205,161	327,166	605,473	278,307
Transfers out	(10,319,171)	(10,095,932)	(9,144,554)	951,378
Total other financing sources and (uses)	<u>(10,114,010)</u>	<u>(9,768,766)</u>	<u>(8,539,081)</u>	<u>1,229,685</u>
Net change in fund balances	(27,843,283)	(27,826,937)	(571,101)	27,255,836
Fund balance, July 1, 2014	27,259,345	27,259,345	28,214,686	955,341
Fund balance, June 30, 2015	<u>\$ (583,938)</u>	<u>\$ (567,592)</u>	<u>\$ 27,643,585</u>	<u>\$ 28,211,177</u>

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

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
County sales taxes		\$ 3,500,000	\$ 3,778,550	278,550
Licenses and permits	9,500	9,500	30,969	21,469
Intergovernmental	10,041,203	10,041,203	11,594,209	1,553,006
Charges for services			1,947	1,947
Investment earnings	50,000	50,000	185,315	135,315
Miscellaneous			4,113	4,113
Total revenues	<u>10,100,703</u>	<u>13,600,703</u>	<u>15,595,103</u>	<u>1,994,400</u>
Expenditures:				
Highways and streets				
Public Works	<u>17,365,818</u>	<u>20,865,818</u>	<u>13,158,153</u>	<u>7,707,665</u>
Total expenditures	<u>17,365,818</u>	<u>20,865,818</u>	<u>13,158,153</u>	<u>7,707,665</u>
Excess (deficiency) of revenues over expenditures	(7,265,115)	(7,265,115)	2,436,950	9,702,065
Other financing sources (uses):				
Sale of capital assets	150,000	150,000	110,958	(39,042)
Transfers in	1,523,516	1,523,516	1,517,555	(5,961)
Transfers out	<u>(1,513,430)</u>	<u>(3,477,354)</u>	<u>(3,427,015)</u>	<u>50,339</u>
Total other financing sources (uses)	<u>160,086</u>	<u>(1,803,838)</u>	<u>(1,798,502)</u>	<u>5,336</u>
Net changes in fund balances	(7,105,029)	(9,068,953)	638,448	9,707,401
Fund balance, July 1, 2014	<u>16,866,173</u>	<u>16,866,173</u>	<u>20,352,593</u>	<u>3,486,420</u>
Fund balance, June 30, 2015	<u>\$ 9,761,144</u>	<u>\$ 7,797,220</u>	<u>\$ 20,991,041</u>	<u>\$ 13,193,821</u>

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

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
County sales taxes	\$ 12,697,600	\$ 12,697,600	\$ 13,576,136	\$ 878,536
Intergovernmental	12,000	12,000	1,219	(10,781)
Charges for services	1,407,483	1,407,483	897,899	(509,584)
Investment earnings	193,057	193,057	154,205	(38,852)
Contributions		13,600	13,600	
Miscellaneous			2,729	2,729
Total revenues	<u>14,310,140</u>	<u>14,323,740</u>	<u>14,645,788</u>	<u>322,048</u>
Expenditures:				
Public safety				
Sheriff	<u>17,848,643</u>	<u>18,289,263</u>	<u>13,514,000</u>	<u>4,775,263</u>
Total expenditures	<u>17,848,643</u>	<u>18,289,263</u>	<u>13,514,000</u>	<u>4,775,263</u>
Excess (deficiency) of revenues over expenditures	(3,538,503)	(3,965,523)	1,131,788	5,097,311
Other financing sources (uses):				
Transfers in	2,545,028	2,545,028	2,542,147	(2,881)
Transfers out	<u>(41,979)</u>	<u>(56,878)</u>	<u>(40,714)</u>	<u>16,164</u>
Total other financing sources (uses)	<u>2,503,049</u>	<u>2,488,150</u>	<u>2,501,433</u>	<u>13,283</u>
Net changes in fund balances	(1,035,454)	(1,477,373)	3,633,221	5,110,594
Fund balance, July 1, 2014	<u>16,166,579</u>	<u>16,166,579</u>	<u>15,970,715</u>	<u>(195,864)</u>
Fund balance, June 30, 2015	<u>\$ 15,131,125</u>	<u>\$ 14,689,206</u>	<u>\$ 19,603,936</u>	<u>\$ 4,914,730</u>

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

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Services District Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,836,210	\$ 3,836,210	\$ 3,740,930	\$ (95,280)
County sales taxes			42	42
Licenses and permits	717,830	717,830	818,425	100,595
Fees, fines, and forfeits			300	300
Intergovernmental	4,556,970	4,875,796	3,869,962	(1,005,834)
Charges for services	285,688	285,688	605,451	319,763
Investment earnings	12,340	12,340	10,245	(2,095)
Contributions	49,754	49,754	113,804	64,050
Miscellaneous	900	214,042	48,788	(165,254)
Total revenues	<u>9,459,692</u>	<u>9,991,660</u>	<u>9,207,947</u>	<u>(783,713)</u>
Expenditures:				
Public safety				
Medical Examiner	684,958	684,958	685,206	(248)
Health				
Health Department	13,286,853	13,614,744	12,992,291	622,453
Welfare				
Community Services	142,850	142,850	137,168	5,682
Total expenditures	<u>14,114,661</u>	<u>14,442,552</u>	<u>13,814,665</u>	<u>627,887</u>
Excess (deficiency) of revenues over expenditures	(4,654,969)	(4,450,892)	(4,606,718)	(155,826)
Other financing sources (uses):				
Transfers in	4,826,555	4,851,555	4,917,178	65,623
Transfers out	(21,203)	(21,203)	(3,056)	18,147
Total other financing sources and (uses)	<u>4,805,352</u>	<u>4,830,352</u>	<u>4,914,122</u>	<u>83,770</u>
Net change in fund balances	150,383	379,460	307,404	(72,056)
Fund balance, July 1, 2014	1,813,800	1,813,800	1,683,133	(130,667)
Fund balance, June 30, 2015	<u>\$ 1,964,183</u>	<u>\$ 2,193,260</u>	<u>\$ 1,990,537</u>	<u>\$ (202,723)</u>

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

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Flood Control District Fund
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 2,552,722	\$ 2,552,722	\$ 2,421,758	(130,964)
Licenses and permits			1,150	1,150
Intergovernmental	17,430,855	17,430,855	3,043,812	(14,387,043)
Charges for services				
Investment earnings	20,000	20,000	4	(19,996)
Contributions	10,404	10,404	10,157	(247)
Total revenues	<u>20,013,981</u>	<u>20,013,981</u>	<u>5,476,881</u>	<u>(14,537,100)</u>
Expenditures:				
Public Safety				
Flood Control	<u>22,846,721</u>	<u>22,861,091</u>	<u>9,809,570</u>	<u>13,051,521</u>
Total expenditures	<u>22,846,721</u>	<u>22,861,091</u>	<u>9,809,570</u>	<u>13,051,521</u>
Excess (deficiency) of revenues over expenditures	(2,832,740)	(2,847,110)	(4,332,689)	(1,485,579)
Other financing sources (uses):				
Transfers in	1,338,448	3,302,372	3,250,383	
Transfers out			(4,009)	(4,009)
Total other financing sources (uses)	<u>1,338,448</u>	<u>3,302,372</u>	<u>3,246,374</u>	<u>(4,009)</u>
Net changes in fund balances	(1,494,292)	455,262	(1,086,315)	(1,541,577)
Fund balance, July 1, 2014	1,673,644	1,673,644	(2,034,628)	(3,708,272)
Fund balance, June 30, 2015	<u>\$ 179,352</u>	<u>\$ 2,128,906</u>	<u>\$ (3,120,943)</u>	<u>\$ (5,249,849)</u>

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

Coconino County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2015

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

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

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2015, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Superior Courts	\$ 220,591
Legal Defender	192,116
Page Justice Court	6,322
Public Health Services District Fund	
Medical Examiner	248

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

Coconino County
 Required Supplementary Information
 Schedule of the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 June 30, 2015

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
County's proportion of the net pension liability	0.40%	Information
County's proportionate share of the net pension liability	\$ 58,741,596	not available
County's covered-employee payroll	\$ 35,786,206	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
County's proportion of the net pension liability	3.24%	Information
County's proportionate share of the net pension liability	\$ 7,259,716	not available
County's covered-employee payroll	\$ 3,481,917	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	208.50%	
Plan fiduciary net position as a percentage of the total pension liability	58.59%	

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
County's proportion of the net pension liability	1.89%	Information
County's proportionate share of the net pension liability	\$ 12,687,065	not available
State's proportionate share of the net pension liability associated with the County	3,889,972	
Total	<u>\$ 16,577,037</u>	
County's covered-employee payroll	\$ 1,740,635	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	728.88%	
Plan fiduciary net position as a percentage of the total pension liability	31.91%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Schedule of Changes in the County's
 Net Pension Liability and Related Ratios
 Agent Pension Plans
 June 30, 2015

Public Safety Personnel Retirement System - Sheriff	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information
Service cost	\$ 526,940	not available
Interest on the total pension liability	2,499,646	
Changes of benefit terms	1,149,553	
Differences between expected and actual experience in the measurement of the pension liability	40,499	
Changes of assumptions or other inputs	5,497,276	
Benefit payments, including refunds of employee contributions	(2,801,153)	
Net change in total pension liability	6,912,761	
Total pension liability—beginning	32,979,729	
Total pension liability—ending (a)	<u>\$ 39,892,490</u>	
 Plan fiduciary net position		
Contributions—employer	\$ 1,717,418	
Contributions—employee	342,096	
Net investment income	1,251,743	
Benefit payments, including refunds of employee contributions	(2,801,153)	
Administrative expense	(10,081)	
Other changes	24,720	
Net change in plan fiduciary net position	524,743	
Plan fiduciary net position—beginning	9,408,628	
Plan fiduciary net position—ending (b)	<u>\$ 9,933,371</u>	
 County's net pension liability (asset)—ending (a) – (b)	<u>\$ 29,959,119</u>	
 Plan fiduciary net position as a percentage of the total pension liability	24.90%	
 Covered-employee payroll	\$ 3,069,559	
 County's net pension liability (asset) as a percentage of covered-employee payroll	976.01%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2015

Correction Officers Retirement Plan - Detention	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information
Service cost	\$ 536,007	not available
Interest on the total pension liability	588,300	
Changes of benefit terms	43,775	
Differences between expected and actual experience in the measurement of the pension liability	124,233	
Changes of assumptions or other inputs	448,734	
Benefit payments, including refunds of employee contributions	(437,813)	
Net change in total pension liability	1,303,236	
Total pension liability—beginning	7,445,173	
Total pension liability—ending (a)	<u>\$ 8,748,409</u>	
 Plan fiduciary net position		
Contributions—employer	\$ 313,756	
Contributions—employee	320,700	
Net investment income	788,339	
Benefit payments, including refunds of employee contributions	(437,813)	
Administrative expense	(6,198)	
Other changes	(67,789)	
Net change in plan fiduciary net position	910,995	
Plan fiduciary net position—beginning	5,646,437	
Plan fiduciary net position—ending (b)	<u>\$ 6,557,432</u>	
 County's net pension liability (asset)—ending (a) – (b)	<u>\$ 2,190,977</u>	
 Plan fiduciary net position as a percentage of the total pension liability	74.96%	
 Covered-employee payroll	\$ 3,669,661	
 County's net pension liability (asset) as a percentage of covered-employee payroll	59.71%	

See accompanying notes to pension plan schedules.

Coconino County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2015

Arizona State Retirement System	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 3,929,303	\$ 3,829,124	Information not available
County's contributions in relation to the statutorily required contribution	3,929,303	3,829,124	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	
County's covered-employee payroll	<u>\$ 36,081,751</u>	<u>\$ 35,786,206</u>	
County's contributions as a percentage of covered-employee payroll	10.89%	10.70%	

Correction Officer Retirement Plan - Administrative Office of the Courts	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 525,370	\$ 503,137	Information not available
County's contributions in relation to the statutorily required contribution	525,370	503,137	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	
County's covered-employee payroll	<u>\$ 3,530,713</u>	<u>\$ 3,481,917</u>	
County's contributions as a percentage of covered-employee payroll	14.88%	14.45%	

Elected Officials Retirement Plan	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 398,499	\$ 403,131	Information not available
County's contributions in relation to the statutorily required contribution	398,499	403,131	
County's contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	
County's covered-employee payroll	<u>\$ 1,695,740</u>	<u>\$ 1,740,635</u>	
County's contributions as a percentage of covered-employee payroll	23.50%	23.16%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Schedule of County Pension Contributions
 June 30, 2015

Public Safety Personnel Retirement System - Sheriff	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Actuarially determined contribution	\$ 1,819,260	\$ 1,717,418	Information not available
County's contributions in relation to the statutorily required contribution	1,819,260	1,717,418	
County's contribution deficiency (excess)	\$	\$	
County's covered-employee payroll	\$ 3,241,732	\$ 3,069,559	
County's contributions as a percentage of covered-employee payroll	56.12%	55.95%	

Correction Officer Retirement Plan - Detention	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Actuarially determined contribution	\$ 295,361	\$ 313,756	Information not available
County's contributions in relation to the statutorily required contribution	295,361	313,756	
County's contribution deficiency (excess)	\$	\$	
County's covered-employee payroll	\$ 3,705,907	\$ 3,669,661	
County's contributions as a percentage of covered-employee payroll	7.97%	8.55%	

See accompanying notes to pension plan schedules.

