



**Comprehensive Annual  
Financial Report  
Fiscal Year Ended  
June 30, 2014**



# **Coconino County Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014**

## **COCONINO COUNTY BOARD OF SUPERVISORS**

Art Babbott  
District 1

Elizabeth C. Archuleta  
District 2

Matthew G. Ryan  
Chairman  
District 3

Mandy Metzger  
Vice Chairperson  
District 4

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  
Marsha Westling, Accountant*

Coconino County  
Table of Contents  
Year Ended June 30, 2014

**Introductory Section**

	<u>Page</u>
Letter of Transmittal	3
Organization Chart	11
Coconino County officials	12

**Financial Section**

<b>Independent Auditors' Report</b>	15
-------------------------------------	----

<b>Management's Discussion and Analysis (MD&amp;A)</b>	21
--	----

**Basic Financial Statements**

*Government-Wide Statements*

Statement of Net Position	35
Statement of Activities	37

*Fund Financial Statements*

Governmental Funds Financial Statements

Balance Sheet	38
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	41
Statement of Revenues, Expenditures, and Changes in Fund Balances	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	44

Proprietary Fund Financial Statements

Statement of Net Position	45
Statement of Revenues, Expenses, and Changes in Fund Net Position	46
Statement of Cash Flows	47

Fiduciary Funds Financial Statements

Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49

<b>Notes to Financial Statements</b>	50
--------------------------------------	----

**Required Supplementary Information**

*Budgetary Comparison Schedules - General Fund and Major Special Revenue Fund*

General Fund	82
Public Works/HURF Fund	84
Jail District Fund	85
Public Health Services District Fund	86
Flood Control District Fund	87

Coconino County  
Table of Contents  
Year Ended June 30, 2014

**Financial Section (Continued)**

	<u>Page</u>
<i>Notes to Budgetary Comparison Schedules</i>	88
<i>Schedule of Agent Retirement Plan's and Coconino County Postemployment Healthcare Plan's Funding Progress</i>	89
<b>Combining and Individual Fund Statements and Schedules</b>	
<i>List of Nonmajor Governmental Funds</i>	91
<i>Governmental Funds</i>	
Combining Balance Sheet – Nonmajor Governmental Funds	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	102
<i>Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual</i>	
Special Revenue Funds	
Adult Probation Grants and Fees	110
Assessor Storage and Retrieval	111
Career Center Grants	112
Clerk of the Superior Court Grants and Fees	113
Community Services Grants and Fees	114
Conciliation Court	115
County Attorney Grants and Fees	116
County Improvement Districts-Special Revenue	117
County Library District	118
Emergency Services Grants	119
Inmate Welfare	120
Jail Enhancement	121
Justice Courts Grants and Fees	122
Juvenile Court Grants and Fees	123
Legal Defender Grants and Fees	124
National Forest Fees	125
Parks and Recreation Grants and Fees	126
Public Defender Grants and Fees	127
Recorder Storage and Retrieval	128
School Superintendent Grants and Fees	129
Sheriff Grants and Fees	130
Solid Waste	131
Superior Court Grants and Fees	132
Taxpayer Information Fund	133
Other Special Revenue Funds	134
Debt Service Fund	
County Improvement Districts – Debt Service	135

Coconino County  
Table of Contents  
Year Ended June 30, 2014

**Financial Section (Continued)**

	<u>Page</u>
Capital Project Funds	
Parks and Open Spaces Tax Projects Fund	136
Accommodation School	137
County Improvement Districts - Capital Projects	138
Other Capital Projects Funds	139
<i>Investment Trust Funds</i>	
Combining Statement of Fiduciary Net Position – Investment Trust Funds	140
Combining Statement of Changes in Fiduciary Net Position – Investment Trust Funds	141
<i>Agency Fund</i>	
Statement of Changes in Assets and Liabilities – Agency Fund	142

**Statistical Section**

<i>Financial Trends</i>	
Net Position By Component	147
Changes in Net Position	148
Fund Balances - Governmental Funds	150
Changes in Fund Balances – Governmental Funds	151
<i>Revenue Capacity</i>	
Assessed Value and Estimated Market Value of Taxable Property	152
Direct and Overlapping Property Tax Rates	153
Principal Property Tax Payers	154
Property Tax Levies and Collections	155
<i>Debt Capacity</i>	
Ratios of Outstanding Debt By Type	156
Legal Debt Margin	157
Pledged Revenue Coverage	158
<i>Demographic and Economic Information</i>	
Demographic and Economic Statistics	159
Principal Employers	161
<i>Operating Information</i>	
Full-Time Equivalent Employees By Function	162
Operating Indicators By Function/Program	164
Capital Asset and Infrastructure Statistics By Function	166

THIS PAGE BLANK

## **INTRODUCTORY SECTION**

THIS PAGE BLANK



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, 2014. The CAFR provides additional information to the Board and the 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, 2014 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 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, 2014, 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, 2014, 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 accordance with generally accepted accounting principles (GAAP), 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.

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 16<sup>th</sup> Territorial Assembly with an initial population count of 4,000. The County encompasses approximately 18,617 square miles – 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. 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 2014 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.

*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. Major employers include Northern Arizona University, Flagstaff Medical Center, W.L. Gore and Associates, Flagstaff Unified School District, Coconino County, City of Flagstaff, Walmart, Walgreens Distribution Center, SCA Tissue, Dell Systems, 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 Route 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 FY14.

*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 FY14 the County expanded 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 a ten-year financial plan, aligning high probability revenue types with mission critical expenditures, balancing recurring expenditures with a plan to maintain operations at recessionary revenue levels, building prudent reserves, planning for compensation, facilities and IT, continued development of the Strategic Budgeting Process and development of new revenue sources.

*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 State has a balanced budget, however, future projected cost increases and planned tax cuts are expected to result in a deficit in FY15. As a result, the County anticipates potential reduced and reallocated State and Federal Highways and Streets revenues, shifts in mandated 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 the state budget shortfall, projected for FY15 and beyond, that have the least impact 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.

*Economic Outlook.* The economy continues to improve at a moderate pace and governmental revenues are not growing at the rate of private sectors. This will challenge local governments in planning for 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 legislature approved closing the Elected Officials Retirement System to new members, taking effect in FY14, to address concerns of growing unfunded liabilities beyond a sustainable level. The next area of concern needing to be addressed that has had the largest growth of unfunded liabilities and contribution requirements is the Public Safety Personnel Retirement System. The County, as a member of the Northern Arizona Public Employee Benefit Trust (NAPEBT), has been successful for several years of lower than average growth in health insurance costs. Through becoming a self-funded trust and implementing a wellness program, claims experience has stayed well below national averages.

Arizona was among the states hardest hit by the recession and economists predict that the economic recovery in Arizona will be stronger than most of the nation over the next few years in terms of increased housing values and job growth. Additional considerations are the impacts of the federal deficit and global economic conditions. The County will continue to address this outlook through the Strategic Budget Process, adjustments to its recessionary growth model, potential revenue sources and the ongoing long-term financial planning process.

### **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 will be submitted to the Budget Team, County Manager, and Board of Supervisors for recommended funding. 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 entire County rather than single issues, link long-run 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 \$10 million was expended in fiscal year 2014. In fiscal year 2014, \$4.7 million in state and federal grants were received to address these issues.

### **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 FY14 and FY15.

#### 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 have 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 FY14 budget. The Facilities Master Plan that was completed prior to the most recent recession is programmed to be updated based on changing assumptions coming out of the recession and should be ready for adoption in FY15. The County also has a strategic plan for our Information Technology department that we hope to begin implementing in the near future.

#### Legislative Solutions

Legislation was introduced and passed at the State level that reestablished the County Assistance Fund that provides lottery revenues to the counties. Coconino County received additional revenue of \$550,038 in FY14. This funding is a positive increase during a moderate economic recovery and demonstrates the stability of the State's current financial position.

#### Community Development assessment

Coconino County is beginning to implement recommendations that were the result of an organizational assessment of the Community Development Department. The plan will result in reorganization of the department to achieve greater transparency and efficiencies, and consolidation of County permitting functions. In addition, in FY14 the Community Development Department continued implementation of a modified planning process to ensure compliance with Senate Bill 1598, begun in FY13. SB 1598 is known as the "Regulatory Bill of Rights" and instituted new processes for planning efforts within local government.

#### Compensation plan

The Board of Supervisors approved a 1.5% cost of living/market adjustment in FY14, 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 FY14. 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 two creative and successful public/private partnerships located at Fort Tuthill County Park. The Flagstaff Extreme Adventure Course and North Pole Experience have provided 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 partners increased revenue generation during FY14 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 and 2012. 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 2013. 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,

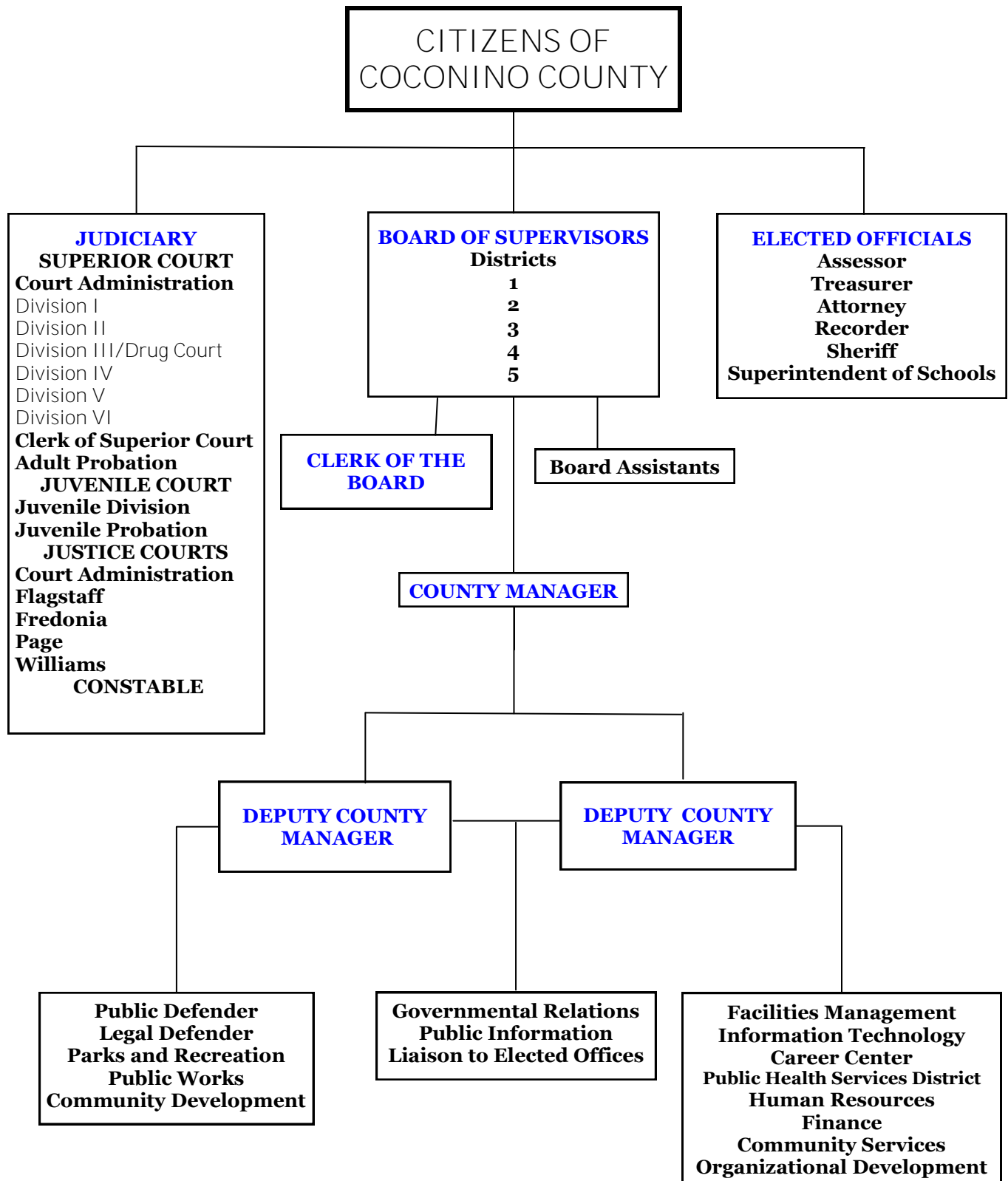
Cynthia Seelhammer, ICMA-CM  
County Manager

Bonny Lynn  
Chief Fiscal Officer



# COCONINO COUNTY

## Organizational Chart



# COCONINO COUNTY

## County Officials

### **BOARD OF SUPERVISORS**

District 1 .....	Art Babbott
District 2 .....	Elizabeth C. Archuleta
District 3 .....	Matthew G. Ryan, Chairman
District 4 .....	Mandy Metzger, Vice 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 .....	Debbie Young
Constable .....	Linda Kuczynski
County Assessor .....	Chris Mazon
County Attorney .....	David 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 .....	H. Allen Gerhardt
Public Works .....	Andrew Bertelsen
Superior Court Juvenile Court Judge/Commissioner .....	Margaret McCullough

## **FINANCIAL SECTION**

THIS PAGE BLANK



**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, 2014, 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, 2014, 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, 2014, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 21 through 32, the Budgetary Comparison Schedules on pages 82 through 88, and the Schedule of Agent Retirement Plan's and Coconino County Postemployment Healthcare Plan's Funding Progress on page 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***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

January 30, 2015

THIS PAGE BLANK



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

THIS PAGE BLANK

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2014. Please read it in conjunction with the transmittal letter on pages 3-10 and the County's basic financial statements, which follow this section.

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2014**

- The assets of the County exceeded its liabilities at the close of fiscal year 2014 by \$233.61 million (net position). Of these \$18.59 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The increase in the County's net position was \$1.74 million in fiscal year 2014.
- At the close of fiscal year 2014, the County's governmental funds reported combined ending fund balances of \$96.20 million, an increase of \$3.46 million.
- The General Fund reported an unassigned fund balance of \$26.64 million at the close of fiscal year 2014, a decrease of \$2.54 million. The primary reason for this decrease was funds were assigned to capital repair and replacement for future use.
- The County continued to expend significant resources for response and mitigation efforts as a result of the flooding caused by the fiscal year 2010 Schultz fire. A new devastating wildfire, the Slide Fire, began in Oak Creek Canyon on May 20, 2014. It burned more than 21,000 acres and created the potential for severe flooding within Oak Creek and West Fork Canyons. Over \$10 million was expended in fiscal year 2014. In fiscal year 2014, \$4.7 million in state and federal grants were received to address these issues. The financial impact of flooding due to the Slide Fire will continue to impact County resources in fiscal year 2015 and beyond.

## **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.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

## **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.

*The Statement of Net Position* presents information on all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases and decreases in net position are one indicator of whether the County's financial condition is improving or deteriorating. In addition to this change, other non-financial factors will need to 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 35-37 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

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

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.

Because the focus of the governmental funds is more narrow 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. *The basic governmental fund financial statements can be found on pages 38-44 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 45-47 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 48-49 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 50-79 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

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

obligation to provide pension and other postemployment benefits to its employees. *Required supplementary information can be found on pages 82-89 of this report.*

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Net Position may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Position of the County for June 30, 2014 compared to the prior year.

	Governmental Activities (in millions)	
	2014	2013
Current and other assets	\$ 106.56	\$ 105.73
Capital assets	145.93	146.43
Total assets	252.49	252.16
Current liabilities	7.47	9.58
Long-term liabilities outstanding	11.41	10.71
Total liabilities	18.88	20.29
Net position:		
Net investment in capital assets	145.48	145.56
Restricted	69.54	63.56
Unrestricted	18.59	22.75
Total net position	<u>\$ 233.61</u>	<u>\$ 231.87</u>

The County's net position from governmental activities at the end of the fiscal year was \$233.61 million. The net position was relatively flat with a small increase of \$1.74 million as recorded in the Statement of Activities.

#### Net investment in capital assets

62.27% of the County's net position (\$145.48 million) is net investment in capital assets (e.g. land, buildings, equipment, and infrastructure). These assets are used to provide services to citizens, but are not available for future spending. The County's net investment in capital assets decreased by 0.05% (\$80 thousand) in the current fiscal year.

#### Restricted Net Position

29.77% of the County's net position (\$69.54 million) is subject to external restrictions on how they may be used. The County's restricted net position increased by 9.41% (\$5.98 million) in the current fiscal year due to additional assets restricted for capital projects.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

Unrestricted Net Position

The remaining balance of the County's net position, 7.96% (\$18.59 million), is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements. Unrestricted net position decreased by 18.29% (\$4.16 million) in the current fiscal year. The decrease was due to normal course of business activity.

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 2014 compared to the prior year.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

	Governmental Activities (in millions)	
	2014	2013
Revenues		
Program revenues:		
Charges for services	\$ 12.37	\$ 12.81
Operating grants and contributions	36.00	36.15
Capital grants and contributions	0.01	0.00
Total program revenue	48.38	48.96
General revenues:		
State shared revenue	22.25	21.67
Sales taxes	27.75	26.45
Property taxes	19.23	20.24
Grants and contributions not restricted to specific programs	2.62	1.90
Investment earnings	1.42	(0.31)
Gain on disposal of capital assets	0.45	0.04
Miscellaneous	0.07	0.18
Total general revenue	73.79	70.17
Total revenues	122.17	119.13
Program Expenses		
General government	29.99	32.05
Public safety	42.12	37.61
Highways and streets	14.06	15.96
Sanitation	1.61	2.10
Health	13.74	12.20
Welfare	4.93	6.64
Culture and recreation	6.60	7.06
Education	7.33	5.94
Interest on long-term debt	0.05	0.07
Total program expenses	120.43	119.63
Change in net position	1.74	(0.50)
Net position, beginning	231.87	232.37
Net position, ending	\$ 233.61	\$231.87

Overall program revenues decreased by 1.18% (\$0.58 million) in the current fiscal year. This decrease was from a reduction of charges for services and reduction in grants. Charges for services decreased by 3.43% (\$0.44 million) due to a decrease in the number of prisoners being housed for other governments in the County Jail and transition of the CREC program. Program expenses increased 0.67% (\$0.80 million) in the current fiscal year.

The 0.41% (\$0.15 million) decrease in operating grants was from a decrease in funding received, compared to the prior year, for an AmeriCorps grant to fund Coconino Rural Environmental Conservation (CREC) corps projects. The CREC operation was transferred to Arizona Conservation Corps in January 2014.

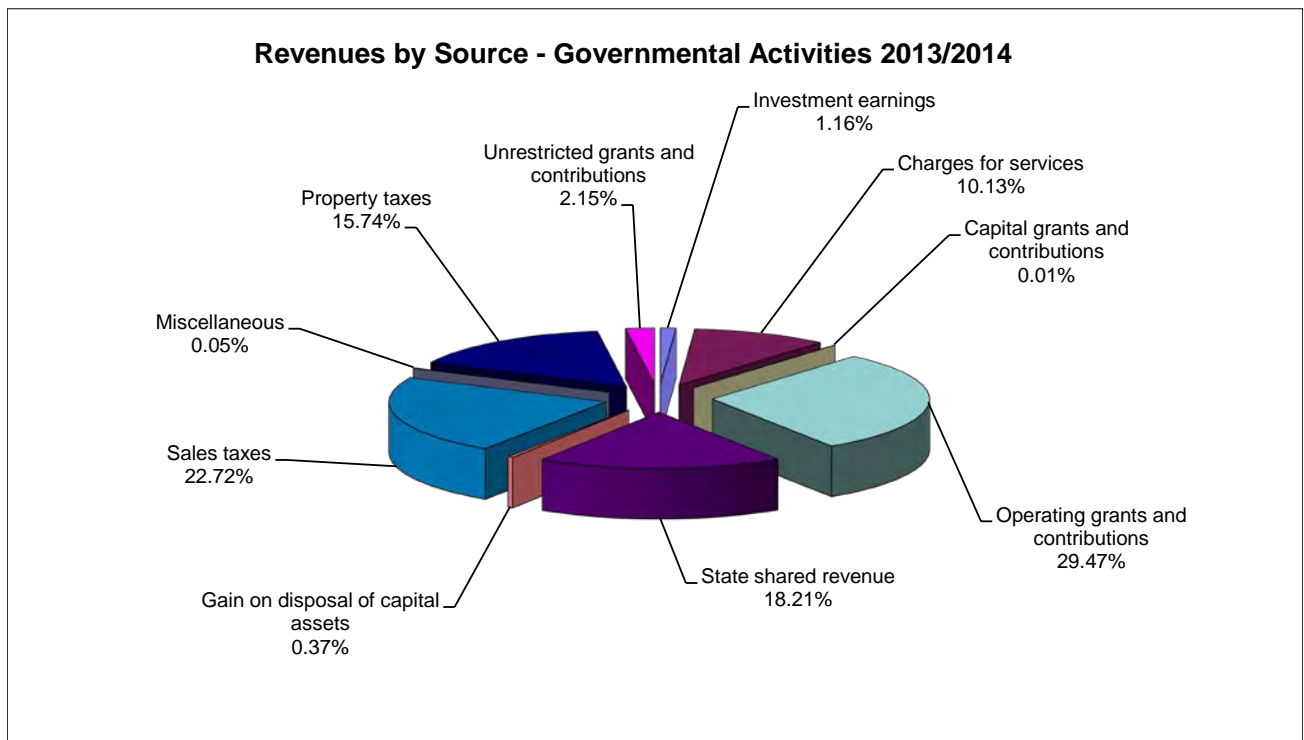


Coconino County  
Management's Discussion and Analysis  
June 30, 2014

Total Property taxes decreased by 4.99% (\$1.01 million) as a result of decreased assessed valuations for secondary taxing districts for library, flood control and public health services combined with flat tax rates.

