

2022

Annual Comprehensive
FINANCIAL REPORT



PIMA COUNTY

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona

**PIMA COUNTY, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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Prepared by the Department of Finance and Risk Management

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PIMA COUNTY, ARIZONA
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INTRODUCTORY SECTION

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

FINANCIAL SECTION

STATISTICAL SECTION



INTRODUCTORY SECTION

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



COUNTY ADMINISTRATOR'S OFFICE

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

JAN LESHER
County Administrator

December 22, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Pima County for the fiscal year ended June 30, 2022. This report presents comprehensive financial and operating information about the County's activities for the fiscal year.

We believe that the financial information, as presented, is accurate in all material aspects; that it is presented in a manner designed to openly disclose the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Arizona Auditor General is required to audit financial transactions and accounts kept by counties. The Auditor General has issued an unmodified ("clean") opinion on the Pima County financial statements for the year ended June 30, 2022. The Auditor General's report is located at the front of the financial section of this report.

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

Pima County Profile

Covering an area of approximately 9,200 square miles, Pima County is one of the oldest continuously inhabited areas of the United States. It is situated in the southern part of Arizona with a portion of its southern boundary bordering Mexico. Created in 1864, Pima County includes a large portion of southern Arizona acquired from Mexico by the Gadsden Purchase of 1854. Pima County has purchased thousands of acres of open space and ranches to preserve and protect the stunning landscapes and historic and cultural sites. The County's population has grown from 395 in 1820 to an estimated population of 1,067,441 in 2022, according to the Arizona Office of Economic Opportunity. The County has a vibrant multicultural diversity. A major commercial and academic hub, Pima County is home to Tucson, the second largest city in Arizona. Although the County has five incorporated cities and towns, more than a third of the population lives outside of any incorporated cities or towns.

A five-member Board of Supervisors is responsible for implementing the County's governmental and administrative affairs. Each member is elected from a designated district to serve a four-year term. The chairman is selected by the Board from among its members. The Board is responsible for establishing the policies of the County, which provide guidance to the various County constitutional officers and departments. The Board has the legal authority and responsibility to establish spending limits and approve the budgets of all County departments, and also sets the amount of taxes to be levied. The Board appoints a County Administrator who is responsible for the general administrative and overall operations of the various departments of the County. The County has several other elected officials including

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

Pima County offers a wide variety of governmental services that are organized into the following functional areas for fiscal year 2022-2023:

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

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

The County's component units include the following:

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

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

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

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

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

Economic Outlook

Pima County's major employers are the Raytheon Missile Systems, University of Arizona, Banner Healthcare - UMC, Davis-Monthan Air Force Base, Pima County Government, Tucson Unified School District and State of Arizona. Major manufacturers include Ventana Medical Systems, IBM, Caterpillar, and several aerospace and aircraft companies including Raytheon Missiles and Defense, Bombardier Aerospace, Sargent Aerospace and Defense, and Honeywell Aerospace. Employment by industry is led by government; trade, transportation and utilities; educational and health services; professional and business services; and leisure and hospitality. The average Pima County unemployment rate for 2021 decreased to 5.0% as the job market recovered from the initial wave of layoffs at the onset of the coronavirus pandemic (COVID-19). The unemployment rate decreased further to 3.9% in June 2022. Nearly half of Pima County's population is in the prime working age range of 18 to 54.

A sunny, mild, dry climate with an average temperature of 71°F and a unique desert location help promote travel and tourism as a major industry in Pima County. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses. These sales support jobs for Pima County residents and contribute tax revenues to local and state governments. According to recent research data released by the Arizona Office of Tourism, Pima County direct travel spending generated approximately \$2.79 billion (11.8% of Arizona direct travel spending) in 2021. This direct travel spending generated 20,170 direct jobs, \$710 million in direct earnings and \$194 million in local and state tax revenues. These amounts substantially exceeded the results from 2020 as travelers felt more confident about taking vacations after COVID-19 vaccinations became available in early 2021. Unlike other industries, taxes generated by travel industry spending are paid by visitors rather than residents. These visitors bring new money into Pima County's economy and generate revenue in the County. Some of the best world-class attractions

in Arizona are found in Pima County, such as the Arizona-Sonora Desert Museum and the Pima Air and Space Museum.

Economic trends over the last year include the following:

- The housing market in Southern Arizona was very strong in 2021. According to data from the Tucson-Southern Arizona Housing Market Letter, 5,104 building permits were issued in 2021, the most issued since 2006. The median sales price for new houses rose 18.6% between December 2020 and December 2021 while the median sales price for existing homes increased by 21.8% over the same period. Factors that influenced the increased demand include migration of working-age adults from other states who can work remotely and prefer to live in Pima County, very low mortgage interest rates that have existed since shortly after the pandemic started in March 2020, an increase in houses purchased for use as short term rentals that can be booked through online lodging agencies such as Airbnb and VRBO, and more investors looking to flip houses in response to these factors. The market has continued at a healthy but less torrid pace in 2022 with 2,359 permits issued during the first six months of the year. New home sales prices are up 7.7% year-to-date through June and existing home prices have increased by 9.9% during the same period. The recent increase in mortgage interest rates may cause some cooling of the market in the coming months as local buyers will be less able to qualify for mortgages at higher house prices.
- State-shared sales tax revenue increased in fiscal year 2021-2022 as consumer spending on taxable goods continued at a healthy pace long after the end of federal pandemic assistance payments. High rates of inflation over the last few months have done little to discourage buying behavior. As with other revenue sources dependent on consumer spending, future sales tax revenue will depend on whether the Fed's increase in interest rates leads to recession. The current forecast for fiscal year 2022-2023 is slightly lower than the actual amounts received in fiscal year 2021-2022.

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

Long-term Financial Planning

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

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

Capital Improvement Plan

The Adopted Budget for fiscal year 2022-2023 includes \$237.9 million for the Capital Improvement Plan (CIP). Under this plan, five departments comprise 81% of the total CIP budget as follows:

- Facilities Management, with a budget of \$64.7 million
- Regional Wastewater Reclamation, with a budget of \$54.1 million
- Transportation, with a budget of \$41.1 million
- Regional Flood Control District, with a budget of \$20.7 million
- Natural Resources Parks & Recreation, with a budget of \$11.6 million

Facilities Management –Facilities Management has active projects with a total fiscal year 2022-2023 budget of \$64.7 million. Major projects include:

- Office of the Medical Examiner Building project is budgeted for \$22.7 million
- Northwest County Service Center project is budgeted for \$12.5 million
- 130 W. Congress Façade Improvement project is budgeted for \$6.6 million
- Adult Detention Security Replacement project is budgeted for \$5.5 million

Regional Wastewater Reclamation – The Regional Wastewater Reclamation Department (RWR) projects are predominantly funded by Sewer Revenue Obligations. RWR has a total fiscal year 2022-2023 budget of \$54.1 million. Major projects include:

- Continental Ranch Pump Station – Second Force Main is budgeted for \$11.4 million
- System-wide Treatment Rehabilitation Program is budgeted for \$8.0 million
- Tres Rios Headworks Biofilter Odor Control project is budgeted for \$6.7 million
- Canoa Ranch Sewer Extension project is budgeted for \$6.3 million
- Old Nogales Interceptor Augmentation - Aerospace Corridor project is budgeted for \$5.9 million

Transportation - The Department of Transportation projects are funded by highway user revenues, vehicle license tax revenues and from funding received from the Pima County Regional Transportation Authority, a taxing entity distinct from Pima County. Transportation has a total fiscal year 2022-2023 budget of \$41.1 million. Major projects include:

- Sunset Road 1-10 to River Road project is budgeted for \$17.8 million
- South Houghton Road Widening project is budgeted for \$10.1 million
- 22nd Street I-10 to Tucson Blvd Improvements are budgeted for \$5.6 million

Regional Flood Control District – The Regional Flood Control District has active projects with a total budget of \$20.7 million. Major projects include:

- Fairgrounds South Houghton Channels project for \$4.0 million
- City of Tucson Downtown Links project for \$3.0 million
- Bighorn Fire Flood Hazard Mitigation project is budgeted for \$2.7 million
- Major Watercourse Infrastructure Management project is budgeted for \$2.0 million

Natural Resources Parks & Recreation – The Natural Resources Parks & Recreation Department has a budget of \$11.6 million. Major projects include:

- Open Space projects are budgeted for \$2.0 million
- Manzanita Park Multi-use Field project is budgeted for \$1.9 million
- LED Sports Lighting Conversion at McDonald Park is budgeted for \$1.6 million

Debt Management

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

Pima County continues to utilize debt authorized by Pima County voters November 4, 1997 for Street and Highway Revenue Bonds. At June 30, 2022, \$16.4 million of the Street and Highway authorization remains unissued. The County issues Certificates of Participation for building construction and Sewer Revenue Obligations to fund the construction and improvement of the County's wastewater conveyance systems and treatment facilities.

Debt issuances anticipated for fiscal year 2022-2023 include \$40 million of Sewer Obligations, \$32 million of Sewer Refunding Obligations and \$90 million of Certificates of Participation.

The County's conservative debt management principles play a critical role in the decision regarding when to issue new debt. The County has set an aggressive debt repayment schedule, with 100 percent retired at or before 15 years. The state constitution sets a cap on general obligation debt at 15 percent of the County's net secondary assessed valuation. In fiscal year 2021-2022, the constitutional debt limit was \$1.6 billion. The actual bonded indebtedness was \$93.7 million, far below the constitutional debt limit.

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

Expenditure Limitation

Pima County, like all counties and cities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, of the Arizona Constitution sets limits on the County's legal budget capacity. In general, the Board of Supervisors, as the governing body of the County, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for Pima County by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the County during fiscal year 1979-1980 to reflect inflation and subsequent population growth for the County. Not subject to this limitation are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal grant and aid funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. As in previous years, the County's expenditures for fiscal year 2021-2022 are expected to be under the limit of \$623.6 million.

Single Audit

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

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

A complete Single Audit report for the fiscal year ended June 30, 2021 can be found at:

<http://www.pima.gov/finance/reports.shtml>

The Single Audit for Pima County for the fiscal year ended June 30, 2022 was not complete at the time of publication of this ACFR.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pima County, Arizona, for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. Pima County has received this prestigious award for thirty-six years from fiscal years ended June 30, 1984 through 2021, except for fiscal years ended June 30, 1990 and June 30, 1999, due to missing the filing deadline. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

Pima County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2021-2022 budget document. This was the twenty-third consecutive year that Pima County has achieved this award. To qualify for the Distinguished Budget Presentation Award, Pima County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

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

Respectfully submitted,



Jan Lesher
County Administrator



Ellen Moulton
Director, Department of Finance and Risk Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pima County
Arizona**

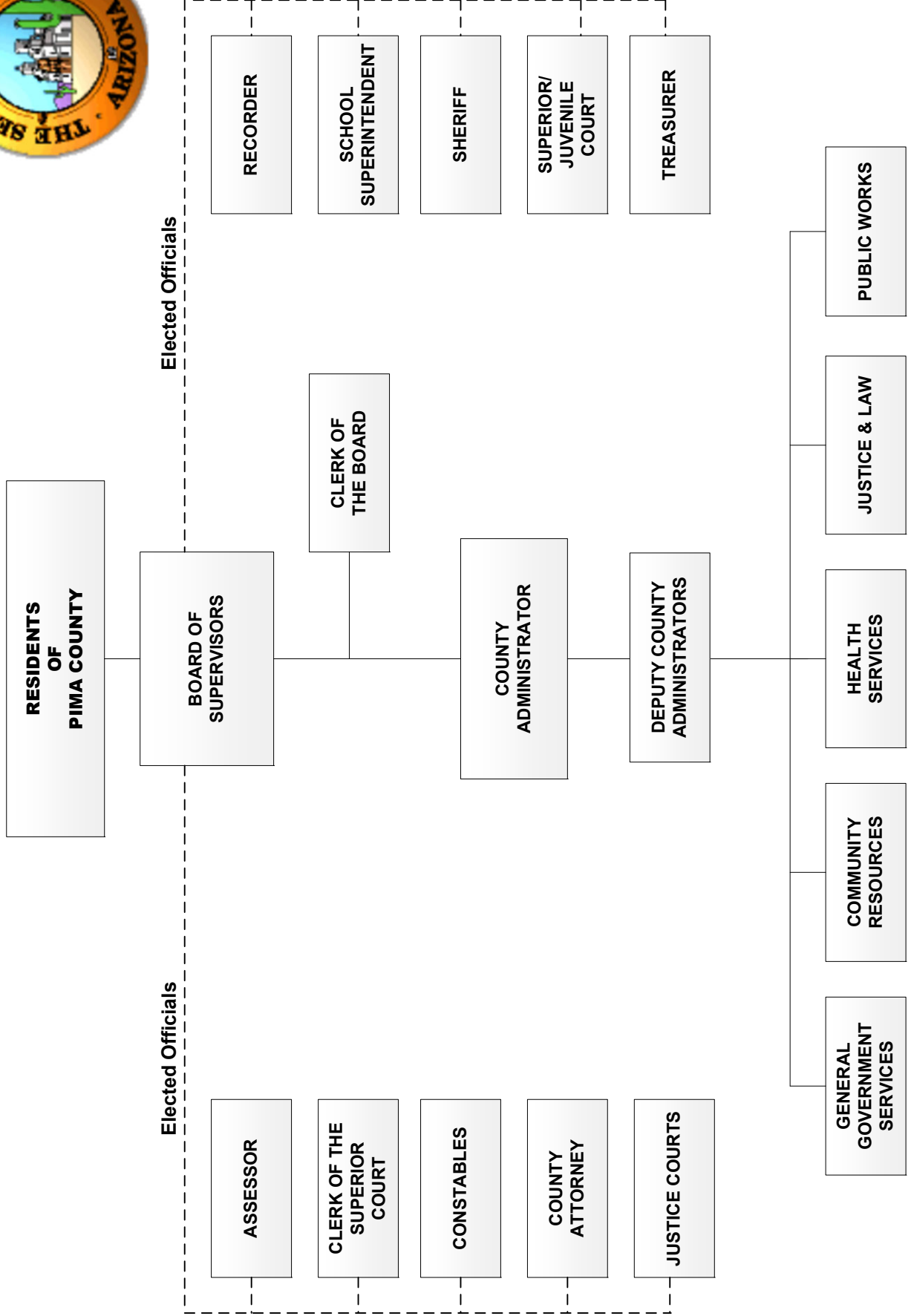
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

PIMA COUNTY ORGANIZATIONAL CHART



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INTRODUCTORY SECTION

FINANCIAL SECTION

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

STATISTICAL SECTION



FINANCIAL SECTION

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



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of certain departments and funds and the discretely presented component unit, which account for the following percentages of the assets and deferred outflows, liabilities and deferred inflows, revenues, and expenses or expenditures of the opinion units as of June 30, 2022.

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Government-wide statements</u>				
Governmental activities:				
Stadium District	2.33%	0.23%	1.23%	1.43%
School Reserve	0.07%	0.13%	0.34%	0.34%
Wireless Integrated Network	0.12%	0.07%	0.35%	0.31%
Self-Insurance Trust	2.52%	1.83%	1.13%	1.36%
Health Benefit Trust	0.65%	0.46%	6.84%	7.68%
Business-type activities:				
Regional Wastewater Reclamation	97.21%	98.55%	92.26%	94.43%
Development Services	1.59%	1.35%	6.58%	3.96%
Discretely presented component unit:				
Southwestern Fair Commission	100.00%	100.00%	100.00%	100.00%

Opinion unit/department or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Fund statements</u>				
Major enterprise fund:				
Regional Wastewater Reclamation	100.00%	100.00%	100.00%	100.00%
Aggregate remaining fund information:				
Stadium District	0.29%	0.69%	2.68%	2.42%
School Reserve	0.18%	0.70%	0.81%	0.77%
Wireless Integrated Network	0.44%	0.92%	0.85%	0.68%
Development Services	2.61%	4.80%	2.96%	1.33%
Self-Insurance Trust	9.43%	24.57%	2.71%	2.99%
Health Benefit Trust	2.45%	6.23%	16.46%	16.90%

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

Basis for opinions

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

Emphasis of matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Other matters

Compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

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

Management's responsibilities for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 14 through 31, budgetary comparison schedules on pages 96 through 98, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on page 99, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 100 and 101, schedule of County pension contributions on page 102, and notes to pension plan schedules on pages 103 and 104 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting

for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

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

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

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 22, 2022



2022

**Annual Comprehensive
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



MANAGEMENT'S DISCUSSION AND ANALYSIS

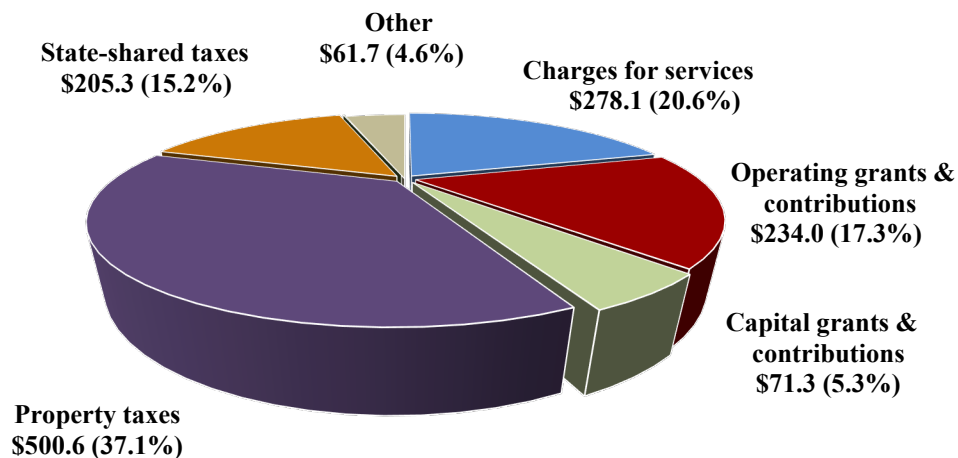
**Pima County, Arizona
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

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, 2022. Please read it in conjunction with the transmittal letter, which begins on page 1 and the County's basic financial statements, which begin on page 32. All dollar amounts are expressed in thousands (000's) unless otherwise noted.