Coconino County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 June 30, 2015

Note 1 – Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2013 actuarial valuation	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP
Wage growth	In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Coconino County
 Required Supplementary Information
 Schedule of Agent Retirement Plans' and Coconino County
 Postemployment Healthcare Plan's Funding Progress
 June 30, 2015

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
PSPRS Sheriff						
6/30/2015	633,475	798,157	164,682	79.37%	3,122,030	5.27%
6/30/2014	587,700	776,530	188,830	75.68%	2,950,184	6.40%
6/30/2013		830,335	830,335	0.00%	2,805,923	29.59%
CORP Detention						
6/30/2015	444,438	402,809	(41,629)	110.33%	3,670,869	0.00%
6/30/2014	400,984	366,967	(34,017)	109.27%	3,488,706	0.00%
6/30/2013		327,222	327,222	0.00%	3,691,861	8.86%
Coconino County Postemployment Healthcare Plan						
7/1/2013		8,472,061	8,472,061	0.00%	49,547,980	17.10%
7/1/2011		9,911,098	9,911,098	0.00%	48,579,979	20.40%
7/1/2009		7,887,569	7,887,569	0.00%	51,641,941	15.27%

See accompanying notes to schedule of agent OPEB plans' funding progress.

Coconino County
Required Supplementary Information
Notes to Schedule of Agent Retirement Plans' and Coconino County
Postemployment Healthcare Plan's Funding Progress
June 30, 2015

Note 1 – Actuarial Information Available

New actuarial measurements are required by GASB 45 to be made biennially for the Coconino County Postemployment Healthcare Plan. The County used the most recent actuarial valuation, since the full actuarial valuation as of July 1, 2015 was not available.

Note 2 – Factors That Affect the Identification of Trends

Beginning in fiscal year 2014, PSPRS and CORP established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.

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

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Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2015

Special Revenue Funds

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

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

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

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

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

Conciliation Court – this program provides a means for the reconciliation of spouses and the amicable settlement of domestic and family controversies. This program is funded by fees collected under A.R.S. 25-311.

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

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

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

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

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

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

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

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

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2015

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2015

Capital Projects Funds

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

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

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

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 694,377	\$ 9,741	\$ 1	\$ 380,736
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	3,420		1,815	
Special assessments				
Accrued interest	1,262			588
Advances to other funds				
Due from:				
Other funds	18,273		45,134	6,409
Other governments	52,089		165,517	
Prepaid items	1,709		472	
Total assets	<u>\$ 771,130</u>	<u>\$ 9,741</u>	<u>\$ 212,939</u>	<u>\$ 387,733</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 23,931	\$ 111	\$ 19,837	\$ 49
Accrued payroll and employee benefits	75,804		21,810	2,181
Advances from other funds				
Due to:				
Other funds	20,230		159,971	
Other governments	12,086			
Deposits held for others				
Unearned revenue			1,804	
Total liabilities	<u>132,051</u>	<u>111</u>	<u>203,422</u>	<u>2,230</u>
Deferred Inflows of Resources				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable	1,709		472	
Restricted	637,370	9,630	9,045	385,503
Unassigned				
Total fund balances	<u>639,079</u>	<u>9,630</u>	<u>9,517</u>	<u>385,503</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 771,130</u>	<u>\$ 9,741</u>	<u>\$ 212,939</u>	<u>\$ 387,733</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Assets				
Cash and cash equivalents	\$	\$ 61,311	\$ 204,367	\$ 1,608,511
Investments			439,933	
Cash and investments held by trustee			27,996	
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	36,245			106,440
Special assessments				
Accrued interest	407	92	490	2,467
Advances to other funds				
Due from:				
Other funds	588,267		96,385	20,637
Other governments	84,374	1,285	67,387	
Prepaid items	702		4,240	
Total assets	<u>\$ 709,995</u>	<u>\$ 62,688</u>	<u>\$ 840,798</u>	<u>\$ 1,738,055</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 26,917	\$ 3,843	\$ 24,108	\$ 157,698
Accrued payroll and employee benefits	23,957	968	14,104	15,200
Advances from other funds				
Due to:				
Other funds	627,140		15,568	2,230
Other governments				
Deposits held for others	21,402			23,100
Unearned revenue				
Total liabilities	<u>699,416</u>	<u>4,811</u>	<u>53,780</u>	<u>198,228</u>
Deferred Inflows of Resources				
Unavailable revenue			5,298	
Total deferred inflows of resources			<u>5,298</u>	
Fund balances:				
Nonspendable	702		4,240	
Restricted	9,877	57,877	777,480	1,539,827
Unassigned				
Total fund balances	<u>10,579</u>	<u>57,877</u>	<u>781,720</u>	<u>1,539,827</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 709,995</u>	<u>\$ 62,688</u>	<u>\$ 840,798</u>	<u>\$ 1,738,055</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue			
	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Assets				
Cash and cash equivalents	\$ 137,752	\$	\$ 221,027	\$ 640,728
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes	148,239			
Accounts			1,227	1,214
Special assessments				
Accrued interest	205		287	1,016
Advances to other funds				
Due from:				
Other funds		132,563		400
Other governments		85,824	10,915	19,604
Prepaid items				5,292
Total assets	<u>\$ 286,196</u>	<u>\$ 218,387</u>	<u>\$ 233,456</u>	<u>\$ 668,254</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$ 1,171	\$ 8,435	\$ 3,771
Accrued payroll and employee benefits		6,249	4,852	
Advances from other funds				
Due to:				
Other funds		297,061	775	3,000
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities		<u>304,481</u>	<u>14,062</u>	<u>6,771</u>
Deferred Inflows of Resources				
Unavailable revenue	119,874	85,298		690
Total deferred inflows of resources	<u>119,874</u>	<u>85,298</u>		<u>690</u>
Fund balances:				
Nonspendable				5,292
Restricted	166,322		219,394	655,501
Unassigned		(171,392)		
Total fund balances	<u>166,322</u>	<u>(171,392)</u>	<u>219,394</u>	<u>660,793</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 286,196</u>	<u>\$ 218,387</u>	<u>\$ 233,456</u>	<u>\$ 668,254</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
Assets				
Cash and cash equivalents	\$ 705,339	\$ 913,154	\$ 6,748	\$ 3,556,628
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	106			
Special assessments				
Accrued interest	1,063	1,621	11	5,551
Advances to other funds				50,000
Due from:				
Other funds	3,000	5,506	5,613	1,780,498
Other governments	18,081	5,164	607	
Prepaid items				
Total assets	<u>\$ 727,589</u>	<u>\$ 925,445</u>	<u>\$ 12,979</u>	<u>\$ 5,392,677</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 21,481	\$ 14,793	\$	\$ 2
Accrued payroll and employee benefits	3,356	56,299		
Advances from other funds				
Due to:				
Other funds	276,369	9,162	5,489	607,444
Other governments		25,201		
Deposits held for others				
Unearned revenue				
Total liabilities	<u>301,206</u>	<u>105,455</u>	<u>5,489</u>	<u>607,446</u>
Deferred Inflows of Resources				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable				
Restricted	426,383	819,990	7,490	4,785,231
Unassigned				
Total fund balances	<u>426,383</u>	<u>819,990</u>	<u>7,490</u>	<u>4,785,231</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 727,589</u>	<u>\$ 925,445</u>	<u>\$ 12,979</u>	<u>\$ 5,392,677</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Assets				
Cash and cash equivalents	\$ 567,443	\$ 82,627	\$ 328,536	\$ 623,343
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	589	15		21,687
Special assessments				
Accrued interest	919	132	496	3,606
Advances to other funds				
Due from:				
Other funds		50,516		193,980
Other governments	36,324	4,985	14,705	826,408
Prepaid items		775		1,243
Total assets	<u>\$ 605,275</u>	<u>\$ 139,050</u>	<u>\$ 343,737</u>	<u>\$ 1,670,267</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 15,505	\$ 7,308	\$ 4	\$ 204,500
Accrued payroll and employee benefits	3,850			17,300
Advances from other funds				
Due to:				
Other funds	12,004	50,516	49,344	1,444
Other governments				
Deposits held for others				
Unearned revenue	4,466			
Total liabilities	<u>35,825</u>	<u>57,824</u>	<u>49,348</u>	<u>223,244</u>
Deferred Inflows of Resources				
Unavailable revenue				270,346
Total deferred inflows of resources				<u>270,346</u>
Fund balances:				
Nonspendable		775		1,243
Restricted	569,450	80,451	294,389	1,175,434
Unassigned				
Total fund balances	<u>569,450</u>	<u>81,226</u>	<u>294,389</u>	<u>1,176,677</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 605,275</u>	<u>\$ 139,050</u>	<u>\$ 343,737</u>	<u>\$ 1,670,267</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue			
	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
Assets				
Cash and cash equivalents	\$ 464,671	\$	\$ 291,767	\$ 70,668
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	3,985	15	330	
Special assessments				
Accrued interest	675		511	111
Advances to other funds				
Due from:				
Other funds	68,213	297,860	257,541	
Other governments	82,895	85,981	10,810	
Prepaid items			1,787	
Total assets	<u>\$ 620,439</u>	<u>\$ 383,856</u>	<u>\$ 562,746</u>	<u>\$ 70,779</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 179,916	\$ 119,705	\$ 44,463	\$ 1
Accrued payroll and employee benefits	15,361	16,347	10,820	
Advances from other funds				
Due to:				
Other funds	35,122	247,787	22,935	
Other governments				
Deposits held for others				
Unearned revenue				
Total liabilities	<u>230,399</u>	<u>383,839</u>	<u>78,218</u>	<u>1</u>
Deferred Inflows of Resources				
Unavailable revenue	34,471			
Total deferred inflows of resources	<u>34,471</u>			
Fund balances:				
Nonspendable			1,787	
Restricted	355,569	17	482,741	70,778
Unassigned				
Total fund balances	<u>355,569</u>	<u>17</u>	<u>484,528</u>	<u>70,778</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 620,439</u>	<u>\$ 383,856</u>	<u>\$ 562,746</u>	<u>\$ 70,779</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Special Revenue	Debt Service	
		County	
	Other Special	Improvement	
	Revenue Funds	Districts-Debt	
		Service	
Assets			
Cash and cash equivalents	\$ 1	\$ 242,314	
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes			
Accounts	437	10,052	
Special assessments		190,165	
Accrued interest		755	
Advances to other funds			
Due from:			
Other funds	113,136	3,400	
Other governments			
Prepaid items			
Total assets	\$ 113,574	\$ 446,686	
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 103	\$	
Accrued payroll and employee benefits	2,881		
Advances from other funds		12,942	
Due to:			
Other funds	110,532		
Other governments			
Deposits held for others			
Unearned revenue			
Total liabilities	113,516	12,942	
Deferred Inflows of Resources			
Unavailable revenue	46	191,511	
Total deferred inflows of resources	46	191,511	
Fund balances:			
Nonspendable			
Restricted	12	242,233	
Unassigned			
Total fund balances	12	242,233	
Total liabilities, deferred inflows of resources, and fund balances	\$ 113,574	\$ 446,686	

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2015

	Capital Projects County			Total Nonmajor Governmental Funds
	Accommodation School	Improvement Districts-Capital Projects	Other Capital Projects Funds	
Assets				
Cash and cash equivalents	\$ 85,558	\$ 624,667	\$ 2,422,186	\$ 14,944,201
Investments		73,004	72,014	584,951
Cash and investments held by trustee				27,996
Receivables (net of allowances for uncollectibles):				
Property taxes				148,239
Accounts				187,577
Special assessments				190,165
Accrued interest	133	1,261	3,783	27,442
Advances to other funds				50,000
Due from:				
Other funds	994		591,142	4,279,467
Other governments	4,869			1,577,824
Prepaid items				16,220
Total assets	<u>\$ 91,554</u>	<u>\$ 698,932</u>	<u>\$ 3,089,125</u>	<u>\$ 22,034,082</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1	\$ 1	\$	\$ 877,654
Accrued payroll and employee benefits				291,339
Advances from other funds		485,320		498,262
Due to:				
Other funds			32,100	2,586,223
Other governments				37,287
Deposits held for others				44,502
Unearned revenue				6,270
Total liabilities	<u>1</u>	<u>485,321</u>	<u>32,100</u>	<u>4,341,537</u>
Deferred Inflows of Resources				
Unavailable revenue				707,534
Total deferred inflows of resources				<u>707,534</u>
Fund balances:				
Nonspendable				16,220
Restricted	91,553	213,611	3,057,025	17,140,183
Unassigned				(171,392)
Total fund balances	<u>91,553</u>	<u>213,611</u>	<u>3,057,025</u>	<u>16,985,011</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,554</u>	<u>\$ 698,932</u>	<u>\$ 3,089,125</u>	<u>\$ 22,034,082</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2015