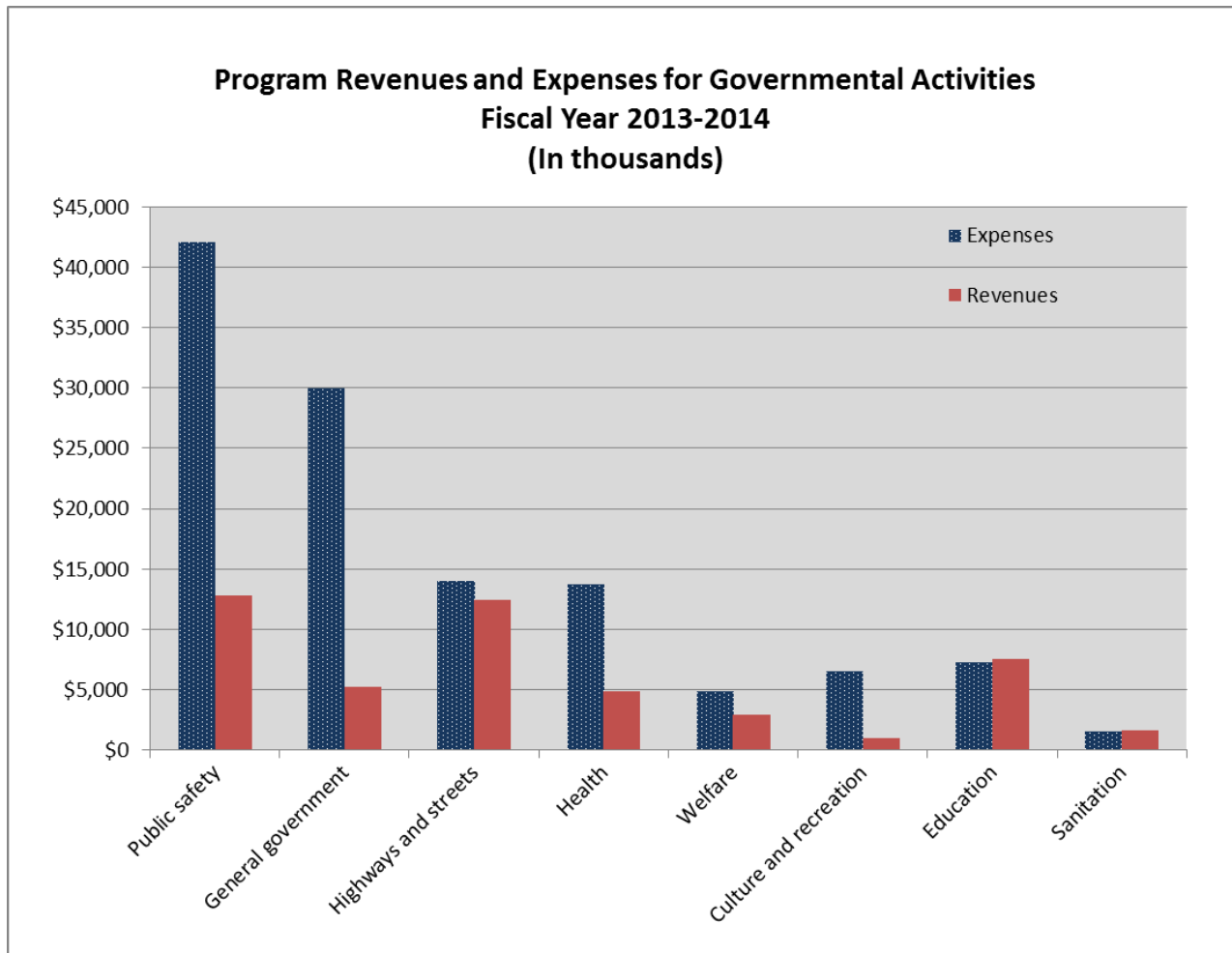
State shared revenue increased 2.68% (\$0.58 million) due in part to the moderate rebound in taxable sales at the state level, and can also be attributed to an additional "hold harmless" allocation based on assessed values in Coconino County representing a larger percentage of the total state assessed values that is greater than Coconino County's percentage of the total state population.

The current fiscal year investment earnings increase of 558.06% was due to positive earnings calculated as a percentage increase from the negative balance in fiscal year 2013 due to unrecognized capital losses in the prior fiscal year.



Public Safety expenses increased 11.99% in the current fiscal year due to increased expenditures for response to Slide Fire flooding and flood mitigation projects. Health expenses increased 12.62% due to increased costs related to the contracted services to provide Title 36 assessments and related court ordered behavioral health treatment. Education expenses increased 23.40% as a result of increased grant funding.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014



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 (29.47%), followed by sales tax (22.72%), and State shared revenue (18.21%). Public safety is the largest function in expense (\$42.12 million), followed by general government (\$29.99 million), highways and streets (\$14.06 million) and public health services (\$13.74 million).

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 ending June 30, 2014 in the amount of \$61,634.

### 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 \$96.20 million, which is an increase of \$3.46 million from last

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

year, or an increase of 3.73%. Of the total, \$94.50 million (98.24%) constitutes spendable fund balance.

Revenues and expenditures for governmental functions overall increased by 1.29% and 0.10%, respectively. These increases were the result of revenues and expenditures related to mitigation projects for catastrophic flooding events. Governmental fund revenues exceeded governmental fund expenditures by \$2.96 million in the current fiscal year and the fund balance increased by \$3.46 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 \$26.66 million. Spendable fund balance represents 94.48% of the General Fund's total fund balance. The General Fund's fund balance decreased by \$2.51 million.

The Public Works/HURF Fund's fund balance increased by \$1.85 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 not completed until fiscal year 2015. The transfer will be reflected in fiscal year 2015.

The Flood Control District Fund's fund balance decreased by \$3.81 million due to decreased property taxes as a result of decreased assessed values within the district.

The Jail District Fund's fund balance increased by \$2.49 million in the current fiscal year. The fund balance was budgeted to increase by \$1.02 million. It increased primarily due to operating expenditures below budget, including vacancy savings.

The Parks and Open Spaces Tax Projects Fund's fund balance increased by \$3.05 million in the current fiscal year. This increase was due to the timing of planned land purchases through Arizona State Land Department auction, which will occur in fiscal year 2015, and a slight decrease in the use of funds for parks and open space projects in the current year.

The Public Health Services District Fund's fund balance decreased by \$0.26 million in the current fiscal year. The change in fund balance was primarily from the increased cost of the Title 36 services contract and the decrease in property taxes.

### **General Fund Budgetary Highlights**

- The final budgeted expenditures for the General Fund at year-end were \$1.21 million more than the original adopted budget. This change was primarily due to budget adjustments for construction programs (\$832 thousand), General Election 2014 ballot printing (\$142 thousand), health insurance premium increase (\$20 thousand), and various smaller projects.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

- For the General Fund, actual expenditures were \$26.02 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 \$796 thousand more than the original adopted budget. For the General Fund, actual revenues fell short of the final budget by \$441 thousand. The decrease was primarily due to significant decreases in intergovernmental revenues, including a federal grant reversion for the Southwest Border Patrol in the amount of \$849,211.

### Capital Assets and Debt Administration

#### Capital Assets

During the current fiscal year, the County added \$345 thousand to the County's buildings and other improvements inventory, reduced the County's machinery and equipment inventory by \$816 thousand, and added \$4.32 million to the County's infrastructure inventory. The County's overall estimated value of capital asset inventory decreased \$0.50 million net of increases in depreciation. See Note 4 to the financial statements found on page 64 of this report.

The following table reflects the changes in capital assets for the County for the fiscal year 2014 compared to fiscal year 2013.

	Governmental Activities (net of depreciation) (in millions)	
	2014	2013
Land	\$ 39.27	\$ 39.27
Buildings and other improvements	52.33	54.33
Machinery and equipment	4.92	5.32
Infrastructure	44.37	43.20
Construction in progress	5.04	4.30
Total	<u>\$ 145.93</u>	<u>\$ 146.42</u>

#### Long-term Debt

At the end of the current fiscal year the County has \$0.45 million in special assessment debt outstanding and has retired all outstanding revenue bonds with the final payment in fiscal year 2013. There were no new bond issues in the current year. The long-term liability for future postemployment health benefit (OPEB) liability has increased by \$0.82 million to \$5.43 million in the current year. This change is the result of \$0.95 million in additional annual OPEB cost and only \$0.13 million in actual contributions made during fiscal year 2014.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

## **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 42% 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 2014 budget. State shared sales tax and County sales tax revenues stabilized in fiscal year 2012 and now are near or above fiscal year 2007 levels; State shared sales tax exceeds the fiscal year 2007 level by 5.2% and County sales tax is 0.9% below 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. We do continue to see lower levels in our federal and state grant revenue, and uncertainty in federal PILT and SRS.

We 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 impact of road maintenance costs in light of reduced federal and state funding, and the unknown outcome of a ballot initiative to raise 3/10<sup>th</sup> of a cent in County sales tax directed to road maintenance and transportation costs, scheduled for November 5, 2014.
- 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.

Coconino County  
Management's Discussion and Analysis  
June 30, 2014

- 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.

## **BASIC FINANCIAL STATEMENTS**

THIS PAGE BLANK



Coconino County  
Statement of Net Position  
June 30, 2014

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 85,959,502
Investments	576,881
Cash and investments held by trustee	26,231
Receivables (net of allowances for uncollectibles):	
Property taxes	562,263
Accounts	380,831
Special assessments	254,924
Jail district sales tax	2,345,257
Accrued interest	131,147
Due from other governments	15,791,257
Inventories	283,574
Prepaid items	247,257
Capital assets, not being depreciated	44,314,853
Capital assets, being depreciated, net	101,616,268
Total assets	<u>252,490,245</u>
<b>Liabilities</b>	
Accounts payable	4,802,198
Accrued payroll and employee benefits	2,059,983
Due to other governments	439,229
Deposits held for others	96,175
Unearned revenues	74,118
Noncurrent liabilities	
Due within 1 year	3,604,640
Due in more than 1 year	7,804,026
Total liabilities	<u>18,880,369</u>
<b>Net Position</b>	
Net investment in capital assets	145,480,845
Restricted for:	
General government	3,154,585
Public safety	17,076,997
Highways and streets	25,321,767
Sanitation	1,585,594
Health	2,046,635
Welfare	142,336
Culture and recreation	778,874
Education	1,502,226
Debt service	501,142
Capital projects	17,427,090
Unrestricted	18,591,785
Total net position	<u><u>\$ 233,609,876</u></u>

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

THIS PAGE BLANK

Coconino County  
Statement of Activities  
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Total
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 29,994,545	\$ 4,868,512	\$ 351,686	\$ (24,774,347)
Public safety	42,122,131	2,937,416	9,905,372	(29,279,343)
Highways and streets	14,058,678	54,445	12,368,446	(1,622,277)
Sanitation	1,611,107	1,342,276	264,408	(3,716)
Health	13,735,528	1,353,915	3,497,116	(8,884,497)
Welfare	4,932,758	795,045	2,112,575	(2,025,138)
Culture and recreation	6,594,783	838,718	121,205	(5,634,860)
Education	7,332,953	183,275	7,378,553	228,875
Interest on long-term debt	46,622			(46,622)
Total governmental activities	<u>\$ 120,429,105</u>	<u>\$ 12,373,602</u>	<u>\$ 35,999,361</u>	<u>\$ (72,041,925)</u>
General revenues				
Taxes:				
Property taxes, levied for general purposes				9,040,033
Property taxes, levied for library				3,906,545
Property taxes, levied for flood control				2,462,802
Property taxes, levied for accommodation school				(18)
Property taxes, levied for health services				3,816,050
General county sales tax				12,271,635
Jail district sales tax				12,270,130
Parks and open spaces sales tax				3,065,409
Excise tax				83,589
Franchise tax				58,608
Shared revenue - state sales tax				19,067,396
Shared revenue - state vehicle license tax				3,180,936
Grants and contributions not restricted to specific programs				2,616,490
Investment earnings				1,420,929
Gain on disposal of capital assets				453,292
Miscellaneous				66,527
Total general revenues				<u>73,780,353</u>
Change in net position				<u>1,738,428</u>
Net position, July 1, 2013				<u>231,871,448</u>
Net position, June 30, 2014				<u>\$ 233,609,876</u>

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

Coconino County  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General Fund	Public Works/HURF Fund	Jail District Fund
<b>Assets</b>			
Cash and cash equivalents	\$ 23,208,172	\$ 16,865,383	\$ 14,118,240
Investments			
Cash and investments held by trustee			
Receivables (net of allowances for uncollectibles):			
Property taxes	244,560		
Accounts	66,004	41,767	18,953
Special assessments			
Jail district sales tax			2,345,257
Accrued interest	31,374	27,857	21,905
Advances to other funds	1,448,262		
Due from:			
Other funds	1,681,266	2,410,489	145,643
Other governments	6,659,784	1,907,695	329,561
Inventories	343		
Prepaid items	107,764		2,307
Total assets	<u>\$ 33,447,529</u>	<u>\$ 21,253,191</u>	<u>\$ 16,981,866</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 914,790	\$ 118,550	\$ 390,075
Accrued payroll and employee benefits	1,109,533	125,998	210,056
Advances from other funds			
Due to:			
Other funds	2,754,466	327,617	359,942
Other governments	137,229	64,237	50,978
Deposits held for others	21,723	33,302	
Unearned revenue	67,118		
Total liabilities	<u>5,004,859</u>	<u>669,704</u>	<u>1,011,051</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	198,512		
Unavailable revenue - special assessments			
Unavailable revenue - intergovernmental		230,894	
Unavailable revenue - charges for services			
Unavailable revenue - other	29,472		100
Total deferred inflows of resources	<u>227,984</u>	<u>230,894</u>	<u>100</u>
Fund balances:			
Nonspendable	1,556,369		2,307
Restricted	15,000	20,352,593	15,968,408
Unassigned	26,643,317		
Total fund balances	<u>28,214,686</u>	<u>20,352,593</u>	<u>15,970,715</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,447,529</u>	<u>\$ 21,253,191</u>	<u>\$ 16,981,866</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
\$	\$	\$ 13,477,873	\$ 17,433,786	\$ 85,103,454
			576,881	576,881
			26,231	26,231
115,863	80,376		121,464	562,263
36,929			198,731	362,384
			254,924	254,924
				2,345,257
1,230		19,838	27,664	129,868
			89,626	1,537,888
1,296,754	1,615	741	1,558,007	7,094,515
1,027,341	3,436,003	591,333	1,839,540	15,791,257
				343
66,311	18,750	125	52,000	247,257
<u>\$ 2,544,428</u>	<u>\$ 3,536,744</u>	<u>\$ 14,089,910</u>	<u>\$ 22,178,854</u>	<u>\$ 114,032,522</u>
\$ 224,454	\$ 2,183,788	\$ 15,799	\$ 760,762	\$ 4,608,218
154,125	5,444	2,719	224,708	1,832,583
	1,000,000		537,888	1,537,888
114,783	1,998,042		1,939,017	7,493,867
4,431			182,354	439,229
			41,150	96,175
			7,000	74,118
<u>497,793</u>	<u>5,187,274</u>	<u>18,518</u>	<u>3,692,879</u>	<u>16,082,078</u>
94,460	56,235		99,599	448,806
			259,521	259,521
269,042	327,863	5,496	151,974	985,269
			29,880	29,880
				29,572
<u>363,502</u>	<u>384,098</u>	<u>5,496</u>	<u>540,974</u>	<u>1,753,048</u>
66,311	18,750	125	52,000	1,695,862
1,616,822		14,065,771	17,917,418	69,936,012
	(2,053,378)		(24,417)	24,565,522
<u>1,683,133</u>	<u>(2,034,628)</u>	<u>14,065,896</u>	<u>17,945,001</u>	<u>96,197,396</u>
<u>\$ 2,544,428</u>	<u>\$ 3,536,744</u>	<u>\$ 14,089,910</u>	<u>\$ 22,178,854</u>	<u>\$ 114,032,522</u>

THIS PAGE BLANK

Coconino County  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2014

Fund balances – total governmental funds	\$ 96,197,396
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.	145,043,329
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	1,753,048
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position	2,024,769
Some 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.	<u>(11,408,666)</u>
Net position of governmental activities	<u><u>\$233,609,876</u></u>

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, 2014

	General Fund	Public Works/HURF Fund	Jail District Fund
Revenues:			
Property taxes	\$ 9,035,224	\$	\$
County sales taxes	12,414,247		12,270,130
Special assessments			
Licenses and permits	787,213	16,565	
Fees, fines, and forfeits	1,180,544		
Intergovernmental	24,930,607	10,223,742	
Charges for services	1,702,556	5,412	1,271,436
Investment earnings	539,519	338,395	233,585
Contributions	200,426		8,500
Miscellaneous	129,083	9,559	1,867
Total revenues	<u>50,919,419</u>	<u>10,593,673</u>	<u>13,785,518</u>
Expenditures:			
Current:			
General government	26,229,041		
Public safety	12,989,934		13,740,009
Highways and streets	496,652	10,383,109	
Sanitation			
Health	2,183		
Welfare	998,090		
Culture and recreation	1,399,126		
Education	476,704		
Capital outlay			
Debt service:			
Principal			
Interest and other charges			
Total expenditures	<u>42,591,730</u>	<u>10,383,109</u>	<u>13,740,009</u>
Excess (deficiency) of revenues over expenditures	<u>8,327,689</u>	<u>210,564</u>	<u>45,509</u>
Other financing sources (uses):			
Sale of capital assets	397,278	88,340	
Transfers in	313,757	1,717,407	2,501,421
Transfers out	(11,550,328)	(162,089)	(53,629)
Total other financing sources (uses)	<u>(10,839,293)</u>	<u>1,643,658</u>	<u>2,447,792</u>
Net change in fund balances	(2,511,604)	1,854,222	2,493,301
Fund balances, July 1, 2013	30,726,290	18,498,371	13,477,414
Fund balances, June 30, 2014	<u>\$ 28,214,686</u>	<u>\$ 20,352,593</u>	<u>\$ 15,970,715</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
\$ 3,831,665	\$ 2,475,850	\$	\$ 3,913,188	\$ 19,255,927
210		3,065,409	215	27,750,211
			232,948	232,948
779,437	2,000			1,585,215
			709,794	1,890,338
3,606,735	4,659,166		16,935,543	60,355,793
548,935			4,216,224	7,744,563
26,476	50,325	213,238	312,214	1,713,752
132,779	10,374		306,739	658,818
41,019		200	350,259	531,987
<u>8,967,256</u>	<u>7,197,715</u>	<u>3,278,847</u>	<u>26,977,124</u>	<u>121,719,552</u>
			2,878,473	29,107,514
669,841	11,009,146		6,642,052	45,050,982
			69,954	10,949,715
			1,413,555	1,413,555
13,526,397				13,528,580
130,836			3,807,248	4,936,174
			4,354,989	5,754,115
			6,699,549	7,176,253
		232,609	147,146	379,755
			415,808	415,808
			46,622	46,622
<u>14,327,074</u>	<u>11,009,146</u>	<u>232,609</u>	<u>26,475,396</u>	<u>118,759,073</u>
<u>(5,359,818)</u>	<u>(3,811,431)</u>	<u>3,046,238</u>	<u>501,728</u>	<u>2,960,479</u>
			16,952	502,570
5,104,160			4,551,317	14,188,062
(2,183)			(2,419,833)	(14,188,062)
<u>5,101,977</u>			<u>2,148,436</u>	<u>502,570</u>
(257,841)	(3,811,431)	3,046,238	2,650,164	3,463,049
1,940,974	1,776,803	11,019,658	15,294,837	92,734,347
<u>\$ 1,683,133</u>	<u>\$ (2,034,628)</u>	<u>\$ 14,065,896</u>	<u>\$ 17,945,001</u>	<u>\$ 96,197,396</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, 2014

Net change in fund balances – total governmental funds \$ 3,463,049

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	6,159,792	
Depreciation expense	<u>(6,780,149)</u>	(620,357)

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

Increase in compensated absences	(149,952)	
Increase in claims and judgments	(152,658)	
Increase in future postemployment health benefits	<u>(816,101)</u>	(1,118,711)

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		415,808
------------------	--	---------

The sale of capital assets in the governmental funds reflects proceeds. However, in the Statement of Activities the sale of capital assets reflect the net gain (loss).

Sale of capital assets		(127,213)
------------------------	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.

2,965

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.