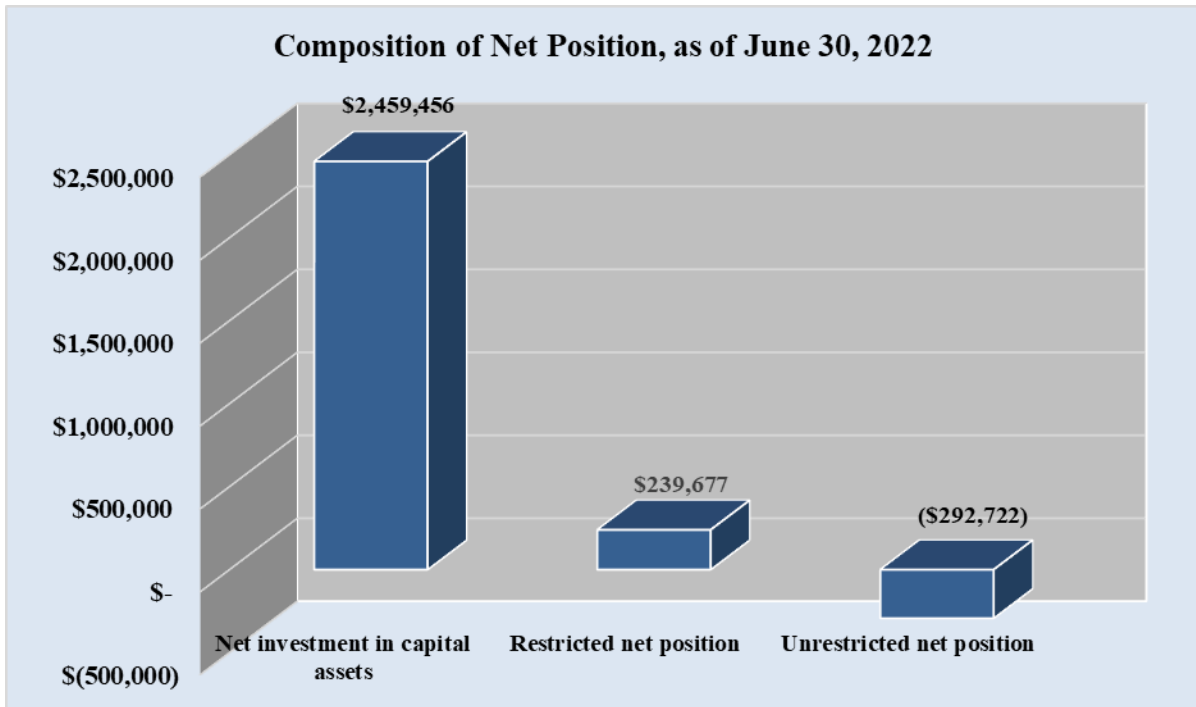
Financial Highlights

- The County's long-term liabilities decreased by \$248,011 from \$1,633,239 to \$1,385,228, a 15.2% decrease when compared to the prior year, resulting from actuarial adjustments to the County's net pension and other postemployment benefits (OPEB) liabilities for \$212,457 and prepayments of \$30,000 for pension contributions in fiscal year 2021 that reduced the liability in the current year made to the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officers Retirement Plan (CORP).
- The County issued \$50,000 in Certificates of Participation (COPs) to finance various pavement preservation projects, and \$45,000 in Sewer Revenue Obligations to finance the construction, expansion, and improvement of sewer treatment facilities and conveyance systems.
- The County's total net position increased \$123,647 to \$2,406,411, a 5.4% increase when compared to the prior year's total net position of \$2,282,764.
- The County's primary sources of revenue come from property taxes, charges for services, state shared taxes, and grants and contributions as displayed below:

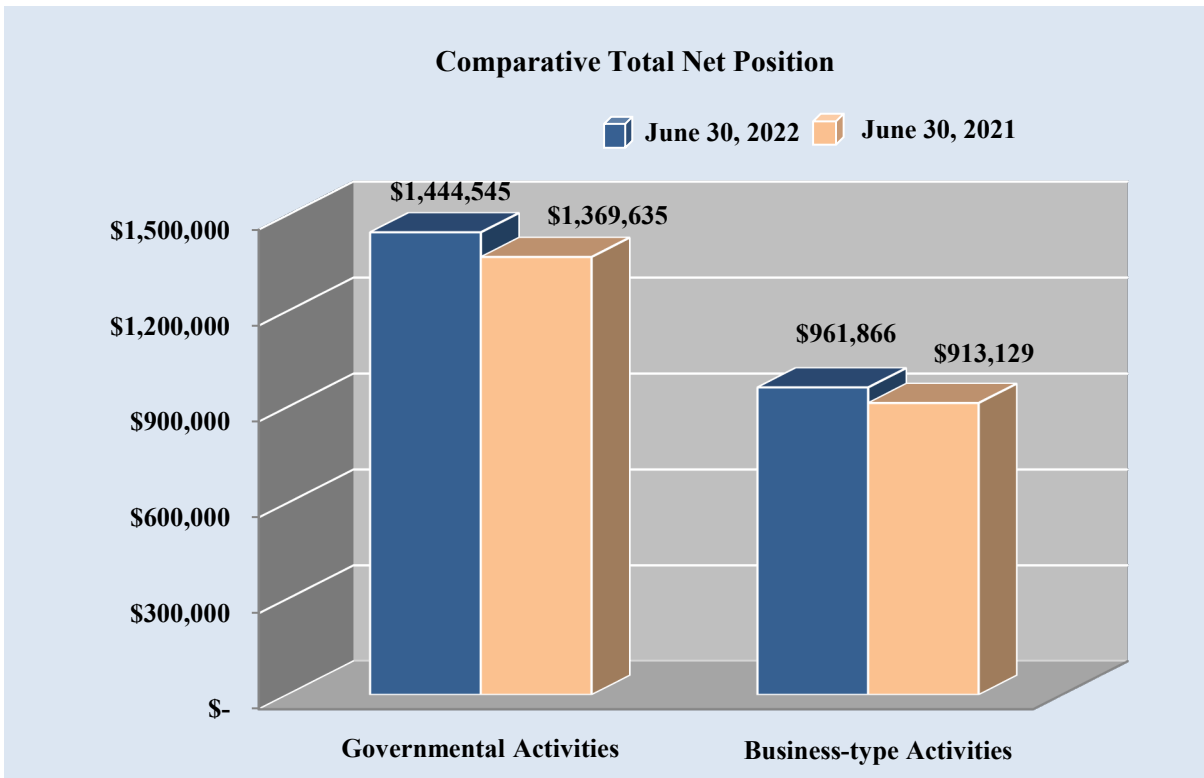
**Revenue Sources
(in millions)**



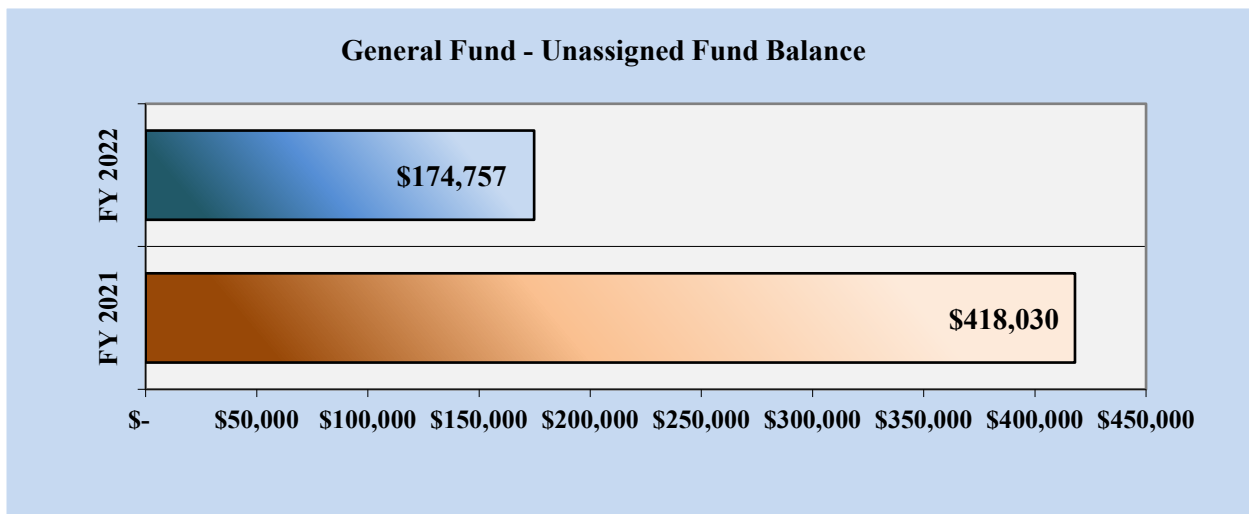
- The composition of the County’s total net position at June 30, 2022 of \$2,406,411 is illustrated in the following chart.



- Governmental Activities total net position at June 30, 2022, is \$1,445,545, representing an increase of \$74,910 (5.5%) from the prior fiscal year’s net position, due to a decrease in long-term liabilities resulting from actuarial adjustments to the County’s net pension/OPEB liabilities for \$200,916. Business-type Activities total net position of \$961,866, increased by \$48,737 (5.3%) in the current fiscal year, primarily due to a decrease of \$35,361 in outstanding liabilities for sewer revenue obligations from debt payments made during the year in the Regional Wastewater Reclamation (RWR) enterprise fund.



- The current fiscal year's General Fund unassigned fund balance of \$174,757 is a decrease of \$243,273 (58.2%) from \$418,030 in the prior fiscal year due to \$270,000 of Pledged Revenue Obligations (PROs) proceeds that were unspent at June 30, 2021, but were used to make additional contributions to the PSPRS and CORP in the current fiscal year. The unassigned fund balance comprises 86.4% of the total fund balance of \$202,209. Refer to the analysis of the General Fund provided on page 26 for additional details about the fund's financial activities during the year.



Overview of the Financial Statements

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

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

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

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

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

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

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

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance with applicable state statutes and Federal Office of Management and Budget budgeting guidelines. All of the funds can be divided into three categories: (1) *governmental funds*, (2) *proprietary funds*, and (3) *fiduciary funds*.

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

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

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

The governmental fund financial statements can be found on pages 35-38. The combining statements for non-major governmental funds can be found on pages 105-108.

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

type functions, all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of these services have been included within *governmental activities* in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 39-42. The combining statements for other enterprise and internal service funds can be found on pages 123-130.

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

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

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages **45-95**.

Required Supplementary Information (RSI) is presented concerning the County’s General Fund and Grants Fund budgetary schedules and the schedule of the County’s Proportionate Share of the Net Pension Liability for Cost Sharing Plans, the Schedule of Changes in the County’s Net Pension Liability and Related Ratios for Agent Pension Plans, and the Schedule of County Pension Contributions. Required supplementary information can be found on pages **96-104**.

Combining Statements and Other Schedules referred to earlier provide information for non-major governmental, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages **105-134**.

Government-Wide Financial Analysis

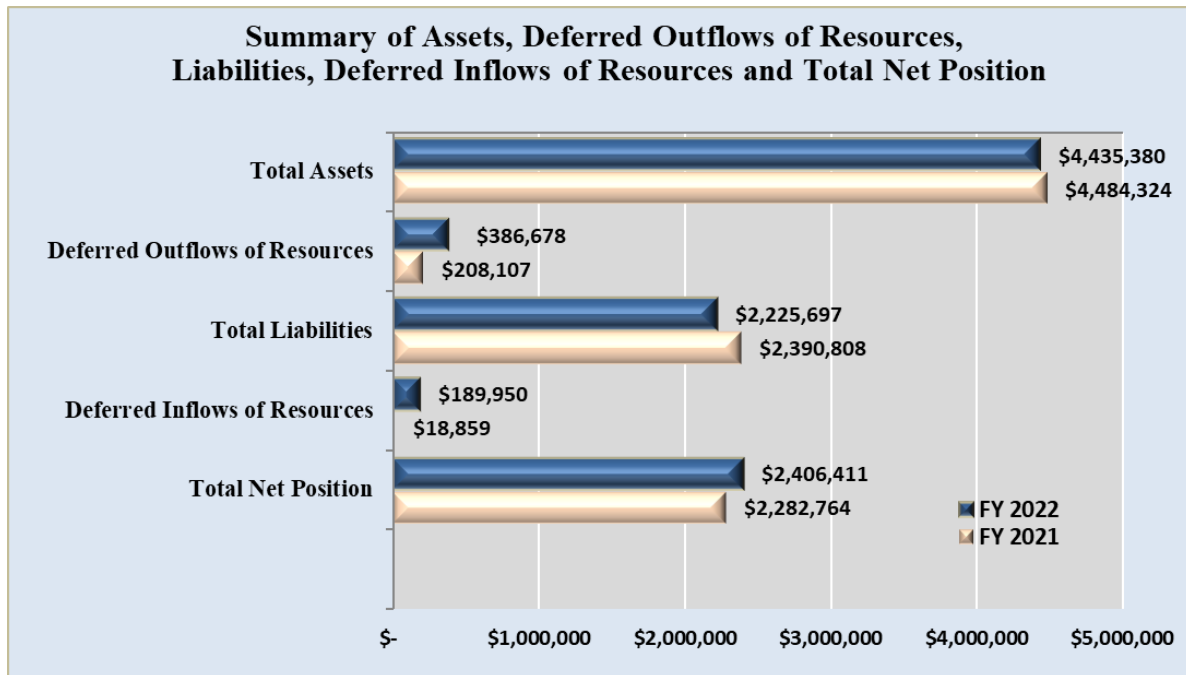
As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. An analysis of the results of operations is also useful. The schedule below identifies variances in the results of operations.

Schedule of Results of Operations and Net Position For the Years Ended June 30, 2022 and 2021			
	2022	2021	Variance
Charges for services	\$ 278,088	\$ 277,890	\$ 198
Operating grants and contributions	234,010	237,401	(3,391)
Capital grants and contributions	71,267	49,515	21,752
Total program revenues	<u>583,365</u>	<u>564,806</u>	<u>18,559</u>
Total general revenues and transfers	<u>766,414</u>	<u>730,566</u>	<u>35,848</u>
Total program and general revenues	<u>1,349,779</u>	<u>1,295,372</u>	<u>54,407</u>
Total expenses	1,226,132	1,194,524	31,608
Change in net position	<u>\$ 123,647</u>	<u>\$ 100,848</u>	<u>\$ 22,799</u>

Total program revenues increased by \$18,559 (3.3%), mainly due to a \$21,752 increase in capital grants and contributions. The increase in capital grants and contributions resulted primarily from funding received on transportation road projects from the Regional Transit Authority (RTA) and City of Tucson. Of the \$31,608 (2.6%) increase in total expenses, \$62,216 was in the highways and street's function, which was the result of expenses incurred as part of the County's pavement preservation program and capital projects related to road improvements. This increase was partially offset by an \$18,854 decrease in the health function resulting from the scaling back of the COVID-19 response. These variances in combination with the \$35,848 (4.9%) increase in total general revenues and transfers resulted in a \$22,799 (22.6%) increase in the change in net position, to \$123,647.

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

The graph presented below illustrates at a summary level the changes in the elements of the Statement of Net Position for the County at June 30, 2022, and June 30, 2021.



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

The total of County assets at June 30, 2022, was \$4,435,380, a decrease of \$48,944 (1.1%) from the prior year, while total liabilities decreased by \$165,111 (6.9%) from the prior year, ending at a balance of \$2,225,697. Deferred outflows of resources increased by \$178,571 (85.8%) and deferred inflows of resources increased by \$171,091 (907.2%) from the prior year, ending at a balance of \$189,950.