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Fees, fines, and forfeits				14,250
Intergovernmental	2,240,759		1,014,609	
Charges for services	619,188			53,782
Investment earnings	6,576		4	3,496
Contributions				
Miscellaneous				
Total revenues	<u>2,866,523</u>		<u>1,014,613</u>	<u>71,528</u>
Expenditures:				
Current:				
General government		7,667		101,015
Public safety	2,890,199			
Highways and streets				
Sanitation				
Welfare			1,061,546	
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,890,199</u>	<u>7,667</u>	<u>1,061,546</u>	<u>101,015</u>
Excess (deficiency) of revenues over expenditures	<u>(23,676)</u>	<u>(7,667)</u>	<u>(46,933)</u>	<u>(29,487)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	2,444		44,950	6,409
Transfers out				
Total other financing sources and (uses)	<u>2,444</u>		<u>44,950</u>	<u>6,409</u>
Net changes in fund balances	(21,232)	(7,667)	(1,983)	(23,078)
Fund balances, July 1, 2014	660,311	17,297	11,500	408,581
Fund balances, June 30, 2015	<u>\$ 639,079</u>	<u>\$ 9,630</u>	<u>\$ 9,517</u>	<u>\$ 385,503</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue			County Improvement Districts-Special Revenue
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				11,400
Fees, fines, and forfeits			273,985	
Intergovernmental	1,013,603	9,839	420,229	
Charges for services	181,533	45,706	36,926	1,180,310
Investment earnings	2,048	557	12,900	13,939
Contributions	129,277			
Miscellaneous	18,358			23,848
Total revenues	<u>1,344,819</u>	<u>56,102</u>	<u>744,040</u>	<u>1,229,497</u>
Expenditures:				
Current:				
General government	(10,151)	67,013	1,070,420	
Public safety				
Highways and streets				
Sanitation				1,275,248
Welfare	1,889,503			
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>1,879,352</u>	<u>67,013</u>	<u>1,070,420</u>	<u>1,275,248</u>
Excess (deficiency) of revenues over expenditures	<u>(534,533)</u>	<u>(10,911)</u>	<u>(326,380)</u>	<u>(45,751)</u>
Other financing sources (uses):				
Sale of capital assets	17,000			
Transfers in	581,267		108,078	
Transfers out	(134,561)		(272,424)	
Total other financing sources and (uses)	<u>463,706</u>		<u>(164,346)</u>	
Net changes in fund balances	(70,827)	(10,911)	(490,726)	(45,751)
Fund balances, July 1, 2014	81,406	68,788	1,272,446	1,585,578
Fund balances, June 30, 2015	<u>\$ 10,579</u>	<u>\$ 57,877</u>	<u>\$ 781,720</u>	<u>\$ 1,539,827</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue			
	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Revenues:				
Property taxes	\$ 3,828,643	\$	\$	\$
County sales taxes	43			
Special assessments				
Fees, fines, and forfeits				
Intergovernmental		77,141		218,459
Charges for services			84,368	
Investment earnings	4,563		1,871	5,692
Contributions	84,104	804		
Miscellaneous			133,092	
Total revenues	3,917,353	77,945	219,331	224,151
Expenditures:				
Current:				
General government				
Public safety		352,308	268,914	171,414
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	3,835,523			
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	3,835,523	352,308	268,914	171,414
Excess (deficiency) of revenues over expenditures	81,830	(274,363)	(49,583)	52,737
Other financing sources (uses):				
Sale of capital assets				
Transfers in		127,388		
Transfers out	(99,153)			
Total other financing sources and (uses)	(99,153)	127,388		
Net changes in fund balances	(17,323)	(146,975)	(49,583)	52,737
Fund balances, July 1, 2014	183,645	(24,417)	268,977	608,056
Fund balances, June 30, 2015	\$ 166,322	\$ (171,392)	\$ 219,394	\$ 660,793

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Fees, fines, and forfeits	20,655			
Intergovernmental	34,605	2,070,648	2,091	3,146,173
Charges for services	443,576	78,083		
Investment earnings	5,571	8,792	66	39,147
Contributions				
Miscellaneous		194		
Total revenues	<u>504,407</u>	<u>2,157,717</u>	<u>2,157</u>	<u>3,185,320</u>
Expenditures:				
Current:				
General government	210,120		2,632	
Public safety		2,177,865		
Highways and streets				
Sanitation				
Welfare				
Culture and recreation				
Education				1,365,675
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>210,120</u>	<u>2,177,865</u>	<u>2,632</u>	<u>1,365,675</u>
Excess (deficiency) of revenues over expenditures	<u>294,287</u>	<u>(20,148)</u>	<u>(475)</u>	<u>1,819,645</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		4,305	5,613	
Transfers out	(279,131)		(5,489)	(1,772,682)
Total other financing sources and (uses)	<u>(279,131)</u>	<u>4,305</u>	<u>124</u>	<u>(1,772,682)</u>
Net changes in fund balances	15,156	(15,843)	(351)	46,963
Fund balances, July 1, 2014	411,227	835,833	7,841	4,738,268
Fund balances, June 30, 2015	<u>\$ 426,383</u>	<u>\$ 819,990</u>	<u>\$ 7,490</u>	<u>\$ 4,785,231</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Revenues:				
Property taxes	\$	\$	\$	\$ 8
County sales taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	181,064	17,167	90,258	4,018,561
Charges for services	435,251		119,483	56,691
Investment earnings	4,284	750	2,432	19,424
Contributions				48,148
Miscellaneous	18,550			123,666
Total revenues	639,149	17,917	212,173	4,266,498
Expenditures:				
Current:				
General government		21,960	73,774	
Public safety				
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	453,683			
Education				4,640,577
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	453,683	21,960	73,774	4,640,577
Excess (deficiency) of revenues over expenditures	185,466	(4,043)	138,399	(374,079)
Other financing sources (uses):				
Sale of capital assets				
Transfers in		50,516		48,530
Transfers out	(106,150)	(50,516)	(49,344)	
Total other financing sources and (uses)	(106,150)		(49,344)	48,530
Net changes in fund balances	79,316	(4,043)	89,055	(325,549)
Fund balances, July 1, 2014	490,134	85,269	205,334	1,502,226
Fund balances, June 30, 2015	\$ 569,450	\$ 81,226	\$ 294,389	\$ 1,176,677

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue			
	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
Revenues:				
Property taxes	\$	\$	\$	\$
County sales taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	572,984	258,854	176,575	
Charges for services	81,931	109,254	163,542	13,757
Investment earnings	3,296		3,828	612
Contributions	2,100		12,385	
Miscellaneous			1,407	
Total revenues	<u>660,311</u>	<u>368,108</u>	<u>357,737</u>	<u>14,369</u>
Expenditures:				
Current:				
General government			813,786	11,401
Public safety	826,883			
Highways and streets				
Sanitation		665,821		
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>826,883</u>	<u>665,821</u>	<u>813,786</u>	<u>11,401</u>
Excess (deficiency) of revenues over expenditures	<u>(166,572)</u>	<u>(297,713)</u>	<u>(456,049)</u>	<u>2,968</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	269,153	297,714	343,926	
Transfers out			(6,409)	
Total other financing sources and (uses)	<u>269,153</u>	<u>297,714</u>	<u>337,517</u>	
Net changes in fund balances	102,581	1	(118,532)	2,968
Fund balances, July 1, 2014	252,988	16	603,060	67,810
Fund balances, June 30, 2015	<u>\$ 355,569</u>	<u>\$ 17</u>	<u>\$ 484,528</u>	<u>\$ 70,778</u>

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Special Revenue	Debt Service
	Other Special Revenue Funds	County Improvement Districts-Debt Service
Revenues:		
Property taxes	\$	\$
County sales taxes		
Special assessments		126,034
Fees, fines, and forfeits		
Intergovernmental		
Charges for services	6,315	
Investment earnings		4,304
Contributions		
Miscellaneous		
Total revenues	6,315	130,338
Expenditures:		
Current:		
General government	52,132	
Public safety		
Highways and streets	67,319	
Sanitation		
Welfare		
Culture and recreation		
Education		
Capital outlay		
Debt service:		
Principal		105,144
Interest and other charges		24,582
Total expenditures	119,451	129,726
Excess (deficiency) of revenues over expenditures	(113,136)	612
Other financing sources (uses):		
Sale of capital assets		
Transfers in	113,136	
Transfers out		
Total other financing sources and (uses)	113,136	
Net changes in fund balances		612
Fund balances, July 1, 2014	12	241,621
Fund balances, June 30, 2015	\$ 12	\$ 242,233

Coconino County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended June 30, 2015

	Capital Projects			Total Nonmajor Governmental Funds
	Accommodation School	County Improvement Districts-Capital Projects	Other Capital Projects Funds	
Revenues:				
Property taxes	\$	\$	\$	\$ 3,828,651
County sales taxes				43
Special assessments				137,434
Fees, fines, and forfeits				308,890
Intergovernmental	60,067			15,623,686
Charges for services				3,709,696
Investment earnings	771	7,195	20,211	172,329
Contributions				276,818
Miscellaneous				319,115
Total revenues	60,838	7,195	20,211	24,376,662
Expenditures:				
Current:				
General government				2,421,769
Public safety				6,687,583
Highways and streets				67,319
Sanitation				1,941,069
Welfare				2,951,049
Culture and recreation				4,289,206
Education				6,006,252
Capital outlay	48,871		597,420	646,291
Debt service:				
Principal				105,144
Interest and other charges				24,582
Total expenditures	48,871		597,420	25,140,264
Excess (deficiency) of revenues over expenditures	11,967	7,195	(577,209)	(763,602)
Other financing sources (uses):				
Sale of capital assets				17,000
Transfers in			591,142	2,594,571
Transfers out			(32,100)	(2,807,959)
Total other financing sources and (uses)			559,042	(196,388)
Net changes in fund balances	11,967	7,195	(18,167)	(959,990)
Fund balances, July 1, 2014	79,586	206,416	3,075,192	17,945,001
Fund balances, June 30, 2015	\$ 91,553	\$ 213,611	\$ 3,057,025	\$ 16,985,011

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,994,677	\$ 2,336,876	\$ 2,240,759	\$ (96,117)
Charges for services	582,000	582,000	619,188	37,188
Investment earnings	11,350	11,350	6,576	(4,774)
Miscellaneous	608,966	448,101		(448,101)
Total revenues	3,196,993	3,378,327	2,866,523	(511,804)
Expenditures:				
Public safety				
Adult Probation	3,659,312	3,652,748	2,890,199	762,549
Total expenditures	3,659,312	3,652,748	2,890,199	762,549
Excess (deficiency) of revenues over expenditures	(462,319)	(274,421)	(23,676)	250,745
Other financing sources (uses):				
Transfers in	205,553		2,444	2,444
Transfers out				
Total other financing sources (uses)	205,553		2,444	2,444
Net changes in fund balances	(256,766)	(274,421)	(21,232)	253,189
Fund balance, July 1, 2014	453,372	453,372	660,311	206,939
Fund balance, June 30, 2015	\$ 196,606	\$ 178,951	\$ 639,079	\$ 460,128

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$	\$	\$	\$
Expenditures:				
General government				
Assessor	23,921	17,296	7,667	9,629
Total expenditures	23,921	17,296	7,667	9,629
Excess (deficiency) of revenues over expenditures	(23,921)	(17,296)	(7,667)	9,629
Net changes in fund balances	(23,921)	(17,296)	(7,667)	9,629
Fund balance, July 1, 2014	23,921	23,921	17,297	(6,624)
Fund balance, June 30, 2015	\$	\$ 6,625	\$ 9,630	\$ 3,005