(277,113)

Change in net position of governmental activities		<u>\$ 1,738,428</u>
---	--	---------------------

Coconino County  
Statement of Net Position  
Proprietary Fund  
June 30, 2014

	Governmental Activities - Internal Service Fund
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 856,048
Receivables (net of allowances for uncollectibles):	
Accounts	18,447
Accrued interest	1,279
Due from other funds	402,500
Inventories	283,231
Total current assets	<u>1,561,505</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	48,316
Equipment, net	839,476
Capital assets, net	<u>887,792</u>
Total noncurrent assets	<u>887,792</u>
Total assets	<u>2,449,297</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	193,980
Accrued payroll and employee benefits	227,400
Due to other funds	3,148
Total current liabilities	<u>424,528</u>
Total liabilities	<u>424,528</u>
<b>Net Position</b>	
Net investment in capital assets	887,792
Unrestricted	1,136,977
Total net position	<u>\$ 2,024,769</u>

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, 2014

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,733,931
Total operating revenues	<u>2,733,931</u>
Operating expenses:	
Personal services	837,345
Professional services	49,155
Supplies	1,731,646
Utilities	17,657
Repairs and maintenance	251,857
Travel	1,413
Depreciation	<u>221,219</u>
Total operating expenses	<u>3,110,292</u>
Operating Loss	<u>(376,361)</u>
Nonoperating revenues:	
Investment earnings	21,313
Gain on disposal of capital assets	<u>77,935</u>
Total nonoperating revenues	<u>99,248</u>
Decrease in net position	(277,113)
Total net position, July 1, 2013	<u>2,301,882</u>
Total net position, June 30, 2014	<u><u>\$ 2,024,769</u></u>

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

Coconino County  
Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2014

	Governmental Activities- Internal Service Fund
Cash flows from operating activities:	
Receipts from other funds for services provided	\$ 2,657,626
Payments to suppliers and providers of goods and services	(1,965,874)
Payments to employees	(726,655)
Net cash used for operating activities	<u>(34,903)</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	88,634
Purchases of capital assets	(485,266)
Net cash used for capital and related financing activities	<u>(396,632)</u>
Cash flows from investing activities:	
Interest received on investments	24,537
Net decrease in fair value of investments	(2,413)
Net cash provided by investing activities	<u>22,124</u>
Net decrease in cash and cash equivalents	(409,411)
Cash and cash equivalents, July 1, 2013	<u>1,265,459</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 856,048</u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (376,361)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	221,219
Changes in assets and liabilities:	
Increase in:	
Due from other funds	(42,542)
Accounts payable	73,382
Accrued payroll and employee benefits	112,103
Decrease in:	
Accounts receivable	18,394
Inventories	11,059
Due to other funds	(52,157)
Net cash used for operating activities	<u>\$ (34,903)</u>

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

Coconino County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 108,537,803	\$ 1,938,582
Cash and investments held by trustee		1,141,351
Interest and dividends receivable	173,120	
Total assets	<u>\$ 108,710,923</u>	<u>\$ 3,079,933</u>
<b>Liabilities</b>		
Deposits held for others	\$	\$ 2,858,403
Due to other governments		221,530
Total liabilities	<u>\$</u>	<u>\$ 3,079,933</u>
<b>Net Position</b>		
Held in trust for investment trust participants	<u>\$ 108,710,923</u>	<u>\$</u>

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, 2014

	<b>Investment Trust Funds</b>
Additions:	
Contribution from participants	\$ 307,981,272
Investment earnings:	
Interest and dividends	936,212
Net increase in fair value of investments	<u>1,220,145</u>
Total investment earnings	<u>2,156,357</u>
Total additions	<u>310,137,629</u>
Deductions:	
Distributions to participants	<u>316,448,645</u>
Total deductions	<u>316,448,645</u>
Change in net position	(6,311,016)
Net position, July 1, 2013	<u>115,021,939</u>
Net position, June 30, 2014	<u><u>\$ 108,710,923</u></u>

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

**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, 2014, the County implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and recognizes certain other items that were previously reported as assets and liabilities as revenues or expenses.

**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.



Coconino County  
Notes to Financial Statements  
June 30, 2014

The following table describes the County's component units:

<b><u>Component Unit</u></b>	<b><u>Description; Criteria for Inclusion</u></b>	<b><u>Reporting Method</u></b>	<b><u>For Separate Financial Statements</u></b>
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  
June 30, 2014

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. 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.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**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.

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.

Coconino County  
Notes to Financial Statements  
June 30, 2014

The County also reports the following fund types:

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

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

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

### **C. Basis of Accounting**

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

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

**D. Cash and Investments**

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

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

## **H. Capital Assets**

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

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
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 Inflows of Resources**

The balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of fund balance that applies to future periods and will be recognized as a revenue in future periods.

## **J. Fund Balance Classifications**

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

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

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 are neither restricted nor committed. The Board of Supervisors has authorized the County Manager to make assignments of 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

#### **K. Investment Earnings**

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

#### **L. 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 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

Coconino County  
Notes to Financial Statements  
June 30, 2014

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 – 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*

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



Coconino County  
Notes to Financial Statements  
June 30, 2014

*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, 2014, the carrying amount of the County's deposits was \$19,250,126 and the bank balance was \$26,315,012. 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, 2014, \$2,690,393 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured with collateral held by the pledging financial institution	\$ 2,690,393
Total	<u>\$ 2,690,393</u>

*Investments*— The County's investments at June 30, 2014, were as follows:

<b>Investment Type</b>	<b>Amount</b>
U.S. agency securities	\$ 109,203,288
Corporate bonds	28,647,070
Money market mutual funds	15,436,416
Negotiable CDs	14,672,135
Municipal bonds	6,223,512
State Treasurer's investment pool #7	3,940,393
Mutual funds-debt	475,718
State Treasurer's investment pool #5	8,709
Subtotal, debt securities	<u>178,607,241</u>
Mutual funds-equity	243,774
Total	<u><u>\$ 178,851,015</u></u>

Coconino County  
Notes to Financial Statements  
June 30, 2014

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, 2014, credit risk for the County's investments was as follows:

<b>Investment Type</b>	<b>Rating</b>	<b>Rating Agency</b>	<b>Amount</b>
U.S. agency securities	Aaa	Moody's	\$ 109,203,288
Corporate bonds	A1	Moody's	18,551,279
Money market mutual funds	Aaa-mf	Moody's	15,436,416
Negotiable CDs	Unrated	Not Applicable	14,672,135
Corporate bonds	Baa1	Moody's	5,160,721
State Treasurer's investment pool #7	Unrated	Not applicable	3,940,393
Corporate bonds	Baa2	Moody's	2,581,304
Municipal bonds	Aa2	Moody's	1,474,537
Corporate bonds	A2	Moody's	1,144,315
Municipal bonds	A2	Moody's	831,151
Municipal bonds	AAA	Standard and Poor's	821,725
Municipal bonds	Aa1	Moody's	739,847
Corporate bonds	Aa3	Moody's	609,300
Municipal bonds	Aa3	Moody's	585,700
Mutual funds-debt	Unrated	Not Applicable	475,718
Municipal bonds	A1	Moody's	473,148
Municipal bonds	AA	Standard and Poor's	348,403
Corporate bonds	A3	Moody's	308,742
Municipal bonds	A3	Moody's	255,628
Municipal bonds	A	Standard and Poor's	253,267
Corporate bonds	Aa1	Moody's	195,592
Municipal bonds	A+	Standard and Poor's	147,954
Municipal bonds	AA+	Standard and Poor's	140,188
Municipal bonds	AA-	Standard and Poor's	101,614
Municipal bonds	Unrated	Not Applicable	50,350
Corporate bonds	AAA	Moody's	49,812
Corporate bonds	Aa2	Moody's	46,005
State Treasurer's investment pool #5	AAAf	Standard and Poor's	8,709
			<u>\$ 178,607,241</u>

Coconino County  
Notes to Financial Statements  
June 30, 2014

*Custodial credit risk*— 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 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, 2014, of five percent or more in Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. These investments were 25.02%, 17.81%, 11.18%, and 5.21%, respectively, of the County's total investments.

*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.

Coconino County  
Notes to Financial Statements  
June 30, 2014

At June 30, 2014, the County had the following investments in debt securities:

<b>Investment Type</b>	<b>Amount</b>	<b>Weighted Average Maturity in Years</b>
U.S. agency securities	\$ 109,203,288	3.306
Corporate bonds	18,551,279	1.673
Money market mutual funds	15,436,416	0.038
Negotiable CDs	14,672,135	1.181
Corporate bonds	5,160,721	0.589
State Treasurer's investment pool #7	3,940,393	0.050
Corporate bonds	2,581,304	0.102
Municipal bonds	1,474,537	0.428
Corporate bonds	1,144,315	0.083
Municipal bonds	831,151	0.390
Municipal bonds	821,725	0.189
Municipal bonds	739,847	0.239
Corporate bonds	609,300	0.036
Municipal bonds	585,700	0.167
Municipal bonds	473,148	0.102
Municipal bonds	348,403	0.078
Corporate bonds	308,742	0.015
Municipal bonds	255,628	0.032
Mutual funds-debt	254,743	5.200
Municipal bonds	253,267	0.095
Corporate bonds	195,592	0.026
Mutual funds-debt	177,486	4.800
Municipal bonds	147,954	0.081
Municipal bonds	140,188	0.001
Municipal bonds	101,614	0.022
Municipal bonds	50,350	0.017
Corporate bonds	49,812	0.001
Corporate bonds	46,005	0.004
Mutual funds-debt	43,489	4.800
State Treasurer's investment pool #5	8,709	0.160
	<u>\$ 178,607,241</u>	

Coconino County  
Notes to Financial Statements  
June 30, 2014

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

Cash, deposits, and investments:

Cash on hand	\$ 79,209
Amount of deposits	19,250,126
Amount of investments	178,851,015
Total	<u>\$198,180,350</u>

Statement of Net Position:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 85,959,502	\$ 108,537,803	\$ 1,938,582	\$196,435,887
Investments	576,881			576,881
Cash and investments held by trustee(s)	26,231		1,141,351	1,167,582
Total	<u>\$ 86,562,614</u>	<u>\$108,537,803</u>	<u>\$3,079,933</u>	<u>\$198,180,350</u>

### NOTE 3— RECEIVABLES

**Due from other governments**—Amounts due from other governments at June 30, 2014, include \$3,113,329 and \$1,584,311 in state-shared revenue from sales taxes and fuel taxes, respectively; \$216,046 from the State of Arizona for state vehicle license tax; \$2,345,791 in county sales tax; \$591,333 in parks and open space sales tax; \$4,344,135 in grants from the federal government; \$869,473 in grants from various state agencies; and \$555,292 in reimbursements from the Arizona Department of Emergency Management. The balance of \$2,171,547 is composed of miscellaneous receivables from federal, state, and local government.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 4– CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014, was as follows:

<b>Governmental activities</b>	<b>Balance July 1, 2013</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2014</b>
Capital assets not being depreciated:				
Land	\$ 39,268,411	\$ 47,484	\$ 44,778	\$ 39,271,117
Construction in progress	4,299,258	5,509,326	4,764,848	5,043,736
Total capital assets not being depreciated	43,567,669	5,556,810	4,809,626	44,314,853
Capital assets being depreciated:				
Buildings and other improvements	88,119,143	366,145	21,308	88,463,980
Machinery and equipment	36,395,440	1,168,218	1,984,082	35,579,576
Infrastructure	95,762,757	4,318,733		100,081,490
Total capital assets being depreciated	220,277,340	5,853,096	2,005,390	224,125,046
Less accumulated depreciation for:				
Buildings and other improvements	33,785,902	2,363,670	19,042	36,130,530
Machinery and equipment	31,071,112	1,481,450	1,893,214	30,659,348
Infrastructure	52,562,652	3,156,248		55,718,900
Total accumulated depreciation	117,419,666	7,001,368	1,912,256	122,508,778
Total capital assets being depreciated, net	102,857,674	(1,148,272)	93,134	101,616,268
Total	<u>\$ 146,425,343</u>	<u>\$ 4,408,538</u>	<u>\$ 4,902,760</u>	<u>\$ 145,931,121</u>

Depreciation expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 893,809
Public safety	1,092,453
Highways and streets	3,562,887
Sanitation	228,566
Health	114,838
Welfare	85,655
Culture and recreation	700,927
Education	101,014
Internal service fund	221,219
Total governmental activities depreciation expense	<u>\$ 7,001,368</u>

**Construction and Other Significant Commitments**—The County had major contractual commitments related to various capital projects at June 30, 2014, for the repair and construction of a major flood control project and facilities upgrades. At June 30, 2014, the County had spent \$5,111,226 on these projects and had remaining contractual commitments with contractors totaling \$1,071,954. These projects are being financed by Flood Control property tax, highway user revenues, federal and state emergency management reimbursements, and state grants.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 5 – LONG-TERM LIABILITIES**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2014:

<b>Governmental Activities</b>	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2014</b>	<b>Due within 1 year</b>
Bonds payable:					
Special assessment bonds					
with governmental commitment	\$ 866,084	\$	\$ 415,808	\$ 450,276	\$ 105,276
Total bonds payable	<u>866,084</u>		<u>415,808</u>	<u>450,276</u>	<u>105,276</u>
Compensated absences payable	4,779,452	3,334,975	3,185,023	4,929,404	3,370,106
Claims and judgments payable	448,349	285,048	132,390	601,007	129,258
Future postemployment health benefit liability (Note 9)	<u>4,611,878</u>	<u>949,983</u>	<u>133,882</u>	<u>5,427,979</u>	
Governmental activities long-term liabilities	<u>\$ 10,705,763</u>	<u>\$ 4,570,006</u>	<u>\$ 3,867,103</u>	<u>\$ 11,408,666</u>	<u>\$ 3,604,640</u>

**Special Assessment Bonds**—Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. 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, 2014, \$450,276 in principal remains outstanding, along with future interest payments totaling \$67,861 to be paid by special assessment revenues.

The following special assessment bonds were outstanding at June 30, 2014:

<b>Description</b>	<b>Original Amount</b>	<b>Maturity Ranges</b>	<b>Interest Rates</b>	<b>Outstanding Principal</b>
Special assessment bonds with governmental commitment	<u>\$ 3,767,917</u>	7/1/2014-19	4.75-5.65%	<u>\$ 450,276</u>

Coconino County  
Notes to Financial Statements  
June 30, 2014

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2014:

<b>Year Ending June 30</b>	<b><u>Governmental Activities</u></b>	
	<b>Assessment Bonds Principal</b>	<b>Interest</b>
2015	\$ 105,276	\$ 22,948
2016	85,000	18,128
2017	89,000	13,678
2018	94,000	9,017
2019	77,000	4,090
Total	<u>\$ 450,276</u>	<u>\$ 67,861</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 2014, the County paid for compensated absences as follows: 51.15 percent from the General Fund, 32.91 percent from major funds, and 15.94 percent from other funds. The County paid for claims and judgments from the General Fund.



Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 6 – FUND BALANCE CLASSIFICATION OF GOVERNMENTAL FUNDS**

The fund balance classifications of the governmental funds as of June 30, 2014, were as follows:

Governmental Activities	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	343							343
Prepaid items	107,764		2,307	66,311	18,750	125	52,000	247,257
Total nonspendable	1,556,369	-	2,307	66,311	18,750	125	52,000	1,695,862
Restricted for:								
Debt Service							241,621	241,621
Highways and Streets		20,352,593					4,738,280	25,090,873
Jail and Sheriff			15,968,408				1,129,053	17,097,461
Culture and Recreation							673,654	673,654
Health				1,616,822				1,616,822
Capital Projects						14,065,771	3,361,194	17,426,965
Education							1,480,351	1,480,351
Sanitation							1,585,594	1,585,594
Welfare							87,513	87,513
Probation							1,494,602	1,494,602
Superior Court							601,541	601,541
Justice Courts							411,227	411,227
Public and Legal Defenders							92,350	92,350
County Attorney							1,252,628	1,252,628
General Govt Services	15,000						767,810	782,810
Total restricted	15,000	20,352,593	15,968,408	1,616,822	-	14,065,771	17,917,418	69,936,012
Unassigned	26,643,317				(2,053,378)		(24,417)	24,565,522
Total fund balances	\$28,214,686	\$20,352,593	\$15,970,715	\$ 1,683,133	\$(2,034,628)	\$14,065,896	\$17,945,001	\$96,197,396

**NOTE 7 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

At June 30, 2014, the following other governmental fund reported a deficit in fund balance.

Fund	Deficit
<b>Governmental Funds:</b>	
Emergency Services Grants	\$ 24,417

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 2015.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 8 – 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 insurance coverage for any of the past three fiscal years.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 9 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Plan Descriptions**—The County contributes to four plans, two of which are described below. The other two, the Elected Officials Retirement Plan and the Corrections Officer Retirement Plan, are not described because of their relative insignificance to the County's financial statements. The plans are component units of the State of Arizona, state statute establishes benefits, and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. The health insurance premium benefit is paid as a fixed dollar amount per month toward the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

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

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

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

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

**ASRS**

3300 North Central Avenue  
P.O. Box 33910  
Phoenix, AZ 85067-3910  
(602) 240-2000 or (800) 621-3778  
[www.azasrs.gov](http://www.azasrs.gov)

**PSPRS**

3010 E. Camelback Road, Ste. 200  
Phoenix, AZ 85016-4416  
(602) 255-5575  
[www.psprs.com](http://www.psprs.com)

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

*Cost-sharing plan*— For the year ended June 30, 2014, statute required active ASRS members to contribute at the actuarially determined rate of 11.54 percent (11.3 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.54 percent (10.7 percent for retirement, 0.6 percent for health insurance premium benefit, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

<b>Year ended June 30,</b>	<b>Retirement Fund</b>	<b>Health Benefit Supplement Fund</b>	<b>Long-Term Disability Fund</b>
2014	\$ 3,735,491	\$ 209,467	\$ 83,787
2013	3,587,945	227,528	84,010
2012	3,411,576	217,760	82,956

*Agent plan*—For the year ended June 30, 2014, statute required active PSPRS members to contribute 10.35 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 58.17 percent, the aggregate of which is the actuarially required amount. The health insurance premium benefit portion of the contribution rate was actuarially set at 2.22 percent of covered payroll.

**Actuarial Methods and Assumptions**—The PSPRS contribution requirements for the year ended June 30, 2014 were established by the June 30, 2012 actuarial valuation, and that actuarial valuation was based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the plan's 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 presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan's

Coconino County  
Notes to Financial Statements  
June 30, 2014

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 following actuarial methods and assumptions were used to establish the fiscal year 2014 contribution requirements:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	24 years for underfunded 20 years for overfunded
Asset valuation	7-year smoothed market value 80%/120% market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.0% - 9.0%
Payroll growth	5.0%
Cost-of-living adjustments	None

**Annual Pension /OPEB Cost**—The County's pension cost for the agent plan for the year ended June 30, 2014, and related information follows. This is an estimate based on what was actually paid.

	<u>PSPRS Pension</u>	<u>PSPRS Health Insurance Premium Benefit</u>
<b>Annual pension cost</b>	\$ 1,541,879	\$ 61,179
<b>Contributions made</b>	\$ 1,541,879	\$ 61,179

Coconino County  
Notes to Financial Statements  
June 30, 2014

**Trend Information**—Annual pension cost information for the current and two preceding years is as follows for the PSPRS:

<b>Year Ended June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension/ OPEB Obligation</b>
<b>Pension</b>			
2014	\$ 1,541,879	100%	\$
2013	1,314,970	100%	
2012	949,301	100%	
<b>Health Insurance Premium Benefit</b>			
2014	61,179	100%	
2013	36,223	100%	
2012	38,569	100%	

**Funded Status**— The plan's funded status as of the most recent valuation date, June 30, 2014, along with the actuarial assumptions and methods used in that valuation follows:

	<b>Pension</b>	<b>Health Insurance Premium Benefit</b>
Actuarial accrued liability	\$ 39,892,490	\$ 776,530
Actuarial value of assets	10,073,045	587,700
Unfunded actuarial accrued liability	29,819,445	188,830
Funded ratio	25.25%	75.68%
Covered payroll	2,950,184	2,950,184
Unfunded actuarial accrued liability as a percentage of covered payroll	1010.77%	6.40%

Coconino County  
Notes to Financial Statements  
June 30, 2014

The actuarial methods and assumptions used for the most recent valuation date are as follows:

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	22 years for unfunded actuarial liability 20 years for overfunded actuarial liability
Asset valuation method	7- year smoothed market 80% / 120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0%
Payroll growth	4.0%
Permanent benefit increases	Members retired on or before July 1, 2011: 2% compounded on average. Members retired on or after August 1, 2011: 0.5% compounded on average. Since all current retirees receive the same dollar increase amount, approximation techniques were used to develop the assumed PBI for each member.