The result of these changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources was an increase in net position of \$123,647 (5.4%), to \$2,406,411 in the current fiscal year, from \$2,282,764 in the prior fiscal year.

The largest portion of the County's net position is reflected in its net investment in capital assets (i.e., land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. At June 30, 2022, net investment in capital assets totaled \$2,459,456, an increase of \$53,587 (2.2%) from the prior year, due to the increases of \$16,637 (1.0%) for governmental activities and \$36,950 (4.7%) for business-type activities. The County uses a portion of these capital assets to provide services to its citizens, with the other portion available to its citizens for use; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources subject to external restrictions on how they may be used comprise the restricted net position of \$239,677, which is an increase of \$9,997 (4.4%) from the prior year and represents approximately 10.0% of total net position.

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

**Schedule of Assets, Deferred Outflows of Resources,
Liabilities, Deferred Inflows of Resources and Net Position
At June 30, 2022 and 2021**

	Governmental Activities			Business-type Activities			Total		
	FY 2022	FY 2021	Variance	FY 2022	FY 2021	Variance	FY 2022	FY 2021	Variance
Current and other assets	\$ 1,001,604	\$ 1,069,475	\$ (67,871)	\$ 218,884	\$ 209,855	\$ 9,029	\$ 1,220,488	\$ 1,279,330	\$ (58,842)
Capital assets (net):									
Land, buildings, equipment, infrastructure & other assets	1,981,015	1,979,028	1,987	1,233,877	1,225,966	7,911	3,214,892	3,204,994	9,898
Total assets	2,982,619	3,048,503	(65,884)	1,452,761	1,435,821	16,940	4,435,380	4,484,324	(48,944)
Deferred outflows of resources									
Pension and OPEB	370,780	188,368	182,412	7,300	7,498	(198)	378,080	195,866	182,214
Deferred charges on refunding	1,163	2,279	(1,116)	3,127	5,687	(2,560)	4,290	7,966	(3,676)
Asset retirement obligations				4,308	4,275	33	4,308	4,275	33
Total deferred outflows of resources	371,943	190,647	181,296	14,735	17,460	(2,725)	386,678	208,107	178,571
Current and other liabilities	345,785	218,358	127,427	20,054	18,206	1,848	365,839	236,564	129,275
Long-term liabilities	1,385,228	1,633,239	(248,011)	474,630	521,005	(46,375)	1,859,858	2,154,244	(294,386)
Total liabilities	1,731,013	1,851,597	(120,584)	494,684	539,211	(44,527)	2,225,697	2,390,808	(165,111)
Deferred inflows of resources									
Pension and OPEB	153,310	17,918	135,392	10,946	941	10,005	164,256	18,859	145,397
Leases	25,694		25,694				25,694		25,694
Total deferred inflows of resources	179,004	17,918	161,086	10,946	941	10,005	189,950	18,859	171,091
Net position:									
Net investment in capital assets	1,633,005	1,616,368	16,637	826,451	789,501	36,950	2,459,456	2,405,869	53,587
Restricted	175,023	171,050	3,973	64,654	58,630	6,024	239,677	229,680	9,997
Unrestricted (deficit)	(363,483)	(417,783)	54,300	70,761	64,998	5,763	(292,722)	(352,785)	60,063
Total net position	\$ 1,444,545	\$ 1,369,635	\$ 74,910	\$ 961,866	\$ 913,129	\$ 48,737	\$ 2,406,411	\$ 2,282,764	\$ 123,647

Analysis of Net Position for Governmental Activities

The current and other assets total of \$1,001,604 in the current fiscal year is a decrease of \$67,871 (6.3%) over the prior year total of \$1,069,475. This decrease is primarily due to the decrease of \$141,870 in cash and cash equivalents, offset by an increase in due from other governments of \$34,978 and an increase in lease receivable of \$27,001. The decrease in cash & cash equivalents is primarily due to the County's lump sum contributions to greatly reduce the unfunded liability for the CORP and PSPRS retirement plans. In fiscal year 2020-2021, the County issued \$300,000 in PROs and due to budgetary constraints was only able to contribute \$30,000 of the PROs proceeds to the retirement plans. In fiscal year 2021-2022, the County contributed the remaining \$270,000 in proceeds to significantly reduce the unfunded liability of these two retirement plans. The increase in due from other governments is primarily from the County awaiting reimbursement for eligible expenditures associated with Federal grant programs. The increase in lease receivable is due to the implementation of GASB 87, *Leases*.

Total liabilities decreased \$120,584 (6.5%) to \$1,731,013 due to a \$248,011 decrease in long-term liabilities resulting from actuarial adjustments to the County's net pension/OPEB liabilities for \$200,916. The actuary reports for the State's Arizona State Retirement System (A S R S) and PSPRS plans in which the County participates are based on the plans' prior year financial activity, which experienced significant returns on their investments. The decrease in long-term liabilities was partially offset by a \$127,427 increase for current liabilities resulting primarily from increases in unearned revenues from unspent advance funded grant monies of \$98,538 and \$23,787 in payables associated with contractual work on the County's pavement preservation program.

The increase of \$181,296 (95.1%) in deferred outflows of resources and \$161,086 (899.0%) in deferred inflows of resources is due to the deferred outflows and inflows in pensions and OPEB. These variances are due to the changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities and the prepayment of \$268,134.

These changes resulted in an overall increase of \$74,910 (5.5%) in the current year's governmental activities total net position to \$1,444,545.

Analysis of Net Position for Business-type Activities

Total assets of \$1,452,761 in the current fiscal year increased by \$16,940 (1.2%) from the prior year total of \$1,435,821, resulting from a \$9,029 (4.3%) increase in current and other assets and a \$7,911 (0.6%) increase in capital assets. The increase in current and other assets is primarily from a \$6,293 increase in total cash and cash equivalents, with an \$1,141 decrease in the RWR Fund and a \$7,434 increase in the other nonmajor enterprise funds. The decrease in capital assets is the result of increased construction-in-progress as new capital construction projects ramped up their activity in the current year.

Total liabilities decreased \$44,527 (8.3%) in the current year to \$494,684, primarily due to a decrease of \$35,361 in outstanding sewer revenue obligations in the RWR enterprise fund.

Total deferred outflows of resources in the current year totaled \$14,735, a decrease of \$2,725 (15.6%) due to a decrease of \$198 in deferred outflows for pensions and OPEB and a \$2,560 decrease in the deferred outflows for deferred charges on refunding that are the result of debt refundings completed in prior years. Total deferred inflows increased by \$10,005 (1,063.2%) due to the changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities.

The changes in total assets, liabilities, deferred outflows and deferred inflows of resources resulted in a total net position of \$961,866, an increase of \$48,737 (5.3%).

Governmental Activities

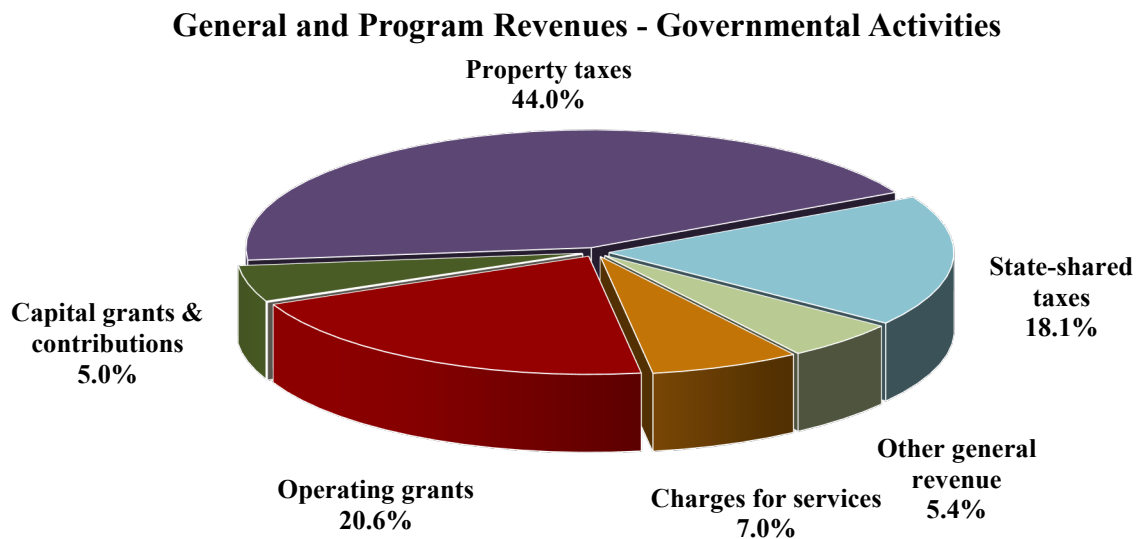
The following table shows details of the changes in net position for governmental activities:

Governmental Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2022 and 2021				
	FY 2022	FY 2021	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 80,025	\$ 82,231	\$ (2,206)	-2.7%
Operating grants and contributions	234,010	237,401	(3,391)	-1.4%
Capital grants and contributions	56,606	35,772	20,834	58.2%
Total program revenues	370,641	355,404	15,237	4.3%
General revenues:				
Property taxes	500,619	485,886	14,733	3.0%
State-shared taxes	205,324	187,808	17,516	9.3%
Investment earnings	(665)	3,812	(4,477)	-117.4%
Other general revenues	60,995	51,380	9,615	18.7%
Total general revenues	766,273	728,886	37,387	5.1%
Total revenues	1,136,914	1,084,290	52,624	4.9%
Expenses:				
General government	343,493	360,851	(17,358)	-4.8%
Public safety	204,946	215,376	(10,430)	-4.8%
Highways and streets	198,621	136,405	62,216	45.6%
Sanitation	4,453	3,295	1,158	35.1%
Health	60,822	79,676	(18,854)	-23.7%
Welfare	100,505	103,038	(2,533)	-2.5%
Culture and recreation	69,944	70,153	(209)	-0.3%
Education and economic opportunity	65,797	49,623	16,174	32.6%
Interest and amortization on long-term debt	14,876	13,991	885	6.3%
Total expenses	1,063,457	1,032,408	31,049	3.0%
Excess before transfers	73,457	51,882	21,575	41.6%
Transfers in	1,453	9,438	(7,985)	-84.6%
Change in net position	74,910	61,320	13,590	22.2%
Beginning net position	1,369,635	1,308,315	61,320	4.7%
Ending net position	\$ 1,444,545	\$ 1,369,635	\$ 74,910	5.5%

Revenues

Total revenues of \$1,136,914 increased \$52,624 (4.9%) from the prior year, primarily due to an increase of \$20,834 (58.2%) in program revenues from increased capital grants and contributions. This increase is attributed to the significant amount of reimbursements received from intergovernmental sources for the Transportation department's capital projects. Total general revenues increased \$37,387 (5.1%) because of an increase of \$17,516 (9.3%) in State-shared tax revenues and \$14,733 (3.0%) in property taxes revenues compared to the prior year. The State-shared tax revenue increase was due to an increase in consumer spending throughout the fiscal year, while the increase in property tax revenues was due to increased net assessed valuations of taxable property in the County.

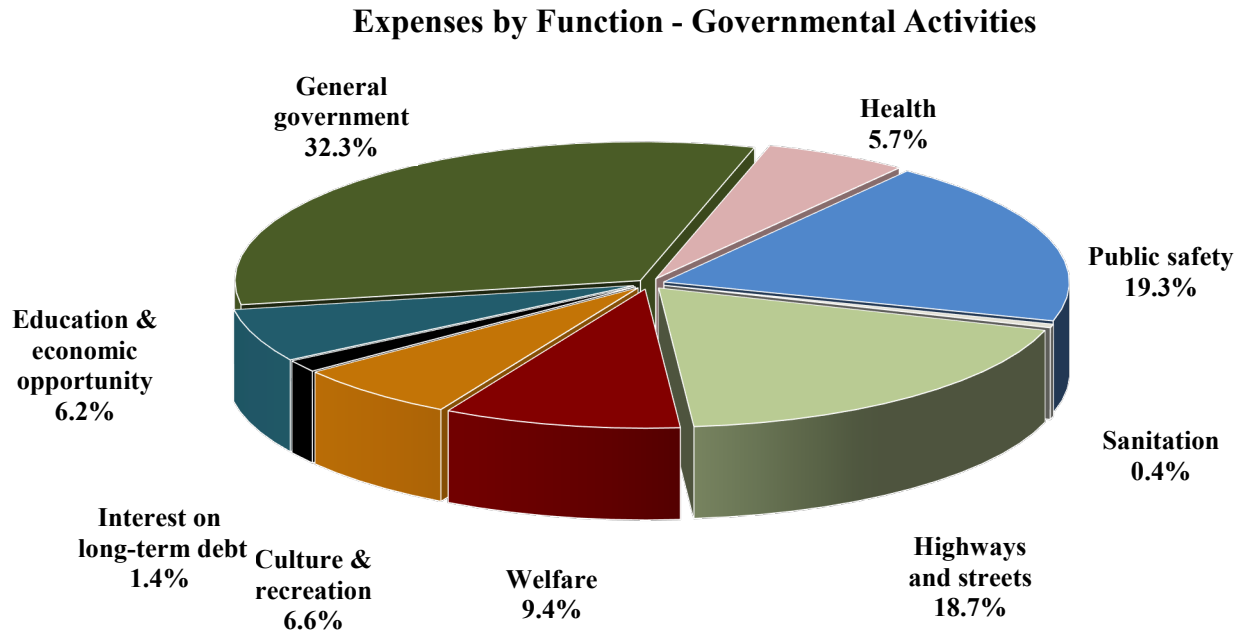
The chart below presents general and program revenues, as a percentage of total revenues. The amount provided from each revenue source for governmental activities, as a percentage to total revenue for governmental activities, has not changed significantly from the prior fiscal year. Property taxes, state-shared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



Expenses

Total expenses increased \$31,049 (3.0%) from the prior year, primarily due to an increase of \$62,216 (45.6%) in highways and streets expenses and \$16,174 (32.6%) in education and economic opportunity expenses. The increase in highways and streets was the result of additional expenses incurred for construction activities due to rapidly rising costs of various commodities. The increase in education and economic opportunity expenses is due to the expansion of the County’s emergency rental assistance grant program.

The following chart presents expenses by function as a percentage of total expenses, excluding amortizations. The amount of each expense by function as a percentage to total expenses, excluding amortizations, has not changed significantly from the prior fiscal year. General government and public safety account for over half of the County’s total expenses with a total of 51.6%.



Business-type Activities

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

Business-type Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2022 and 2021				
	FY 2022	FY 2021	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 198,063	\$ 195,659	\$ 2,404	1.2%
Capital grants and contributions	14,661	13,743	918	6.7%
Total program revenues	212,724	209,402	3,322	1.6%
General revenues:				
Investment earnings	(530)	1,110	(1,640)	-147.7%
Other general revenues	671	570	101	17.7%
Total general revenues	141	1,680	(1,539)	-91.6%
Total revenues	212,865	211,082	1,783	0.8%
Expenses:				
Regional Wastewater Reclamation	153,613	153,265	348	0.2%
Development Services	6,443	6,370	73	1.1%
Parking Garages	2,619	2,481	138	5.6%
Total expenses	162,675	162,116	559	0.3%
Excess before transfers	50,190	48,966	1,224	2.5%
Transfers out	(1,453)	(9,438)	7,985	-84.6%
Change in net position	48,737	39,528	9,209	23.3%
Beginning net position	913,129	873,601	39,528	4.5%
Ending net position	\$ 961,866	\$ 913,129	\$ 48,737	5.3%

Revenues

Total program revenues for business-type activities increased by \$3,322 (1.6%) primarily due to increases of \$2,404 (1.2%) in charges for services and \$918 (6.7%) in capital grants and contributions. These increases are due to an increase in new sewer users as a result of new housing developments being completed compared to the prior year. Total general revenues decreased by \$1,539 primarily due to a decrease of \$1,640 (147.7%) in investment earnings due to investment yields dropping significantly for the State Treasurer's long-term investment pools resulting from historically low interest rates.

Expenses

Total expenses for the business-type activities remained relatively flat with an increase of \$559 (0.3%), primarily due to an increase of \$348 (0.2%) in the RWR Fund, along with smaller increases observed in the Development Services and Parking Garages funds. The net amount of transfers out decreased by \$7,985 (84.6%), primarily due to a decrease of transfers out of the RWR Fund and into the Debt Service Fund for payments on outstanding certificates of participation.

Financial Analysis of the County's Funds

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

Governmental Funds

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

Major Governmental Funds

General Fund

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

Property tax revenues for the General Fund increased \$12,199 (3.3%), reflecting the net impact of higher property valuations for taxable properties in the County. Intergovernmental revenues increased \$16,985 (8.3%), primarily due to increases in the State-shared sales tax. Charges for services decreased \$885 (2.0%), mostly from a decline for correctional housing bookings within the Sheriff's Office. Overall, revenues for the General Fund increased by \$33,455 (5.3%) and totaled \$666,391 for the current year.