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,233,824	\$ 1,370,200	\$ 1,014,609	\$ (355,591)
Investment earnings			4	4
Total revenues	<u>1,233,824</u>	<u>1,370,200</u>	<u>1,014,613</u>	<u>(355,587)</u>
Expenditures:				
Welfare				
Career Center	<u>1,278,774</u>	<u>1,415,150</u>	<u>1,061,546</u>	<u>353,604</u>
Total expenditures	<u>1,278,774</u>	<u>1,415,150</u>	<u>1,061,546</u>	<u>353,604</u>
Excess (deficiency) of revenues over expenditures	(44,950)	(44,950)	(46,933)	(1,983)
Other financing sources (uses):				
Transfers in	<u>44,950</u>	<u>44,950</u>	<u>44,950</u>	
Total other financing sources (uses)	<u>44,950</u>	<u>44,950</u>	<u>44,950</u>	
Net changes in fund balances			(1,983)	(1,983)
Fund balance, July 1, 2014	2,836	2,836	11,500	8,664
Fund balance, June 30, 2015	<u>\$ 2,836</u>	<u>\$ 2,836</u>	<u>\$ 9,517</u>	<u>\$ 6,681</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of the Superior Court Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 100,000	\$ 100,000	\$ 14,250	\$ (85,750)
Charges for services	48,100	48,100	53,782	5,682
Investment earnings	4,500	4,500	3,496	(1,004)
Total revenues	<u>152,600</u>	<u>152,600</u>	<u>71,528</u>	<u>(81,072)</u>
Expenditures:				
General government				
Clerk of the Superior Court	<u>173,177</u>	<u>173,177</u>	<u>101,015</u>	<u>72,162</u>
Total expenditures	<u>173,177</u>	<u>173,177</u>	<u>101,015</u>	<u>72,162</u>
Excess (deficiency) of revenues over expenditures	(20,577)	(20,577)	(29,487)	(8,910)
Other financing sources (uses):				
Transfers in	<u>14,300</u>	<u>14,300</u>	<u>6,409</u>	<u>(7,891)</u>
Total other financing sources (uses)	<u>14,300</u>	<u>14,300</u>	<u>6,409</u>	<u>(7,891)</u>
Net changes in fund balances	(6,277)	(6,277)	(23,078)	(16,801)
Fund balance, July 1, 2014	<u>473,542</u>	<u>473,542</u>	<u>408,581</u>	<u>(64,961)</u>
Fund balance, June 30, 2015	<u>\$ 467,265</u>	<u>\$ 467,265</u>	<u>\$ 385,503</u>	<u>\$ (81,762)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,268,216	\$ 1,309,597	\$ 1,013,603	\$ (295,994)
Charges for services	114,957	120,825	181,533	60,708
Investment earnings	2,000	2,000	2,048	48
Contributions	114,016	114,016	129,277	15,261
Miscellaneous	1,800	1,800	18,358	16,558
Total revenues	<u>1,500,989</u>	<u>1,548,238</u>	<u>1,344,819</u>	<u>(203,419)</u>
Expenditures:				
General government				
Facilities	35,729	36,004	(10,151)	46,155
Welfare				
Community Services	<u>2,314,860</u>	<u>2,311,448</u>	<u>1,889,503</u>	<u>421,945</u>
Total expenditures	<u>2,350,589</u>	<u>2,347,452</u>	<u>1,879,352</u>	<u>468,100</u>
Excess (deficiency) of revenues over expenditures	(849,600)	(799,214)	(534,533)	264,681
Other financing sources (uses):				
Sale of capital assets			17,000	17,000
Transfers in	823,379	823,379	581,267	(242,112)
Transfers out	<u>(333,549)</u>	<u>(166,775)</u>	<u>(134,561)</u>	<u>32,214</u>
Total other financing sources (uses)	<u>489,830</u>	<u>656,604</u>	<u>463,706</u>	<u>(192,898)</u>
Net changes in fund balances	(359,770)	(142,610)	(70,827)	71,783
Fund balance, July 1, 2014	<u>242,674</u>	<u>242,674</u>	<u>81,406</u>	<u>(161,268)</u>
Fund balance, June 30, 2015	<u>\$ (117,096)</u>	<u>\$ 100,064</u>	<u>\$ 10,579</u>	<u>\$ (89,485)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 9,839	\$ 839
Charges for services	44,400	44,400	45,706	1,306
Investment earnings	750	750	557	(193)
Total revenues	54,150	54,150	56,102	1,952
Expenditures:				
General government				
Superior Courts	84,735	84,735	67,013	17,722
Total expenditures	84,735	84,735	67,013	17,722
Excess (deficiency) of revenues over expenditures	(30,585)	(30,585)	(10,911)	19,674
Net changes in fund balances	(30,585)	(30,585)	(10,911)	19,674
Fund balance, July 1, 2014	67,399	67,399	68,788	1,389
Fund balance, June 30, 2015	\$ 36,814	\$ 36,814	\$ 57,877	\$ 21,063

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 650,000	\$ 650,000	\$ 273,985	\$ (376,015)
Intergovernmental	484,959	476,950	420,229	(56,721)
Charges for services	37,000	37,000	36,926	(74)
Investment earnings	15,450	15,450	12,900	(2,550)
Total revenues	1,187,409	1,179,400	744,040	(435,360)
Expenditures:				
General government				
County Attorney	1,569,822	1,569,822	1,070,420	499,402
Total expenditures	1,569,822	1,569,822	1,070,420	499,402
Excess (deficiency) of revenues over expenditures	(382,413)	(390,422)	(326,380)	64,042
Other financing sources (uses):				
Transfers in	84,129	99,449	108,078	8,629
Transfers out	(31,908)	(275,666)	(272,424)	3,242
Total other financing sources (uses)	52,221	(176,217)	(164,346)	11,871
Net changes in fund balances	(330,192)	(566,639)	(490,726)	75,913
Fund balance, July 1, 2014	478,219	478,219	1,272,446	794,227
Fund balance, June 30, 2015	\$ 148,027	\$ (88,420)	\$ 781,720	\$ 870,140

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 11,400	\$ 11,400	\$ 11,400	
Charges for services	1,170,500	1,170,500	1,180,310	9,810
Investment earnings	9,600	9,600	13,939	4,339
Miscellaneous	20,000	20,000	23,848	3,848
Total revenues	1,211,500	1,211,500	1,229,497	17,997
Expenditures:				
Sanitation				
KVID	1,529,170	1,587,367	1,275,248	312,119
Total expenditures	1,529,170	1,587,367	1,275,248	312,119
Excess (deficiency) of revenues over expenditures	(317,670)	(375,867)	(45,751)	330,116
Net changes in fund balances	(317,670)	(375,867)	(45,751)	330,116
Fund balance, July 1, 2014	1,189,745	1,189,745	1,585,578	395,833
Fund balance, June 30, 2015	\$ 872,075	\$ 813,878	\$ 1,539,827	\$ 725,949

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 3,922,141	\$ 3,922,141	\$ 3,828,643	\$ (93,498)
County sales taxes			43	43
Investment earnings			4,563	4,563
Contributions			84,104	84,104
Total revenues	<u>3,922,141</u>	<u>3,922,141</u>	<u>3,917,353</u>	<u>(4,788)</u>
Expenditures:				
Culture and recreation				
Library District	<u>3,829,669</u>	<u>3,829,669</u>	<u>3,835,523</u>	<u>(5,854)</u>
Total expenditures	<u>3,829,669</u>	<u>3,829,669</u>	<u>3,835,523</u>	<u>(5,854)</u>
Excess (deficiency) of revenues over expenditures	92,472	92,472	81,830	(10,642)
Other financing sources (uses):				
Transfers out	<u>(92,472)</u>	<u>(92,472)</u>	<u>(99,153)</u>	<u>(6,681)</u>
Total other financing sources (uses)	<u>(92,472)</u>	<u>(92,472)</u>	<u>(99,153)</u>	<u>(6,681)</u>
Net changes in fund balances			(17,323)	(17,323)
Fund balance, July 1, 2014	100,594	100,594	183,645	83,051
Fund balance, June 30, 2015	<u>\$ 100,594</u>	<u>\$ 100,594</u>	<u>\$ 166,322</u>	<u>\$ 65,728</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Contributions	\$ 191,470	\$ 252,808	\$ 77,141	\$ (175,667)
Miscellaneous	12,029,440	8,464,000	804	804
Total revenues	12,220,910	8,716,808	77,945	(8,638,863)
Expenditures:				
Public safety				
County Manager	366,991	364,622	352,308	12,314
Public Works	12,029,440	8,464,000		8,464,000
Total expenditures	12,396,431	8,828,622	352,308	8,476,314
Excess (deficiency) of revenues over expenditures	(175,521)	(111,814)	(274,363)	(162,549)
Other financing sources (uses):				
Transfers in	127,388	127,388	127,388	
Total other financing sources (uses)	127,388	127,388	127,388	
Net changes in fund balances	(48,133)	15,574	(146,975)	(162,549)
Fund balance, July 1, 2014	48,240	48,240	(24,417)	(72,657)
Fund balance, June 30, 2015	\$ 107	\$ 63,814	\$ (171,392)	\$ (235,206)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 70,000	\$ 208,000	\$ 84,368	\$ (123,632)
Investment earnings	8,000	8,000	1,871	(6,129)
Miscellaneous	196,250	196,250	133,092	(63,158)
Total revenues	<u>274,250</u>	<u>412,250</u>	<u>219,331</u>	<u>(192,919)</u>
Expenditures:				
Public safety				
Sheriff	<u>595,774</u>	<u>370,774</u>	<u>268,914</u>	<u>101,860</u>
Total expenditures	<u>595,774</u>	<u>370,774</u>	<u>268,914</u>	<u>101,860</u>
Excess (deficiency) of revenues over expenditures	(321,524)	41,476	(49,583)	(91,059)
Net changes in fund balances	(321,524)	41,476	(49,583)	(91,059)
Fund balance, July 1, 2014	313,794	313,794	268,977	(44,817)
Fund balance, June 30, 2015	<u>\$ (7,730)</u>	<u>\$ 355,270</u>	<u>\$ 219,394</u>	<u>\$ (135,876)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 218,459	\$ 4,941
Investment earnings	5,374	5,374	5,692	318
Total revenues	<u>218,892</u>	<u>218,892</u>	<u>224,151</u>	<u>5,259</u>
Expenditures:				
Public safety				
Sheriff	<u>657,900</u>	<u>662,385</u>	<u>171,414</u>	<u>490,971</u>
Total expenditures	<u>657,900</u>	<u>662,385</u>	<u>171,414</u>	<u>490,971</u>
Excess (deficiency) of revenues over expenditures	(439,008)	(443,493)	52,737	496,230
Net changes in fund balances	(439,008)	(443,493)	52,737	496,230
Fund balance, July 1, 2014	<u>572,531</u>	<u>572,531</u>	<u>608,056</u>	<u>35,525</u>
Fund balance, June 30, 2015	<u>\$ 133,523</u>	<u>\$ 129,038</u>	<u>\$ 660,793</u>	<u>\$ 531,755</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Fees, fines, and forfeits	\$ 38,700	\$ 38,700	\$ 20,655	\$ (18,045)
Intergovernmental	15,600	50,205	34,605	(15,600)
Charges for services	411,155	411,155	443,576	32,421
Investment earnings	13,720	13,720	5,571	(8,149)
Total revenues	<u>479,175</u>	<u>513,780</u>	<u>504,407</u>	<u>(9,373)</u>
Expenditures:				
General government				
Flagstaff Justice Court	270,220	253,126	167,624	85,502
Fredonia Justice Court	18,001	18,001	8,126	9,875
Page Justice Court	28,604	28,604	12,752	15,852
Williams Justice Court	56,342	56,342	21,618	34,724
Total expenditures	<u>373,167</u>	<u>356,073</u>	<u>210,120</u>	<u>145,953</u>
Excess (deficiency) of revenues over expenditures	106,008	157,707	294,287	136,580
Other financing sources (uses):				
Transfers out	(255,594)	(255,594)	(279,131)	(23,537)
Total other financing sources (uses)	<u>(255,594)</u>	<u>(255,594)</u>	<u>(279,131)</u>	<u>(23,537)</u>
Net changes in fund balances	(149,586)	(97,887)	15,156	113,043
Fund balance, July 1, 2014	440,234	440,234	411,227	(29,007)
Fund balance, June 30, 2015	<u>\$ 290,648</u>	<u>\$ 342,347</u>	<u>\$ 426,383</u>	<u>\$ 84,036</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,114,242	\$ 2,105,972	\$ 2,070,648	\$ (35,324)
Charges for services	51,310	51,310	78,083	26,773
Investment earnings	17,722	11,422	8,792	(2,630)
Miscellaneous	72,000	72,000	194	(71,806)
Total revenues	2,255,274	2,240,704	2,157,717	(82,987)
Expenditures:				
Public safety				
Juvenile Probation	3,115,280	3,019,600	2,177,865	841,735
Total expenditures	3,115,280	3,019,600	2,177,865	841,735
Excess (deficiency) of revenues over expenditures	(860,006)	(778,896)	(20,148)	758,748
Other financing sources (uses):				
Transfers in	126,201	52,651	4,305	(48,346)
Total other financing sources (uses)	126,201	52,651	4,305	(48,346)
Net changes in fund balances	(733,805)	(726,245)	(15,843)	710,402
Fund balance, July 1, 2014	754,119	754,119	835,833	81,714
Fund balance, June 30, 2015	\$ 20,314	\$ 27,874	\$ 819,990	\$ 792,116

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,500	\$ 2,500	\$ 2,091	\$ (409)
Investment earnings	230	230	66	(164)
Total revenues	<u>2,730</u>	<u>2,730</u>	<u>2,157</u>	<u>(573)</u>
Expenditures:				
General government				
Legal Defender	<u>2,455</u>	<u>2,455</u>	<u>2,632</u>	<u>(177)</u>
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>2,632</u>	<u>(177)</u>
Excess (deficiency) of revenues over expenditures	275	275	(475)	(750)
Other financing sources (uses):				
Transfers in	4,907	4,907	5,613	706
Transfers out	<u>(5,358)</u>	<u>(5,539)</u>	<u>(5,489)</u>	<u>50</u>
Total other financing sources (uses)	<u>(451)</u>	<u>(632)</u>	<u>124</u>	<u>756</u>
Net changes in fund balances	(176)	(357)	(351)	6
Fund balance, July 1, 2014	5,482	5,482	7,841	2,359
Fund balance, June 30, 2015	<u>\$ 5,306</u>	<u>\$ 5,125</u>	<u>\$ 7,490</u>	<u>\$ 2,365</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$ 3,146,173	\$ 3,146,173
Investment earnings	5,000	5,000	39,147	34,147
Total revenues	5,000	5,000	3,185,320	3,180,320
Expenditures:				
Education				
School Superintendent			1,365,675	(1,365,675)
Total expenditures			1,365,675	(1,365,675)
Excess (deficiency) of revenues over expenditures	5,000	5,000	1,819,645	1,814,645
Other financing sources (uses):				
Transfers out	(1,798,659)	(1,798,659)	(1,772,682)	25,977
Total other financing sources (uses)	(1,798,659)	(1,798,659)	(1,772,682)	25,977
Net changes in fund balances	(1,793,659)	(1,793,659)	46,963	1,840,622
Fund balance, July 1, 2014	3,609,226	3,609,226	4,738,268	1,129,042
Fund balance, June 30, 2015	\$ 1,815,567	\$ 1,815,567	\$ 4,785,231	\$ 2,969,664