### 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.

Coconino County  
Notes to Financial Statements  
June 30, 2014

**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 2014 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
6/30/2014	\$ 949,983	\$ 133,882	14.09%	\$ 816,101
6/30/2013	1,128,014	50,817	4.50%	1,077,197
6/30/2012	1,137,417	517,162	45.47%	620,255

**Components of Annual OPEB Costs and Net OPEB Obligation**—The annual components of OPEB cost and net OPEB obligation as of June 30, 2014, were as follows:

Annual required contribution (ARC)	Interest on existing net OPEB obligation	ARC adjustment	Increase in OPEB	Net OPEB
\$ 1,025,446	\$ 207,171	\$ (282,634)	\$ 816,101	\$ 5,427,979

**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, 2014, 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%



Coconino County  
Notes to Financial Statements  
June 30, 2014

**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:

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 10 – INTERFUND BALANCES AND ACTIVITY**

**Interfund Receivables and Payables** - Interfund balances at June 30, 2014, 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	Parks and Open Spaces Fund	Nonmajor Governmental Funds	Internal Service Fund	
<b>Payable from</b>									
General Fund	\$	\$ 47,688	\$145,546	\$1,296,376	\$ 1,615	\$ 741	\$ 1,043,811	\$218,689	\$2,754,466
Public Works/HURF Fund	96,665						72,608	158,344	327,617
Jail District Fund	300,004						55,690	4,248	359,942
Public Health Services District Fund	101,913							12,870	114,783
Flood Control District Fund		1,997,329						713	1,998,042
Nonmajor Governmental Funds	1,180,682	364,326	97	378			385,898	7,636	1,939,017
Internal Service Fund	2,002	1,146							3,148
<b>Total</b>	<b>\$1,681,266</b>	<b>\$2,410,489</b>	<b>\$ 145,643</b>	<b>\$ 1,296,754</b>	<b>\$ 1,615</b>	<b>\$ 741</b>	<b>\$ 1,558,007</b>	<b>\$ 402,500</b>	<b>\$ 7,497,015</b>

**Interfund Transfers**—Interfund transfers for the year ended June 30, 2014, were as follows:

	Transfer to					Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	
<b>Transfer from</b>						
General Fund	\$	\$ 25,000	\$2,501,421	\$ 5,104,160	\$ 3,919,747	\$11,550,328
Public Works/HURF Fund	89,481				72,608	162,089
Jail District Fund					53,629	53,629
Public Health Services District Fund	2,183					2,183
Nonmajor Governmental Funds	222,093	1,692,407			505,333	2,419,833
<b>Total</b>	<b>\$ 313,757</b>	<b>\$1,717,407</b>	<b>\$ 2,501,421</b>	<b>\$ 5,104,160</b>	<b>\$ 4,551,317</b>	<b>\$ 14,188,062</b>

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

**Advances From/To Other Funds**

Advances from/to other funds represent monies owed from various County Road Improvement Districts (nonmajor governmental funds) to the Forest Fees Revolving Fund (nonmajor governmental fund) for bonds issued by the Road Districts to fund road improvements. The outstanding amount of these advances as of June 30, 2014 was \$89,626. The County Road Improvement Districts are paying interest on the advances. The interest rates range from 2.470% to 4.030%.

The General Fund has advanced \$435,320 to the Toho Tolani Improvement District to assist with attorney fees, \$12,942 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 Forest Fees Fund has advanced funds to the Toho Tolani Improvement District to assist with attorney fees.

The \$1 million advance to the Flood Control District is expected to be paid back in fiscal years 2016 through 2018. The advances to Toho Tolani are expected to be awarded by the Arizona Court of Appeals in fiscal 2015.

<b>Advances To</b>	<b>Advances from</b>		<b>Total</b>
	<b>Forest Fees Fund</b>	<b>General Fund</b>	
Kiowa Commanche	\$ 13,528	\$	\$ 13,528
Rio Arroyo		1,545	1,545
Lupine	10,671	2,100	12,771
Oakwood Pines		1,783	1,783
Pawnee	9,134		9,134
Pinon Improvement		7,514	7,514
Shoshone	2,125		2,125
Tonowanda	4,168		4,168
Flood Control		1,000,000	1,000,000
Toho Tolani	50,000	435,320	485,320
Total Advances From	<u>\$ 89,626</u>	<u>\$ 1,448,262</u>	<u>\$ 1,537,888</u>

**NOTE 11– COUNTY TREASURER’S INVESTMENT POOL**

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

Coconino County  
Notes to Financial Statements  
June 30, 2014

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 \$5,820,765 of deposits, \$475,718 of investments in mutual funds-debt, \$3,949,102 in the State Treasurer's Investment Pools, and \$243,774 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 2 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	\$ 109,725,976	0.500-1.810%	11/15/2014-11/19/2018	\$ 109,203,288
Corporate securities	28,852,503	0.734-4.500%	10/01/2014-5/03/2018	28,647,070
Money market mutual funds	15,436,416	0.01%	less than 1 year	15,436,416
Negotiable CDs	14,623,864	0.400-3.250%	7/07/2014-6/25/2019	14,672,135
Municipal bonds	6,208,887	1.110-4.276%	7/01/2014-12/01/2018	6,223,512

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

**Statement Of Net Position**

Assets	\$ 187,915,630
Net position	<u>\$ 187,915,630</u>

Net position held in trust for:

Internal participants	\$ 83,005,947
External participants	104,909,683
Total net position held in trust	<u>\$ 187,915,630</u>

**Statement of Changes in Net Position**

Total additions	\$ 470,531,205
Total deletions	<u>475,487,067</u>
Net decrease	(4,955,862)
Net position held in trust	
July 1, 2013	192,871,492
June 30, 2014	<u>\$ 187,915,630</u>

Coconino County  
Notes to Financial Statements  
June 30, 2014

**NOTE 12 – 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 2014 was \$2,501,421. 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 2014 was \$5,104,160.

THIS PAGE BLANK

## **REQUIRED SUPPLEMENTARY INFORMATION**

Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 8,903,326	\$ 8,903,326	\$ 9,035,224	\$ 131,898
Other taxes	12,826,779	12,826,779	12,414,247	(412,532)
Licenses and permits	902,500	902,500	787,213	(115,287)
Fees, fines, and forfeits	1,108,650	1,108,650	1,180,544	71,894
Intergovernmental	24,794,574	25,580,117	24,930,607	(649,510)
Charges for services	1,540,717	1,535,717	1,702,556	166,839
Investment earnings	248,861	248,861	539,519	290,658
Contributions	130,150	145,150	200,426	55,276
Miscellaneous	108,944	108,944	129,083	20,139
Total revenues	<u>50,564,501</u>	<u>51,360,044</u>	<u>50,919,419</u>	<u>(440,625)</u>
Expenditures:				
General government				
Assessor	1,861,724	1,870,124	1,054,020	816,104
Board of Supervisors	1,167,668	1,239,087	874,537	364,550
Clerk of the Superior Court	1,139,204	1,139,204	1,096,287	42,917
Community Development	1,849,503	1,850,073	1,491,354	358,719
Community Initiatives	351,625	209,659	152,955	56,704
County Attorney	3,067,656	3,067,656	2,795,579	272,077
County Manager	1,094,426	1,135,989	800,950	335,039
Facilities	3,448,183	4,349,127	2,580,848	1,768,279
Finance/Budget	1,631,485	1,631,485	1,135,264	496,221
Flagstaff Justice Court	1,161,316	1,161,316	1,125,155	36,161
Fredonia Justice Court	196,623	196,623	191,508	5,115
Human Resources	1,512,405	1,512,405	1,079,365	433,040
Information Technology	2,616,583	2,616,583	1,795,972	820,611
Legal Defender	924,242	924,242	969,188	(44,946)
Non-departmental	20,049,027	19,935,267	1,131,880	18,803,387
Page Justice Court	353,028	353,028	347,605	5,423
Public Defender	2,190,421	2,190,421	2,169,210	21,211
Recorder	1,507,257	1,766,706	1,435,176	331,530
Superior Courts	2,921,118	2,921,118	3,111,991	(190,873)
Treasurer	650,072	650,072	564,779	85,293
Williams Justice Court	332,205	332,205	325,418	6,787
Total general government	<u>50,025,771</u>	<u>51,052,390</u>	<u>26,229,041</u>	<u>24,823,349</u>

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



Coconino County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (Continued)  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult Probation	\$ 1,521,970	\$ 1,521,970	\$ 1,450,777	\$ 71,193
Constable	106,172	101,172	95,486	5,686
Juvenile Probation	2,857,360	2,857,360	2,618,952	238,408
Sheriff	8,782,769	8,849,162	8,824,719	24,443
Total public safety	13,268,271	13,329,664	12,989,934	339,730
Highways and streets				
Information Technology	592,597	610,097	496,652	113,445
Health				
Information Technology		17,500	2,183	15,317
Welfare				
Community Services	1,074,288	1,074,288	998,090	76,198
Culture and recreation				
Parks and Recreation	1,920,552	1,995,155	1,399,126	596,029
Education				
School Superintendent	525,185	533,035	476,704	56,331
Total expenditures	67,406,664	68,612,129	42,591,730	26,020,399
Excess (deficiency) of revenues over expenditures	(16,842,163)	(17,252,085)	8,327,689	25,579,774
Other financing sources (uses):				
Sale of capital assets			397,278	397,278
Transfers in	444,547	444,547	313,757	(130,790)
Transfers out	(13,771,800)	(13,280,939)	(11,550,328)	1,730,611
Total other financing sources and (uses)	(13,327,253)	(12,836,392)	(10,839,293)	1,997,099
Net change in fund balances	(30,169,416)	(30,088,477)	(2,511,604)	27,576,873
Fund balance, July 1, 2013	30,196,946	30,196,946	30,726,290	529,344
Fund balance, June 30, 2014	\$ 27,530	\$ 108,469	\$ 28,214,686	\$ 28,106,217

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 9,450	\$ 9,450	\$ 16,565	\$ 7,115
Intergovernmental	10,248,096	10,248,096	10,223,742	(24,354)
Charges for services	16,377	16,377	5,412	(10,965)
Investment earnings	50,000	50,000	338,395	288,395
Miscellaneous			9,559	9,559
Total revenues	<u>10,323,923</u>	<u>10,323,923</u>	<u>10,593,673</u>	<u>269,750</u>
Expenditures:				
Highways and streets				
Public Works	<u>23,429,373</u>	<u>22,878,166</u>	<u>10,383,109</u>	<u>12,495,057</u>
Total expenditures	<u>23,429,373</u>	<u>22,878,166</u>	<u>10,383,109</u>	<u>12,495,057</u>
Excess (deficiency) of revenues over expenditures	(13,105,450)	(12,554,243)	210,564	12,764,807
Other financing sources (uses):				
Sale of capital assets	150,000	150,000	88,340	(61,660)
Transfers in	2,775,000	2,775,000	1,717,407	(1,057,593)
Transfers out	<u>(199,059)</u>	<u>(199,059)</u>	<u>(162,089)</u>	<u>36,970</u>
Total other financing sources (uses)	2,725,941	2,725,941	1,643,658	(1,082,283)
Net changes in fund balances	(10,379,509)	(9,828,302)	1,854,222	11,682,524
Fund balance, July 1, 2013	<u>17,400,351</u>	<u>17,400,351</u>	<u>18,498,371</u>	<u>1,098,020</u>
Fund balance, June 30, 2014	<u>\$ 7,020,842</u>	<u>\$ 7,572,049</u>	<u>\$ 20,352,593</u>	<u>\$ 12,780,544</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Other taxes	\$ 12,691,779	\$ 12,691,779	\$ 12,270,130	\$ (421,649)
Intergovernmental	12,000	12,000		(12,000)
Charges for services	1,407,483	1,407,483	1,271,436	(136,047)
Investment earnings	193,057	193,057	233,585	40,528
Contributions		8,500	8,500	
Miscellaneous			1,867	1,867
Total revenues	<u>14,304,319</u>	<u>14,312,819</u>	<u>13,785,518</u>	<u>(527,301)</u>
Expenditures:				
Public safety				
Sheriff	<u>14,958,940</u>	<u>15,689,804</u>	<u>13,740,009</u>	<u>1,949,795</u>
Total expenditures	<u>14,958,940</u>	<u>15,689,804</u>	<u>13,740,009</u>	<u>1,949,795</u>
Excess (deficiency) of revenues over expenditures	(654,621)	(1,376,985)	45,509	1,422,494
Other financing sources (uses):				
Transfers in	2,518,950	2,518,950	2,501,421	(17,529)
Transfers out	<u>(63,500)</u>	<u>(122,618)</u>	<u>(53,629)</u>	<u>68,989</u>
Total other financing sources (uses)	2,455,450	2,396,332	2,447,792	51,460
Net changes in fund balances	1,800,829	1,019,347	2,493,301	1,473,954
Fund balance, July 1, 2013	<u>13,217,222</u>	<u>13,217,222</u>	<u>13,477,414</u>	<u>260,192</u>
Fund balance, June 30, 2014	<u>\$ 15,018,051</u>	<u>\$ 14,236,569</u>	<u>\$ 15,970,715</u>	<u>\$ 1,734,146</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, 2014

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Property taxes	\$ 3,832,663	\$ 3,832,663	\$ 3,831,665	\$ (998)
Other taxes			210	210
Licenses and permits	737,205	737,205	779,437	42,232
Intergovernmental	4,358,445	4,703,300	3,606,735	(1,096,565)
Charges for services	505,317	509,417	548,935	39,518
Investment earnings	12,338	12,338	26,476	14,138
Contributions	32,950	45,297	132,779	87,482
Miscellaneous	900	900	41,019	40,119
Total revenues	<u>9,479,818</u>	<u>9,841,120</u>	<u>8,967,256</u>	<u>(873,864)</u>
Expenditures:				
Public safety				
Medical Examiner	570,894	570,894	669,841	(98,947)
Health				
Health Department	14,143,188	14,755,524	13,526,397	1,229,127
Welfare				
Community Services	169,392	169,392	130,836	38,556
Total expenditures	<u>14,883,474</u>	<u>15,495,810</u>	<u>14,327,074</u>	<u>1,168,736</u>
Excess (deficiency) of revenues over expenditures	(5,403,656)	(5,654,690)	(5,359,818)	294,872
Other financing sources (uses):				
Transfers in	5,154,104	5,154,104	5,104,160	(49,944)
Transfers out	(35,500)	(35,500)	(2,183)	33,317
Total other financing sources and (uses)	<u>5,118,604</u>	<u>5,118,604</u>	<u>5,101,977</u>	<u>(16,627)</u>
Net change in fund balances	(285,052)	(536,086)	(257,841)	278,245
Fund balance, July 1, 2013	<u>2,049,835</u>	<u>2,049,835</u>	<u>1,940,974</u>	<u>(108,861)</u>
Fund balance, June 30, 2014	<u>\$ 1,764,783</u>	<u>\$ 1,513,749</u>	<u>\$ 1,683,133</u>	<u>\$ 169,384</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 2,469,330	\$ 2,469,330	\$ 2,475,850	\$ 6,520
Licenses and permits	8,000	8,000	2,000	(6,000)
Intergovernmental	10,569,419	10,569,419	4,659,166	(5,910,253)
Charges for services	1,950	1,950		(1,950)
Investment earnings	20,000	20,000	50,325	30,325
Contributions	10,404	10,404	10,374	(30)
Total revenues	<u>13,079,103</u>	<u>13,079,103</u>	<u>7,197,715</u>	<u>(5,881,388)</u>
Expenditures:				
Public Safety				
Flood Control	<u>13,736,681</u>	<u>13,681,681</u>	<u>11,009,146</u>	<u>2,672,535</u>
Total expenditures	<u>13,736,681</u>	<u>13,681,681</u>	<u>11,009,146</u>	<u>2,672,535</u>
Excess (deficiency) of revenues over expenditures	(657,578)	(602,578)	(3,811,431)	(3,208,853)
Other financing sources (uses):				
Transfers out	<u>(550,000)</u>	<u>(550,000)</u>		<u>550,000</u>
Total other financing sources (uses)	<u>(550,000)</u>	<u>(550,000)</u>		<u>550,000</u>
Net changes in fund balances	(1,207,578)	(1,152,578)	(3,811,431)	(2,658,853)
Fund balance, July 1, 2013	<u>858,515</u>	<u>858,515</u>	<u>1,776,803</u>	<u>918,288</u>
Fund balance, June 30, 2014	<u>\$ (349,063)</u>	<u>\$ (294,063)</u>	<u>\$ (2,034,628)</u>	<u>\$ (1,740,565)</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, 2014

**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, 2014, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Superior Courts	\$ 190,873
Legal Defender	44,946
Public Health Services District Fund	
Medical Examiner	98,947

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 Agent Retirement Plan's and Coconino County  
Postemployment Healthcare Plan's Funding Progress  
June 30, 2014

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ((a-b)/c)
<b>Public Safety Personnel Retirement System</b>							
<b>Pension</b>	6/30/2014	\$ 10,073,045	\$39,892,490	\$(29,819,445)	25.3%	\$ 2,950,184	1010.8%
	6/30/2013	11,083,591	32,979,729	(21,896,138)	33.6%	2,805,923	780.4%
	6/30/2012	11,595,499	32,936,516	(21,341,017)	35.2%	2,598,786	821.2%
<b>Health Insurance Premium Benefit</b>	6/30/2014	\$ 587,700	\$ 776,530	\$ (188,830)	75.7%	\$ 2,950,184	6.4%
	6/30/2013		830,335	(830,335)	0.0%	2,805,923	29.6%
	6/30/2012		863,222	(863,222)	0.0%	2,598,786	33.2%
<b>Coconino County Postemployment Healthcare Plan</b>							
<b>Insurance</b>	7/1/2013		\$ 8,472,061	\$(8,472,061)	0.0%	\$49,547,980	17.10%
	7/1/2011		9,911,098	(9,911,098)	0.0%	48,579,979	20.40%
	7/1/2009		7,887,569	(7,887,569)	0.0%	51,641,941	15.27%

**Note 1: Actuarial Information Available**

New actuarial measurements are required by GASB Statement 45 to be made biennially for the Coconino County Postemployment Healthcare Plan.

**Note 2: Factors That Affect the Identification of Trends**

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

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



Coconino County  
Listing of Nonmajor Governmental Funds  
Year Ended June 30, 2014