General Fund expenditures totaled \$814,390, an increase of \$241,104 (42.1%) from the prior year. The significant change for the fiscal year was from an increase of \$223,246 in public safety expenditures primarily due to the additional contributions of \$203,822 to the PSPRS and \$64,312 to the CORP in effort to significantly reduce the unfunded actuarial accrued liability. These contributions were made using the remaining proceeds from the PROs issued in the prior year.

Transfers out totaled \$90,606, an increase of \$52,361 (136.9%) compared to the prior year. This increase was primarily due to a \$15,000 transfer out to the Capital Projects Fund to fund the Pay-As-You-Go (PAYGO) program that funds capital improvement projects using the property tax levy or other real-time funding sources. Other increases in transfers out include \$10,000 to the Transportation Fund for COPs 2020C Series debt service, \$8,000 to the Debt Service Fund for the prior year Pledged Revenue Obligations debt service, and \$4,000 to the Debt Service Fund for the COPs 2020AB Series debt service.

The \$33,455 increase in revenues, the \$241,104 increase in expenditures, and a total net decrease of (\$352,250) in other financing uses yielded a net change in fund balance of (\$231,643), which ended the year at \$202,209.

Budget and Actual Comparison for the General Fund

Overall, actual revenues were higher than budgeted revenues by \$48,739, primarily due to the higher than budgeted Intergovernmental revenue mentioned above, and actual expenditures were less than budgeted expenditures by \$130,120. Actual expenditures for the General Fund were less than budgeted, primarily because the County did not need to spend \$54,140 of the amount budgeted for contingencies within General government – County Administration.

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

Capital Projects Fund

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

Total revenues of \$44,581 for the Capital Projects Fund represent an increase of \$22,292 (100%) from the prior year, primarily due to increased funding received from the Regional Transportation Authority and the State of Arizona for improvements to Sunset Road from I-10 to River Road and from the City of Tucson for the South Houghton Road widening project. These increases were partially offset by a large decrease from other local governments, primarily the University of Arizona, for the Historic Courthouse improvements as that project has now been completed.

Total capital outlay expenditures of \$108,296 in the current year is an increase of \$14,293 (15.2%) from the prior year, due mostly to the expenditures for the Sunset Road improvements and the South Houghton Road widening projects.

The Capital Projects Fund's other financing sources of \$50,000 represents the issuance of Certificates of Participation (COPs), Series 2021 to fund the County's local pavement repair and rehabilitation program.

Transfers out totaled \$54,739, a decrease of \$27,062 from the prior year, mainly due to decreases in transfers out to the Transportation Fund for the PAYGO local pavement repair and rehabilitation and to the Debt Service Fund for payments on outstanding COPs.

Transfers in totaled \$72,963, an increase of \$39,619 (118.8%) compared to the prior year's total of \$33,344. The increase is primarily due to transfers in from Other Special Revenue for the Downtown Buildings projects and the Flood Control Fund for infrastructure projects.

The above detailed financial activities yielded an increase of \$4,509 in the Capital Projects Fund's net change in fund balance, which ended the year at \$93,124.

Debt Service Fund

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

Revenues for the Debt Service Fund decreased by \$4,720 (9.8%), as a result of the decrease in the tax levy driven by the Board of Supervisors policy for the PAYGO program.

Expenditures for the Debt Service Fund decreased \$13,258 (10.9%) primarily due to a decrease in principal and interest payments for COPS Series 2020A. As a result, current year principal payments toward outstanding liabilities for COPS decreased by \$12,930 compared to the prior year.

The \$4,720 decrease in revenues, the \$13,258 decrease in expenditures, and \$10,789 decrease in other financing sources yielded an overall decrease in fund balance of \$2,928, which ended the year at \$1,538.

Grants Fund

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

Total revenues of \$141,866 for the Grants Fund represent an increase of \$9,796 (7.4%) from the prior year, primarily due to an increase in Federal revenues from the United Way Worldwide, which consists of a significant amount to Pima County Non-Congregate Shelters within ARPA Casa Alitas.

Grant fund expenditures totaled \$129,167, a decrease of \$23,070 (15.2%) from the prior year, primarily due to decreases of \$22,829 in general government and \$14,026 in health, primarily due to decreased expenditures resulting from the County's response to COVID-19.

Transfers in totaled \$2,791, a decrease of \$2,454 (46.8%) over the prior year, primarily due to decreases within the General Fund for Housing First programs.

Transfers out totaled \$12,735, an increase of \$2,254 (21.5%) over the prior year, primarily due to the increases within the General Fund for public health COVID 19 Vaccination Capacity programs.

The \$9,796 increase in revenues, the \$23,070 decrease in expenditures, and a total net decrease of \$4,708 in other financing uses yielded a \$2,755 net change in fund balance, which ended the year at a deficit of \$24,814.

Major Proprietary Fund

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

Significant changes in the Fund’s net position during the fiscal year include an increase in charges for services, primarily from \$3,865 more in sewer utility services fees as the numbers of users increased; and an increase in other revenues from the sale of byproducts totaling \$1,402. Other revenue increased by \$118 (22.4%) mainly from the Twin Peaks facilities agreement.

Aside from the increases mentioned above, the activity of the RWR Fund remained relatively stable as total operating revenues and operating expenses only increased slightly. The change in net position of \$42,092 was an increase of \$6,862 (19.5%) over the prior year, which resulted in a net position of \$928,201 at the fiscal year-end.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets consists of land, buildings and improvements, sewage conveyance systems, infrastructure, equipment, and construction in progress.

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

Governmental and Business-type Activities Capital Assets As of June 30, 2022 and 2021									
	Governmental Activities			Business-type Activities			Total		
	FY 2022	FY 2021	Variance	FY 2022	FY 2021	Variance	FY 2022	FY 2021	Variance
Land	\$ 583,573	\$ 569,021	\$ 14,552	\$ 16,471	\$ 16,471		\$ 600,044	\$ 585,492	\$ 14,552
Construction in progress	87,833	61,106	26,727	70,286	41,661	\$ 28,625	158,119	102,767	55,352
Buildings and improvements	610,940	617,475	(6,535)	458,714	481,025	(22,311)	1,069,654	1,098,500	(28,846)
Infrastructure	596,859	626,728	(29,869)				596,859	626,728	(29,869)
Sewage conveyance systems				606,078	592,040	14,038	606,078	592,040	14,038
Equipment	87,373	91,335	(3,962)	74,160	84,998	(10,838)	161,533	176,333	(14,800)
Intangibles	14,437	13,363	1,074	8,168	9,771	(1,603)	22,605	23,134	(529)
Total	\$ 1,981,015	\$ 1,979,028	\$ 1,987	\$ 1,233,877	\$ 1,225,966	\$ 7,911	\$ 3,214,892	\$ 3,204,994	\$ 9,898

The County’s capital assets total is \$3,214,892 in the current year, an increase of approximately 0.3% or \$9,898 from the prior year’s total of \$3,204,994. Significant changes in capital assets of Governmental Activities and Business-type Activities are discussed in further detail in the following sections.

Governmental Activities

The current year’s total capital assets of \$1,981,015 is a net increase of \$1,987 (0.1%) from the prior year. The \$14,552 increase in land and \$26,727 increase in construction in progress are the result of the following significant projects completed and capitalized in the current fiscal year:

- The Downtown Links project for reinforced culverts donation for \$6,000
- Flood Control District acquiring flood prone lands for \$1,951
- Teatro Carmen and adjacent Elk’s Lodge, and the Southwest Library \$1,748
- The remaining amounts represent land donations for developer contributions for the Department of Transportation

There was also an increase for Construction in Progress for \$26,727 due to activity related to the following Transportation projects:

- The South Houghton Road widening project increased by \$19,763
- Kolb Road between Sabino Road to Sunrise Drive project increased by \$8,681
- Houghton Road between Golf Links Road and I-10 project increased by \$6,241

Business-type Activities

Capital assets of business-type activities increased by 7,911 (0.6%), due to increases of \$28,625 in construction in progress and \$14,038 in sewage conveyance systems. These increases were offset by decreases in buildings and improvements of \$22,311 and in equipment of \$12,441. The increase in construction in progress was due to additional conveyance systems projects being started but not completed in the current fiscal year. The decrease in buildings and improvements was the result of annual depreciation on existing assets. These increases and decreases were almost entirely from activity within the RWR fund.

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

Long-term Debt

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

Long-Term Debt Issued Within Fiscal Year For the Years Ended June 30, 2022 and 2021		
	FY 2022	FY 2021
Pledged Revenue Obligations		\$ 300,000
Certificates of Participation (COPs)	\$ 50,000	66,110
Sewer System Revenue Obligations	45,000	45,715
Transportation Revenue Bonds		21,000
General Obligation Bonds		138
Total	\$ 95,000	\$ 432,963

During the year, the County issued COPs Series 2021 in the amount of \$50,000 to fund the County’s local pavement repair and rehabilitation program.

The County also issued Sewer Revenue Obligations Series 2021 in the amount of \$45,000 to provide funding for the acquisition, construction and improvement of the County’s sewer treatment facilities and conveyance systems.

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

Credit Ratings				
	Standard & Poor's		Fitch Ratings	
	Rating	Date	Rating	Date
Certificates of Participation (COPs)	AA-	September-2022	AA	September-2022
General Obligation Bonds	AA	September-2022	AAA	September-2022
Pledged Revenue Obligations	AA+	September-2022	AA+	September-2022
Transportation Revenue Bonds	AA	September-2022	AA	September-2022
Sewer System Revenue Obligations	AA	September-2022	AA	September-2022

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

The State of Arizona Constitution limits the amount of general obligation debt a governmental entity may issue to 6.0% of its net assessed valuation without voter approval. However, Pima County has voter approval for general obligation debt up to 15.0%. The County's outstanding general obligation bonds amount of \$93,746 at the end of the current fiscal year is significantly below the current debt limitation of \$1,625,451.

Additional information regarding the County's debt can be found in Note 7 of the financial statements, Long-term Liabilities, on pages **65-73**.

Economic Factors and Next Year's Budget

The current fiscal year 2022-23 budget is based largely on the County's response to a set of unique challenges from a variety of outside sources. Primary among these is the decision by the Arizona Legislature to balance the State Budget by continuing to transfer \$106.4 million of fiscal year 2022-23 state costs to Pima County. These additional costs imposed by the state continue to cause significant uncertainties in the development of the County budget and impact all of Pima County's existing service priorities and programs, including law enforcement, healthcare and economic development. Recognizing this, the budget that was adopted by the Board of Supervisors for fiscal year 2022-23 is primarily a "maintenance of effort" budget, which will sustain the County's existing service priorities. The following discussion identifies other significant activities that are expected to impact the County in fiscal year 2022-23.

State Budget Cost Shifts

In attempts to balance the State Budget, the Governor and Legislature continue to transfer significant amounts of state costs to the 15 counties throughout the state. The total of these cost transfers to Pima County is \$106.4 million for fiscal year 2022-23, or nearly 27.1% of Pima County's primary property tax levy.

Property Taxes

The fiscal year 2022-23 Adopted Budget includes no change in the County's regular primary property tax rate for General Government Revenues, a \$0.1300 decrease in the County Debt Service secondary property tax rate, a \$0.0100 decrease in the Regional Flood Control District secondary property tax rate and a \$0.0100 increase in the County Library District secondary property tax rate from the fiscal year 2021-22 rates. The total property tax rate for Pima County (excluding the State mandated Fire District Assistance Tax) decreased from \$5.1952 to \$5.0652 per \$100 of net taxable value, a net decrease of \$0.1300.

State Shared Revenues

State shared sales tax revenue is projected to increase by \$22.0 million in fiscal year 2022-23 as taxable sales continue at a robust pace despite higher inflation. A very strong job market has allowed consumers to maintain the high level of spending that started during the COVID-19 pandemic.

Employee Benefits Costs

Over the years, Pima County has continued to change and upgrade its benefits package for employees. Over time, the cost to provide these benefits has steadily increased. As a comparison, the actual cost to the County for employee benefits in fiscal year 2003-04 totaled \$65 million whereas the budgeted benefit costs in fiscal year 2022-23 totals over \$159.8 million; resulting in an increase that is more than double the fiscal year 2003-04 amount. The most significant increases were in the County's health insurance premiums and the ASRS.

Employee Medical Insurance Benefits Costs

Prior to fiscal year 2013-14, Pima County purchased medical insurance for its employees from an independent provider. Over the five years prior to fiscal year 2013-14, the County's employee medical insurance premiums increased by an average of 15 to 20 percent yearly. In order to control the rate of increase of employee medical insurance costs, the County moved to a self-insured medical plan run by a third-party administrator starting in fiscal year 2013-14. Under this new model, year-to-year medical insurance costs have increased in the range of 5 to 7 percent annually. For fiscal year 2022-23 both employer and employee medical premium costs will increase 11.48% from fiscal year 2021-22 rates. It is anticipated that the rate of medical cost increases will continue the trend of being better controlled in future fiscal years.

Rainy Day Funds

Maintaining a budget reserve has given the County a favorable bond rating, which in turn has yielded substantial savings from lower interest payments on County debt. The reserve has also enabled the County to minimize the negative fiscal impacts of a variety of unforeseen events over which the County has had little or no control. The General Fund Reserve for fiscal year 2022-23 totals \$41.3 million. This reserve represents 6.2% of projected revenues for fiscal year 2022-23. The reserve is in the middle of the range of reserves recommended by the Government Finance Officers Association. If this reserve is not spent, it will represent the base ending fund balance for fiscal year 2022-23.

COVID-19

Our County budget realized significant fluctuations in fiscal year 2020-2021 and fiscal year 2021-2022 due to the COVID-19 Pandemic. This is partly due to the County's commitment as a regional public health and human services agency. Our budgeted expenditures for COVID-19 will continue in the fiscal year 2022-2023 budget, ensuring we respond to the County's critical need to make widely available the services required as we continue through and transition out of the Pandemic. The American Rescue Plan Act supports much of the funding for these expenditures. Because these are one-time funding sources, we expect future budgets to normalize as this funding is expended and we return to a new normal. The fiscal year 2022-2023 budget continues allocating funds to critical areas related to the Pandemic, including testing, contact tracing, vaccination, rental and housing assistance, and other actions as a regional public health and human services provider.

Requests for Information

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



2022

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2022

(in thousands)

	Primary Government			Component Unit SW Fair Commission
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 795,817	\$ 96,147	\$ 891,964	\$ 5,478
Property taxes receivable (net)	15,826		15,826	
Interest receivable	214	47	261	
Internal balances	66	(66)		
Due from other governments	114,649	3	114,652	
Accounts receivable (net)	6,248	21,043	27,291	6
Leases receivable	27,001		27,001	
Inventories	2,421	3,186	5,607	76
Prepays	11,497	587	12,084	12
Restricted assets:				
Cash and cash equivalents	45	96,884	96,929	
Loans receivable	9,421		9,421	
Net other postemployment benefits asset	18,399	1,053	19,452	
Capital assets not being depreciated/amortized:				
Land	583,573	16,471	600,044	
Construction in progress	87,833	70,286	158,119	
Capital assets being depreciated/amortized (net):				
Buildings and improvements	610,940	458,714	1,069,654	4,360
Sewage conveyance system		606,078	606,078	
Equipment	87,373	74,160	161,533	279
Infrastructure	596,859		596,859	
Intangibles	14,437	8,168	22,605	
Total assets	2,982,619	1,452,761	4,435,380	10,211
Deferred outflows of resources				
Pension and other postemployment benefits	370,780	7,300	378,080	
Deferred charge on debt refunding	1,163	3,127	4,290	
Asset retirement obligations		4,308	4,308	
Total deferred outflows of resources	371,943	14,735	386,678	
Liabilities				
Accounts payable	108,264	17,688	125,952	469
Interest payable	1		1	
Contract retentions	6,725		6,725	
Employee compensation	17,534	1,191	18,725	
Due to other governments	139	5	144	
Deposits and rebates	624	725	1,349	46
Unearned revenue	212,498	445	212,943	72
Noncurrent liabilities:				
Due within one year	122,773	76,751	199,524	6
Due in more than one year	1,262,455	397,879	1,660,334	161
Total liabilities	1,731,013	494,684	2,225,697	754
Deferred inflows of resources				
Pension and other postemployment benefits	153,310	10,946	164,256	
Leases	25,694		25,694	
Total deferred inflows of resources	179,004	10,946	189,950	
Net Position				
Net investment in capital assets	1,633,005	826,451	2,459,456	4,472
Restricted for:				
Facilities, justice, library, community development, and tax stabilization	119,378		119,378	
Highways and streets	13,727		13,727	
Debt service		32,398	32,398	
Capital projects	28,642	10,528	39,170	
Regional wastewater		21,728	21,728	
Healthcare	13,276		13,276	
Unrestricted (deficit)	(363,483)	70,761	(292,722)	4,985
Total net position	\$ 1,444,545	\$ 961,866	\$ 2,406,411	\$ 9,457