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Recreation Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,000	\$ 179,737	\$ 181,064	\$ 1,327
Charges for services	409,100	409,100	435,251	26,151
Investment earnings			4,284	4,284
Miscellaneous	7,500	7,500	18,550	11,050
Total revenues	<u>526,600</u>	<u>596,337</u>	<u>639,149</u>	<u>42,812</u>
Expenditures:				
Culture and recreation				
Parks and Recreation	478,343	543,152	453,683	89,469
Total expenditures	<u>478,343</u>	<u>543,152</u>	<u>453,683</u>	<u>89,469</u>
Excess (deficiency) of revenues over expenditures	48,257	53,185	185,466	132,281
Other financing sources (uses):				
Transfers out	(106,150)	(106,150)	(106,150)	
Total other financing sources (uses)	<u>(106,150)</u>	<u>(106,150)</u>	<u>(106,150)</u>	
Net changes in fund balances	(57,893)	(52,965)	79,316	132,281
Fund balance, July 1, 2014	519,917	519,917	490,134	(29,783)
Fund balance, June 30, 2015	<u>\$ 462,024</u>	<u>\$ 466,952</u>	<u>\$ 569,450</u>	<u>\$ 102,498</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 17,167	\$ (2,833)
Investment earnings	1,700	1,700	750	(950)
Total revenues	<u>21,700</u>	<u>21,700</u>	<u>17,917</u>	<u>(3,783)</u>
Expenditures:				
General government				
Public Defender	<u>30,000</u>	<u>30,000</u>	<u>21,960</u>	<u>8,040</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>21,960</u>	<u>8,040</u>
Excess (deficiency) of revenues over expenditures	(8,300)	(8,300)	(4,043)	4,257
Other financing sources (uses):				
Transfers in	45,453	45,453	50,516	5,063
Transfers out	<u>(45,453)</u>	<u>(45,453)</u>	<u>(50,516)</u>	<u>(5,063)</u>
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u></u>
Net changes in fund balances	(8,300)	(8,300)	(4,043)	4,257
Fund balance, July 1, 2014	73,918	73,918	85,269	11,351
Fund balance, June 30, 2015	<u>\$ 65,618</u>	<u>\$ 65,618</u>	<u>\$ 81,226</u>	<u>\$ 15,608</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 48,665	\$ 48,665	\$ 90,258	\$ 41,593
Charges for services	130,000	130,000	119,483	\$ (10,517)
Investment earnings	400	400	2,432	2,032
Total revenues	179,065	179,065	212,173	33,108
Expenditures:				
General government				
Recorder	187,725	187,725	73,774	113,951
Total expenditures	187,725	187,725	73,774	113,951
Excess (deficiency) of revenues over expenditures	(8,660)	(8,660)	138,399	147,059
Other financing sources (uses):				
Transfers out	(49,344)	(49,344)	(49,344)	
Total other financing sources (uses)	(49,344)	(49,344)	(49,344)	
Net changes in fund balances	(58,004)	(58,004)	89,055	147,059
Fund balance, July 1, 2014	228,092	228,092	205,334	(22,758)
Fund balance, June 30, 2015	\$ 170,088	\$ 170,088	\$ 294,389	\$ 124,301

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$	\$	\$ 8	\$ 8
Intergovernmental	4,681,119	5,881,849	4,018,561	(1,863,288)
Charges for services	40,000	40,000	56,691	16,691
Investment earnings	350	350	19,424	19,074
Contributions	42,000	64,000	48,148	(15,852)
Miscellaneous	60,000	60,000	123,666	63,666
Total revenues	<u>4,823,469</u>	<u>6,046,199</u>	<u>4,266,498</u>	<u>(1,779,701)</u>
Expenditures:				
Education				
School Superintendent	<u>4,564,552</u>	<u>5,917,915</u>	<u>4,640,577</u>	<u>1,277,338</u>
Total expenditures	<u>4,564,552</u>	<u>5,917,915</u>	<u>4,640,577</u>	<u>1,277,338</u>
Excess (deficiency) of revenues over expenditures	258,917	128,284	(374,079)	(502,363)
Other financing sources (uses):				
Transfers in	<u> </u>	<u>62,512</u>	<u>48,530</u>	<u>13,982</u>
Total other financing sources (uses)	<u> </u>	<u>62,512</u>	<u>48,530</u>	<u>13,982</u>
Net changes in fund balances	258,917	190,796	(325,549)	(516,345)
Fund balance, July 1, 2014	816,030	816,030	1,502,226	686,196
Fund balance, June 30, 2015	<u>\$ 1,074,947</u>	<u>\$ 1,006,826</u>	<u>\$ 1,176,677</u>	<u>\$ 169,851</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 699,110	\$ 895,540	\$ 572,984	\$ (322,556)
Charges for services	61,439	61,439	81,931	20,492
Investment earnings	3,549	3,549	3,296	(253)
Contributions	5,000	5,000	2,100	(2,900)
Miscellaneous	1,414,262	1,134,562		(1,134,562)
Total revenues	2,183,360	2,100,090	660,311	(1,439,779)
Expenditures:				
Public safety				
Sheriff	2,404,363	2,350,605	826,883	1,523,722
Total expenditures	2,404,363	2,350,605	826,883	1,523,722
Excess (deficiency) of revenues over expenditures	(221,003)	(250,515)	(166,572)	83,943
Other financing sources (uses):				
Transfers in	82,411	326,755	269,153	(57,602)
Total other financing sources (uses)	82,411	326,755	269,153	(57,602)
Net changes in fund balances	(138,592)	76,240	102,581	26,341
Fund balance, July 1, 2014	388,108	388,108	252,988	(135,120)
Fund balance, June 30, 2015	\$ 249,516	\$ 464,348	\$ 355,569	\$ (108,779)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 205,000	\$ 316,655	\$ 258,854	\$ (57,801)
Charges for services	129,470	129,470	109,254	(20,216)
Total revenues	334,470	446,125	368,108	(78,017)
Expenditures:				
Sanitation				
Public Works	676,905	788,560	665,821	122,739
Total expenditures	676,905	788,560	665,821	122,739
Excess (deficiency) of revenues over expenditures	(342,435)	(342,435)	(297,713)	44,722
Other financing sources (uses):				
Transfers in	342,435	342,435	297,714	(44,721)
Total other financing sources (uses)	342,435	342,435	297,714	(44,721)
Net changes in fund balances			1	1
Fund balance, July 1, 2014			16	16
Fund balance, June 30, 2015	\$	\$	\$ 17	\$ 17

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 185,785	\$ 237,107	\$ 176,575	\$ (60,532)
Charges for services	166,000	166,000	163,542	(2,458)
Investment earnings	2,500	2,500	3,828	1,328
Contributions	9,000	59,000	12,385	(46,615)
Miscellaneous	10,000	10,000	1,407	(8,593)
Total revenues	373,285	474,607	357,737	(116,870)
Expenditures:				
General government				
Superior Courts	944,292	1,036,492	813,786	222,706
Total expenditures	944,292	1,036,492	813,786	222,706
Excess (deficiency) of revenues over expenditures	(571,007)	(561,885)	(456,049)	105,836
Other financing sources (uses):				
Transfers in	348,233	348,234	343,926	(4,308)
Transfers out	(14,300)	(14,300)	(6,409)	7,891
Total other financing sources (uses)	333,933	333,934	337,517	3,583
Net changes in fund balances	(237,074)	(227,951)	(118,532)	109,419
Fund balance, July 1, 2014	526,197	526,197	603,060	76,863
Fund balance, June 30, 2015	\$ 289,123	\$ 298,246	\$ 484,528	\$ 186,282

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 16,500	\$ 16,500	\$ 13,757	\$ (2,743)
Investment earnings	1,250	1,250	612	(638)
Total revenues	<u>17,750</u>	<u>17,750</u>	<u>14,369</u>	<u>(3,381)</u>
Expenditures:				
General government				
Treasurer	<u>31,000</u>	<u>31,000</u>	<u>11,401</u>	<u>19,599</u>
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>11,401</u>	<u>19,599</u>
Excess (deficiency) of revenues over expenditures	(13,250)	(13,250)	2,968	16,218
Net changes in fund balances	(13,250)	(13,250)	2,968	16,218
Fund balance, July 1, 2014	<u>73,273</u>	<u>73,273</u>	<u>67,810</u>	<u>(5,463)</u>
Fund balance, June 30, 2015	<u>\$ 60,023</u>	<u>\$ 60,023</u>	<u>\$ 70,778</u>	<u>\$ 10,755</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 6,315	\$ (8,685)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>6,315</u>	<u>(8,685)</u>
Expenditures:				
General government				
Finance/Budget	55,371	55,371	52,132	3,239
Highways and streets				
Public Works	<u>62,737</u>	<u>62,737</u>	<u>67,319</u>	<u>(4,582)</u>
Total expenditures	<u>118,108</u>	<u>118,108</u>	<u>119,451</u>	<u>(1,343)</u>
Excess (deficiency) of revenues over expenditures	(103,108)	(103,108)	(113,136)	(10,028)
Other financing sources (uses):				
Transfers in	<u>103,108</u>	<u>103,108</u>	<u>113,136</u>	<u>10,028</u>
Total other financing sources (uses)	<u>103,108</u>	<u>103,108</u>	<u>113,136</u>	<u>10,028</u>
Net changes in fund balances				
Fund balance, July 1, 2014			12	12
Fund balance, June 30, 2015	<u>\$</u>	<u>\$</u>	<u>\$ 12</u>	<u>\$ 12</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 173,681	\$ 173,681	\$ 126,034	\$ (47,647)
Investment earnings			4,304	4,304
Total revenues	173,681	173,681	130,338	(43,343)
Expenditures:				
Debt service:				
Principal	149,079	149,079	105,144	43,935
Interest and other charges	24,602	24,602	24,582	20
Total expenditures	173,681	173,681	129,726	43,955
Excess (deficiency) of revenues over expenditures			612	612
Net changes in fund balances			612	612
Fund balance, July 1, 2014	480,867	480,867	241,621	(239,246)
Fund balance, June 30, 2015	\$ 480,867	\$ 480,867	\$ 242,233	\$ (238,634)

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Open Spaces Tax Projects Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
County sales taxes	\$ 579,589	\$ 579,589	\$ 997,627	\$ 418,038
Intergovernmental			5,496	5,496
Investment earnings	24,000	24,000	129,855	105,855
Contributions	2,100	2,100		(2,100)
Miscellaneous	1,972	1,972	841	(1,131)
Total revenues	607,661	607,661	1,133,819	526,158
Expenditures:				
Capital outlay	13,565,896	14,260,175	635,177	13,624,998
Total expenditures	13,565,896	14,260,175	635,177	13,624,998
Excess (deficiency) of revenues over expenditures	(12,958,235)	(13,652,514)	498,642	14,151,156
Net changes in fund balances	(12,958,235)	(13,652,514)	498,642	14,151,156
Fund balance, July 1, 2014	13,293,424	13,293,424	14,065,896	772,472
Fund balance, June 30, 2015	\$ 335,189	\$ (359,090)	\$ 14,564,538	\$ 14,923,628

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 63,754	\$ 63,754	\$ 60,067	\$ (3,687)
Investment earnings	679	679	771	92
Total revenues	64,433	64,433	60,838	(3,595)
Expenditures:				
Capital outlay	56,500	56,500	48,871	7,629
Total expenditures	56,500	56,500	48,871	7,629
Excess (deficiency) of revenues over expenditures	7,933	7,933	11,967	4,034
Net changes in fund balances	7,933	7,933	11,967	4,034
Fund balance, July 1, 2014			79,586	79,586
Fund balance, June 30, 2015	\$ 7,933	\$ 7,933	\$ 91,553	\$ 83,620