**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, 2014

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, 2014

**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, 2014

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
<b>Assets</b>				
Cash and cash equivalents	\$ 717,269	\$ 17,314	\$	\$ 406,504
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	370			
Special assessments				
Accrued interest	1,188		4	607
Advances to other funds				
Due from:				
Other funds	79,634		4,101	3,370
Other governments			214,344	
Prepaid items	1,542		884	
Total assets	<u>\$ 800,003</u>	<u>\$ 17,314</u>	<u>\$ 219,333</u>	<u>\$ 410,481</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 14,818	\$ 17	\$ 20,608	\$ 1,900
Accrued payroll and employee benefits	59,840		17,184	
Advances from other funds				
Due to:				
Other funds	44,601		170,041	
Other governments	20,433			
Deposits held for others				
Unearned revenue				
Total liabilities	<u>139,692</u>	<u>17</u>	<u>207,833</u>	<u>1,900</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue				
Total deferred inflows of resources				
<b>Fund balances:</b>				
Nonspendable	1,542		884	
Restricted	658,769	17,297	10,616	408,581
Unassigned				
Total fund balances	<u>660,311</u>	<u>17,297</u>	<u>11,500</u>	<u>408,581</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 800,003</u>	<u>\$ 17,314</u>	<u>\$ 219,333</u>	<u>\$ 410,481</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts- Special Revenue
<b>Assets</b>				
Cash and cash equivalents	\$	\$ 69,009	\$ 367,972	\$ 1,566,948
Investments			432,230	
Cash and investments held by trustee			26,231	
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	73,710		1,257	117,786
Special assessments				
Accrued interest	318	102	701	2,254
Advances to other funds				
Due from:				
Other funds	530,196	221	111,209	2,299
Other governments	177,527	2,654	350,552	
Prepaid items	4,509		19,818	
Total assets	<u>\$ 786,260</u>	<u>\$ 71,986</u>	<u>\$ 1,309,970</u>	<u>\$ 1,689,287</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 43,243	\$ 1,754	\$ 16,753	\$ 63,123
Accrued payroll and employee benefits	18,505	990	14,079	10,509
Advances from other funds				
Due to:				
Other funds	575,406		3,886	7,197
Other governments			2,806	
Deposits held for others	18,270			22,880
Unearned revenue				
Total liabilities	<u>655,424</u>	<u>2,744</u>	<u>37,524</u>	<u>103,709</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	49,430	454		
Total deferred inflows of resources	<u>49,430</u>	<u>454</u>		
Fund balances:				
Nonspendable	4,509		19,818	
Restricted	76,897	68,788	1,252,628	1,585,578
Unassigned				
Total fund balances	<u>81,406</u>	<u>68,788</u>	<u>1,272,446</u>	<u>1,585,578</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 786,260</u>	<u>\$ 71,986</u>	<u>\$ 1,309,970</u>	<u>\$ 1,689,287</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Special Revenue			
	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
<b>Assets</b>				
Cash and cash equivalents	\$ 258,709	\$	\$ 298,101	\$ 614,333
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes	121,464			
Accounts				300
Special assessments				
Accrued interest	370		381	917
Advances to other funds				
Due from:				
Other funds		104,313	1,033	388
Other governments		9,939		19,380
Prepaid items				968
Total assets	<u>\$ 380,543</u>	<u>\$ 114,252</u>	<u>\$ 299,515</u>	<u>\$ 636,286</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$	\$	\$ 26,209	\$ 27,816
Accrued payroll and employee benefits		5,327	3,951	
Advances from other funds				
Due to:				
Other funds		124,664	378	396
Other governments	97,299			
Deposits held for others				
Unearned revenue				
Total liabilities	<u>97,299</u>	<u>129,991</u>	<u>30,538</u>	<u>28,212</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	99,599	8,678		18
Total deferred inflows of resources	<u>99,599</u>	<u>8,678</u>		<u>18</u>
Fund balances:				
Nonspendable				968
Restricted	183,645		268,977	607,088
Unassigned		(24,417)		
Total fund balances	<u>183,645</u>	<u>(24,417)</u>	<u>268,977</u>	<u>608,056</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 380,543</u>	<u>\$ 114,252</u>	<u>\$ 299,515</u>	<u>\$ 636,286</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
<b>Assets</b>				
Cash and cash equivalents	\$ 666,026	\$ 953,162	\$ 8,042	\$ 5,049,752
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	137			
Special assessments				
Accrued interest	972	1,597	12	7,339
Advances to other funds				89,626
Due from:				
Other funds	12,439	24,844	5,434	
Other governments	13,147	5,202	692	
Prepaid items				
Total assets	<u>\$ 692,721</u>	<u>\$ 984,805</u>	<u>\$ 14,180</u>	<u>\$ 5,146,717</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 13,121	\$ 23,282	\$ 969	\$ 1
Accrued payroll and employee benefits	4,077	45,996		
Advances from other funds				
Due to:				
Other funds	264,296	18,747	5,370	408,448
Other governments		60,947		
Deposits held for others				
Unearned revenue				
Total liabilities	<u>281,494</u>	<u>148,972</u>	<u>6,339</u>	<u>408,449</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable				
Restricted	411,227	835,833	7,841	4,738,268
Unassigned				
Total fund balances	<u>411,227</u>	<u>835,833</u>	<u>7,841</u>	<u>4,738,268</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 692,721</u>	<u>\$ 984,805</u>	<u>\$ 14,180</u>	<u>\$ 5,146,717</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
<b>Assets</b>				
Cash and cash equivalents	\$ 503,043	\$ 87,107	\$ 199,246	\$ 1,143,567
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts	625	54		3,917
Special assessments				
Accrued interest	772	131	419	4,605
Advances to other funds				
Due from:				
Other funds	1,362	48,909		7,977
Other governments	19,369	5,972	14,034	646,209
Prepaid items	125	760		21,875
Total assets	<u>\$ 525,296</u>	<u>\$ 142,933</u>	<u>\$ 213,699</u>	<u>\$ 1,828,150</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 25,603	\$ 8,755	\$ 8,365	\$ 310,697
Accrued payroll and employee benefits	2,559			10,227
Advances from other funds				
Due to:				
Other funds		48,909		5,000
Other governments				
Deposits held for others				
Unearned revenue	7,000			
Total liabilities	<u>35,162</u>	<u>57,664</u>	<u>8,365</u>	<u>325,924</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue				
Total deferred inflows of resources				
Fund balances:				
Nonspendable	125	760		21,875
Restricted	490,009	84,509	205,334	1,480,351
Unassigned				
Total fund balances	<u>490,134</u>	<u>85,269</u>	<u>205,334</u>	<u>1,502,226</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 525,296</u>	<u>\$ 142,933</u>	<u>\$ 213,699</u>	<u>\$ 1,828,150</u>



Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Special Revenue			
	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 147,227	\$	\$ 387,769	\$ 67,711
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts			45	
Special assessments				
Accrued interest	504		642	100
Advances to other funds				
Due from:				
Other funds	58,610	106,424	257,825	
Other governments	235,445	100,035	25,039	
Prepaid items			1,519	
Total assets	<u>\$ 441,786</u>	<u>\$ 206,459</u>	<u>\$ 672,839</u>	<u>\$ 67,811</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 20,454	\$ 80,885	\$ 48,587	\$ 1
Accrued payroll and employee benefits	13,329	5,899	7,913	
Advances from other funds				
Due to:				
Other funds	31,741	119,659	12,410	
Other governments			869	
Deposits held for others				
Unearned revenue				
Total liabilities	<u>65,524</u>	<u>206,443</u>	<u>69,779</u>	<u>1</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	123,274			
Total deferred inflows of resources	<u>123,274</u>			
Fund balances:				
Nonspendable			1,519	
Restricted	252,988	16	601,541	67,810
Unassigned				
Total fund balances	<u>252,988</u>	<u>16</u>	<u>603,060</u>	<u>67,810</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 441,786</u>	<u>\$ 206,459</u>	<u>\$ 672,839</u>	<u>\$ 67,811</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>
	Other Special Revenue Funds	County Improvement Districts-Debt Service
<b>Assets</b>		
Cash and cash equivalents	\$	\$ 297,175
Investments		
Cash and investments held by trustee		
Receivables (net of allowances for uncollectibles):		
Property taxes		
Accounts	23	507
Special assessments		254,924
Accrued interest		1,106
Advances to other funds		
Due from:		
Other funds	97,825	2,698
Other governments		
Prepaid items		
Total assets	<u>\$ 97,848</u>	<u>\$ 556,410</u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 243	\$ 2
Accrued payroll and employee benefits	2,423	
Advances from other funds		52,568
Due to:		
Other funds	95,170	2,698
Other governments		
Deposits held for others		
Unearned revenue		
Total liabilities	<u>97,836</u>	<u>55,268</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue		259,521
Total deferred inflows of resources		<u>259,521</u>
Fund balances:		
Nonspendable		
Restricted	12	241,621
Unassigned		
Total fund balances	<u>12</u>	<u>241,621</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,848</u>	<u>\$ 556,410</u>

Coconino County  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2014

	Capital Projects			
	County			
	Improvement			
	Districts-			
	Capital			
	Projects			
	Accommodation		Other Capital	Total
	School		Projects Funds	Nonmajor
				Governmental
				Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 79,478	\$ 617,554	\$ 2,910,768	\$ 17,433,786
Investments		72,889	71,762	576,881
Cash and investments held by trustee				26,231
Receivables (net of allowances for uncollectibles):				
Property taxes				121,464
Accounts				198,731
Special assessments				254,924
Accrued interest	108	1,295	1,220	27,664
Advances to other funds				89,626
Due from:				
Other funds			96,896	1,558,007
Other governments				1,839,540
Prepaid items				52,000
Total assets	<u>\$ 79,586</u>	<u>\$ 691,738</u>	<u>\$ 3,080,646</u>	<u>\$ 22,178,854</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$	\$ 2	\$ 5,454	\$ 760,762
Accrued payroll and employee benefits				224,708
Advances from other funds		485,320		537,888
Due to:				
Other funds				1,939,017
Other governments				182,354
Deposits held for others				41,150
Unearned revenue				7,000
Total liabilities		<u>485,322</u>	<u>5,454</u>	<u>3,692,879</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue				540,974
Total deferred inflows of resources				<u>540,974</u>
Fund balances:				
Nonspendable				52,000
Restricted	79,586	206,416	3,075,192	17,917,418
Unassigned				(24,417)
Total fund balances	<u>79,586</u>	<u>206,416</u>	<u>3,075,192</u>	<u>17,945,001</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 79,586</u>	<u>\$ 691,738</u>	<u>\$ 3,080,646</u>	<u>\$ 22,178,854</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2014

	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	\$	\$	\$	\$
Other taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	2,102,736		952,514	
Charges for services	602,921			53,691
Investment earnings	13,268		55	8,089
Contributions				
Miscellaneous	40			
Total revenues	<u>2,718,965</u>		<u>952,569</u>	<u>61,780</u>
Expenditures:				
Current:				
General government		10,259		106,044
Public safety	2,735,208			
Highways and streets				
Sanitation				
Welfare			948,933	
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,735,208</u>	<u>10,259</u>	<u>948,933</u>	<u>106,044</u>
Excess (deficiency) of revenues over expenditures	<u>(16,243)</u>	<u>(10,259)</u>	<u>3,636</u>	<u>(44,264)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	15,868			2,764
Transfers out				
Total other financing sources and (uses)	<u>15,868</u>			<u>2,764</u>
Net changes in fund balances	(375)	(10,259)	3,636	(41,500)
Fund balances, July 1, 2013	660,686	27,556	7,864	450,081
Fund balances, June 30, 2014	<u>\$ 660,311</u>	<u>\$ 17,297</u>	<u>\$ 11,500</u>	<u>\$ 408,581</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	Special Revenue			
	Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue
Revenues:				
Property taxes	\$	\$	\$	\$
Other taxes				
Special assessments				11,400
Fees, fines, and forfeits			689,407	
Intergovernmental	995,755	11,462	485,547	
Charges for services	687,001	44,213	34,493	1,166,760
Investment earnings	2,695	1,631	29,781	22,619
Contributions	142,006			
Miscellaneous	2,502			27,411
Total revenues	<u>1,829,959</u>	<u>57,306</u>	<u>1,239,228</u>	<u>1,228,190</u>
Expenditures:				
Current:				
General government	6,725	82,334	1,246,143	
Public safety				
Highways and streets				9,640
Sanitation				917,405
Welfare	2,858,315			
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,865,040</u>	<u>82,334</u>	<u>1,246,143</u>	<u>927,045</u>
Excess (deficiency) of revenues over expenditures	<u>(1,035,081)</u>	<u>(25,028)</u>	<u>(6,915)</u>	<u>301,145</u>
Other financing sources (uses):				
Sale of capital assets				16,952
Transfers in	518,996		133,373	
Transfers out	(7,200)		(68,132)	
Total other financing sources and (uses)	<u>511,796</u>		<u>65,241</u>	<u>16,952</u>
Net changes in fund balances	(523,285)	(25,028)	58,326	318,097
Fund balances, July 1, 2013	604,691	93,816	1,214,120	1,267,481
Fund balances, June 30, 2014	<u>\$ 81,406</u>	<u>\$ 68,788</u>	<u>\$ 1,272,446</u>	<u>\$ 1,585,578</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	Special Revenue			
	County Library District	Emergency Services Grants	Inmate Welfare	Jail Enhancement
Revenues:				
Property taxes	\$ 3,913,206	\$	\$	\$
Other taxes	215			
Special assessments				
Fees, fines, and forfeits				
Intergovernmental		97,387		229,809
Charges for services			88,281	
Investment earnings	7,940		3,518	12,361
Contributions	85,033			
Miscellaneous			187,377	
Total revenues	<u>4,006,394</u>	<u>97,387</u>	<u>279,176</u>	<u>242,170</u>
Expenditures:				
Current:				
General government				
Public safety		273,700	266,740	318,222
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	3,923,343			
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>3,923,343</u>	<u>273,700</u>	<u>266,740</u>	<u>318,222</u>
Excess (deficiency) of revenues over expenditures	<u>83,051</u>	<u>(176,313)</u>	<u>12,436</u>	<u>(76,052)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		100,459		
Transfers out	(92,472)			
Total other financing sources and (uses)	<u>(92,472)</u>	<u>100,459</u>		
Net changes in fund balances	(9,421)	(75,854)	12,436	(76,052)
Fund balances, July 1, 2013	193,066	51,437	256,541	684,108
Fund balances, June 30, 2014	<u>\$ 183,645</u>	<u>\$ (24,417)</u>	<u>\$ 268,977</u>	<u>\$ 608,056</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	Special Revenue			
	Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees
Revenues:				
Property taxes	\$	\$	\$	\$
Other taxes				
Special assessments				
Fees, fines, and forfeits	20,387			
Intergovernmental	46,807	2,118,186	2,497	3,323,397
Charges for services	434,962	93,750		
Investment earnings	12,631	17,477	175	82,407
Contributions				
Miscellaneous		740		
Total revenues	<u>514,787</u>	<u>2,230,153</u>	<u>2,672</u>	<u>3,405,804</u>
Expenditures:				
Current:				
General government	308,196		1,716	
Public safety		2,192,117		
Highways and streets				
Sanitation				
Welfare				
Culture and recreation				
Education				1,447,369
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>308,196</u>	<u>2,192,117</u>	<u>1,716</u>	<u>1,447,369</u>
Excess (deficiency) of revenues over expenditures	<u>206,591</u>	<u>38,036</u>	<u>956</u>	<u>1,958,435</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in		4,068	5,434	
Transfers out	<u>(270,480)</u>		<u>(5,370)</u>	<u>(1,759,012)</u>
Total other financing sources and (uses)	<u>(270,480)</u>	<u>4,068</u>	<u>64</u>	<u>(1,759,012)</u>
Net changes in fund balances	(63,889)	42,104	1,020	199,423
Fund balances, July 1, 2013	475,116	793,729	6,821	4,538,845
Fund balances, June 30, 2014	<u>\$ 411,227</u>	<u>\$ 835,833</u>	<u>\$ 7,841</u>	<u>\$ 4,738,268</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	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	\$	\$	\$	\$ (18)
Other taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	110,919	21,554	59,521	5,290,591
Charges for services	439,251		114,793	67,464
Investment earnings	9,048	1,603	6,486	32,769
Contributions				67,775
Miscellaneous	15,086			115,811
Total revenues	<u>574,304</u>	<u>23,157</u>	<u>180,800</u>	<u>5,574,392</u>
Expenditures:				
Current:				
General government		19,009	255,217	
Public safety				
Highways and streets				
Sanitation				
Welfare				
Culture and recreation	431,646			
Education				5,252,180
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>431,646</u>	<u>19,009</u>	<u>255,217</u>	<u>5,252,180</u>
Excess (deficiency) of revenues over expenditures	<u>142,658</u>	<u>4,148</u>	<u>(74,417)</u>	<u>322,212</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	10,000	48,909		
Transfers out	(116,150)	(48,909)	(49,344)	
Total other financing sources and (uses)	<u>(106,150)</u>		<u>(49,344)</u>	
Net changes in fund balances	36,508	4,148	(123,761)	322,212
Fund balances, July 1, 2013	453,626	81,121	329,095	1,180,014
Fund balances, June 30, 2014	<u>\$ 490,134</u>	<u>\$ 85,269</u>	<u>\$ 205,334</u>	<u>\$ 1,502,226</u>



Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	Special Revenue			
	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
Revenues:				
Property taxes	\$	\$	\$	\$
Other taxes				
Special assessments				
Fees, fines, and forfeits				
Intergovernmental	571,568	264,408	187,131	
Charges for services	63,329	125,856	170,476	15,201
Investment earnings	5,143		8,665	1,398
Contributions	2,925		9,000	
Miscellaneous			1,292	
Total revenues	<u>642,965</u>	<u>390,264</u>	<u>376,564</u>	<u>16,599</u>
Expenditures:				
Current:				
General government			753,689	24,988
Public safety	856,065			
Highways and streets				
Sanitation		496,150		
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>856,065</u>	<u>496,150</u>	<u>753,689</u>	<u>24,988</u>
Excess (deficiency) of revenues over expenditures	<u>(213,100)</u>	<u>(105,886)</u>	<u>(377,125)</u>	<u>(8,389)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	93,049	105,887	340,928	
Transfers out			(2,764)	
Total other financing sources and (uses)	<u>93,049</u>	<u>105,887</u>	<u>338,164</u>	
Net changes in fund balances	(120,051)	1	(38,961)	(8,389)
Fund balances, July 1, 2013	373,039	15	642,021	76,199
Fund balances, June 30, 2014	<u>\$ 252,988</u>	<u>\$ 16</u>	<u>\$ 603,060</u>	<u>\$ 67,810</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>
	Other Special Revenue Funds	County Improvement Districts-Debt Service
Revenues:		
Property taxes	\$	\$
Other taxes		
Special assessments		221,548
Fees, fines, and forfeits		
Intergovernmental		
Charges for services	13,782	
Investment earnings		16,015
Contributions		
Miscellaneous		
Total revenues	<u>13,782</u>	<u>237,563</u>
Expenditures:		
Current:		
General government	64,153	
Public safety		
Highways and streets	60,314	
Sanitation		
Welfare		
Culture and recreation		
Education		
Capital outlay		
Debt service:		
Principal		415,808
Interest and other charges		46,622
Total expenditures	<u>124,467</u>	<u>462,430</u>
Excess (deficiency) of revenues over expenditures	<u>(110,685)</u>	<u>(224,867)</u>
Other financing sources (uses):		
Sale of capital assets		
Transfers in	110,686	
Transfers out		
Total other financing sources and (uses)	<u>110,686</u>	
Net changes in fund balances	1	(224,867)
Fund balances, July 1, 2013	11	466,488
Fund balances, June 30, 2014	<u>\$ 12</u>	<u>\$ 241,621</u>

Coconino County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Continued)  
Year Ended June 30, 2014

	Capital Projects			Total Nonmajor Governmental Funds
	Accommodation School	County Improvement Districts-Capital Projects	Other Capital Projects Funds	
Revenues:				
Property taxes	\$	\$	\$	\$ 3,913,188
Other taxes				215
Special assessments				232,948
Fees, fines, and forfeits				709,794
Intergovernmental	63,754			16,935,543
Charges for services				4,216,224
Investment earnings	1,135	14,564	741	312,214
Contributions				306,739
Miscellaneous				350,259
Total revenues	<u>64,889</u>	<u>14,564</u>	<u>741</u>	<u>26,977,124</u>
Expenditures:				
Current:				
General government				2,878,473
Public safety				6,642,052
Highways and streets				69,954
Sanitation				1,413,555
Welfare				3,807,248
Culture and recreation				4,354,989
Education				6,699,549
Capital outlay	42,880		104,266	147,146
Debt service:				
Principal				415,808
Interest and other charges				46,622
Total expenditures	<u>42,880</u>	<u></u>	<u>104,266</u>	<u>26,475,396</u>
Excess (deficiency) of revenues over expenditures	<u>22,009</u>	<u>14,564</u>	<u>(103,525)</u>	<u>501,728</u>
Other financing sources (uses):				
Sale of capital assets				16,952
Transfers in			3,060,896	4,551,317
Transfers out				(2,419,833)
Total other financing sources and (uses)	<u></u>	<u></u>	<u>3,060,896</u>	<u>2,148,436</u>
Net changes in fund balances	22,009	14,564	2,957,371	2,650,164
Fund balances, July 1, 2013	57,577	191,852	117,821	15,294,837
Fund balances, June 30, 2014	<u>\$ 79,586</u>	<u>\$ 206,416</u>	<u>\$ 3,075,192</u>	<u>\$ 17,945,001</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Adult Probation Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,796,177	\$ 2,123,169	\$ 2,102,736	\$ (20,433)
Charges for services	559,500	559,500	602,921	43,421
Investment earnings	12,400	12,400	13,268	868
Miscellaneous			40	40
Total revenues	<u>2,368,077</u>	<u>2,695,069</u>	<u>2,718,965</u>	<u>23,896</u>
Expenditures:				
Public safety				
Adult Probation	<u>3,145,025</u>	<u>3,135,066</u>	<u>2,735,208</u>	<u>399,858</u>
Total expenditures	<u>3,145,025</u>	<u>3,135,066</u>	<u>2,735,208</u>	<u>399,858</u>
Excess (deficiency) of revenues over expenditures	<u>(776,948)</u>	<u>(439,997)</u>	<u>(16,243)</u>	<u>423,754</u>
Other financing sources (uses):				
Transfers in	402,818	61,474	15,868	(45,606)
Transfers out	<u>(550)</u>	<u>(550)</u>		<u>550</u>
Total other financing sources (uses)	<u>402,268</u>	<u>60,924</u>	<u>15,868</u>	<u>(45,056)</u>
Net changes in fund balances	(374,680)	(379,073)	(375)	378,698
Fund balance, July 1, 2013	<u>588,856</u>	<u>588,856</u>	<u>660,686</u>	<u>71,830</u>
Fund balance, June 30, 2014	<u>\$ 214,176</u>	<u>\$ 209,783</u>	<u>\$ 660,311</u>	<u>\$ 450,528</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Assessor Storage and Retrieval  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Total revenues	\$	\$	\$	\$
Expenditures:				
General government				
Assessor	19,000	27,555	10,259	17,296
Total expenditures	19,000	27,555	10,259	17,296
Excess (deficiency) of revenues over expenditures	(19,000)	(27,555)	(10,259)	17,296
Net changes in fund balances	(19,000)	(27,555)	(10,259)	17,296
Fund balance, July 1, 2013	19,000	19,000	27,556	8,556
Fund balance, June 30, 2014	\$	\$ (8,555)	\$ 17,297	\$ 25,852