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Activities
For the Year Ended June 30, 2022
(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 343,493	\$ 32,414	\$ 75,524	\$ 5,015
Public safety	204,946	14,171	6,534	6,735
Highways and streets	198,621	13,006	74,699	43,955
Sanitation	4,453		1,439	
Health	60,822	16,097	27,039	116
Welfare	100,505	51	316	
Culture and recreation	69,944	3,721	882	739
Education and economic opportunity	65,797	565	47,577	46
Interest and amortization on long-term debt	14,876			
Total governmental activities	1,063,457	80,025	234,010	56,606
Business-type activities:				
Regional Wastewater Reclamation	153,613	181,732		14,661
Development Services	6,443	14,010		
Parking Garages	2,619	2,321		
Total business-type activities	162,675	198,063		14,661
Total primary government	\$ 1,226,132	\$ 278,088	\$ 234,010	\$ 71,267
Component unit:				
Southwestern Fair Commission	7,588	9,015	1,874	
Total component unit	\$ 7,588	\$ 9,015	\$ 1,874	
General revenues:				
Property taxes, levied for general purposes				
Property taxes, levied for regional flood control district				
Property taxes, levied for library district				
Property taxes, levied for debt service				
Property taxes, levied for improvement and other districts				
Hotel/motel taxes, levied for sports facility and tourism				
Other taxes, levied for stadium district				
Unrestricted share of state sales tax				
Unrestricted share of state vehicle license tax				
Grants and contributions not restricted to specific programs				
Interest and penalties on delinquent taxes				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

See accompanying notes to financial statements

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

Primary Government			Component Unit SW Fair Commission
Governmental Activities	Business-type Activities	Total	
\$ (230,540)		\$ (230,540)	
(177,506)		(177,506)	
(66,961)		(66,961)	
(3,014)		(3,014)	
(17,570)		(17,570)	
(100,138)		(100,138)	
(64,602)		(64,602)	
(17,609)		(17,609)	
(14,876)		(14,876)	
<u>(692,816)</u>		<u>(692,816)</u>	
	\$ 42,780	42,780	
	7,567	7,567	
	(298)	(298)	
	<u>50,049</u>	<u>50,049</u>	
<u>(692,816)</u>	<u>50,049</u>	<u>(642,767)</u>	
			\$ 3,301
			<u>\$ 3,301</u>
375,519		375,519	
29,426		29,426	
51,862		51,862	
43,511		43,511	
301		301	
8,876		8,876	
1,162		1,162	
171,839		171,839	
33,485		33,485	
7,289		7,289	
5,247		5,247	
(665)	(530)	(1,195)	15
38,421	671	39,092	148
1,453	(1,453)		
<u>767,726</u>	<u>(1,312)</u>	<u>766,414</u>	<u>163</u>
74,910	48,737	123,647	3,464
1,369,635	913,129	2,282,764	5,993
<u>\$ 1,444,545</u>	<u>\$ 961,866</u>	<u>\$ 2,406,411</u>	<u>\$ 9,457</u>

Functions/Programs

Primary government:

Governmental activities:

- General government
- Public safety
- Highways and streets
- Sanitation
- Health
- Welfare
- Culture and recreation
- Education and economic opportunity
- Amortization - unallocated

Total governmental activities

Business-type activities:

- Regional Wastewater Reclamation
- Development Services
- Parking Garages

Total business-type activities

Total primary government

Component unit:

- Southwestern Fair Commission

Total component unit

General revenues:

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

Transfers

- Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Balance Sheet - Governmental Funds
June 30, 2022
(in thousands)

Exhibit A - 3

	General	Capital Projects	Debt Service	Grants	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 210,728	\$ 101,460	\$ 1,346	\$ 171,461	\$ 168,638	\$ 653,633
Property taxes receivable (net)	11,824		1,431		2,571	15,826
Interest receivable	72	16	19	42	53	202
Due from other funds	2,836	2,332		189	2,843	8,200
Due from other governments	31,939	8,066	11	65,272	9,348	114,636
Accounts receivable	3,713	41		524	1,772	6,050
Interfund receivable	700					700
Leases receivable	15,706				11,295	27,001
Inventory					1,453	1,453
Prepaid expenditures	2,292			243	1,164	3,699
Loan receivable	8,018				1,403	9,421
Restricted cash and cash equivalents					45	45
Total assets	\$ 287,828	\$ 111,915	\$ 2,807	\$ 237,731	\$ 200,585	\$ 840,866
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$ 22,478	\$ 14,190	\$ 4	\$ 17,407	\$ 48,131	\$ 102,210
Interest payable					1	1
Contract retentions		2,750			3,860	6,610
Employee compensation	13,447			797	2,897	17,141
Due to other funds	1,740	1,029		3,524	1,820	8,113
Due to other governments	3	3		3	130	139
Deposits and rebates	620				4	624
Interfund payable					700	700
Unearned revenue	287			210,423	1,616	212,326
Total liabilities	38,575	17,972	4	232,154	59,159	347,864
Deferred inflows of resources						
Unavailable revenue - intergovernmental	12,523	819		30,053	3,250	46,645
Unavailable revenue - property taxes	10,392		1,265		2,254	13,911
Unavailable revenue - other	9,222			338	378	9,938
Deferred inflows related to leases	14,907				10,787	25,694
Total deferred inflows of resources	47,044	819	1,265	30,391	16,669	96,188
Total liabilities and deferred inflows of resources	85,619	18,791	1,269	262,545	75,828	444,052
Fund balances						
Nonspendable	2,292			243	2,662	5,197
Restricted		49,051			98,730	147,781
Committed	25,000				17,826	42,826
Assigned	160	44,073	1,538		11,758	57,529
Unassigned	174,757			(25,057)	(6,219)	143,481
Total fund balances	202,209	93,124	1,538	(24,814)	124,757	396,814
Total liabilities, deferred inflows of resources and fund balances	\$ 287,828	\$ 111,915	\$ 2,807	\$ 237,731	\$ 200,585	\$ 840,866

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2022
(in thousands)

Exhibit A - 4

Fund balances - total governmental funds \$ 396,814

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

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

Governmental capital assets	\$ 3,393,061	
Less accumulated depreciation/amortization	<u>(1,469,446)</u>	1,923,615

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

Bonds payable	(169,692)	
Certificates of participation payable	(196,338)	
Financed purchases	(384)	
Leases payable	(2,757)	
Pledged revenue obligations	(296,000)	
Pollution remediation	(86)	
Landfill closure liability	(10,375)	
Net pension/OPEB liability	(618,683)	
Compensated absences liability	<u>(42,309)</u>	(1,336,624)

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

Net OPEB asset		18,038
----------------	--	--------

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

Deferred outflows of resources related to pensions/OPEB	368,278	
Deferred inflows of resources related to pensions/OPEB	(149,559)	
Deferred outflows for bond refunding	<u>1,163</u>	219,882

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

Intergovernmental	46,645	
Property taxes	13,911	
Other	<u>9,938</u>	70,494

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

		<u>152,326</u>
Net position of governmental activities	<u>\$</u>	<u>1,444,545</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 5

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022
 (in thousands)

	General	Capital Projects	Debt Service	Grants	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 378,098		\$ 43,354		\$ 80,918	\$ 502,370
Licenses and permits	3,911				6,030	9,941
Intergovernmental	221,644	\$ 27,881	15	\$ 128,248	103,784	481,572
Charges for services	43,226	12,142			20,864	76,232
Fines and forfeits	2,572				4,963	7,535
Investment earnings	842	(381)	130	408	623	1,622
Miscellaneous	16,098	4,939		13,210	10,517	44,764
Total revenues	666,391	44,581	43,499	141,866	227,699	1,124,036
Expenditures:						
Current:						
General government	252,757			53,237	31,576	337,570
Public safety	409,505			4,966	20,867	435,338
Highways and streets					130,298	130,298
Sanitation	1,274				1,140	2,414
Health	16,022			24,727	22,445	63,194
Welfare	100,188			362		100,550
Culture and recreation	19,102			237	52,908	72,247
Education and economic opportunity	14,919			45,638	5,997	66,554
Capital outlay		108,296				108,296
Debt Service - principal	544		89,575		335	90,454
- interest	79		18,628		60	18,767
- miscellaneous			247			247
Total expenditures	814,390	108,296	108,450	129,167	265,626	1,425,929
Excess (deficiency) of revenues over (under) expenditures	(147,999)	(63,715)	(64,951)	12,699	(37,927)	(301,893)
Other financing sources (uses):						
Face amount of long-term debt issued		50,000				50,000
Lease agreements	2,331				1,120	3,451
Proceeds from sale of capital assets	1				469	470
Transfers in	4,630	72,963	62,023	2,791	84,880	227,287
Transfers (out)	(90,606)	(54,739)		(12,735)	(68,595)	(226,675)
Total other financing sources (uses)	(83,644)	68,224	62,023	(9,944)	17,874	54,533
Net change in fund balances	(231,643)	4,509	(2,928)	2,755	(20,053)	(247,360)
Fund balances at beginning of year	433,852	88,615	4,466	(27,569)	144,812	644,176
Changes in nonspendable resources:						
Change in prepaids					(2)	(2)
Fund balances at end of year	\$ 202,209	\$ 93,124	\$ 1,538	\$ (24,814)	\$ 124,757	\$ 396,814

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022
(in thousands)

Exhibit A - 6

Net change in fund balances - total governmental funds \$ (247,360)

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

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

Expenditures for capital assets	\$ 74,688	
Less current year depreciation/amortization	<u>(85,280)</u>	(10,592)

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

Face amount of long-term debt issued	(50,000)	
Lease agreements	(3,451)	
Debt service - principal payments	90,454	
Amortization of premiums/discounts	5,254	
Amortization of deferred charge on refunding	<u>(1,116)</u>	41,141

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

Donations of capital assets	19,069	
Intergovernmental	2,304	
Property tax revenues	3,496	
Other	<u>1,127</u>	25,996

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

Change in compensated absences	5,429	
Change in landfill liability	(225)	
Change in pollution remediation liability	26	
Net book value of capital asset disposals	(3,409)	
Other change in reserve for prepaids, School Reserve	<u>(2)</u>	1,819

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

Pension/OPEB contributions	309,092	
Pension/OPEB expense	<u>(48,928)</u>	260,164

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

		<u>3,742</u>
Change in net position of governmental activities	\$	<u><u>74,910</u></u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Net Position - Proprietary Funds
June 30, 2022
(in thousands)

Exhibit A - 7

	Business-type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Assets				
Current assets:				
Cash and cash equivalents	\$ 72,907	\$ 23,240	\$ 96,147	\$ 142,184
Restricted cash and cash equivalents	50,227		50,227	
Interest receivable	41	6	47	12
Due from other funds	7		7	
Due from other governments	1	2	3	13
Accounts receivable	20,942	101	21,043	198
Inventory	3,186		3,186	968
Prepaid expense	549	38	587	7,798
Total current assets	<u>147,860</u>	<u>23,387</u>	<u>171,247</u>	<u>151,173</u>
Noncurrent assets:				
Restricted cash and cash equivalents	46,657		46,657	
Net other postemployment benefits asset	904	149	1,053	361
Capital assets:				
Land	14,703	1,768	16,471	459
Buildings and improvements	755,422	27,608	783,030	23,330
Sewage conveyance system	1,007,847		1,007,847	
Equipment	180,150	2,199	182,349	82,068
Intangibles	19,072		19,072	982
Less accumulated depreciation/amortization	(830,098)	(15,080)	(845,178)	(52,538)
Construction in progress	70,286		70,286	3,099
Total capital assets (net)	<u>1,217,382</u>	<u>16,495</u>	<u>1,233,877</u>	<u>57,400</u>
Total noncurrent assets	<u>1,264,943</u>	<u>16,644</u>	<u>1,281,587</u>	<u>57,761</u>
Total assets	<u>1,412,803</u>	<u>40,031</u>	<u>1,452,834</u>	<u>208,934</u>
Deferred outflows of resources				
Pension/OPEB	6,268	1,032	7,300	2,502
Deferred charge on refunding	3,127		3,127	
Asset retirement obligations	4,308		4,308	
Total deferred outflows of resources	<u>13,703</u>	<u>1,032</u>	<u>14,735</u>	<u>2,502</u>
Liabilities				
Current liabilities:				
Accounts payable	17,373	315	17,688	6,054
Contracts retention				115
Employee compensation	1,021	170	1,191	393
Due to other funds	73		73	21
Due to other governments	5		5	
Deposits and rebates		725	725	
Unearned revenue	442	3	445	172
Compensated absences payable	1,834	305	2,139	702
Sewer revenue obligations payable	74,612		74,612	
Reported but unpaid losses				4,598
Incurred but not reported losses				7,587
Total current liabilities	<u>95,360</u>	<u>1,518</u>	<u>96,878</u>	<u>19,642</u>
Noncurrent liabilities:				
Compensated absences payable	1,340	341	1,681	242
Contracts and notes payable	2,883		2,883	
Sewer revenue obligations payable	358,698		358,698	
Reported but unpaid losses				14,394
Incurred but not reported losses				11,396
Net pension/OPEB liability	24,271	3,993	28,264	9,685
Asset retirement obligations	6,353		6,353	
Total noncurrent liabilities	<u>393,545</u>	<u>4,334</u>	<u>397,879</u>	<u>35,717</u>
Total liabilities	<u>488,905</u>	<u>5,852</u>	<u>494,757</u>	<u>55,359</u>
Deferred inflows of resources				
Pension/OPEB	9,400	1,546	10,946	3,751
Total deferred inflows of resources	<u>9,400</u>	<u>1,546</u>	<u>10,946</u>	<u>3,751</u>
Net position				
Net investment in capital assets	809,956	16,495	826,451	57,400
Restricted for:				
Debt service	32,398		32,398	
Capital projects	10,528		10,528	
Healthcare				13,033
Regional wastewater reclamation	21,728		21,728	
Unrestricted	53,591	17,170	70,761	81,893
Total net position	<u>\$ 928,201</u>	<u>\$ 33,665</u>	<u>\$ 961,866</u>	<u>\$ 152,326</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 8

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2022
 (in thousands)

	Business-type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 164,808	\$ 16,331	\$ 181,139	\$ 138,000
Other	2,047	27	2,074	5,948
Total operating revenues	<u>166,855</u>	<u>16,358</u>	<u>183,213</u>	<u>143,948</u>
Operating expenses:				
Employee compensation	27,384	4,731	32,115	10,997
Operating supplies and services	8,683	97	8,780	11,382
Utilities	7,689		7,689	
Sludge and refuse disposal	2,093		2,093	
Repair and maintenance	8,123	162	8,285	5,074
Incurred losses				74,148
Insurance premiums				12,425
General and administrative	14,979	2,888	17,867	5,826
Consultants and professional services	14,046	376	14,422	9,176
Depreciation/amortization	57,897	808	58,705	9,542
Total operating expenses	<u>140,894</u>	<u>9,062</u>	<u>149,956</u>	<u>138,570</u>
Operating income	<u>25,961</u>	<u>7,296</u>	<u>33,257</u>	<u>5,378</u>
Nonoperating revenues (expenses):				
Intergovernmental revenue	88		88	
Investment earnings	(513)	(17)	(530)	(2,287)
Sewer connection fees	15,521		15,521	
Interest expense	(11,676)		(11,676)	
Debt issuance cost	(240)		(240)	
Loss on disposal of capital assets	(790)		(790)	(200)
Loss on debt defeasance	(13)		(13)	
Total nonoperating revenues (expenses)	<u>2,377</u>	<u>(17)</u>	<u>2,360</u>	<u>(2,487)</u>
Income before contributions and transfers	28,338	7,279	35,617	2,891
Capital contributions	14,573		14,573	10
Transfers in				1,360
Transfers (out)	(819)	(634)	(1,453)	(519)
Change in net position	42,092	6,645	48,737	3,742
Net position at beginning of year	<u>886,109</u>	<u>27,020</u>	<u>913,129</u>	<u>148,584</u>
Net position at end of year	<u>\$ 928,201</u>	<u>\$ 33,665</u>	<u>\$ 961,866</u>	<u>\$ 152,326</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit A - 9