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings			\$ 7,195	\$ 7,195
Total revenues			7,195	7,195
Expenditures:				
Total expenditures				
Excess (deficiency) of revenues over expenditures			7,195	7,195
Net changes in fund balances			7,195	7,195
Fund balance, July 1, 2014	204,104	204,104	206,416	2,312
Fund balance, June 30, 2015	<u>\$ 204,104</u>	<u>\$ 204,104</u>	<u>\$ 213,611</u>	<u>\$ 9,507</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings			\$ 20,211	\$ 20,211
Total revenues			20,211	20,211
Expenditures:				
Capital outlay	1,292,317	1,214,711	597,420	617,291
Total expenditures	1,292,317	1,214,711	597,420	617,291
Excess (deficiency) of revenues over expenditures	(1,292,317)	(1,214,711)	(577,209)	637,502
Other financing sources (uses):				
Transfers in	1,292,317	1,214,711	591,142	(623,569)
Transfers out	(32,100)	(32,100)	(32,100)	
Total other financing sources (uses)	1,260,217	1,182,611	559,042	(623,569)
Net changes in fund balances	(32,100)	(32,100)	(18,167)	13,933
Fund balance, July 1, 2014	3,079,671	3,079,671	3,075,192	(4,479)
Fund balance, June 30, 2015	<u>\$ 3,047,571</u>	<u>\$ 3,047,571</u>	<u>\$ 3,057,025</u>	<u>\$ 9,454</u>

Coconino County
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2015

	<u>Treasurer's Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 101,311,196	\$ 162,850	\$ 101,474,046
Interest and dividends receivable	<u>184,139</u>	<u> </u>	<u>184,139</u>
Total assets	<u>101,495,335</u>	<u>162,850</u>	<u>101,658,185</u>
Liabilities			
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Net position			
Held in trust for investment trust participants	<u>\$ 101,495,335</u>	<u>\$ 162,850</u>	<u>\$ 101,658,185</u>

Coconino County
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
Year Ended June 30, 2015

	<u>Treasurer's Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
Additions:			
Contribution from participants	\$ 229,568,732	\$ 8,422	\$ 229,577,154
Investment earnings	1,071,956		1,071,956
Total additions	<u>230,640,688</u>	<u>8,422</u>	<u>230,649,110</u>
Deductions:			
Distributions to participants	<u>234,060,972</u>	<u>3,640,876</u>	<u>237,701,848</u>
Total deductions	<u>234,060,972</u>	<u>3,640,876</u>	<u>237,701,848</u>
Change in net position	(3,420,284)	(3,632,454)	(7,052,738)
Net position, July 1, 2014	104,915,619	3,795,304	108,710,923
Net position, June 30, 2015	<u>\$ 101,495,335</u>	<u>\$ 162,850</u>	<u>\$ 101,658,185</u>

Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2015

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Assets				
Cash and cash equivalents	\$ 1,938,582	\$ 68,252,927	\$ 68,355,698	\$ 1,835,811
Cash and investments held by trustee	1,141,351	1,749,389	1,940,627	950,113
Total assets	<u>\$ 3,079,933</u>	<u>\$ 70,002,316</u>	<u>\$ 70,296,325</u>	<u>\$ 2,785,924</u>
Liabilities				
Deposits held for others	\$ 2,858,403	\$ 65,475,922	\$ 65,819,719	\$ 2,514,606
Due to other governments	221,530	4,526,394	4,476,606	271,318
Total liabilities	<u>\$ 3,079,933</u>	<u>\$ 70,002,316</u>	<u>\$ 70,296,325</u>	<u>\$ 2,785,924</u>

STATISTICAL SECTION

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Coconino County
Statistical Section
Year Ended June 30, 2015

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

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.179-183

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.184-187

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.188-190

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.191-193

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.194-198

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

	Fiscal Year									
	2006 as restated	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary government:										
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 109,735,410	\$ 106,913,167	\$ 128,198,350	\$ 129,694,889	\$ 128,372,030	\$ 145,814,515	\$ 142,964,843	\$ 145,559,259	\$ 145,480,845	\$ 149,872,339
Restricted	39,761,272	36,994,894	29,929,358	28,345,559	28,386,829	63,914,015	65,858,399	63,564,437	69,537,246	74,284,443
Unrestricted	57,199,373	64,103,998	52,345,917	52,251,638	53,636,533	22,113,670	23,547,699	22,747,752	18,591,785	(86,379,130)
Total governmental activities net position	<u>\$ 206,696,055</u>	<u>\$ 208,012,059</u>	<u>\$ 210,473,625</u>	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>	<u>\$ 231,842,200</u>	<u>\$ 232,370,941</u>	<u>\$ 231,871,448</u>	<u>\$ 233,609,876</u>	<u>\$ 137,777,652</u>

Source: Coconino County Single Audit Reporting Package

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

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

	Fiscal year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 26,858,863	\$ 30,137,861	\$ 32,252,372	\$ 32,364,030
Public safety	27,583,478	29,170,427	32,282,534	33,164,905
Highways and streets	9,551,859	18,699,298	17,990,951	16,655,737
Sanitation	3,014,199	3,138,878	3,216,176	3,274,456
Health	11,160,577	11,575,909	12,192,703	12,692,864
Welfare	5,590,510	5,902,878	6,666,186	7,615,522
Culture and recreation	4,933,059	5,628,042	6,957,602	7,814,879
Education	3,730,202	3,816,081	4,437,125	4,892,986
Transportation	4,163,891			
Interest on long term debt	1,761,726	1,602,303	603,969	512,256
Defeasance of long-term debt			832,030	
Total expenses	\$ 98,348,364	\$ 109,671,677	\$ 117,431,648	\$ 118,987,635
Program Revenues				
Governmental activities:				
Charges for services:				
General government	8,387,583	4,322,299	8,273,916	7,316,495
Public safety	3,643,195	4,132,207	2,986,695	3,421,790
Highways and streets	298,492	3,459,682	74,556	1,152,294
Sanitation	1,138,057	1,437,621	1,375,478	1,375,437
Health	1,403,315	1,520,902	1,340,236	1,316,870
Welfare	1,455,946	1,599,249	1,337,392	1,262,876
Culture and recreation	1,031,838	1,188,201	1,159,535	1,170,109
Education	71,232	107,301	115,216	95,016
Transportation	542,003			
Operating grants and contributions	39,359,052	33,695,469	34,185,253	34,581,839
Capital grants and contributions	1,937,161	134,120	898,314	118,520
Total governmental activities program revenues	\$ 59,267,874	\$ 51,597,051	\$ 51,746,591	\$ 51,811,246
Net (expenses) revenues	\$ (39,080,490)	\$ (58,074,626)	\$ (65,685,057)	\$ (67,176,389)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes, levied for general purposes	6,806,423	7,011,847	7,180,218	7,935,524
Property taxes, levied for library	2,539,393	1,263,035	3,847,035	4,708,037
Property taxes, levied for flood control	1,077,540	2,860,021	1,510,077	2,011,055
Property taxes, levied for accommodation school				189,318
Property taxes, levied for health services				
General county sales tax	11,580,757	12,384,595	12,445,915	11,497,627
Road sales tax				
Jail District sales tax	6,946,353	9,691,689	12,395,931	11,486,443
Parks and open spaces sales tax	2,894,657	3,076,949	3,105,737	2,871,495
Excise tax	100,295	111,593	102,863	92,118
Franchise tax	141,758	134,640	46,966	41,944
Shared revenue - state sales tax	16,684,292	18,125,003	17,000,598	15,287,328
Shared revenue - state vehicle license tax	5,547,275	5,695,838	5,622,049	5,240,676
Grants and contributions not restricted to specific programs	1,809,330	1,646,585	1,727,679	2,866,290
Investment earnings	745,407	4,489,537	2,726,375	2,388,053
Gain (loss) on disposal of capital assets	749,146	158,415	209,636	2,100
Miscellaneous	47,325	23,279	225,544	376,842
Donated capital		(7,282,396)		
Total general revenues	\$ 57,669,951	\$ 59,390,630	\$ 68,146,623	\$ 66,994,850
Change in net position	\$ 18,589,461	\$ 1,316,004	\$ 2,461,566	\$ (181,539)

Source: Coconino County Single Audit Reporting Package

Fiscal year						
2010	2011	2012	2013	2014	2015	
\$ 31,501,241	\$ 30,768,963	\$ 31,590,773	\$ 32,049,113	\$ 29,994,545	\$ 34,766,812	
31,592,406	36,552,608	33,763,301	37,609,509	42,122,131	42,398,679	
15,639,291	13,811,657	15,955,413	15,958,230	14,058,678	14,906,659	
3,138,985	3,151,415	3,088,446	2,102,071	1,611,107	2,007,358	
11,216,546	11,045,264	11,550,850	12,199,793	13,735,528	13,915,744	
8,273,139	8,284,852	6,907,365	6,642,756	4,932,758	4,486,667	
7,725,556	7,286,373	7,243,089	7,063,893	6,594,783	6,682,930	
5,278,556	4,767,625	5,232,363	5,941,255	7,332,953	6,708,189	
	287,272					
414,902		178,025	69,723	46,622	24,582	
\$ 114,780,622	\$ 115,956,029	\$ 115,509,625	\$ 119,636,343	\$ 120,429,105	\$ 125,897,620	
7,169,300	6,022,842	4,995,911	4,465,482	4,868,512	4,737,629	
3,679,918	3,821,300	3,272,289	3,107,973	2,937,416	2,538,879	
69,689	93,370	93,636	99,728	54,445	114,459	
1,321,418	1,386,848	1,402,290	1,346,328	1,342,276	1,327,150	
1,247,031	1,151,680	1,181,490	1,301,249	1,353,915	1,463,783	
2,101,024	1,905,924	1,802,447	1,467,637	795,045	243,096	
794,306	865,254	760,863	850,519	838,718	879,799	
116,020	130,681	113,749	171,298	183,275	180,507	
34,922,841	39,900,147	32,332,327	36,156,108	35,999,361	38,184,459	
84,811	6,320,016	13,130	(1,892)	14,217	6,821	
\$ 51,506,358	\$ 61,598,062	\$ 45,968,132	\$ 48,964,430	\$ 48,387,180	\$ 49,676,582	
\$ (63,274,264)	\$ (54,357,967)	\$ (69,541,493)	\$ (70,671,913)	\$ (72,041,925)	\$ (76,221,038)	
8,185,332	8,405,307	8,807,267	8,744,783	9,040,033	9,023,305	
5,107,399	4,879,638	4,313,244	4,157,084	3,906,545	3,848,918	
1,959,193	1,849,054	3,179,252	2,943,787	2,462,802	2,425,568	
4,310	275	142	33	(18)	8	
	4,923,145	4,801,721	4,390,334	3,816,050	3,761,327	
10,774,208	11,118,458	11,369,591	11,705,643	12,271,635	13,579,820	
					3,778,550	
10,791,078	11,109,910	11,368,185	11,699,874	12,270,130	13,576,136	
2,689,346	2,775,886	2,832,704	2,923,093	3,065,409	997,627	
68,688	118,795	107,980	74,510	83,589	70,356	
39,207	36,969	36,788	47,198	58,608	94,022	
14,353,390	15,670,801	17,208,420	18,592,227	19,067,396	19,995,985	
4,971,307	4,932,200	4,676,609	3,082,023	3,180,936	3,301,848	
2,139,437	1,974,042	1,930,854	1,902,703	2,616,490	2,484,148	
2,090,720	684,904	1,162,458	(316,192)	1,420,929	700,571	
130,889	1,037,009	(882,441)	42,869	453,292	218,749	
73,066	111,114	55,430	182,451	66,527	86,637	
	5,169,268					
\$ 63,377,570	\$ 74,796,775	\$ 70,968,204	\$ 70,172,420	\$ 73,780,353	\$ 77,943,575	
\$ 103,306	\$ 20,438,808	\$ 1,426,711	\$ (499,493)	\$ 1,738,428	\$ 1,722,537	

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011 ¹	2012	2013	2014	2015
General Fund										
Reserved	\$ 48,359	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720	\$	\$	\$	\$	\$
Unreserved	29,626,015	33,986,837	27,495,342	24,956,598	22,206,572					
Nonspendable						85,029	1,509,973	1,541,383	1,556,369	1,517,238
Restricted									15,000	
Unassigned						26,368,723	28,450,416	29,184,907	26,643,317	26,126,347
Total general fund	<u>\$ 29,674,374</u>	<u>\$ 34,047,460</u>	<u>\$ 27,628,706</u>	<u>\$ 25,130,097</u>	<u>\$ 22,247,292</u>	<u>\$ 26,453,752</u>	<u>\$ 29,960,389</u>	<u>\$ 30,726,290</u>	<u>\$ 28,214,686</u>	<u>\$ 27,643,585</u>
All other governmental funds										
Reserved	\$	\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	38,946,353	39,555,023	41,731,738	52,444,661	58,066,418					
Capital project funds	2,097,854	1,968,757	10,265,707	1,176,745	842,548					
Debt service fund	19,967,912	12,318,744	15,066	46						
Nonspendable						84,711	271,992	231,804	139,493	104,770
Restricted						58,606,383	60,899,020	61,776,253	69,921,012	74,212,850
Unassigned									(2,077,795)	(3,303,500)
Total all other governmental funds	<u>\$ 61,012,119</u>	<u>\$ 61,796,917</u>	<u>\$ 52,561,966</u>	<u>\$ 54,006,187</u>	<u>\$ 59,501,102</u>	<u>\$ 58,691,094</u>	<u>\$ 61,171,012</u>	<u>\$ 62,008,057</u>	<u>\$ 67,982,710</u>	<u>\$ 71,014,120</u>