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Career Center Grants  
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 1,431,744	\$ 1,367,846	\$ 952,514	\$ (415,332)
Investment earnings			55	55
Total revenues	<u>1,431,744</u>	<u>1,367,846</u>	<u>952,569</u>	<u>(415,277)</u>
Expenditures:				
Welfare				
Career Center	<u>1,441,547</u>	<u>1,371,592</u>	<u>948,933</u>	<u>422,659</u>
Total expenditures	<u>1,441,547</u>	<u>1,371,592</u>	<u>948,933</u>	<u>422,659</u>
Excess (deficiency) of revenues over expenditures	<u>(9,803)</u>	<u>(3,746)</u>	<u>3,636</u>	<u>7,382</u>
Net changes in fund balances	(9,803)	(3,746)	3,636	7,382
Fund balance, July 1, 2013	<u>2,741</u>	<u>2,741</u>	<u>7,864</u>	<u>5,123</u>
Fund balance, June 30, 2014	<u>\$ (7,062)</u>	<u>\$ (1,005)</u>	<u>\$ 11,500</u>	<u>\$ 12,505</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 100,000	\$ 100,000	\$	\$ (100,000)
Charges for services	50,300	50,300	53,691	3,391
Investment earnings	4,500	4,500	8,089	3,589
Total revenues	<u>154,800</u>	<u>154,800</u>	<u>61,780</u>	<u>(93,020)</u>
Expenditures:				
General government				
Clerk of the Superior Court	<u>175,778</u>	<u>175,778</u>	<u>106,044</u>	<u>69,734</u>
Total expenditures	<u>175,778</u>	<u>175,778</u>	<u>106,044</u>	<u>69,734</u>
Excess (deficiency) of revenues over expenditures	<u>(20,978)</u>	<u>(20,978)</u>	<u>(44,264)</u>	<u>(23,286)</u>
Other financing sources (uses):				
Transfers in	<u>13,309</u>	<u>13,309</u>	<u>2,764</u>	<u>(10,545)</u>
Total other financing sources (uses)	<u>13,309</u>	<u>13,309</u>	<u>2,764</u>	<u>(10,545)</u>
Net changes in fund balances	(7,669)	(7,669)	(41,500)	(33,831)
Fund balance, July 1, 2013	476,402	476,402	450,081	(26,321)
Fund balance, June 30, 2014	<u>\$ 468,733</u>	<u>\$ 468,733</u>	<u>\$ 408,581</u>	<u>\$ (60,152)</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Community Services Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	2,237,423	2,237,423	995,755	(1,241,668)
Charges for services	1,590,046	1,590,046	687,001	(903,045)
Investment earnings	2,000	2,000	2,695	695
Contributions	127,149	127,149	142,006	14,857
Miscellaneous	1,800	1,800	2,502	702
Total revenues	<u>3,958,418</u>	<u>3,958,418</u>	<u>1,829,959</u>	<u>(2,128,459)</u>
Expenditures:				
General government				
Facilities	58,869	42,729	6,725	36,004
Welfare				
Community Services	<u>4,817,394</u>	<u>4,817,394</u>	<u>2,858,315</u>	<u>1,959,079</u>
Total expenditures	<u>4,876,263</u>	<u>4,860,123</u>	<u>2,865,040</u>	<u>1,995,083</u>
Excess (deficiency) of revenues over expenditures	<u>(917,845)</u>	<u>(901,705)</u>	<u>(1,035,081)</u>	<u>(133,376)</u>
Other financing sources (uses):				
Transfers in	691,083	691,083	518,996	(172,087)
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(7,200)</u>	<u>2,800</u>
Total other financing sources (uses)	<u>691,083</u>	<u>681,083</u>	<u>511,796</u>	<u>(169,287)</u>
Net changes in fund balances	(226,762)	(220,622)	(523,285)	(302,663)
Fund balance, July 1, 2013	651,237	651,237	604,691	(46,546)
Fund balance, June 30, 2014	<u>\$ 424,475</u>	<u>\$ 430,615</u>	<u>\$ 81,406</u>	<u>\$ (349,209)</u>



Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Conciliation Court  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 11,462	\$ 2,462
Charges for services	44,400	44,400	44,213	(187)
Investment earnings	1,000	1,000	1,631	631
Total revenues	<u>54,400</u>	<u>54,400</u>	<u>57,306</u>	<u>2,906</u>
Expenditures:				
General government				
Superior Courts	<u>83,909</u>	<u>83,909</u>	<u>82,334</u>	<u>1,575</u>
Total expenditures	<u>83,909</u>	<u>83,909</u>	<u>82,334</u>	<u>1,575</u>
Excess (deficiency) of revenues over expenditures	<u>(29,509)</u>	<u>(29,509)</u>	<u>(25,028)</u>	<u>4,481</u>
Net changes in fund balances	(29,509)	(29,509)	(25,028)	4,481
Fund balance, July 1, 2013	<u>92,537</u>	<u>92,537</u>	<u>93,816</u>	<u>1,279</u>
Fund balance, June 30, 2014	<u><u>\$ 63,028</u></u>	<u><u>\$ 63,028</u></u>	<u><u>\$ 68,788</u></u>	<u><u>\$ 5,760</u></u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Attorney Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 650,000	\$ 650,000	\$ 689,407	\$ 39,407
Intergovernmental	538,039	521,932	485,547	(36,385)
Charges for services	37,000	37,000	34,493	(2,507)
Investment earnings	46,750	46,750	29,781	(16,969)
Total revenues	<u>1,271,789</u>	<u>1,255,682</u>	<u>1,239,228</u>	<u>(16,454)</u>
Expenditures:				
General government				
County Attorney	<u>1,712,515</u>	<u>1,731,805</u>	<u>1,246,143</u>	<u>485,662</u>
Total expenditures	<u>1,712,515</u>	<u>1,731,805</u>	<u>1,246,143</u>	<u>485,662</u>
Excess (deficiency) of revenues over expenditures	<u>(440,726)</u>	<u>(476,123)</u>	<u>(6,915)</u>	<u>469,208</u>
Other financing sources (uses):				
Transfers in	139,638	211,024	133,373	(77,651)
Transfers out	<u>(88,945)</u>	<u>(209,824)</u>	<u>(68,132)</u>	<u>141,692</u>
Total other financing sources (uses)	<u>50,693</u>	<u>1,200</u>	<u>65,241</u>	<u>64,041</u>
Net changes in fund balances	(390,033)	(474,923)	58,326	533,249
Fund balance, July 1, 2013	<u>1,327,726</u>	<u>1,327,726</u>	<u>1,214,120</u>	<u>(113,606)</u>
Fund balance, June 30, 2014	<u>\$ 937,693</u>	<u>\$ 852,803</u>	<u>\$ 1,272,446</u>	<u>\$ 419,643</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Improvement Districts - Special Revenue  
Year Ended June 30, 2014

	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	1,166,760	(3,740)
Investment earnings	9,530	9,530	22,619	13,089
Miscellaneous	20,000	20,000	27,411	7,411
Total revenues	<u>1,211,430</u>	<u>1,211,430</u>	<u>1,228,190</u>	<u>16,760</u>
Expenditures:				
Highways and streets				
Improvement Districts	11,400	11,400	9,640	1,760
Sanitation				
KVID	1,752,019	1,752,019	917,405	834,614
Total expenditures	<u>1,763,419</u>	<u>1,763,419</u>	<u>927,045</u>	<u>836,374</u>
Excess (deficiency) of revenues over expenditures	<u>(551,989)</u>	<u>(551,989)</u>	<u>301,145</u>	<u>853,134</u>
Other financing sources (uses):				
Sale of capital assets			16,952	16,952
Total other financing sources (uses)			<u>16,952</u>	<u>16,952</u>
Net changes in fund balances	(551,989)	(551,989)	318,097	870,086
Fund balance, July 1, 2013	<u>625,274</u>	<u>625,274</u>	<u>1,267,481</u>	<u>642,207</u>
Fund balance, June 30, 2014	<u>\$ 73,285</u>	<u>\$ 73,285</u>	<u>\$ 1,585,578</u>	<u>\$ 1,512,293</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Library District  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 3,918,515	\$ 3,918,515	\$ 3,913,206	\$ (5,309)
Other taxes			215	215
Investment earnings	2,500	2,500	7,940	5,440
Contributions	78,939	78,939	85,033	6,094
Total revenues	<u>3,999,954</u>	<u>3,999,954</u>	<u>4,006,394</u>	<u>6,440</u>
Expenditures:				
Culture and recreation				
Library District	3,834,594	3,831,275	3,923,343	(92,068)
Total expenditures	<u>3,834,594</u>	<u>3,831,275</u>	<u>3,923,343</u>	<u>(92,068)</u>
Excess (deficiency) of revenues over expenditures	<u>165,360</u>	<u>168,679</u>	<u>83,051</u>	<u>(85,628)</u>
Other financing sources (uses):				
Transfers out	(89,153)	(92,472)	(92,472)	
Total other financing sources (uses)	<u>(89,153)</u>	<u>(92,472)</u>	<u>(92,472)</u>	
Net changes in fund balances	76,207	76,207	(9,421)	(85,628)
Fund balance, July 1, 2013	213,542	213,542	193,066	(20,476)
Fund balance, June 30, 2014	<u>\$ 289,749</u>	<u>\$ 289,749</u>	<u>\$ 183,645</u>	<u>\$ (106,104)</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Emergency Services Grants  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 44,900,994	\$ 161,004	\$ 97,387	\$ (63,617)
Total revenues	<u>44,900,994</u>	<u>161,004</u>	<u>97,387</u>	<u>(63,617)</u>
Expenditures:				
Public safety				
County Manager	364,174	356,229	273,700	82,529
Public Works	<u>44,694,625</u>	<u>(37,420)</u>	<u></u>	<u>(37,420)</u>
Total expenditures	<u>45,058,799</u>	<u>318,809</u>	<u>273,700</u>	<u>45,109</u>
Excess (deficiency) of revenues over expenditures	<u>(157,805)</u>	<u>(157,805)</u>	<u>(176,313)</u>	<u>(18,508)</u>
Other financing sources (uses):				
Transfers in	<u>106,369</u>	<u>106,369</u>	<u>100,459</u>	<u>(5,910)</u>
Total other financing sources (uses)	<u>106,369</u>	<u>106,369</u>	<u>100,459</u>	<u>(5,910)</u>
Net changes in fund balances	(51,436)	(51,436)	(75,854)	(24,418)
Fund balance, July 1, 2013	<u>52,206</u>	<u>52,206</u>	<u>51,437</u>	<u>(769)</u>
Fund balance, June 30, 2014	<u>\$ 770</u>	<u>\$ 770</u>	<u>\$ (24,417)</u>	<u>\$ (25,187)</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Inmate Welfare  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 70,000	\$ 70,000	\$ 88,281	\$ 18,281
Investment earnings	8,000	8,000	3,518	(4,482)
Miscellaneous	160,250	196,250	187,377	(8,873)
Total revenues	<u>238,250</u>	<u>274,250</u>	<u>279,176</u>	<u>4,926</u>
Expenditures:				
Public safety				
Sheriff	<u>360,814</u>	<u>402,480</u>	<u>266,740</u>	<u>135,740</u>
Total expenditures	<u>360,814</u>	<u>402,480</u>	<u>266,740</u>	<u>135,740</u>
Excess (deficiency) of revenues over expenditures	<u>(122,564)</u>	<u>(128,230)</u>	<u>12,436</u>	<u>140,666</u>
Net changes in fund balances	(122,564)	(128,230)	12,436	140,666
Fund balance, July 1, 2013	<u>145,750</u>	<u>145,750</u>	<u>256,541</u>	<u>110,791</u>
Fund balance, June 30, 2014	<u>\$ 23,186</u>	<u>\$ 17,520</u>	<u>\$ 268,977</u>	<u>\$ 251,457</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Jail Enhancement  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 213,518	\$ 213,518	\$ 229,809	\$ 16,291
Investment earnings	5,374	5,374	12,361	6,987
Total revenues	<u>218,892</u>	<u>218,892</u>	<u>242,170</u>	<u>23,278</u>
Expenditures:				
Public safety				
Sheriff	<u>539,750</u>	<u>483,780</u>	<u>318,222</u>	<u>165,558</u>
Total expenditures	<u>539,750</u>	<u>483,780</u>	<u>318,222</u>	<u>165,558</u>
Excess (deficiency) of revenues over expenditures	<u>(320,858)</u>	<u>(264,888)</u>	<u>(76,052)</u>	<u>188,836</u>
Net changes in fund balances	(320,858)	(264,888)	(76,052)	188,836
Fund balance, July 1, 2013	<u>513,891</u>	<u>513,891</u>	<u>684,108</u>	<u>170,217</u>
Fund balance, June 30, 2014	<u>\$ 193,033</u>	<u>\$ 249,003</u>	<u>\$ 608,056</u>	<u>\$ 359,053</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Justice Courts Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fees, fines, and forfeits	\$ 13,100	\$ 13,100	\$ 20,387	\$ 7,287
Intergovernmental	14,433	81,412	46,807	(34,605)
Charges for services	413,675	413,675	434,962	21,287
Investment earnings	12,600	12,600	12,631	31
Total revenues	<u>453,808</u>	<u>520,787</u>	<u>514,787</u>	<u>(6,000)</u>
Expenditures:				
General government				
Flagstaff Justice Court	261,370	329,780	209,196	120,584
Fredonia Justice Court	60,852	60,852	47,395	13,457
Page Justice Court	30,620	27,620	8,594	19,026
Williams Justice Court	74,893	74,893	43,011	31,882
Total expenditures	<u>427,735</u>	<u>493,145</u>	<u>308,196</u>	<u>184,949</u>
Excess (deficiency) of revenues over expenditures	<u>26,073</u>	<u>27,642</u>	<u>206,591</u>	<u>178,949</u>
Other financing sources (uses):				
Transfers out	<u>(251,724)</u>	<u>(251,724)</u>	<u>(270,480)</u>	<u>(18,756)</u>
Total other financing sources (uses)	<u>(251,724)</u>	<u>(251,724)</u>	<u>(270,480)</u>	<u>(18,756)</u>
Net changes in fund balances	(225,651)	(224,082)	(63,889)	160,193
Fund balance, July 1, 2013	475,610	475,610	475,116	(494)
Fund balance, June 30, 2014	<u>\$ 249,959</u>	<u>\$ 251,528</u>	<u>\$ 411,227</u>	<u>\$ 159,699</u>



Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Juvenile Court Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,285,342	\$ 2,390,685	\$ 2,118,186	\$ (272,499)
Charges for services	82,300	82,300	93,750	11,450
Investment earnings	4,000	4,000	17,477	13,477
Miscellaneous			740	740
Total revenues	<u>2,371,642</u>	<u>2,476,985</u>	<u>2,230,153</u>	<u>(246,832)</u>
Expenditures:				
Public safety				
Juvenile Probation	<u>3,287,555</u>	<u>3,167,828</u>	<u>2,192,117</u>	<u>975,711</u>
Total expenditures	<u>3,287,555</u>	<u>3,167,828</u>	<u>2,192,117</u>	<u>975,711</u>
Excess (deficiency) of revenues over expenditures	<u>(915,913)</u>	<u>(690,843)</u>	<u>38,036</u>	<u>728,879</u>
Other financing sources (uses):				
Transfers in	<u>202,425</u>	<u>5,591</u>	<u>4,068</u>	<u>(1,523)</u>
Total other financing sources (uses)	<u>202,425</u>	<u>5,591</u>	<u>4,068</u>	<u>(1,523)</u>
Net changes in fund balances	(713,488)	(685,252)	42,104	727,356
Fund balance, July 1, 2013	<u>727,288</u>	<u>727,288</u>	<u>793,729</u>	<u>66,441</u>
Fund balance, June 30, 2014	<u>\$ 13,800</u>	<u>\$ 42,036</u>	<u>\$ 835,833</u>	<u>\$ 793,797</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Legal Defender Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,497	\$ 497
Investment earnings	230	230	175	(55)
Total revenues	<u>2,230</u>	<u>2,230</u>	<u>2,672</u>	<u>442</u>
Expenditures:				
General government				
Legal Defender	<u>2,455</u>	<u>2,455</u>	<u>1,716</u>	<u>739</u>
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>1,716</u>	<u>739</u>
Excess (deficiency) of revenues over expenditures	<u>(225)</u>	<u>(225)</u>	<u>956</u>	<u>1,181</u>
Other financing sources (uses):				
Transfers in	4,907	4,907	5,434	527
Transfers out	<u>(5,053)</u>	<u>(5,053)</u>	<u>(5,370)</u>	<u>(317)</u>
Total other financing sources (uses)	<u>(146)</u>	<u>(146)</u>	<u>64</u>	<u>210</u>
Net changes in fund balances	(371)	(371)	1,020	1,391
Fund balance, July 1, 2013	6,997	6,997	6,821	(176)
Fund balance, June 30, 2014	<u>\$ 6,626</u>	<u>\$ 6,626</u>	<u>\$ 7,841</u>	<u>\$ 1,215</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
National Forest Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$	\$ 3,323,397	\$ 3,323,397	\$
Investment earnings	21,962	21,962	82,407	60,445
Total revenues	21,962	3,345,359	3,405,804	60,445
Expenditures:				
Education				
School Superintendent		1,447,369	1,447,369	
Total expenditures		1,447,369	1,447,369	
Excess (deficiency) of revenues over expenditures	21,962	1,897,990	1,958,435	60,445
Other financing sources (uses):				
Transfers out	(2,334,675)	(2,334,675)	(1,759,012)	575,663
Total other financing sources (uses)	(2,334,675)	(2,334,675)	(1,759,012)	575,663
Net changes in fund balances	(2,312,713)	(436,685)	199,423	636,108
Fund balance, July 1, 2013	4,409,775	4,409,775	4,538,845	129,070
Fund balance, June 30, 2014	<u>\$ 2,097,062</u>	<u>\$ 3,973,090</u>	<u>\$ 4,738,268</u>	<u>\$ 765,178</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Parks and Recreation Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 85,000	\$ 207,985	\$ 110,919	\$ (97,066)
Charges for services	409,100	409,100	439,251	30,151
Investment earnings			9,048	9,048
Miscellaneous			15,086	15,086
Total revenues	<u>494,100</u>	<u>617,085</u>	<u>574,304</u>	<u>(42,781)</u>
Expenditures:				
Culture and recreation				
Parks and Recreation	<u>372,307</u>	<u>555,127</u>	<u>431,646</u>	<u>123,481</u>
Total expenditures	<u>372,307</u>	<u>555,127</u>	<u>431,646</u>	<u>123,481</u>
Excess (deficiency) of revenues over expenditures	<u>121,793</u>	<u>61,958</u>	<u>142,658</u>	<u>80,700</u>
Other financing sources (uses):				
Transfers in		10,000	10,000	
Transfers out	<u>(106,150)</u>	<u>(116,150)</u>	<u>(116,150)</u>	
Total other financing sources (uses)	<u>(106,150)</u>	<u>(106,150)</u>	<u>(106,150)</u>	
Net changes in fund balances	15,643	(44,192)	36,508	80,700
Fund balance, July 1, 2013	<u>348,479</u>	<u>348,479</u>	<u>453,626</u>	<u>105,147</u>
Fund balance, June 30, 2014	<u>\$ 364,122</u>	<u>\$ 304,287</u>	<u>\$ 490,134</u>	<u>\$ 185,847</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Defender Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 21,554	\$ 1,554
Investment earnings	1,700	1,700	1,603	(97)
Total revenues	<u>21,700</u>	<u>21,700</u>	<u>23,157</u>	<u>1,457</u>
Expenditures:				
General government				
Public Defender	30,000	30,000	19,009	10,991
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>19,009</u>	<u>10,991</u>
Excess (deficiency) of revenues over expenditures	<u>(8,300)</u>	<u>(8,300)</u>	<u>4,148</u>	<u>12,448</u>
Other financing sources (uses):				
Transfers in	45,453	45,453	48,909	3,456
Transfers out	<u>(45,453)</u>	<u>(45,453)</u>	<u>(48,909)</u>	<u>(3,456)</u>
Net changes in fund balances	(8,300)	(8,300)	4,148	12,448
Fund balance, July 1, 2013	86,018	86,018	81,121	(4,897)
Fund balance, June 30, 2014	<u>\$ 77,718</u>	<u>\$ 77,718</u>	<u>\$ 85,269</u>	<u>\$ 7,551</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Recorder Storage and Retrieval  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 68,665	\$ 102,665	\$ 59,521	\$ (43,144)
Charges for services	130,000	130,000	114,793	(15,207)
Investment earnings	2,400	2,400	6,486	4,086
Total revenues	<u>201,065</u>	<u>235,065</u>	<u>180,800</u>	<u>(54,265)</u>
Expenditures:				
General government				
Recorder	<u>250,807</u>	<u>273,158</u>	<u>255,217</u>	<u>17,941</u>
Total expenditures	<u>250,807</u>	<u>273,158</u>	<u>255,217</u>	<u>17,941</u>
Excess (deficiency) of revenues over expenditures	<u>(49,742)</u>	<u>(38,093)</u>	<u>(74,417)</u>	<u>(36,324)</u>
Other financing sources (uses):				
Transfers out	<u>(49,344)</u>	<u>(49,344)</u>	<u>(49,344)</u>	
Total other financing sources (uses)	<u>(49,344)</u>	<u>(49,344)</u>	<u>(49,344)</u>	
Net changes in fund balances	(99,086)	(87,437)	(123,761)	(36,324)
Fund balance, July 1, 2013	208,375	208,375	329,095	120,720
Fund balance, June 30, 2014	<u>\$ 109,289</u>	<u>\$ 120,938</u>	<u>\$ 205,334</u>	<u>\$ 84,396</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
School Superintendent Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$	\$	\$ (18)	\$ (18)
Intergovernmental	6,591,248	5,309,936	5,290,591	(19,345)
Charges for services	100,114	100,114	67,464	(32,650)
Investment earnings			32,769	32,769
Contributions	10,000	59,000	67,775	8,775
Miscellaneous	126,696	126,696	115,811	(10,885)
Total revenues	<u>6,828,058</u>	<u>5,595,746</u>	<u>5,574,392</u>	<u>(21,354)</u>
Expenditures:				
Education				
School Superintendent	<u>6,937,139</u>	<u>5,721,982</u>	<u>5,252,180</u>	<u>469,802</u>
Total expenditures	<u>6,937,139</u>	<u>5,721,982</u>	<u>5,252,180</u>	<u>469,802</u>
Excess (deficiency) of revenues over expenditures	<u>(109,081)</u>	<u>(126,236)</u>	<u>322,212</u>	<u>448,448</u>
Net changes in fund balances	(109,081)	(126,236)	322,212	448,448
Fund balance, July 1, 2013	<u>704,653</u>	<u>704,653</u>	<u>1,180,014</u>	<u>475,361</u>
Fund balance, June 30, 2014	<u>\$ 595,572</u>	<u>\$ 578,417</u>	<u>\$ 1,502,226</u>	<u>\$ 923,809</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Sheriff Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,051,072	\$ 1,213,977	\$ 571,568	\$ (642,409)
Charges for services	41,439	41,439	63,329	21,890
Investment earnings	2,549	2,549	5,143	2,594
Contributions	5,000	5,000	2,925	(2,075)
Total revenues	<u>2,100,060</u>	<u>1,262,965</u>	<u>642,965</u>	<u>(620,000)</u>
Expenditures:				
Public safety				
Sheriff	<u>2,247,871</u>	<u>1,440,784</u>	<u>856,065</u>	<u>584,719</u>
Total expenditures	<u>2,247,871</u>	<u>1,440,784</u>	<u>856,065</u>	<u>584,719</u>
Excess (deficiency) of revenues over expenditures	<u>(147,811)</u>	<u>(177,819)</u>	<u>(213,100)</u>	<u>(35,281)</u>
Other financing sources (uses):				
Transfers in	<u>116,595</u>	<u>301,133</u>	<u>93,049</u>	<u>(208,084)</u>
Total other financing sources (uses)	<u>116,595</u>	<u>301,133</u>	<u>93,049</u>	<u>(208,084)</u>
Net changes in fund balances	(31,216)	123,314	(120,051)	(243,365)
Fund balance, July 1, 2013	<u>281,283</u>	<u>281,283</u>	<u>373,039</u>	<u>91,756</u>
Fund balance, June 30, 2014	<u>\$ 250,067</u>	<u>\$ 404,597</u>	<u>\$ 252,988</u>	<u>\$ (151,609)</u>



Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Solid Waste  
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 205,000	\$ 242,420	\$ 264,408	\$ 21,988
Charges for services	129,470	129,470	125,856	(3,614)
Total revenues	<u>334,470</u>	<u>371,890</u>	<u>390,264</u>	<u>18,374</u>
Expenditures:				
Sanitation				
Public Works	565,255	602,675	496,150	106,525
Total expenditures	<u>565,255</u>	<u>602,675</u>	<u>496,150</u>	<u>106,525</u>
Excess (deficiency) of revenues over expenditures	<u>(230,785)</u>	<u>(230,785)</u>	<u>(105,886)</u>	<u>124,899</u>
Other financing sources (uses):				
Transfers in	230,785	240,785	105,887	(134,898)
Total other financing sources (uses)	<u>230,785</u>	<u>240,785</u>	<u>105,887</u>	<u>(134,898)</u>
Net changes in fund balances		10,000	1	(9,999)
Fund balance, July 1, 2013			15	15
Fund balance, June 30, 2014	<u>\$</u>	<u>\$ 10,000</u>	<u>\$ 16</u>	<u>\$ (9,984)</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Superior Court Grants and Fees  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 244,096	\$ 194,484	\$ 187,131	\$ (7,353)
Charges for services	160,500	160,500	170,476	9,976
Investment earnings	4,040	4,040	8,665	4,625
Contributions	13,000	13,000	9,000	(4,000)
Miscellaneous	1,000	1,000	1,292	292
Total revenues	<u>422,636</u>	<u>373,024</u>	<u>376,564</u>	<u>3,540</u>
Expenditures:				
General government				
Superior Courts	<u>970,366</u>	<u>915,366</u>	<u>753,689</u>	<u>161,677</u>
Total expenditures	<u>970,366</u>	<u>915,366</u>	<u>753,689</u>	<u>161,677</u>
Excess (deficiency) of revenues over expenditures	<u>(547,730)</u>	<u>(542,342)</u>	<u>(377,125)</u>	<u>165,217</u>
Other financing sources (uses):				
Transfers in	342,275	341,094	340,928	(166)
Transfers out	<u>(13,309)</u>	<u>(13,309)</u>	<u>(2,764)</u>	<u>10,545</u>
Total other financing sources (uses)	<u>328,966</u>	<u>327,785</u>	<u>338,164</u>	<u>10,379</u>
Net changes in fund balances	(218,764)	(214,557)	(38,961)	175,596
Fund balance, July 1, 2013	<u>572,466</u>	<u>572,466</u>	<u>642,021</u>	<u>69,555</u>
Fund balance, June 30, 2014	<u>\$ 353,702</u>	<u>\$ 357,909</u>	<u>\$ 603,060</u>	<u>\$ 245,151</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Taxpayer Information Fund  
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues:				
Charges for services	\$ 17,870	\$ 17,870	\$ 15,201	\$ (2,669)
Investment earnings	1,073	1,073	1,398	325
Total revenues	<u>18,943</u>	<u>18,943</u>	<u>16,599</u>	<u>(2,344)</u>
Expenditures:				
General government				
Treasurer	<u>29,000</u>	<u>29,000</u>	<u>24,988</u>	<u>4,012</u>
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>24,988</u>	<u>4,012</u>
Excess (deficiency) of revenues over expenditures	<u>(10,057)</u>	<u>(10,057)</u>	<u>(8,389)</u>	<u>1,668</u>
Net changes in fund balances	(10,057)	(10,057)	(8,389)	1,668
Fund balance, July 1, 2013	<u>80,554</u>	<u>80,554</u>	<u>76,199</u>	<u>(4,355)</u>
Fund balance, June 30, 2014	<u>\$ 70,497</u>	<u>\$ 70,497</u>	<u>\$ 67,810</u>	<u>\$ (2,687)</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Other Special Revenue Funds  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 20,200	\$ 20,200	\$ 13,782	\$ (6,418)
Total revenues	<u>20,200</u>	<u>20,200</u>	<u>13,782</u>	<u>(6,418)</u>
Expenditures:				
General government				
Finance/Budget	72,503	72,503	64,153	8,350
Highways and streets				
Public Works	<u>63,937</u>	<u>63,937</u>	<u>60,314</u>	<u>3,623</u>
Total expenditures	<u>136,440</u>	<u>136,440</u>	<u>124,467</u>	<u>11,973</u>
Excess (deficiency) of revenues over expenditures	<u>(116,240)</u>	<u>(116,240)</u>	<u>(110,685)</u>	<u>5,555</u>
Other financing sources (uses):				
Transfers in	<u>116,240</u>	<u>116,240</u>	<u>110,686</u>	<u>(5,554)</u>
Total other financing sources (uses)	<u>116,240</u>	<u>116,240</u>	<u>110,686</u>	<u>(5,554)</u>
Net changes in fund balances			1	1
Fund balance, July 1, 2013			11	11
Fund balance, June 30, 2014	<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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 503,645	\$ 503,645	\$ 221,548	\$ (282,097)
Investment earnings	875	875	16,015	15,140
Total revenues	<u>504,520</u>	<u>504,520</u>	<u>237,563</u>	<u>(266,957)</u>
Expenditures:				
Debt service:				
Principal	446,653	446,653	415,808	30,845
Interest and other charges	<u>56,992</u>	<u>56,992</u>	<u>46,622</u>	<u>10,370</u>
Total expenditures	<u>503,645</u>	<u>503,645</u>	<u>462,430</u>	<u>41,215</u>
Excess (deficiency) of revenues over expenditures	<u>875</u>	<u>875</u>	<u>(224,867)</u>	<u>(225,742)</u>
Net changes in fund balances	875	875	(224,867)	(225,742)
Fund balance, July 1, 2013	<u>569,041</u>	<u>569,041</u>	<u>466,488</u>	<u>(102,553)</u>
Fund balance, June 30, 2014	<u><u>\$ 569,916</u></u>	<u><u>\$ 569,916</u></u>	<u><u>\$ 241,621</u></u>	<u><u>\$ (328,295)</u></u>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Other taxes	\$ 3,193,556	\$ 3,193,556	\$ 3,065,409	\$ (128,147)
Investment earnings	51,000	51,000	213,238	162,238
Contributions	2,100	2,100		(2,100)
Miscellaneous	1,972	1,972	200	(1,772)
Total revenues	<u>3,248,628</u>	<u>3,248,628</u>	<u>3,278,847</u>	<u>30,219</u>
Expenditures:				
Capital outlay	<u>13,339,166</u>	<u>13,318,504</u>	<u>232,609</u>	<u>13,085,895</u>
Total expenditures	<u>13,339,166</u>	<u>13,318,504</u>	<u>232,609</u>	<u>13,085,895</u>
Excess (deficiency) of revenues over expenditures	(10,090,538)	(10,069,876)	3,046,238	13,116,114
Net changes in fund balances	(10,090,538)	(10,069,876)	3,046,238	13,116,114
Fund balance, July 1, 2013	<u>10,768,322</u>	<u>10,768,322</u>	<u>11,019,658</u>	<u>251,336</u>
Fund balance, June 30, 2014	<u>\$ 677,784</u>	<u>\$ 698,446</u>	<u>\$ 14,065,896</u>	<u>\$ 13,367,450</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Accommodation School  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,752	\$ 50,752	\$ 63,754	\$ 13,002
Investment earnings	379	379	1,135	756
Total revenues	<u>51,131</u>	<u>51,131</u>	<u>64,889</u>	<u>13,758</u>
Expenditures:				
Capital outlay	<u>80,333</u>	<u>80,333</u>	<u>42,880</u>	<u>37,453</u>
Total expenditures	<u>80,333</u>	<u>80,333</u>	<u>42,880</u>	<u>37,453</u>
Excess (deficiency) of revenues over expenditures	<u>(29,202)</u>	<u>(29,202)</u>	<u>22,009</u>	<u>51,211</u>
Net changes in fund balances	(29,202)	(29,202)	22,009	51,211
Fund balance, July 1, 2013	<u>36,740</u>	<u>36,740</u>	<u>57,577</u>	<u>20,837</u>
Fund balance, June 30, 2014	<u>\$ 7,538</u>	<u>\$ 7,538</u>	<u>\$ 79,586</u>	<u>\$ 72,048</u>

Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Improvement Districts - Capital Projects  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 2,110	\$ 2,110	\$ 14,564	\$ 12,454
Total revenues	<u>2,110</u>	<u>2,110</u>	<u>14,564</u>	<u>12,454</u>
Expenditures:				
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>2,110</u>	<u>2,110</u>	<u>14,564</u>	<u>12,454</u>
Net changes in fund balances	2,110	2,110	14,564	12,454
Fund balance, July 1, 2013	199,166	199,166	191,852	(7,314)
Fund balance, June 30, 2014	<u>\$ 201,276</u>	<u>\$ 201,276</u>	<u>\$ 206,416</u>	<u>\$ 5,140</u>



Coconino County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Other Capital Projects Funds  
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ 250	\$ 250	\$ 741	\$ 491
Total revenues	250	250	741	491
Expenditures:				
Capital outlay	1,299,717	1,311,607	104,266	1,207,341
Total expenditures	1,299,717	1,311,607	104,266	1,207,341
Excess (deficiency) of revenues over expenditures	(1,299,467)	(1,311,357)	(103,525)	1,207,832
Other financing sources (uses):				
Transfers in	4,299,717	4,275,607	3,060,896	(1,214,711)
Total other financing sources (uses)	4,299,717	4,275,607	3,060,896	(1,214,711)
Net changes in fund balances	3,000,250	2,964,250	2,957,371	(6,879)
Fund balance, July 1, 2013	89,379	89,379	117,821	28,442
Fund balance, June 30, 2014	<u>\$ 3,089,629</u>	<u>\$ 3,053,629</u>	<u>\$ 3,075,192</u>	<u>\$ 21,563</u>

Coconino County  
Combining Statement of Fiduciary Net Position  
Investment Trust Funds  
June 30, 2014

	<u>Treasurer's Investment Pool</u>	<u>Individual Investment Accounts</u>	<u>Total Investment Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 104,742,499	\$ 3,795,304	\$ 108,537,803
Interest and dividends receivable	<u>173,120</u>	<u>                    </u>	<u>173,120</u>
Total Assets	<u>104,915,619</u>	<u>3,795,304</u>	<u>108,710,923</u>
Liabilities			
Total liabilities	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net position			
Held in trust for investment trust participants	<u>\$ 104,915,619</u>	<u>\$ 3,795,304</u>	<u>\$ 108,710,923</u>

Coconino County  
Combining Statement of Changes in Fiduciary Net Position  
Investment Trust Funds  
Year Ended June 30, 2014

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 307,976,896	\$ 4,376	\$ 307,981,272
Investment earnings	<u>2,156,357</u>	<u></u>	<u>2,156,357</u>
Total additions	<u>310,133,253</u>	<u>4,376</u>	<u>310,137,629</u>
Deductions:			
Distributions to participants	<u>309,946,520</u>	<u>6,502,125</u>	<u>316,448,645</u>
Total deductions	<u>309,946,520</u>	<u>6,502,125</u>	<u>316,448,645</u>
Change in net position	186,733	(6,497,749)	(6,311,016)
Net position, July 1, 2013	104,728,886	10,293,053	115,021,939
Net position, June 30, 2014	<u><u>\$ 104,915,619</u></u>	<u><u>\$ 3,795,304</u></u>	<u><u>\$ 108,710,923</u></u>

Coconino County  
Statement of Changes in Assets and Liabilities  
Agency Fund  
Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Assets				
Cash and cash equivalents	\$ 3,423,173	\$ 68,651,022	\$ 70,135,613	\$ 1,938,582
Cash and investments held by trustee	1,090,873	1,811,085	1,760,607	1,141,351
Total assets	<u>\$ 4,514,046</u>	<u>\$ 70,462,107</u>	<u>\$ 71,896,220</u>	<u>\$ 3,079,933</u>
Liabilities				
Deposits held for others	\$ 4,320,414	\$ 66,272,692	\$ 67,734,703	\$ 2,858,403
Due to other governments	193,632	4,189,415	4,161,517	221,530
Total liabilities	<u>\$ 4,514,046</u>	<u>\$ 70,462,107</u>	<u>\$ 71,896,220</u>	<u>\$ 3,079,933</u>

## **STATISTICAL SECTION**

THIS PAGE BLANK

Coconino County  
Statistical Section  
Year Ended June 30, 2014

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. .... 147-151

**Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. .... 152-155

**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. .... 156-158

**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. .... 159-161

**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. .... 162-166

THIS PAGE BLANK



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

	Fiscal Year									
	2005	2006 as restated	2007	2008	2009	2010	2011	2012	2013	2014
Primary government:										
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 59,709,325	\$ 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
Restricted	42,603,789	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
Unrestricted	54,000,965	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
Total governmental activities net position	<u>\$ 156,314,079</u>	<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>

Source: Coconino County Single Audit Reporting Package

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

	Fiscal year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$ 25,093,451	\$ 26,858,863	\$ 30,137,861	\$ 32,252,372
Public safety	25,408,377	27,583,478	29,170,427	32,282,534
Highways and streets	11,814,903	9,551,859	18,699,298	17,990,951
Sanitation	2,710,356	3,014,199	3,138,878	3,216,176
Health	10,518,140	11,160,577	11,575,909	12,192,703
Welfare	4,519,831	5,590,510	5,902,878	6,666,186
Culture and recreation	4,580,555	4,933,059	5,628,042	6,957,602
Education	2,920,657	3,730,202	3,816,081	4,437,125
Transportation	3,012,154	4,163,891		
Interest on long term debt	1,928,292	1,761,726	1,602,303	603,969
Defeasance of long-term debt				832,030
Total expenses	92,506,716	98,348,364	109,671,677	117,431,648
Program Revenues				
Governmental activities:				
Charges for services:				
General government	7,322,776	8,387,583	4,322,299	8,273,916
Public safety	3,671,837	3,643,195	4,132,207	2,986,695
Highways and streets	967,377	298,492	3,459,682	74,556
Sanitation	1,033,289	1,138,057	1,437,621	1,375,478
Health	1,318,990	1,403,315	1,520,902	1,340,236
Welfare	921,571	1,455,946	1,599,249	1,337,392
Culture and recreation	995,382	1,031,838	1,188,201	1,159,535
Education	8,309	71,232	107,301	115,216
Transportation	286,090	542,003		
Operating grants and contributions	31,800,725	39,359,052	33,695,469	34,185,253
Capital grants and contributions	4,310,727	1,937,161	134,120	898,314
Total governmental activities program revenues	52,637,073	59,267,874	51,597,051	51,746,591
Net (expenses) revenues	(39,869,643)	(39,080,490)	(58,074,626)	(65,685,057)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes, levied for general purposes	6,159,732	6,806,423	7,011,847	7,180,218
Property taxes, levied for library	2,408,492	2,539,393	1,263,035	3,847,035
Property taxes, levied for flood control	411,622	1,077,540	2,860,021	1,510,077
Property taxes, levied for accommodation school				
Property taxes, levied for health services				
General county sales tax	10,304,992	11,580,757	12,384,595	12,445,915
Jail district sales tax	6,183,905	6,946,353	9,691,689	12,395,931
Parks and open spaces sales tax	2,573,730	2,894,657	3,076,949	3,105,737
Excise tax	93,516	100,295	111,593	102,863
Franchise tax	115,300	141,758	134,640	46,966
Shared revenue - state sales tax	15,283,056	16,684,292	18,125,003	17,000,598
Shared revenue - state vehicle license tax	5,073,200	5,547,275	5,695,838	5,622,049
Grants and contributions not restricted to specific programs	1,720,959	1,809,330	1,646,585	1,727,679
Investment earnings	1,888,242	745,407	4,489,537	2,726,375
Gain (loss) on disposal of capital assets	206,469	749,146	158,415	209,636
Miscellaneous	81,129	47,325	23,279	225,544
Donated capital			(7,282,396)	
Total general revenues	52,504,344	57,669,951	59,390,630	68,146,623
Change in net position	\$ 12,634,701	\$ 18,589,461	\$ 1,316,004	\$ 2,461,566

Source: Coconino County Single Audit Reporting Package

Fiscal year					
2009	2010	2011	2012	2013	2014
\$ 32,364,030	\$ 31,501,241	\$ 30,768,963	\$ 31,590,773	\$ 32,049,113	\$ 29,994,545
33,164,905	31,592,406	36,552,608	33,763,301	37,609,509	42,122,131
16,655,737	15,639,291	13,811,657	15,955,413	15,958,230	14,058,678
3,274,456	3,138,985	3,151,415	3,088,446	2,102,071	1,611,107
12,692,864	11,216,546	11,045,264	11,550,850	12,199,793	13,735,528
7,615,522	8,273,139	8,284,852	6,907,365	6,642,756	4,932,758
7,814,879	7,725,556	7,286,373	7,243,089	7,063,893	6,594,783
4,892,986	5,278,556	4,767,625	5,232,363	5,941,255	7,332,953
		287,272			
512,256	414,902		178,025	69,723	46,622
118,987,635	114,780,622	115,956,029	115,509,625	119,636,343	120,429,105
7,316,495	7,169,300	6,022,842	4,995,911	4,465,482	4,868,512
3,421,790	3,679,918	3,821,300	3,272,289	3,107,973	2,937,416
1,152,294	69,689	93,370	93,636	99,728	54,445
1,375,437	1,321,418	1,386,848	1,402,290	1,346,328	1,342,276
1,316,870	1,247,031	1,151,680	1,181,490	1,301,249	1,353,915
1,262,876	2,101,024	1,905,924	1,802,447	1,467,637	795,045
1,170,109	794,306	865,254	760,863	850,519	838,718
95,016	116,020	130,681	113,749	171,298	183,275
34,581,839	34,922,841	39,900,147	32,332,327	36,156,108	35,999,361
118,520	84,811	6,320,016	13,130	(1,892)	14,217
51,811,246	51,506,358	61,598,062	45,968,132	48,964,430	48,387,180
(67,176,389)	(63,274,264)	(54,357,967)	(69,541,493)	(70,671,913)	(72,041,925)
7,935,524	8,185,332	8,405,307	8,807,267	8,744,783	9,040,033
4,708,037	5,107,399	4,879,638	4,313,244	4,157,084	3,906,545
2,011,055	1,959,193	1,849,054	3,179,252	2,943,787	2,462,802
189,318	4,310	275	142	33	(18)
		4,923,145	4,801,721	4,390,334	3,816,050
11,497,627	10,774,208	11,118,458	11,369,591	11,705,643	12,271,635
11,486,443	10,791,078	11,109,910	11,368,185	11,699,874	12,270,130
2,871,495	2,689,346	2,775,886	2,832,704	2,923,093	3,065,409
92,118	68,688	118,795	107,980	74,510	83,589
41,944	39,207	36,969	36,788	47,198	58,608
15,287,328	14,353,390	15,670,801	17,208,420	18,592,227	19,067,396
5,240,676	4,971,307	4,932,200	4,676,609	3,082,023	3,180,936
2,866,290	2,139,437	1,974,042	1,930,854	1,902,703	2,616,490
2,388,053	2,090,720	684,904	1,162,458	(316,192)	1,420,929
2,100	130,889	1,037,009	(882,441)	42,869	453,292
376,842	73,066	111,114	55,430	182,451	66,527
		5,169,268			
66,994,850	63,377,570	74,796,775	70,968,204	70,172,420	73,780,353
\$ (181,539)	\$ 103,306	\$ 20,438,808	\$ 1,426,711	\$ (499,493)	\$ 1,738,428