	Business-Type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Cash received from other funds for goods and services provided				\$ 138,000
Cash received from customers for goods and services provided	\$ 164,286	\$ 16,614	\$ 180,900	
Cash received from miscellaneous operations	644		644	6,082
Cash payments to suppliers for goods and services	(39,720)	(1,934)	(41,654)	(37,769)
Cash payments to other funds for goods and services	(15,605)	(1,637)	(17,242)	(4,838)
Cash payments for incurred losses				(73,492)
Cash payments to employees for services	(29,594)	(4,968)	(34,562)	(12,223)
Net cash provided by operating activities	<u>80,011</u>	<u>8,075</u>	<u>88,086</u>	<u>15,760</u>
Cash flows from noncapital financing activities:				
Cash transfers in from other funds				1,360
Cash transfers out to other funds	(819)	(634)	(1,453)	(519)
Loans with other funds	66		66	1,739
Net cash provided by (used for) noncapital financing activities	<u>(753)</u>	<u>(634)</u>	<u>(1,387)</u>	<u>2,580</u>
Cash flows from capital and related financing activities:				
Intergovernmental revenues	88		88	
Principal paid on sewer revenue obligations and loans	(68,700)		(68,700)	
Interest paid on sewer revenue obligations and loans	(20,790)		(20,790)	
Proceeds from issuance of sewer revenue obligations, including premium	44,760		44,760	
Sewer connection fees	15,501		15,501	
Proceeds from sale of capital assets	16		16	182
Purchase and construction of capital assets	(50,758)	11	(50,747)	(6,718)
Net cash provided by (used for) capital and related financing activities	<u>(79,883)</u>	<u>11</u>	<u>(79,872)</u>	<u>(6,536)</u>
Cash flows from investing activities:				
Interest received on cash and investments	(516)	(18)	(534)	(2,292)
Net cash used for investing activities	<u>(516)</u>	<u>(18)</u>	<u>(534)</u>	<u>(2,292)</u>
Net increase (decrease) in cash and cash equivalents	(1,141)	7,434	6,293	9,512
Cash and cash equivalents at beginning of year	<u>170,932</u>	<u>15,806</u>	<u>186,738</u>	<u>132,672</u>
Cash and cash equivalents at end of year	<u>\$ 169,791</u>	<u>\$ 23,240</u>	<u>\$ 193,031</u>	<u>\$ 142,184</u>

(continued)

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit A - 9.1

(continued)

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 25,961	\$ 7,296	\$ 33,257	\$ 5,378
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	57,897	808	58,705	9,542
Changes in assets and deferred outflows of resources:				
Decrease (increase) in assets:				
Accounts receivable	(1,928)	5	(1,923)	(57)
Due from other governments	3	30	33	25
Inventory and other assets	(26)		(26)	10
Prepaid expense	16	(8)	8	2,033
Net OPEB asset	(764)	(126)	(890)	(304)
Decrease (increase) in deferred outflows of resources:				
Pension/OPEB plans	183	15	198	94
Asset retirement obligations	(33)		(33)	
Changes in liabilities and deferred inflows of resources:				
Increase (decrease) in liabilities:				
Accounts payable	74	(40)	34	(767)
Due to other governments	2		2	
Reported but unpaid losses				1,809
Incurred but not reported losses				(1,153)
Net Pension/OPEB liability	(9,976)	(1,565)	(11,541)	(4,092)
Asset retirement obligations	255		255	
Other liabilities	(243)	245	2	(182)
Increase in deferred inflows of resources:				
Pension/OPEB plans	8,590	1,415	10,005	3,424
Net cash provided by operating activities	<u>\$ 80,011</u>	<u>\$ 8,075</u>	<u>\$ 88,086</u>	<u>\$ 15,760</u>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2022:

Regional Wastewater Reclamation Enterprise Fund received developer-built conveyance systems with an estimated fair value of \$14,569. These contributions were recorded as an increase in capital assets and capital contributions.

Regional Wastewater Reclamation Enterprise Fund retired expired sewer credit agreements totaling \$4.

Regional Wastewater Reclamation Enterprise Fund disposed of capital assets with a net book value of \$806.

Internal Service Funds disposed of capital assets with a net book value of \$109.

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2022
(in thousands)

Exhibit A - 10

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
Assets			
Cash and cash equivalents	\$ 4,778	\$ 327,871	\$ 67,889
Property tax receivable			39,687
Interest receivable		107	
Due from other governments			1,155
Total assets	4,778	327,978	108,731
Net position			
Restricted for:			
Pool participants		327,978	
Individuals, organizations, and other governments	4,778		108,731
Total net position	\$ 4,778	\$ 327,978	\$ 108,731

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit A - 11

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
Additions:			
Contributions from pool participants		\$ 2,199,716	
Contributions from other governments			\$ 71,116
Property tax collections for other governments			1,316,263
Fines and fees collected for other governments			8,403
Investment earnings		1,249	146
Inmate collections			2,309
Other	\$ 8,381		31,173
Total additions	8,381	2,200,965	1,429,410
Deductions:			
Distributions to pool participants		2,122,829	
Distributions to other governments			99,074
Property tax distributions to other governments			1,304,124
Interest expense			525
Fines and fees distributions to other governments			8,586
Payments to inmates			2,424
Other	8,655		30,618
Total deductions	8,655	2,122,829	1,445,351
Net increase (decrease) in fiduciary net position	(274)	78,136	(15,941)
Net position, July 1, 2021	5,052	249,842	124,672
Net position, June 30, 2022	\$ 4,778	\$ 327,978	\$ 108,731

See accompanying notes to financial statements

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PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies

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

For the year ended June 30, 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

A. Reporting Entity

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

Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the County. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended and discretely presented component unit discussed below has a June 30 year-end.

The following describes the County's component units:

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

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

Related Organization

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

B. Basis of Presentation

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

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

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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

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

D. Cash and Investments

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

E. Inventories and Prepays

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

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

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

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

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

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

F. Property Tax Calendar

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

G. Capital Assets

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

Discretely presented component unit:

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

H. Deferred Outflows and Inflows of Resources

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

I. Postemployment benefits

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

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.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

K. Investment Earnings

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

L. Compensated Absences

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

Employees are allowed to accumulate up to 240 hours of annual leave depending upon years of service. Due to a temporary Board of Supervisor Policy regarding COVID-19, employees who were deemed essential are authorized to carry over additional annual leave hours, if needed. These essential employees are expected to reduce their annual leave balance to 240 hours no later than their anniversary date in 2022. Any excess of 240 hours that remain on their anniversary date in 2022 will automatically be converted to sick leave. Upon termination of employment, all unused annual leave benefits are paid to employees. Any essential employees who terminate before their anniversary date within fiscal year 2022, with an excess of 240 hours of annual leave, will be paid out their full balance. Accordingly, annual leave benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

M. Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$100,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the County's current borrowing rate.

As lessor, the County recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 2: Fund Balance Classifications of the Governmental Funds

The table below details the fund balance categories and classifications:

Fund Balance:	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Grants</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable:						
Inventory					\$ 1,453	\$ 1,453
Prepaid expenditures	\$ 2,292			\$ 243	1,164	3,699
Permanent fund principal					45	45
Total nonspendable	<u>2,292</u>			<u>243</u>	<u>2,662</u>	<u>5,197</u>
Restricted for:						
Community and economic development					799	799
Flood Control District		\$ 3,897			13,051	16,948
Health					2,516	2,516
Judicial activities					23,294	23,294
Law enforcement					10,311	10,311
Library District		7,333			29,910	37,243
Parks and recreation					612	612
Pima animal care		22			1,840	1,862
Sanitation					2,457	2,457
School reserve					327	327
Streets and highways		37,799			11,718	49,517
Other purposes					1,895	1,895
Total restricted		<u>49,051</u>			<u>98,730</u>	<u>147,781</u>
Committed to:						
Law enforcement	25,000					25,000
Municipal facilities					15,000	15,000
Parks and recreation					2,706	2,706
School reserve					120	120
Total committed	<u>25,000</u>				<u>17,826</u>	<u>42,826</u>
Assigned to:						
Community and economic development		164			3,353	3,517
Debt service reserve			\$ 1,538			1,538
Health					2,680	2,680
Judicial activities					255	255
Law enforcement	157	1,137				1,294
Municipal facilities		27,624				27,624
Parks and recreation	3	6,261			2,606	8,870
Sanitation		2,952				2,952
School reserve					159	159
Sports promotion (Stadium)		1,043			1,577	2,620
Streets and highways		3,425				3,425
Other purposes		1,467			1,128	2,595
Total assigned	<u>160</u>	<u>44,073</u>	<u>1,538</u>		<u>11,758</u>	<u>57,529</u>
Unassigned:	<u>174,757</u>			<u>(25,057)</u>	<u>(6,219)</u>	<u>143,481</u>
Total Fund Balance	<u>\$ 202,209</u>	<u>\$ 93,124</u>	<u>\$ 1,538</u>	<u>\$ (24,814)</u>	<u>\$ 124,757</u>	<u>\$ 396,814</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 3: Cash and Investments

Primary Government

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

Credit risk—The State statutes have the following requirements for credit risk:

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

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

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

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

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

Deposits— At June 30, 2022, the carrying amount of the County's deposits was \$388,106, and the bank balance was \$339,196.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 3: Cash and Investments (continued)

Custodial credit risk—Custodial credit risk is the risk that the County will not be able to recover its deposits if a financial institution fails. The County does not have a formal policy with respect to custodial credit risk. As of June 30, 2022, \$208 of the County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments— At June 30, 2022, the County’s investments consisted of \$520,266 invested in marketable securities and \$481,020 invested in the State Treasurer’s Investment Pool. The State Board of Investment provides oversight for the State Treasurer’s pools.

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

At June 30, 2022, credit risk for the County’s investments was as follows:

Investment Type	Fair Value	Standard & Poor’s/Moody’s Rating				
		Not Rated	AAA/Aaa	AA/Aa	A/A	Bbb
Certificates of Deposit*	\$ 23,043	\$ 23,043				
Corporate bonds	26,267			\$ 6,214	\$ 14,993	\$ 5,060
Federal agency securities	147,897			147,897		
Municipal bonds	2,909	2,909				
Money market mutual fund	310,238		\$ 310,238			
State Treasurer’s Pool 5	296,312		296,312			
State Treasurer’s Pool 500	156,244	156,244				
State Treasurer’s Pool 7	28,464	28,464				
Total	\$ 991,374	\$ 210,660	\$ 606,550	\$ 154,111	\$ 14,993	\$ 5,060

**Although the certificates of deposit are unrated by Moody’s Investor Service or Standard & Poor’s, \$23,043 is covered by federal deposit insurance and would be returned to the County in the situation of default by the issuer.*

Custodial credit risk—For an investment, custodial risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy with respect to custodial credit risk. Of the County’s \$1,001,286 of investments, \$186,985 consisting of the corporate bonds, municipal bonds, U. S. Treasury Notes, Federal Farm Credit Bank, Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation, is uninsured and held by a counterparty in the County’s name in book entry form.

Concentration of credit risk— The County has no formal policy with respect to limiting the amount the Treasurer may invest in any one issuer. The County had investments at June 30, 2022, of 5% or more in Federal Home Loan Bank. These investments were 10%, respectively, of the County’s total investments.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 3: Cash and Investments (continued)

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

As of June 30, 2022, the County had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity (Years)</u>
State Treasurer Investment Pool 5	\$ 296,312	0.12
State Treasurer Investment Pool 500	156,244	1.79
State Treasurer Investment Pool 7	28,464	0.08
Certificates of Deposit	23,043	2.22
Corporate bonds	26,267	1.15
Municipal bonds	2,909	1.94
Federal Farm Credit Bank	25,212	2.52
Federal Home Loan Bank	102,333	3.12
Federal Home Loan Mortgage Corporation	20,352	2.19
U.S. Treasury Notes	9,912	1.53
Money market mutual fund	310,238	0.06
	<u>\$ 1,001,286</u>	

Fair Value Measurement—The County’s investments at June 30, 2022, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<u>Investment by fair value level</u>	<u>Amount</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Corporate bonds	\$ 26,267	\$ 21,223	\$ 5,044
Municipal bonds	2,909		2,909
Federal Farm Credit Bank	25,212		25,212
Federal Home Loan Bank	102,333		102,333
Federal Home Loan Mortgage Corporation	20,352		20,352
U.S. Treasury Notes	9,912	9,912	
Money market mutual fund	310,238	310,238	
Certificates of Deposit	23,043		23,043
Total investments by fair value level	<u>\$ 520,266</u>	<u>\$ 341,373</u>	<u>\$ 178,893</u>

The investments categorized as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments categorized as Level 2 of the fair value hierarchy are valued using prices quoted for similar investments in markets that are active or not active.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 3: Cash and Investments (continued)

The County also had investments of \$481,020 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

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

	Cash on Hand	Amounts of Deposits	Amounts of Investments	Total
Cash, deposits and investments:	\$ 39	\$ 388,106	\$ 1,001,286	\$ 1,389,431

	Governmental Activities	Business- type Activities	Private- Purpose Trust Funds	Custodial funds		Total
				External Investment Pool	Other	
Statement of net position:						
Cash and cash equivalents	\$ 795,817	\$ 96,147	\$ 4,778	\$ 327,871	\$ 67,889	\$ 1,292,502
Restricted cash and cash equivalents	45	96,884				96,929
Total	\$ 795,862	\$ 193,031	\$ 4,778	\$ 327,871	\$ 67,889	\$ 1,389,431

County Treasurer's Investment Pool—Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The County Treasurer has a fiduciary responsibility to administer those and the County monies under her stewardship. The County Treasurer invests, on a pool basis, all monies not specifically invested for a fund or program. In addition, the County Treasurer determines the fair value of those pooled investments annually at June 30. The County Treasurer's Investment Pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The structure of the Pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The County Treasurer allocates interest earnings to each of the Pool's participants. Substantially, all deposits and investments of the County's primary government are included in the County Treasurer's investment pool. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks disclosed above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 3: Cash and Investments (continued)

The Pool's assets consist of the following:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 10,000	2.25%	12/23	\$ 9,912
Corporate bonds	26,000	2.15-3.70%	08/22-02/25	26,267
Municipal bonds	2,800	2.66%	07/22-01/26	2,909
Federal Farm Credit Bank	25,300	2.63-3.09%	06/24-10/25	25,212
Federal Home Loan Bank	106,470	0.92-2.80%	06/24-12/26	102,333
Federal Home Loan Mortgage Corporation	20,360	3.00-3.03%	06/24-09/24	20,352
Certificates of Deposit	23,260	0.80-3.35%	11/22-06/27	23,043
Money Market	283,582	VARIABLE	N/A	283,582
State Treasurer Investment Pool 5	244,468	N/A	N/A	244,468
Deposits	350,271	N/A	N/A	350,623
Interest receivable	107	N/A	N/A	107
Total assets				<u>\$ 1,088,808</u>

Statement of Fiduciary Net Position

Assets held for:	
Internal participants	\$ 760,830
External participants	<u>327,978</u>
Total assets	<u>1,088,808</u>
Total net position	<u>\$ 1,088,808</u>

Statement of Changes in Fiduciary Net Position

Total additions	\$ 6,267,239
Total deductions	<u>(6,293,159)</u>
Net decrease	(25,920)
Net position:	
July 1, 2021	<u>1,114,728</u>
June 30, 2022	<u>\$ 1,088,808</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 4: Due from Other Governments

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Governmental Activities</u>
Federal government:							
Grants and contributions	\$ 31			\$ 37,784	\$ 222		\$ 38,037
State of Arizona:							
Taxes and shared revenues	29,407				8,816		38,223
Grants and contributions				24,924	68		24,992
Cities:							
Reimbursement for services	2,404	\$ 6,996	\$ 11	110	238	\$ 5	9,764
Other governments:							
Reimbursement for services	97	1,070		2,454	4	8	3,633
Total due from other governments fund based statements	<u>\$ 31,939</u>	<u>\$ 8,066</u>	<u>\$ 11</u>	<u>\$ 65,272</u>	<u>\$ 9,348</u>	<u>\$ 13</u>	<u>\$ 114,649</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 569,021	\$ 14,563	\$ (11)	\$ 583,573
Construction in progress	61,106	82,703	(55,976)	87,833
Total capital assets not being depreciated/amortized	<u>630,127</u>	<u>97,266</u>	<u>(55,987)</u>	<u>671,406</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	1,008,125	25,256	(393)	1,032,988
Equipment	221,436	14,260	(8,085)	227,611
Infrastructure	1,531,273	16,270	(10,629)	1,536,914
Intangibles:				
Equipment-Software	30,625		(71)	30,554
Right-to-use lease assets:				
Buildings and other improvements		3,526		3,526
Total capital assets being depreciated/amortized	<u>2,791,459</u>	<u>59,312</u>	<u>(19,178)</u>	<u>2,831,593</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(390,650)	(31,785)	387	(422,048)
Equipment	(130,101)	(17,796)	7,659	(140,238)
Infrastructure	(904,545)	(42,789)	7,279	(940,055)
Intangibles:				
Equipment-Software	(17,262)	(1,593)	71	(18,784)
Right-to-use lease assets:				
Buildings and other improvements		(859)		(859)
Total accumulated depreciation/amortization	<u>(1,442,558)</u>	<u>(94,822)</u>	<u>15,396</u>	<u>(1,521,984)</u>
Total capital assets being depreciated/amortized, net	<u>1,348,901</u>	<u>(35,510)</u>	<u>(3,782)</u>	<u>1,309,609</u>
Governmental activities capital assets, net	<u>\$ 1,979,028</u>	<u>\$ 61,756</u>	<u>\$ (59,769)</u>	<u>\$ 1,981,015</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 5: Capital Assets (continued)