Source: Coconino County Single Audit Reporting Package

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property taxes	\$ 10,427,635	\$ 10,944,924	\$ 12,447,359	\$ 14,683,323	\$ 15,286,914	\$ 19,877,174	\$ 21,134,274	\$ 20,320,244	\$ 19,255,927	\$ 18,966,331
County sales taxes	27,211,403	31,096,502	33,726,601	31,235,155	29,334,804	30,092,941	30,395,929	26,455,658	27,750,211	32,096,706
Special assessments	1,055,453	800,422	697,085	533,246	567,822	528,262	443,889	454,223	232,948	137,434
Licenses and permits	2,794,699	2,412,270	2,028,139	1,596,184	1,531,423	1,544,071	2,080,424	1,428,438	1,585,215	1,520,047
Fees, fines, and forfeits	1,894,884	1,958,043	2,426,546	2,636,342	2,475,047	1,912,702	1,536,208	1,434,276	1,890,338	1,609,332
Intergovernmental	59,239,916	52,924,453	52,807,937	52,131,109	51,035,314	61,706,361	51,173,921	60,388,098	60,348,857	60,921,308
Charges for services	11,811,190	12,413,030	11,059,144	10,616,158	11,421,254	11,176,829	9,280,931	8,764,702	7,751,499	7,004,301
Investment income	1,316,328	5,076,801	3,426,238	2,941,346	2,547,186	894,731	1,450,443	(360,692)	1,713,752	1,038,111
Contributions	285,572	420,695	638,673	498,811	654,529	582,801	629,849	674,720	658,818	600,116
Miscellaneous	888,221	681,321	644,530	1,039,999	411,152	547,255	491,740	613,048	531,987	565,043
Total revenues	\$ 116,925,301	\$ 118,728,461	\$ 119,902,252	\$ 117,911,673	\$ 115,265,445	\$ 128,863,127	\$ 118,617,608	\$ 120,172,715	\$ 121,719,552	\$ 124,458,729
Expenditures:										
Current:										
General government	\$ 26,124,976	\$ 29,462,096	\$ 31,775,048	\$ 31,104,566	\$ 30,537,222	\$ 30,019,684	\$ 30,768,104	\$ 31,049,633	\$ 29,107,514	\$ 31,139,164
Public safety	26,768,092	28,039,150	31,240,851	31,381,596	30,336,374	36,611,002	34,375,074	39,373,290	45,050,982	43,662,534
Highways and streets	15,738,269	19,756,618	16,548,734	16,992,456	13,181,875	10,912,173	12,105,577	13,312,515	10,949,715	13,734,826
Sanitation	2,769,470	2,880,863	3,154,224	3,146,581	2,978,416	2,919,328	2,874,688	1,820,482	1,413,555	1,941,069
Health	11,029,368	11,403,856	12,077,635	12,361,518	10,956,358	10,795,196	11,338,648	12,036,240	13,528,580	13,091,067
Welfare	5,516,865	5,993,228	6,605,519	7,517,819	8,149,363	8,109,040	6,806,132	6,464,632	4,936,174	4,091,392
Culture and recreation	5,475,603	5,727,983	8,320,721	8,045,985	7,607,898	19,136,103	6,650,038	6,122,803	5,986,724	6,598,582
Education	3,425,244	3,618,428	4,273,975	4,730,288	5,110,500	4,727,587	5,085,903	5,783,644	7,176,253	6,456,550
Transportation	8,351,299									
Capital outlay	4,940,004	359,940	1,711,967	1,434,116	771,393	1,049,137	148,465	2,213,866	147,146	1,281,468
Debt service:										
Principal	4,280,700	4,303,256	18,545,471	2,508,901	2,637,213	2,255,923	2,353,289	396,669	415,808	105,144
Interest and other charges	1,761,725	1,602,303	1,435,999	512,256	414,902	287,272	178,025	69,723	46,622	24,582
Total expenditures	\$ 116,181,615	\$ 113,147,721	\$ 135,690,144	\$ 119,736,082	\$ 112,681,514	\$ 126,822,445	\$ 112,683,943	\$ 118,643,497	\$ 118,759,073	\$ 122,126,378
Excess (deficiency) of revenues over expenditures	743,686	5,580,740	(15,787,892)	(1,824,409)	2,583,931	2,040,682	5,933,665	1,529,218	2,960,479	2,332,351
Other financing sources (uses):										
Sale of capital assets	\$ 314,542	\$ 368,694	\$ 22,911	\$ 2,100	\$ 28,179	\$ 1,329,950		20,194	502,570	127,958
Bond proceeds		(791,550)		795,000						
Transfers in	14,112,086	12,934,995	37,093,497	15,481,676	15,042,578	21,912,454	\$ 14,661,648	\$ 14,454,693	\$ 14,188,062	\$ 15,427,307
Transfers out	(14,112,086)	(12,934,995)	(36,982,221)	(15,508,755)	(15,042,578)	(21,894,634)	(14,608,758)	(14,401,159)	(14,188,062)	(15,427,307)
Total other financing sources and uses	314,542	(422,856)	134,187	770,021	28,179	1,347,770	52,890	73,728	502,570	127,958
Net changes in fund balances	\$ 1,058,228	\$ 5,157,884	\$ (15,653,705)	\$ (1,054,388)	\$ 2,612,110	\$ 3,388,452	\$ 5,986,555	\$ 1,602,946	\$ 3,463,049	\$ 2,460,309
Debt service as a percentage of noncapital expenditures										
	5.74%	5.53%	17.53%	2.62%	2.80%	2.06%	2.25%	0.42%	0.41%	0.12%

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Capital Outlay in FY 2006 through 2008

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

Fiscal Year Ended June 30,	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Secured	Unsecured	Total			
2006	1,144,384,468	223,578,936	1,367,963,404	0.8652	11,396,633,513	12.0
2007	1,288,341,613	225,916,527	1,514,258,140	0.8521	13,799,610,572	11.0
2008	1,458,940,955	229,241,854	1,688,182,809	0.8588	16,687,281,012	10.1
2009	1,605,854,299	234,920,747	1,840,775,046	0.8791	17,790,931,957	10.3
2010	1,694,104,159	224,614,413	1,918,718,572	0.8340	17,143,465,763	11.2
2011	1,607,918,353	232,224,257	1,840,142,610	1.0820	15,460,396,890	11.9
2012	1,714,437,231	45,163,364	1,759,600,595	1.3170	14,840,670,920	11.9
2013	1,714,436,551	45,173,364	1,759,609,915	1.3347	14,840,650,090	11.9
2014	1,475,006,428	58,058,854	1,533,065,282	1.4522	13,008,153,658	11.8
2015	1,478,590,523	55,893,415	1,534,483,938	1.4702	13,223,453,140	11.6

Source: Coconino County Assessor

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

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

Direct Rates

Fiscal Year	County Operating	Library District	Flood Control District	Public Health Service District	Total Direct
2006	0.4753	0.1899	0.2000		0.8652
2007	0.4622	0.1899	0.2000		0.8521
2008	0.4383	0.2205	0.2000		0.8588
2009	0.4338	0.2293	0.2160		0.8791
2010	0.3973	0.2367	0.2000		0.8340
2011	0.3953	0.2367	0.2000	0.2500	1.0820
2012	0.4303	0.2367	0.4000	0.2500	1.3170
2013	0.4480	0.2367	0.4000	0.2500	1.3347
2014	0.5466	0.2556	0.4000	0.2500	1.4522
2015	0.5646	0.2556	0.4000	0.2500	1.4702

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
2006	0.1000	0.4358	0.5525	0 - 1.6627	0.6500 - 3.0000	0 - 1.1730	0.0500 - 10.4246
2007	0.1000		0.5269	0 - 1.5929	0.4700 - 3.0000	0 - 1.3500	0.0500 - 9.4606
2008	0.1000		0.4865	0 - 1.5519	0.4100 - 2.7500	0 - 2.2300	0.0500 - 9.9025
2009	0.0972		0.4643	0 - 1.5169	0.4100 - 2.7500	0 - 2.2300	0.0500 - 10.9896
2010	0.0904	0.3306	0.4267	0 - 1.4913	0.3000 - 3.0000	0 - 2.9705	0.0500 - 9.9371
2011	0.0925	0.3564	0.4308	0 - 1.4845	0.2742 - 3.0000	0 - 2.6680	0.0500 - 8.4520
2012	0.0986	0.4259	0.4734	0 - 1.5283	0.0600 - 3.2500	0 - 1.5640	0.0500 - 8.5934
2013	0.1000	0.4717	0.4927	0 - 1.5497	0.3000 - 3.2500	0 - 1.6919	0.0500 - 10.7007
2014	0.1000	0.5123	0.5879	0 - 1.6795	0.3500 - 3.2500	0 - 3.3685	0.0500 - 11.9461
2015	0.1000	0.5089	0.6056	0 - 1.6784	0.4000 - 3.2500	0 - 1.6659	0.0500 - 11.9461

Source: Coconino County adopted tax rate schedules

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

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

Taxpayer	2015			2005 ¹		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 79,072,397	1	5.15%	\$ 64,513,120	1	5.10%
Transwestern Pipeline Company	22,673,775	2	1.48	20,226,175	2	1.60
Burlington Northern/Santa Fe Railway Company	19,361,537	3	1.26	18,931,112	5	1.50
Unisource Energy Corporation	18,995,903	4	1.24	17,368,511	6	1.37
W.L. Gore & Associates Inc.	16,852,228	5	1.10	10,282,172	8	0.81
City of Los Angeles Dept of Wtr & Pwr	16,628,776	6	1.08	19,095,834	3	1.51
Kinder Morgan (El Paso Natural Gas)	14,508,410	7	0.95	19,085,580	4	1.51
Nevada Power Company	10,022,570	8	0.65	11,767,729	7	0.93
Perrin Ranch Wind, LLC	6,069,480	9	0.40			
Qwest Corporation	5,934,692	10	0.39	5,027,767	10	0.40
Questar Southern Trails Pipeline Company				7,096,504	9	0.56
Total Principal Taxpayers	<u>\$ 210,119,768</u>		<u>13.70%</u>	<u>\$ 193,394,504</u>		<u>15.29%</u>
Total Coconino County Primary Assessed Value	\$ 1,534,483,938			\$ 1,263,779,835		

Source: Coconino County Assessor

¹ Arizona Department of Revenue, Central Information Services

Coconino County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	County Tax Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 9,576,903	\$ 9,416,476	98.32	\$ 166,352	\$9,582,828	100.06
2007	10,373,130	10,197,426	98.31	172,808	10,370,234	99.97
2008	11,991,569	11,693,983	97.52	283,290	11,977,273	99.88
2009	14,061,783	13,583,453	96.60	456,342	14,039,795	99.84
2010	14,383,909	13,977,568	97.18	406,557	14,384,125	100.00
2011	19,513,519	18,641,220	95.53	733,375	19,374,595	99.29
2012	19,880,920	19,239,142	96.77	525,707	19,764,849	99.42
2013	19,356,876	18,811,741	97.18	419,108	19,230,850	99.35
2014	18,532,923	18,092,321	97.62	311,028	18,403,350	99.30
2015	18,532,923	18,184,357	98.12		18,184,357	98.12

Fiscal Year Ended June 30,	County Tax Levied for the Fiscal Year				
	County Operating	Public Health Service District	Flood Control District	County Library	Total County
2006	\$ 5,998,653	\$	\$1,081,336	\$ 2,496,913	\$9,576,903
2007	6,332,859		1,237,412	2,802,859	10,373,130
2008	6,637,571		1,508,651	3,845,347	11,991,569
2009	7,328,876		2,014,075	4,718,832	14,061,783
2010	7,320,104		1,961,323	5,102,482	14,383,909
2011	7,631,149	5,153,351	1,849,827	4,879,193	19,513,519
2012	7,774,986	4,588,969	3,172,129	4,344,836	19,880,920
2013	7,836,325	4,397,524	2,959,452	4,163,575	19,356,876
2014	8,321,922	3,828,370	2,468,506	3,914,125	18,532,923
2015	8,321,922	3,828,370	2,468,506	3,914,125	18,532,923

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

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

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

Fiscal Year	Certificates of Participation	Jail District Revenue Bonds	Special Assessments	Total	Percentage of Personal Income ¹	Per Capita ¹
2006	\$ 20,100,000	\$ 14,370,000	\$ 2,490,948	\$ 36,960,948	0.92%	\$ 287.20
2007	18,180,000	12,445,000	2,153,550	32,778,550	0.77%	251.29
2008		10,435,000	1,885,208	12,320,208	0.28%	93.44
2009		8,340,000	2,364,178	10,704,178	0.24%	80.19
2010		6,145,000	2,016,964	8,161,964	0.18%	60.64
2011		3,855,000	1,646,042	5,501,042	0.12%	40.90
2012		1,970,000	1,262,673	3,232,673	0.07%	23.77
2013			866,084	866,084	0.02%	6.34
2014			450,276	450,276	0.01%	3.27
2015			345,131	345,131	NA ²	NA ²

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

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

² Personal and income and population was not available for 2015.