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 <sup>1</sup>	2012	2013	2014
General Fund										
Reserved	\$ 126,359	\$ 48,359	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720	\$	\$	\$	\$
Unreserved	27,492,971	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
Restricted										15,000
Unassigned							26,368,723	28,450,416	29,184,907	26,643,317
Total general fund	<u>\$ 27,619,330</u>	<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>
All other governmental funds										
Reserved	\$ 912,739	\$	\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	38,335,351	38,946,353	39,555,023	41,731,738	52,444,661	58,066,418				
Capital project funds	4,248,949	2,097,854	1,968,757	10,265,707	1,176,745	842,548				
Debt service fund	18,511,896	19,967,912	12,318,744	15,066	46					
Nonspendable							84,711	271,992	231,804	139,493
Restricted							58,606,383	60,899,020	61,776,253	69,921,012
Unassigned										(2,077,795)
Total all other governmental funds	<u>\$ 62,008,935</u>	<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>

Source: Coconino County Single Audit Reporting Package

<sup>1</sup> 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Property taxes	\$ 8,986,089	\$ 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
Other taxes	24,344,667	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
Special assessments	1,176,966	1,055,453	800,422	697,085	533,246	567,822	528,262	443,889	454,223	232,948
Licenses and permits	2,552,808	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
Fees, fines, and forfeits	1,384,704	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
Intergovernmental	52,202,702	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
Charges for services	10,504,525	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
Investment income	2,421,063	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
Contributions	334,598	285,572	420,695	638,673	498,811	654,529	582,801	629,849	674,720	658,818
Miscellaneous	712,638	888,221	681,321	644,530	1,039,999	411,152	547,255	491,740	613,048	531,987
<b>Total revenues</b>	<b>104,620,760</b>	<b>116,925,301</b>	<b>118,728,461</b>	<b>119,902,252</b>	<b>117,911,673</b>	<b>115,265,445</b>	<b>128,863,127</b>	<b>118,617,608</b>	<b>120,172,715</b>	<b>121,719,552</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	24,223,774	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
Public safety	23,967,742	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
Highways and streets	14,155,135	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
Sanitation	2,468,056	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
Health	10,322,173	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
Welfare	4,450,151	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
Culture and recreation	6,935,242	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
Education	6,003,942	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
Transportation	2,927,659	8,351,299								
Capital outlay	4,004,214	4,940,004	359,940	1,711,967	1,434,116	771,393	1,049,137	148,465	2,213,866	147,146
<b>Debt service:</b>										
Principal	4,082,543	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
Interest and other charges	1,928,292	1,761,725	1,602,303	1,435,999	512,256	414,902	287,272	178,025	69,723	46,622
<b>Total expenditures</b>	<b>105,468,923</b>	<b>116,181,615</b>	<b>113,147,721</b>	<b>135,690,144</b>	<b>119,736,082</b>	<b>112,681,514</b>	<b>126,822,445</b>	<b>112,683,943</b>	<b>118,643,497</b>	<b>118,759,073</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(848,163)</b>	<b>743,686</b>	<b>5,580,740</b>	<b>(15,787,892)</b>	<b>(1,824,409)</b>	<b>2,583,931</b>	<b>2,040,682</b>	<b>5,933,665</b>	<b>1,529,218</b>	<b>2,960,479</b>
<b>Other financing sources (uses):</b>										
Sale of capital assets	150,405	314,542	368,694	22,911	2,100	28,179	1,329,950		20,194	502,570
Bond proceeds	382,917		(791,550)		795,000					
Transfers in	16,765,844	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
Transfers out	(16,765,844)	(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)
<b>Total other financing sources and uses</b>	<b>533,322</b>	<b>314,542</b>	<b>(422,856)</b>	<b>134,187</b>	<b>770,021</b>	<b>28,179</b>	<b>1,347,770</b>	<b>52,890</b>	<b>73,728</b>	<b>502,570</b>
<b>Net changes in fund balances</b>	<b>\$ (314,841)</b>	<b>\$ 1,058,228</b>	<b>\$ 5,157,884</b>	<b>\$ (15,653,705)</b>	<b>\$ (1,054,388)</b>	<b>\$ 2,612,110</b>	<b>\$ 3,388,452</b>	<b>\$ 5,986,555</b>	<b>\$ 1,602,946</b>	<b>\$ 3,463,049</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.30%</b>	<b>5.74%</b>	<b>5.53%</b>	<b>17.53%</b>	<b>2.62%</b>	<b>2.80%</b>	<b>2.06%</b>	<b>2.25%</b>	<b>0.42%</b>	<b>0.41%</b>

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Capital Outlay in FY 2005 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
	Secured	Unsecured	Total			
2005	1,049,556,398	214,223,437	1,263,779,835	0.7449	10,034,154,715	12.6
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

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
2005	0.4753	0.1899	0.0797		0.7449
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

Overlapping Rates

Fiscal Year	Fire District Assistance	School Equalization	Community College	Cities	Fire Districts	Other Special Districts	School Districts
2005	0.1000	0.4560	0.5659	0 - 1.7127	0.6500 - 3.0000	0 - 1.1730	0.0500 - 8.2761
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

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	2014			2005 <sup>1</sup>		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 76,843,373	1	5.01%	\$ 64,513,120	1	5.10%
Transwestern Pipeline Company	27,710,294	2	1.81	20,226,175	2	1.60
Burlington Northern/Santa Fe Railway Company	20,341,251	3	1.33	18,931,112	5	1.50
Unisource Energy Corporation	19,264,998	4	1.26	17,368,511	6	1.37
City of Los Angeles Dept of Wtr & Pwr	17,270,428	5	1.13	19,095,834	3	1.51
W.L. Gore & Associates Inc.	16,508,642	6	1.08	10,282,172	8	0.81
Kinder Morgan (El Paso Natural Gas)	16,281,071	7	1.06	19,085,580	4	1.51
Nevada Power Company	10,354,989	8	0.68	11,767,729	7	0.93
Perrin Ranch Wind LLC	6,495,530	9	0.42			
Qwest Corporation	6,025,536	10	0.39	5,027,767	10	0.40
Questar Southern Trails Pipeline Company				7,096,504	9	0.56
Total Principal Taxpayers	<u>\$ 217,096,112</u>		<u>14.17%</u>	<u>\$ 193,394,504</u>		<u>15.29%</u>
Total Coconino County Primary Assessed Value	\$ 1,533,065,282			\$ 1,263,779,835		

Source: Coconino County Assessor

<sup>1</sup> 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
2005	\$ 8,307,325	\$ 8,116,516	97.70	\$ 181,425	\$8,297,942	99.89
2006	9,576,903	9,416,476	98.32	156,918	9,573,393	99.96
2007	10,373,130	10,197,426	98.31	168,326	10,365,753	99.93
2008	11,991,569	11,693,983	97.52	277,675	11,971,658	99.83
2009	14,061,783	13,583,453	96.60	451,656	14,035,109	99.81
2010	14,383,909	13,977,568	97.18	401,438	14,379,006	99.97
2011	19,513,519	18,641,220	95.53	804,823	19,446,043	99.65
2012	19,880,920	19,239,142	96.77	555,992	19,795,133	99.57
2013	19,356,876	18,811,741	97.18	471,573	19,283,314	99.62
2014	18,532,923	18,092,321	97.62		18,092,321	97.62

County Tax Levied for the Fiscal Year

Fiscal Year Ended June 30,	County Operating	Public Health Service District	Flood Control District	County Library	Total County
2005	\$ 5,582,027	\$	\$ 404,882	\$ 2,320,417	\$8,307,325
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

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 <sup>1</sup>	Per Capita <sup>1</sup>
2005	\$ 21,940,000	\$ 16,210,000	\$ 2,840,377	\$ 40,990,377	1.11%	\$322.70
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	NA <sup>2</sup>	NA <sup>2</sup>

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

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

<sup>2</sup> Personal and income and population was not available for 2014.

# Coconino County Legal Debt Margin Last Ten Fiscal Years

## Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	\$ 1,533,065,282
Debt limit (6% of assessed value)	91,983,917
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	
Legal debt margin	<u>\$ 91,983,917</u>

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 75,826,790	\$ 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
Total net debt applicable to the limit										
Legal debt margin	<u>\$ 75,826,790</u>	<u>\$ 82,077,804</u>	<u>\$ 90,855,488</u>	<u>\$ 101,290,969</u>	<u>\$ 110,446,503</u>	<u>\$ 115,123,114</u>	<u>\$ 110,408,557</u>	<u>\$ 105,576,036</u>	<u>\$ 105,576,595</u>	<u>\$ 91,983,917</u>
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 <sup>1</sup>	Less: Expenditures <sup>2</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	\$ 13,665,611	\$ 8,825,891	\$ 4,839,720	\$ 1,840,000	\$ 735,372	1.88
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	29,748,156	13,793,638	15,954,518			

Special Assessment Bonds				
Fiscal Year	Special Assessment Revenues <sup>1</sup>	Debt Service		Coverage
		Principal	Interest	
2005	\$ 1,419,073	\$ 152,297	\$ 34,225	7.61
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

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

<sup>1</sup> Revenues included beginning fund balances and transfers in.

<sup>2</sup> 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
2005	127,025	\$ 3,754,693	\$ 29,559	4.9%
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	NA <sup>1</sup>	NA <sup>1</sup>	7.1

Sources: Population and personal income through 2013 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

Population estimate for 2014 obtained from Office of Employment & Population Statistics, Arizona Department of Administration.

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

<sup>1</sup> Personal income estimates were not yet available for fiscal year 2014.

THIS PAGE BLANK

Coconino County  
Principal Employers  
Current Year and Eight Years Ago

Employer	2014 <sup>1</sup>			2006 <sup>2</sup>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,571	1	3.89%	3,393	1	5.02%
Flagstaff Medical Center	2,200	2	3.33%	1,999	2	2.95%
W.L. Gore	1,950	3	2.95%	1,300	4	1.92%
Flagstaff Unified School District	1,375	4	2.08%	1,700	3	2.51%
Coconino County	1,200	5	1.82%	1,056	5	1.56%
Twin Arrows Navajo Casino Resort	700	6	1.06%			
City of Flagstaff	657	7	0.99%	948	6	1.40%
Walmart	630	8	0.95%			
Walgreens Distribution Center	407	9	0.62%	400	7	0.59%
SCA Tissue	255	10	0.39%	279	8	0.41%
Total Employment in Coconino County As of June 30 <sup>3</sup>	66,096			67,652		

Sources: <sup>1</sup> Flagstaff Chamber of Commerce

<sup>2</sup> Arizona Department of Economic Security, Workforce Arizona Statistics

<sup>3</sup> Arizona Unemployment Statistics Program, Research Administration

Note: Information was not available prior to 2006.

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

Function/Program	Full-time Equivalent Employees as of June 30			
	2005	2006	2007	2008
General Government				
Assessor	24.00	24.00	26.00	27.00
Board of Supervisors	11.50	13.50	13.50	13.50
Clerk of the Superior Court	20.50	21.50	23.50	23.35
Community Development	19.50	19.50	21.50	23.00
County Attorney	40.75	42.00	42.00	42.75
County Manager	4.00	5.00	5.00	10.50
Facilities Management	27.00	28.00	28.00	28.00
Finance	18.00	17.00	19.00	19.00
Human Resources	10.00	10.00	10.00	11.00
Information Technology	19.00	27.50	28.00	28.00
Justice Court - Flagstaff	18.25	20.50	22.00	24.25
Justice Court - Fredonia	2.00	2.00	2.50	2.50
Justice Court - Page	5.00	5.00	5.00	5.00
Justice Court - Williams	4.75	4.75	5.00	5.00
Legal Defender	4.48	4.48	4.48	5.00
Non-Departmental				
Organizational Development	1.00	1.00	1.00	1.00
Public Defender	21.00	22.00	22.00	22.00
Recorder	17.00	17.00	17.00	19.00
Superintendent of Schools	7.00	6.85	10.40	11.36
Superior Court	28.50	30.50	31.00	34.75
Treasurer	8.00	8.00	8.50	8.50
Public Safety				
Adult Probation	59.60	58.60	59.60	60.10
Constable	1.00	1.00	1.00	1.00
Jail District	164.33	146.33	146.33	165.83
Juvenile Court Services	74.95	75.28	75.28	75.48
Sheriff	86.00	91.50	93.50	94.50
Highways and Streets				
Public Works	136.40	136.40	136.40	136.40
Sanitation				
Kachina Village Imp. Dist.	9.00	8.00	8.00	8.00
Health				
Health	113.79	121.24	122.50	129.58
Welfare				
Career Center	8.80	10.88	10.88	10.88
Community Services	51.32	58.13	47.92	49.15
Culture and Recreation				
Parks and Recreation	17.25	19.00	19.00	20.50
Total	<u>1,033.67</u>	<u>1,056.44</u>	<u>1,065.79</u>	<u>1,115.88</u>

Source: Coconino County Budget Books



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

Full-time Equivalent Employees as of June 30					
2009	2010	2011	2012	2013	2014
27.08	27.00	25.00	25.00	26.00	27.00
14.50	14.00	13.50	13.50	13.50	14.50
23.35	23.35	23.35	23.35	23.98	23.60
23.50	23.50	22.50	22.50	22.50	23.50
43.00	42.00	42.00	42.00	42.00	43.00
10.50	11.00	12.00	12.40	13.22	12.47
28.00	28.00	26.00	26.00	26.00	26.00
18.00	18.00	17.00	18.25	18.25	18.00
10.00	10.00	10.00	9.73	9.73	10.63
30.00	30.00	31.00	28.00	24.00	24.00
24.50	23.50	22.75	22.75	22.75	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	5.00	6.00
5.00	5.00	5.00	5.00	5.00	6.00
		4.00	3.00		
1.00	1.00				
22.00	21.00	21.00	21.00	21.00	20.00
19.00	19.00	17.00	17.00	17.00	17.50
11.36	11.36	9.58	8.88	11.66	10.83
35.00	36.00	35.00	33.50	34.33	34.33
8.00	8.00	8.00	8.00	8.00	8.00
60.10	60.10	59.50	59.50	58.80	56.80
1.00	1.00	1.00	1.00	1.00	1.00
168.83	168.83	166.83	169.63	169.68	170.98
75.28	72.08	71.20	69.58	68.63	70.11
94.50	96.50	97.50	97.50	99.65	96.83
136.40	136.40	121.15	120.50	132.13	127.54
8.00	8.00	8.00	8.00	8.00	8.00
132.53	135.17	111.65	113.71	111.60	114.33
13.88	13.00	13.00	12.00	12.00	12.00
51.65	43.17	48.22	51.22	50.32	48.33
21.00	21.00	19.75	19.75	20.00	19.00
1,129.46	1,119.46	1,074.98	1,074.75	1,083.23	1,079.28

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
<b>General Government</b>				
Clerk of the Superior Court				
New Court Cases	3,647	3,611	3,805	3,502
Community Development				
Building Permits Issued	1,923	2,061	1,934	1,794
Building Inspection/Site Visits	10,175	8,512	7,487	6,950
County Attorney				
Adult Felony and Misdemeanor cases	9,034	8,624	8,994	8,334
Victim Restitution Collected for Bad Checks	\$ 65,346	\$ 95,474	\$ 52,846	\$ 49,833
Justice Courts				
Total Cases	27,994	24,514	27,462	26,206
Legal Defender				
Total Cases	705	683	605	512
Public Defender				
Total Cases	4,727	4,567	4,562	4,001
Recorder				
Documents Recorded by Fiscal Year	59,131	61,336	54,356	42,701
Registered Voters	65,006	65,977	62,046	66,000
Superior Court				
Total Number of Criminal Cases Filed	1,275	1,291	1,192	1,108
Total Number of Domestic Relations Cases Filed	595	597	725	619
Total Number of Civil Cases Filed	747	1,030	998	874
Treasurer				
Total Real Property Notices	70,043	71,111	72,518	74,000
<b>Public safety</b>				
Adult Probation				
Monthly Average Probationers Supervised	1,204	1,252	1,343	1,280
Restitution Collected	\$ 241,440	\$ 242,688	\$ 244,527	\$ 220,000
Jail District				
Average Local Population	364	374	365	397
Juvenile Court Services				
Delinquents and Incurable Petitions Filed	904	860	870	878
Contributed to Community Through Restitution Hours	\$ 34,997	\$ 34,569	\$ 34,650	\$ 34,779
Sheriff				
Calls for Service	39,227	40,324	42,344	38,911
<b>Culture and recreation</b>				
Parks and Recreation				
County Fair participants	42,000	40,839	42,536	43,126
<b>Highways and streets</b>				
Public Works				
Number of miles graded	2,350	2,521	1,712	2,114
Number of miles resurfaced	52	104	28	35
Miles of road chip sealed	22	22	24	75
<b>Health</b>				
Health Department				
Patient Vaccination visits	9,939	16,250	10,729	10,783
Restaurant/Public Facility Inspections	4,513	4,481	3,664	4,048
<b>Welfare</b>				
Community Services				
Home Delivered Meals	23,171	21,520	21,227	24,400
Congregate Meals	20,137	21,071	23,612	25,100
Cases Managed	1,840	2,949	3,591	3,042

Source: County Department records and Adopted Budgets

Fiscal Year					
2009	2010	2011	2012	2013	2014
3,910	3,950	4,575	4,583	4,343	4,296
1,581	1,783	1,880	1,311	1,250	1,280
6,295	4,624	5,545	2,629	3,496	4,100
7,518	7,009	6,278	7,002	6,915	9,552
\$ 35,028	\$ 24,150	\$ 15,231	\$ 16,000	\$ 13,444	\$ 18,938
27,596	26,801	26,506	26,833	22,819	24,438
466	400	370	451	552	702
3,889	3,393	3,026	3,133	2951	2830
37,929	37,000	37,000	36,500	32,000	32,000
71,000	66,000	67,000	68,000	73,000	71,000
1,179	1,024	862	943	900	930
692	766	711	608	625	630
1,111	1,166	1,077	716	873	880
77,100	73,796	74,000	74,786	74,000	80,165
1,236	1,253	1,252	1,222	1,193	1,196
\$ 237,055	\$ 196,824	\$ 189,911	\$ 153,524	\$ 198,079	\$ 190,000
366	372	372	407	432	400
817	662	662	619	608	449
\$ 54,433	\$ 46,906	\$ 30,584	\$ 34,707	\$ 39,814	\$ 43,474
40,656	50,311	52,815	56,195	60,955	58,651
45,049	41,711	45,441	45,095	42,841	44,000
2,382	2,303	2,500	2,400	2,088	2,559
53	45	70	70	62	104
21	60	55	80	44	
10,512	10,510	4,300	4,693	4,923	4,323
3,838	3,662	3,400	3,400	3,825	3,737
20,806	20,500	18,395	18,500	14,268	17,304
24,366	25,076	26,649	25,076	20,220	21,346
3,012	3,180	3,303	3,200	1,404	810

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

Function	Fiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government									
Facilities square footage managed	703,135	703,032	684,914	684,914	684,914	684,914	684,914	684,914	679,914
Public safety									
Jails	2	2	2	2	2	2	2	2	2
Substations	8	8	8	8	8	8	8	8	7
Patrol vehicles	52	69	74	74	75	77	79	55	46
Highways and streets									
Bridges	30	30	30	30	30	30	30	38	39
Miles of paved roads	319	319	322	323	323	332	319	319	333
Miles of unpaved roads	710	711	711	711	711	711	611	604	590
Sanitation									
Solid Waste transfer stations	10	10	10	10	10	10	8	8	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	2	3	3	3	3	3	4	4	4
Culture and recreation									
Parks	5	7	9	9	9	9	9	9	9
Acres protected as open space	589	589	589	589	589	2,503	2,600	2,600	2,600
Trail miles available for public use	14	14	16	17	17	18	18	18	18
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.