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 16,471			\$ 16,471
Construction in progress	41,661	\$ 52,055	\$ (23,430)	70,286
Total capital assets not being depreciated/amortized	<u>58,132</u>	<u>52,055</u>	<u>(23,430)</u>	<u>86,757</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	781,635	1,395		783,030
Equipment	180,442	2,782	(875)	182,349
Intangibles:				
Equipment-Software	19,088		(16)	19,072
Sewage conveyance systems	975,581	34,632	(2,366)	1,007,847
Total capital assets being depreciated/amortized	<u>1,956,746</u>	<u>38,809</u>	<u>(3,257)</u>	<u>1,992,298</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(300,610)	(23,706)		(324,316)
Equipment	(95,444)	(13,508)	763	(108,189)
Intangibles:				
Equipment-Software	(9,317)	(1,602)	15	(10,904)
Sewage conveyance systems	(383,541)	(19,889)	1,661	(401,769)
Total accumulated depreciation/amortization	<u>(788,912)</u>	<u>(58,705)</u>	<u>2,439</u>	<u>(845,178)</u>
Total capital assets being depreciated/amortized, net	<u>1,167,834</u>	<u>(19,896)</u>	<u>(818)</u>	<u>1,147,120</u>
Business-type activities capital assets, net	<u>\$ 1,225,966</u>	<u>\$ 32,159</u>	<u>\$ (24,248)</u>	<u>\$ 1,233,877</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:

General government	\$ 20,203
Public safety	12,080
Highway and streets	40,236
Sanitation	418
Health	1,617
Welfare	36
Culture and recreation	9,673
Education and economic opportunity	1,017
Internal service funds	9,542
Total governmental activities depreciation/amortization expense	<u>\$ 94,822</u>

Business-type activities:

Development Services	\$ 1
Parking Garages	807
Regional Wastewater Reclamation Department	57,897
Total business-type activities depreciation/amortization expense	<u>\$ 58,705</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 5: Capital Assets (continued)

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>
Discretely presented component unit:				
Southwestern Fair Commission (SFC):				
Capital assets being depreciated:				
Buildings and improvements	\$ 10,900			\$ 10,900
Equipment	2,566	\$ 71	\$ (28)	2,609
Total capital assets being depreciated	<u>13,466</u>	<u>71</u>	<u>(28)</u>	<u>13,509</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,991)	(549)		(6,540)
Equipment	(2,283)	(75)	28	(2,330)
Total accumulated depreciation	<u>(8,274)</u>	<u>(624)</u>	<u>28</u>	<u>(8,870)</u>
Total capital assets being depreciated, net	<u>5,192</u>	<u>(553)</u>		<u>4,639</u>
SFC capital assets, net	<u>\$ 5,192</u>	<u>\$ (553)</u>		<u>\$ 4,639</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 6: Claims, Judgments and Risk Management

Self-Insurance Trust Fund (SIT Fund)

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

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

At June 30, 2022, claims liabilities for each insurable category are as follows:

Automobile liability	\$	1,881
General liability		14,500
Workers' compensation		14,086
Medical malpractice		8
Environmental liability		1,500
	<u>\$</u>	<u>31,975</u>

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

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2020-21	\$ 32,926	\$ 3,163	\$ (4,070)	\$ 32,019
2021-22	\$ 32,019	\$ 3,747	\$ (3,791)	\$ 31,975

Health Benefits Trust Fund (HBT Fund)

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

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

Claim liabilities are computed using a variety of actuarial methods and techniques including the exposure approach and completion factors. Accrued actuarial liabilities for the HBT Fund at June 30, 2022, for the HDHP plans are as follows:

High-Deductible Health Plan:	
Medical	\$ 4,320
Pharmacy	<u>1,680</u>
	<u>\$ 6,000</u>

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2020-21	\$ 5,100	\$ 64,650	\$ (64,450)	\$ 5,300
2021-22	\$ 5,300	\$ 70,401	\$ (69,701)	\$ 6,000

Litigation

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

Pollution Remediation

The County has estimated and reported an environmental liability of \$86 in the government-wide financial statements for governmental activities (in noncurrent liabilities) under the Arizona Water Quality Assurance Revolving Fund state statutes in Article 5, Chapter 2, of Title 49 and regulations in Chapter 16 of Title 18. Remediation efforts are currently underway at one County site: El Camino del Cerro.

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activities for the year ended June 30, 2022.

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Due within 1 year
Governmental activities:					
General obligation bonds	\$ 133,965		\$ 40,350	\$ 93,615	\$ 28,810
Bonds from direct placement	138		7	131	7
Unamortized premium/discount	4,088		1,873	2,215	1,094
Total general obligation funds	<u>138,191</u>		<u>42,230</u>	<u>95,961</u>	<u>29,911</u>
Transportation revenue bonds	83,665		13,465	70,200	9,025
Unamortized premium/discount	4,593		1,062	3,531	694
Total transportation revenue bonds	<u>88,258</u>		<u>14,527</u>	<u>73,731</u>	<u>9,719</u>
Certificates of participation	168,800	\$ 50,000	31,760	187,040	37,885
Unamortized premium/discount	11,617		2,319	9,298	1,706
Total certificates of participation	<u>180,417</u>	<u>50,000</u>	<u>34,079</u>	<u>196,338</u>	<u>39,591</u>
Pledged Revenue Obligations	300,000		4,000	296,000	6,000
Financed purchases	562		178	384	137
Leases payable		3,451	694	2,757	831
Net pension/OPEB liabilities (Note 10)	829,284		200,916	628,368	
Reported but unpaid losses (Note 6)	17,183	2,749	940	18,992	4,598
Incurred but not reported losses (Note 6)	20,136	686	1,839	18,983	7,587
Landfill closure and post-closure care costs (Note 8)	10,150	225		10,375	
Pollution remediation (Note 6)	112		26	86	
Compensated absences payable	48,946	16,305	21,998	43,253	24,399
Total long-term liabilities	<u>\$ 1,633,239</u>	<u>\$ 73,416</u>	<u>\$ 321,427</u>	<u>\$ 1,385,228</u>	<u>\$ 122,773</u>
Business-type activities:					
Sewer revenue obligations	\$ 389,420		\$ 65,715	\$ 323,705	\$ 57,750
Obligations from direct borrowing	33,845	\$ 45,000	2,985	75,860	7,815
Unamortized premium/discount	45,406		11,661	33,745	9,047
Total revenue obligations payable	<u>468,671</u>	<u>45,000</u>	<u>80,361</u>	<u>433,310</u>	<u>74,612</u>
Net pension/OPEB liabilities (Note 10)	39,805		11,541	28,264	
Contracts and notes	2,236	2,783	2,136	2,883	
Compensated absences payable	4,195	1,399	1,774	3,820	2,139
Asset retirement obligations	6,098	255		6,353	
Total long-term liabilities	<u>\$ 521,005</u>	<u>\$ 49,437</u>	<u>\$ 95,812</u>	<u>\$ 474,630</u>	<u>\$ 76,751</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

GENERAL OBLIGATION BONDS

Governmental Activities

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

General obligation bonds payable at June 30, 2022, consisted of the outstanding general obligation bonds presented below.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2022</u>
Series of 2012A	60,000	3.25 – 4.00%	2023-27	July 1, 2022	\$ 19,575
Series of 2013A	50,000	3.00 – 4.00%	2023-28	July 1, 2023	22,370
Series of 2014	10,000	3.00 – 5.00%	2023-28	July 1, 2023	4,785
Series of 2015	15,000	2.50 – 3.50%	2023-29	July 1, 2025	6,275
Series of 2016 Refunding	122,070	4.00%	2023-26		40,610
Subtotal					93,615
Series of 2020A Direct Placement	138	4.50%	2023-36		131
G.O. bonds outstanding					93,746
Plus unamortized premium/discount:					2,215
			Total G.O. bonds outstanding		<u>\$ 95,961</u>

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2022.

<u>Year Ending June 30,</u>	<u>GO Bonds</u>		<u>Bonds from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 28,810	\$ 3,561	\$ 7	\$ 6
2024	20,215	2,448	7	5
2025	13,630	1,693	8	5
2026	14,160	1,164	8	5
2027	9,910	609	8	4
2028-2032	6,890	286	47	16
2033-2036			46	4
Total	<u>\$ 93,615</u>	<u>\$ 9,761</u>	<u>\$ 131</u>	<u>\$ 45</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

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

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2022</u>
Series of 2012	\$ 18,425	3.00 – 4.00%	2023-27	July 1, 2022	\$ 7,300
Series of 2014	16,000	3.00 – 3.38%	2023-28	July 1, 2023	8,080
Series of 2016 Refunding	28,315	1.75 – 2.00%	2023-24		5,920
Series of 2018	11,000	5.00%	2023-33	July 1, 2028	8,000
Series of 2019	25,000	3.00 – 4.00%	2023-33	July 1, 2028	21,855
Series of 2020	21,000	2.00%	2023-35	July 1, 2030	19,045
Transportation bonds outstanding					70,200
Plus unamortized premium/discount:					3,531
			Total transportation bonds outstanding		<u>\$ 73,731</u>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 9,025	\$ 2,265
2024	9,280	2,012
2025	6,505	1,742
2026	6,730	1,516
2027	6,955	1,293
2028-2032	23,550	3,624
2033-2035	8,155	336
Total	<u>\$ 70,200</u>	<u>\$ 12,788</u>

Pima County has pledged future street and highway revenues, to repay \$70,200 in transportation revenue bonds issued between 2012 and 2020. Proceeds from the bonds provide financing for construction of various highways and streets within Pima County. The bonds are payable from transportation revenues and are payable through 2035. Total principal and interest remaining to be paid on the bonds is \$82,988. It is expected that approximately 9 percent of total future revenues will be used to pay annual principal and interest on the bonds. Prior year street and highway revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for bonds in the current year, and total current year street and highway revenues were \$16,321 and \$73,691, respectively.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

CERTIFICATES OF PARTICIPATION
Governmental Activities
(Payments made from General Fund revenues)

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

On November 4, 2021, the County issued Certificates of Participation, Series 2021 for an amount of \$50,000 with proceeds to be used to fund the Road Repair Program and will be repaid within five years using General Fund PAYGO revenues.

The following schedule details outstanding Certificates of Participation payable at June 30, 2022.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2022</u>
Series of 2013A	\$ 80,175	5.00%	2023		\$ 2,775
Series of 2014	52,160	5.00%	2023-29	December 1, 2023	29,540
Series of 2016B	15,185	2.79 – 4.04%	2023-31	June 1 2026	10,035
Series of 2019	20,940	5.00%	2023-34	December 1, 2028	18,235
Series of 2019A	12,975	5.00%	2023-34	December 1, 2029	12,975
Series of 2020A	43,045	5.00%	2023		8,045
Series of 2020B	15,720	5.00%	2023-36	December 1, 2030	15,000
Series of 2020C	50,390	0.48 – 1.06%	2023-26		40,435
Series of 2021	50,000	1.07%	2023-27		50,000
Certificates of participation outstanding					187,040
Plus unamortized premium/discount:					9,298
			Total certificates of participation outstanding		<u>\$ 196,338</u>

The following schedule details debt service requirements to maturity for the County's Certificates of Participation payable at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 37,885	\$ 5,014
2024	27,615	4,228
2025	28,175	3,667
2026	28,770	3,064
2027	19,055	2,487
2028-2032	33,580	6,357
2033-2036	11,960	889
Total	<u>\$ 187,040</u>	<u>\$ 25,706</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

									<u>COPS Issuance</u>	<u>Building Collateral</u>	
2013A	2014	2016B	2019	2019A	2020A	2020B	2020C	2021	Adult Detention Facility		
2013A	2014	2016B	2019	2019A	2020A	2020B	2020C	2021	Public Works Building and Parking Garage		
2013A	2014	2016B	2019	2019A	2020A	2020B	2020C	2021	Legal Services Building		
	2014	2016B	2019	2019A	2020A	2020B	2020C	2021	Public Service Center Office Tower and Parking Garage		
			2019	2019A	2020A	2020B	2020C	2021	Justice Building		

PLEGDED REVENUE OBLIGATIONS
Governmental Activities

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

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2022</u>
Series of 2021	\$ 300,000	0.27 – 2.51%	2023-36		\$ 296,000
Pledged revenue obligations outstanding					296,000
Plus unamortized premium/discount:					
			Total pledged revenue obligations outstanding		\$ 296,000

The following schedule details pledged revenue obligations debt service requirements to maturity at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 6,000	\$ 5,104
2024	20,870	5,088
2025	22,540	4,979
2026	23,190	4,776
2027	24,065	4,514
2028-2032	117,875	16,661
2033-2036	81,460	4,817
Total	<u>\$ 296,000</u>	<u>\$ 45,939</u>

The County has pledged future State-shared sales tax revenues, State vehicle license tax revenues, County excise tax revenues, and payments in lieu of property tax revenues to repay \$296,000 in pledged revenue obligations issued in 2021. Proceeds from the obligations were used to pay down the unfunded actuarial liabilities for the Public Safety Personnel Retirement System and the Corrections Officers Retirement Plan. The obligations are payable from the various revenues mentioned above and are payable through 2036. Total principal and interest remaining to be paid on the obligations is \$341,939. It is expected that approximately 15 percent of total future revenues will be used to pay annual principal and interest on the obligations. Prior year pledged revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for these obligations in the current year, and total current year pledged revenues were \$8,741 and \$168,990, respectively.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

FINANCED PURCHASES
Governmental Activities

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

The following schedule details debt service requirements to maturity for the County's financed purchases at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Installment Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 137	\$ 8
2024	140	5
2025	107	1
Total	<u>\$ 384</u>	<u>\$ 14</u>

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

LEASES
Governmental Activities

The County has acquired buildings and other improvements under the provisions of various lease agreements.

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

Total intangible right-to-use lease assets:	\$ 3,526
Less: accumulated amortization	<u>(859)</u>
Carrying value	\$ 2,667

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 831	\$ 101
2024	664	68
2025	403	45
2026	281	30
2027	78	23
2028-2032	252	82
2033-2037	<u>248</u>	<u>24</u>
Total	<u>\$ 2,757</u>	<u>\$ 373</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

During the fiscal year ended June 30, 2022, the County recognized expenses of \$39 for other payments not included in the measurement of the lease liabilities.

SEWER REVENUE OBLIGATIONS
Business-type Activities
(Payments made from user charges received in the RWR)

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

On November 4, 2021, the County issued Sewer System Revenue Obligations, Series 2021 in the amount of \$45,000. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program. These obligations are projected to be paid in full by fiscal year 2030-31 from the revenues received in the Regional Wastewater Reclamation Fund.

During the year ended June 30, 2022, the Fund defeased \$19,875 of Sewer Revenue Obligations 2012A with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. Accordingly, the related liabilities are not included in the Fund's financial statements. The Fund placed \$20,894 of existing cash in an irrevocable trust to provide resources for the future debt service payments of \$22,372.

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

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2022</u>
Series of 2012A	\$ 128,795	5.00%	2023-27	July 1, 2022	\$ 33,700
Series of 2014	48,500	5.00%	2023-28	July 1, 2023	24,805
Series of 2016 Refunding	211,595	5.00%	2023-26		145,035
Series of 2018	38,205	5.00%	2026-33	July 1, 2028	38,205
Series of 2019	21,245	5.00%	2023-32	July 1, 2029	17,175
Series of 2020A	35,295	5.00%	2023-27		20,295
Series of 2020B	45,715	5.00%	2023-31	July 1, 2030	44,490
Subtotal					<u>323,705</u>
Series of 2017 Direct Placement	45,000	2.77%	2023-31		30,860
Series of 2021 Direct Placement	45,000	1.27%	2023-31		45,000
Subtotal					<u>75,860</u>
Sewer Revenue Obligations outstanding					399,565
Plus unamortized premium/discount:					33,745
			Total sewer revenue obligations outstanding		<u>\$ 433,310</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details sewer revenue obligation debt service requirements to maturity at June 30, 2022.

<u>Year Ending June 30,</u>	<u>Sewer Obligation Debt Service</u>		<u>Obligations from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 57,750	\$ 16,186	\$ 7,815	\$ 1,426
2024	50,725	13,298	7,960	1,281
2025	59,800	10,761	8,115	1,133
2026	47,210	7,772	8,265	981
2027	31,855	5,411	8,420	826
2028-2032	70,735	10,872	35,285	1,688
2033	5,630	281		
Total	<u>\$ 323,705</u>	<u>\$ 64,581</u>	<u>\$ 75,860</u>	<u>\$ 7,335</u>

All sewer revenue obligations, including direct placements, were issued with a first lien on the pledge of the RWR net revenues and have restrictive covenants, primarily related to minimum utility rates and limitations on future bond issues. The bond covenants also require the RWR to maintain in the Bond Reserve Account monies in amounts set by each debt issue. At June 30, 2022 the RWR met the requirements of the debt covenants. The County is also authorized to issue for the RWR additional parity bonds or revenue obligations if certain conditions are met, primarily that net revenues for parity bonds and pledged revenues for revenue obligations for the fiscal year immediately preceding issuance of the new debt exceed 120 percent of the maximum annual debt service requirements immediately after such issuance.