Coconino County
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015	
Assessed value	\$ 1,534,483,938
Debt limit (6% of assessed value)	92,069,036
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	92,069,036
Legal debt margin	92,069,036

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036
Total net debt applicable to the limit										
Legal debt margin	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114	\$ 110,408,557	\$ 105,576,036	\$ 105,576,595	\$ 91,983,917	\$ 92,069,036
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Coconino County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds							
Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net Available		Debt Service		Coverage
			Revenue	Principal	Interest		
2006	13,951,974	9,742,506	4,209,468	1,920,000	956,555	1.46	
2007	17,132,399	10,708,410	6,423,989	2,010,000	566,908	2.49	
2008	20,714,914	12,543,072	8,171,842	2,095,000	477,958	3.18	
2009	22,039,625	12,175,349	9,864,276	2,195,000	383,992	3.82	
2010	23,176,800	12,060,220	11,116,580	2,290,000	284,622	4.32	
2011	24,465,343	12,366,420	12,098,923	1,885,000	177,311	5.87	
2012	25,597,226	12,638,737	12,958,489	1,970,000	89,333	6.29	
2013	26,432,645	12,954,957	13,477,688		1,500		
2014	29,764,353	13,793,638	15,970,715				
2015	33,158,650	13,554,714	19,603,936				

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues ¹	Debt Service		Coverage
		Principal	Interest	
2006	770,745	393,571	155,405	1.40
2007	762,301	293,256	168,330	1.65
2008	1,024,569	270,471	126,011	2.58
2009	1,082,701	313,901	128,264	2.45
2010	938,727	347,213	130,280	1.97
2011	1,001,654	370,923	109,961	2.08
2012	971,522	370,923	109,961	2.02
2013	931,380	396,669	68,223	2.00
2014	704,051	415,808	46,622	1.52
2015	371,959	105,144	24,582	2.87

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

¹ Revenues included beginning fund balances and transfers in.

² Expenditures include transfers out.

Coconino County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2006	128,695	\$ 4,111,297	\$ 31,946	4.2%
2007	130,442	4,348,995	33,340	3.7
2008	131,853	4,590,014	34,812	5.1
2009	133,477	4,514,396	33,822	7.1
2010	134,611	4,523,918	33,607	8.4
2011	134,105	4,617,232	34,430	8.2
2012	136,011	4,735,934	34,820	8.3
2013	136,539	4,906,294	35,933	7.9
2014	139,372	5,399,899	39,220	7.1
2015	137,903	NA ¹	NA ¹	6.4

Sources: Population and personal income through 2014 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

Population projection for 2015 obtained from Office of Employment & Population Statistics, Arizona Department of Administration.

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

¹ Personal income estimates were not yet available for fiscal year 2015.

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Coconino County
Principal Employers
Current Year and Nine Years Ago

Employer	2015 ¹			2006 ²		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,815	1	4.08%	3,393	1	5.02%
Flagstaff Medical Center	2,300	2	3.34%	1,999	2	2.95%
W.L. Gore	2,200	3	3.19%	1,300	4	1.92%
Flagstaff Unified School District	1,436	4	2.08%	1,700	3	2.51%
Coconino County	1,294	5	1.88%	1,056	5	1.56%
City of Flagstaff	872	6	1.26%	948	6	1.40%
Twin Arrows Navajo Casino Resort	700	7	1.02%			
Walmart	630	8	0.91%			
Grand Canyon Railway	421	9	0.61%			
SCA Tissue	279	10	0.40%	279	8	0.41%
Walgreens Distribution Center				400	7	0.59%
Total Employment in Coconino County						
As of June 30 ³	68,940			67,652		

- Sources: ¹ Economic Collaborative of Northern Arizona, Flagstaff Chamber of Commerce
² Arizona Department of Economic Security, Workforce Arizona Statistics
³ Arizona Unemployment Statistics Program, Research Administration

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2006	2007	2008	2009
General Government				
Assessor	24.00	26.00	27.00	27.08
Board of Supervisors	13.50	13.50	13.50	14.50
Clerk of the Superior Court	21.50	23.50	23.35	23.35
Community Development	19.50	21.50	23.00	23.50
County Attorney	42.00	42.00	42.75	43.00
County Manager	5.00	5.00	10.50	10.50
Facilities Management	28.00	28.00	28.00	28.00
Finance	17.00	19.00	19.00	18.00
Human Resources	10.00	10.00	11.00	10.00
Government Relations				
Information Technology	27.50	28.00	28.00	30.00
Justice Court - Flagstaff	20.50	22.00	24.25	24.50
Justice Court - Fredonia	2.00	2.50	2.50	2.50
Justice Court - Page	5.00	5.00	5.00	5.00
Justice Court - Williams	4.75	5.00	5.00	5.00
Legal Defender	4.48	4.48	5.00	5.00
Non-Departmental				
Organizational Development	1.00	1.00	1.00	1.00
Public Defender	22.00	22.00	22.00	22.00
Recorder	17.00	17.00	19.00	19.00
Superintendent of Schools	6.85	10.40	11.36	11.36
Superior Court	30.50	31.00	34.75	35.00
Treasurer	8.00	8.50	8.50	8.00
Public Safety				
Adult Probation	58.60	59.60	60.10	60.10
Constable	1.00	1.00	1.00	1.00
Emergency Management				
Jail District	146.33	146.33	165.83	168.83
Juvenile Court Services	75.28	75.28	75.48	75.28
Sheriff	91.50	93.50	94.50	94.50
Highways and Streets				
Public Works	136.40	136.40	136.40	136.40
Sanitation				
Kachina Village Imp. Dist.	8.00	8.00	8.00	8.00
Health				
Health	121.24	122.50	129.58	132.53
Welfare				
Career Center	10.88	10.88	10.88	13.88
Community Services	58.13	47.92	49.15	51.65
Culture and Recreation				
Parks and Recreation	19.00	19.00	20.50	21.00
Total	<u>1,056.44</u>	<u>1,065.79</u>	<u>1,115.88</u>	<u>1,129.46</u>

Source: Coconino County Budget Books 2006-2015

2010	2011	2012	2013	2014	2015
27.00	25.00	25.00	26.00	27.00	27.00
14.00	13.50	13.50	13.50	14.50	14.50
23.35	23.35	23.35	23.98	23.60	23.60
23.50	22.50	22.50	22.50	23.50	30.00
42.00	42.00	42.00	42.00	43.00	43.00
11.00	12.00	12.40	13.22	12.47	7.00
28.00	26.00	26.00	26.00	26.00	26.00
18.00	17.00	18.25	18.25	18.00	18.00
10.00	10.00	9.73	9.73	10.63	10.63
					4.00
30.00	31.00	28.00	24.00	24.00	24.00
23.50	22.75	22.75	22.75	21.50	21.50
2.50	2.50	2.50	2.50	2.50	2.50
5.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	6.00	6.00
5.00	5.00	5.00	5.00	6.00	6.00
	4.00	3.00			
1.00					
21.00	21.00	21.00	21.00	20.00	20.00
19.00	17.00	17.00	17.00	17.50	17.50
11.36	9.58	8.88	11.66	10.83	10.00
36.00	35.00	33.50	34.33	34.33	36.33
8.00	8.00	8.00	8.00	8.00	8.00
60.10	59.50	59.50	58.80	56.80	56.80
1.00	1.00	1.00	1.00	1.00	1.00
					3.00
168.83	166.83	169.63	169.68	170.98	172.89
72.08	71.20	69.58	68.63	70.11	69.93
96.50	97.50	97.50	99.65	96.83	98.75
136.40	121.15	120.50	132.13	127.54	125.51
8.00	8.00	8.00	8.00	8.00	8.00
135.17	111.65	113.71	111.60	114.33	102.32
13.00	13.00	12.00	12.00	12.00	13.00
43.17	48.22	51.22	50.32	48.33	34.83
21.00	19.75	19.75	20.00	19.00	19.00
<u>1,119.46</u>	<u>1,074.98</u>	<u>1,074.75</u>	<u>1,083.23</u>	<u>1,079.28</u>	<u>1,065.59</u>

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

Function/Program	2006	2007	2008	2009
General Government				
Clerk of the Superior Court				
New Court Cases	3,611	3,805	3,502	3,910
Community Development				
Building Permits Issued	2,061	1,934	1,794	1,581
Building Inspection/Site Visits	8,512	7,487	6,950	6,295
County Attorney				
Adult Felony and Misdemeanor cases	8,624	8,994	8,334	7,518
Victim Restitution Collected for Bad Checks	\$ 95,474	\$ 52,846	\$ 49,833	\$ 35,028
Justice Courts				
Total Cases	24,514	27,462	26,206	27,596
Legal Defender				
Total Cases	683	605	512	466
Public Defender				
Total Cases	4,567	4,562	4,001	3,889
Recorder				
Documents Recorded by Fiscal Year	61,336	54,356	42,701	37,929
Registered Voters	65,977	62,046	66,000	71,000
Superior Court				
Total Number of Criminal Cases Filed	1,291	1,192	1,108	1,179
Total Number of Domestic Relations Cases Filed	597	725	619	692
Total Number of Civil Cases Filed	1,030	998	874	1,111
Treasurer				
Total Real Property Notices	71,111	72,518	74,000	77,100
Public safety				
Adult Probation				
Monthly Average Probationers Supervised	1,252	1,343	1,280	1,236
Restitution Collected	\$ 242,688	\$ 244,527	\$ 220,000	\$ 237,055
Jail District				
Average Local Population	374	365	397	366
Juvenile Court Services				
Delinquents and Incurable Petitions Filed	860	870	878	817
Contributed to Community Through Restitution Hours	\$ 34,569	\$ 34,650	\$ 34,779	\$ 54,433
Sheriff				
Calls for Service	40,324	42,344	38,911	40,656
Culture and recreation				
Parks and Recreation				
County Fair participants	40,839	42,536	43,126	45,049
Highways and streets				
Public Works				
Number of miles graded	2,521	1,712	2,114	2,382
Number of miles resurfaced	104	28	35	53
Miles of road chip sealed	22	24	75	21
Health				
Health Department				
Patient Vaccination visits	16,250	10,729	10,783	10,512
Restaurant/Public Facility Inspections	4,481	3,664	4,048	3,838
Welfare				
Community Services				
Home Delivered Meals	21,520	21,227	24,400	20,806
Congregate Meals	21,071	23,612	25,100	24,366
Cases Managed	2,949	3,591	3,042	3,012

Source: County Department records and Adopted Budgets

Fiscal Year					
2010	2011	2012	2013	2014	2015
3,950	4,575	4,583	4,343	4,296	4,465
1,783	1,880	1,311	1,250	1,280	1,200
4,624	5,545	2,629	3,496	4,100	3,600
7,009	6,278	7,002	6,915	9,552	9,181
\$ 24,150	\$ 15,231	\$ 16,000	\$ 13,444	\$ 18,938	\$ 8,045
26,801	26,506	26,833	22,819	24,438	23,093
400	370	451	552	702	728
3,393	3,026	3,133	2,951	2,830	3,097
37,000	37,000	36,500	32,000	32,000	40,000
66,000	67,000	68,000	73,000	71,000	67,000
1,024	862	943	900	930	929
766	711	608	625	630	653
1,166	1,077	716	873	880	706
73,796	74,000	74,786	74,000	80,165	70,334
1,253	1,252	1,222	1,193	1,196	1,184
\$ 196,824	\$ 189,911	\$ 153,524	\$ 198,079	\$ 190,000	\$ 190,000
372	372	407	432	400	415
662	662	619	608	449	481
\$ 46,906	\$ 30,584	\$ 34,707	\$ 39,814	\$ 43,474	\$ 52,601
50,311	52,815	56,195	60,955	58,651	63,270
41,711	45,441	45,095	42,841	44,000	45,000
2,303	2,500	2,400	2,088	2,559	2,755
45	70	70	62	104	79
60	55	80	44		54
10,510	4,300	4,693	4,923	4,323	3,564
3,662	3,400	3,400	3,825	3,737	3,115
20,500	18,395	18,500	14,268	17,304	17,683
25,076	26,649	25,076	20,220	21,346	18,965
3,180	3,303	3,200	1,404	810	842

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

Function	Fiscal Year								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government									
Facilities square footage managed	703,032	684,914	684,914	684,914	684,914	684,914	684,914	679,914	682,455
Public safety									
Jails	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	8	8	8	7	7
Patrol vehicles	69	74	74	75	77	79	55	46	47
Highways and streets									
Bridges	30	30	30	30	30	30	38	39	39
Miles of paved roads	319	322	323	323	332	319	319	333	323
Miles of unpaved roads	711	711	711	711	711	611	604	590	672
Sanitation									
Solid Waste transfer stations	10	10	10	10	10	8	8	2	2
Wastewater treatment facilities	1	1	1	1	1	1	1	1	1
Wells	5	5	5	5	5	5	5	5	5
Health									
Public health facilities	1	1	1	1	1	1	1	1	1
Animal transport vehicles	3	3	3	3	3	4	4	4	4
Culture and recreation									
Parks	7	9	9	9	9	9	9	9	9
Acres protected as open space	589	589	589	589	2,503	2,600	2,600	2,600	2,600
Trail miles available for public use	14	16	17	17	18	18	18	18	23
Education									
School building	2	2	2	2	2	2	2	2	2

Source: Coconino County capital asset records and county departments

Note: Information was only available for nine years.