Pima County has pledged future user charges, net of specified operating expenses, to repay \$323,705 in sewer obligations and \$75,860 in sewer obligations from direct placement issued between 2012 and 2022. Proceeds from the obligations and direct placement provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The obligations and direct placement are payable from total customer net revenues and are payable through fiscal year 2033. It is expected that approximately 24 percent of total future customer net revenues will be used to pay annual principal and interest payments on the obligations and direct placement. Total principal and interest remaining to be paid on the obligations and direct placement are \$388,286 and \$83,195 respectively. Principal and interest paid in the current year on revenue obligations and direct placement totaled \$64,317, and principal and interest paid on the direct borrowing totaled \$4,299. Total customer net revenues in the current year were \$97,960.

ASSET RETIREMENT OBLIGATION
Business-type Activities

Pima County's asset retirement obligation is a legally enforceable liability associated with the retirement and clean closure of a wastewater treatment facility as required by State laws and regulations. The estimates used in calculating this liability are based on actual historical clean-up costs associated with the retirement and clean closure of a recently closed wastewater treatment facility. The clean closure costs estimate is adjusted annually using an inflation factor. The estimated remaining useful lives of the associated wastewater treatment facilities range between 1 to 22 years.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

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

COMPENSATED ABSENCES

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During the fiscal year 2022, the County paid for compensated absences from governmental funds with 74 percent from the General Fund, 19 percent from Other Special Revenue funds, 4 percent from Grants Special Revenue fund and 3 percent from internal service funds. The County also paid compensated absences from business-type activity funds with 84 percent from the Regional Wastewater Reclamation fund and 16 percent from other enterprise funds.

LEGAL DEBT MARGIN
County General Obligation Bonds

General obligation debt may not exceed 6 percent of the value of the County’s taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Pima County has received voter approval for all general obligation debt. The legal debt margin at June 30, 2022, is as follows:

Net assessed valuation		\$ 10,836,343
Debt limit (15% of net assessed valuation):		1,625,451
Less amount of debt applicable to debt limit:		
General obligation bonds outstanding	\$ 93,746	
Less general obligation bonds outstanding for the Rocking K South CFD	(131)	93,615
Legal debt margin available		\$ 1,531,836

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 8: Landfill Liabilities

Solid Waste Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require the County to place a final cover on its solid waste landfill sites when these sites stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after their closure. Although closure and post-closure care costs will not be paid until near or after the date the landfills stop accepting waste, the County records a portion of these closure and post-closure care costs as a long-term liability in each period, based on landfill capacity used as of each balance sheet date. The \$10,375 reported as landfill closure and post-closure care long-term liability within the governmental activities represents the cumulative amount reported to date, based on the percentage used of each landfill's total estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,303 as the remaining estimated capacities are used. These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended June 30, 2022; actual costs may change due to inflation, changes in technology, or changes in regulations.

<u>Landfill Site</u>	<u>Capacity Used June 30, 2022</u>	<u>Estimated Remaining Service Life</u>
Ajo	79%	34 Years
Sahuarita*	59%	25 Years
Tangerine	100%	Closed

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

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

According to State and Federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, post-closure, and corrective action when needed. The County is in compliance with these requirements. The County closed its Ina Road Landfill facility during fiscal year ended June 30, 2020. This facility is not subject to the closure and post-closure cost requirements referred to above. The County estimates that the total closure costs of the landfill will be \$3,934 and has currently paid \$3,138 of these closure costs. The remaining closure costs will primarily be funded with General Fund monies.

On June 1, 2013, Tucson Recycling and Waste Services was contracted to operate the Landfill and Transfer Station operations on behalf of Pima County in an agency capacity. The closure and post closure costs remain the liability of Pima County.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 9: Interfund Transactions

A. Interfund Assets/Liabilities

Interfund Receivables/Payables - interfund balances at June 30, 2022 were as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Other Governmental – Wireless Integrated Network	<u>\$ 700</u>
Total General Fund interfund receivable		<u>\$ 700</u>

The interfund receivable of \$700 within the General Fund was established to fund the replacement of the aging microwave backhaul system of the County's Wireless Integrated Network. The interfund loan is payable over a five year period with no interest and will be repaid in full in fiscal year 2023.

Due from/Due to other funds for the year ended June 30, 2022 were as follows:

		Amounts recorded as due to:						
		<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Governmental</u>	<u>Regional Wastewater Reclamation</u>	<u>Internal Service</u>	<u>Total</u>
Amounts recorded as due from:	General			\$ 1,067	\$ 1,748		\$ 21	\$ 2,836
	Capital Projects			2,259		\$ 73		2,332
	Grants	\$ 117			72			189
	Other Governmental	1,616	\$ 1,029	198				2,843
	Regional Wastewater Reclamation	<u>7</u>						<u>7</u>
	Total	<u>\$ 1,740</u>	<u>\$ 1,029</u>	<u>\$ 3,524</u>	<u>\$ 1,820</u>	<u>\$ 73</u>	<u>\$ 21</u>	<u>\$ 8,207</u>

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

The due to Capital Projects from the Grants Fund represents transfers for various developments from federal aid reimbursements, while the amount due from the Regional Wastewater Fund represents cost sharing between funds for Transportation and Sewer Utility projects.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 9: Interfund Transactions (continued)

B. Interfund Transfers

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

Interfund transfers for the year ended June 30, 2022 were as follows:

Amounts recorded as transfers out:

Amounts recorded as transfers in:

	General	Capital Projects	Grants	Other Governmental	Regional Wastewater Reclamation	Other Enterprise	Internal Service	Total
General			\$ 3,316	\$ 1,180	\$ 134			\$ 4,630
Capital Projects	\$ 27,468		9,154	35,301	540		\$ 500	72,963
Debt Service	23,533	\$ 7,589		30,267		\$ 634		62,023
Grants	1,362	42		1,387				2,791
Other	36,883	47,108	265	460	145		19	84,880
Governmental								
Internal Service	1,360							1,360
Total	\$ 90,606	\$ 54,739	\$ 12,735	\$ 68,595	\$ 819	\$ 634	\$ 519	\$ 228,647

The following is a summary of the significant transfer activity for the fiscal year ended June 30, 2022:

The transfers out of the General Fund were made to the Other Governmental Funds to support Health Fund operations.

The transfers out of the General Fund were made to the Other Governmental Funds to support Transportation's Certificates of Participation debt service payments.

The transfers out of the General Fund were made to the Other Governmental Funds to support the Stadium's Fund operations.

The transfers out of the General Fund were made to the Capital Projects Fund for this year's pay-as-you-go pavement repair.

The transfers out of the General Fund were made to the Debt Service Fund for the Pledged Revenue Obligation and Certificates of Participation debt service payments.

The transfers out of the Capital Projects Fund were made to the Other Governmental Funds to support the Transportation's local pavement repair and rehabilitation project.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits

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

At June 30, 2022, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<u>Statement of net position and Statement of activities</u>	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>
Net OPEB assets	\$ 18,399	\$ 1,053	\$ 19,452
Net pension and OPEB liabilities	628,368	28,264	656,632
Deferred outflows of resources related to pensions and OPEB	370,780	7,300	378,080
Deferred inflows of resources related to pensions and OPEB	153,310	10,946	164,256
Pension and OPEB expense	50,409	886	51,295

The County’s accrued payroll and employee benefits includes \$1,620 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. Also, the County reported \$309,092 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

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

A. Arizona State Retirement System

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

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

*With actuarially reduced benefits

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

Contributions - In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.01 percent of the active members' annual covered payroll.

In addition, the County was required by statute to contribute at the actuarially determined rate of 10.13 percent of the annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill.

The County's total contributions to the pension plan for the year ended June 30, 2022, was \$30,252.

During fiscal year 2022, the County paid for ASRS pension contributions as follows: 63 percent from the General Fund, 14 percent from major funds, and 23 percent from other funds.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Liability - At June 30, 2022, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

ASRS	Net pension liability
Pension	\$ 283,562

The net liability was measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The County's proportions measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

ASRS	Proportion June 30, 2021	Decrease from June 30, 2020
Pension	2.16%	(0.10)

Expense - For the year ended June 30, 2022, the County recognized the following pension expense.

ASRS	Pension expense
Pension	\$ 15,819

Deferred outflows/inflows of resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 4,323	
Changes of assumptions or other inputs	36,908	
Net difference between projected and actual earnings on pension plan investments		\$ 89,842
Changes in proportion and differences between county contributions and proportionate share of contributions	16	11,281
County contributions subsequent to the measurement date	30,252	
Total	<u>\$ 71,499</u>	<u>\$ 101,123</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

Year ending June 30	
2023	\$ (5,401)
2024	(3,709)
2025	(19,806)
2026	(30,960)

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

ASRS	
Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ASRS	Target	Long-term expected
Asset class	allocation	geometric real rate
		of return
Equity	50%	4.90%
Fixed income – credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	<u>20%</u>	5.70%
Total	<u>100%</u>	

Discount rate - At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 10: Pensions and Other Postemployment Benefits (continued)

return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 446,019	\$ 283,562	\$ 148,118

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

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

Plan descriptions - County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan for county detention officers (agent plan), which was closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost sharing plan). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 10: Pensions and Other Postemployment Benefits (continued)

PSPRS	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Retirement and disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired members	80% to 100% of retired member's pension benefit		
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		
*With actuarially reduced benefits			

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
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Note 10: Pensions and Other Postemployment Benefits (continued)

CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
Retirement and disability			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25 to 2.25% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary disability retirement	2.5% per year of credited service		
Survivor Benefit			
Retired members	80% of retired member's pension benefit		
Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

*With actuarially reduced benefits

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

Employees covered by benefit terms - At June 30, 2022, the following employees were covered by the agent plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	460	249
Inactive employees entitled to but not yet receiving benefits	140	188
Active employees	421	326
Total	1,021	763

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions - State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member - pension	County - pension
PSPRS Sheriff	7.65% - 11.65%	82.13%
CORP Detention	8.41%	35.04%
CORP AOC	8.41% or 10.18%	35.48%

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

	Pension
PSPRS Sheriff	70.05%
CORP Detention	29.80%
CORP AOC	31.35%

The County's contributions to the plans for the year ended June 30, 2022, were:

	Pension
PSPRS Sheriff	\$ 207,563
CORP Detention	65,353
CORP AOC	4,554

During fiscal year 2022, the County paid for PSPRS and CORP pension contributions as follows: 99 percent from the General Fund and 1 percent from other non-major funds.

Liability - At June 30, 2022, the County reported the following liabilities:

	Net pension liability
PSPRS Sheriff	\$ 213,508
CORP Detention	62,664
CORP AOC (County's proportionate share)	40,691

The net pension liabilities were measured as of June 30, 2021, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

PSPRS and CORP - Pension

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5%
Price Inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP		Long-term expected geometric real rate of return
Asset class	Target allocation	
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash – Mellon	<u>1%</u>	-0.31%
Total	<u>100%</u>	

Discount rate - At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Changes in the net pension liability

PSPRS – Sheriff

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2021	\$ 442,232	\$ 169,258	\$ 272,974
Changes for the year:			
Service cost	5,941		5,941
Interest on the total liability	31,792		31,792
Differences between expected and actual experience in the measurement of the liability	(2,186)		(2,186)
Contributions—employer		45,560	(45,560)
Contributions—employee		1,829	(1,829)
Net investment income		47,807	(47,807)
Benefit payments, including refunds of employee contributions	(25,336)	(25,336)	
Administrative expense		(227)	227
Other changes		44	(44)
Net changes	10,211	69,677	(59,466)
Balances at June 30, 2022	\$ 452,443	\$ 238,935	\$ 213,508

CORP – Detention

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2021	\$ 155,507	\$ 67,940	\$ 87,567
Changes for the year:			
Service cost	2,794		2,794
Interest on the total liability	11,272		11,272
Differences between expected and actual experience in the measurement of the liability	(3,999)		(3,999)
Contributions—employer		14,666	(14,666)
Contributions—employee		1,585	(1,585)
Net investment income		18,869	(18,869)
Benefit payments, including refunds of employee contributions	(7,771)	(7,771)	
Administrative expense		(87)	87
Other charges		(63)	63
Net changes	2,296	27,199	(24,903)
Balances at June 30, 2022	\$ 157,803	\$ 95,139	\$ 62,664

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

Note 10: Pensions and Other Postemployment Benefits (continued)

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

CORP AOC	Proportion June 30, 2021	Increase from June 30, 2020
Pension	10.96%	0.07

Sensitivity of the County's net pension liability to changes in the discount rate - The following table presents the County's net pension liabilities calculated using the discount rate of 7.3 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

	1% Decrease (6.3%)	Current discount Rate (7.3%)	1% Increase (8.3%)
PSPRS Sheriff			
Net pension liability	\$ 270,183	\$ 213,508	\$ 166,810
CORP Detention			
Net pension liability	\$ 84,453	\$ 62,664	\$ 44,954
CORP AOC			
County's proportionate share of the net pension liability	\$ 55,064	\$ 40,691	\$ 28,918

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

Pension expense - For the year ended June 30, 2022, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$ 22,614
CORP Detention	7,577
CORP AOC (County's proportionate share)	3,589

Pension deferred outflows/inflows of resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS – Sheriff	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 6,655	\$ 2,304
Changes of assumptions or other inputs	3,980	
Net difference between projected and actual earnings on pension plan investments		20,302
County contributions subsequent to the measurement date	207,563	
Total	\$ 218,198	\$ 22,606

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

CORP – Detention	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 5,217	\$ 3,837
Changes of assumptions or other inputs	1,805	
Net difference between projected and actual earnings on pension plan investments		8,582
County contributions subsequent to the measurement date	65,353	
Total	\$ 72,375	\$ 12,419

CORP – AOC	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 3,884	\$ 1,193
Changes of assumptions or other inputs	834	
Net difference between projected and actual earnings on pension plan investments		6,569
Changes in proportion and differences between county contributions and proportionate share of contributions	234	1,619
County contributions subsequent to the measurement date	4,554	
Total	\$ 9,506	\$ 9,381

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS Sheriff	CORP Detention	CORP AOC
2023	\$ (207)	\$ (155)	\$ (546)
2024	(360)	168	(107)
2025	(4,036)	(1,890)	(1,486)
2026	(7,368)	(3,520)	(2,290)
	\$ (11,971)	\$ (5,397)	\$ (4,429)

C. Elected Officials Retirement Plan

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 10: Pensions and Other Postemployment Benefits (continued)

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

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor benefit		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions - State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2022, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.21 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, in addition to the County's required contributions to ASRS. In addition, statute required the County to contribute 41.59 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill.

The County's contributions to the pension plan for the year ended June 30, 2022, were \$4,045.

During fiscal year 2022, the County paid for EORP pension contributions entirely from the General Fund.

Liability - At June 30, 2022, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$ 54,444
State's proportionate share of the EORP net pension liability associated with the County	5,472
Total	\$ 59,916

The net pension liability was measured as of June 30, 2021, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

The County's proportion of the net pension liability was based on the County's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, and the change from its proportion measured as of June 30, 2020, were:

EORP	<u>Proportion</u> <u>June 30, 2021</u>	<u>Decrease from</u> <u>June 30, 2020</u>
Pension	8.95%	(0.15)

Expense - For the year ended June 30, 2022, the County recognized pension expense for EORP of \$2,831, and revenue of \$1,291 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Deferred outflows/inflows of resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 724
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		2,774
Changes in proportion and differences between county contributions and proportionate share of contributions		512
County contributions subsequent to the measurement date	\$ 4,045	
Total	\$ 4,045	\$ 4,010

The amounts reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

Year ending June 30	
2023	\$ (1,806)
2024	(578)
2025	(682)
2026	(944)

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

EORP	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75%
Price inflation	2.5%
Cost of living adjustment	1.75%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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

Note 10: Pensions and Other Postemployment Benefits (continued)

The long-term expected rate of return on EORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP Asset class	Target allocation	Long-term expected geometric real rate of return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	<u>1%</u>	-0.31%
Total	<u>100%</u>	

Discount rates - At June 30, 2021, the discount rate used to measure the EORP total pension liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate - The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.3 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

EORP	1% Decrease 6.3%	Current Discount Rate 7.3%	1% Increase 8.3%
County's proportionate share of the net pension liability	\$ 62,560	\$ 54,444	\$ 47,478

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 11: Construction and Other Significant Commitments

At June 30, 2022, Pima County had the following major contractual commitments:

Community & Workforce Development

The Community & Workforce Development Department had contractual commitments related to service contracts of \$26,599. Funding for these expenditures will be provided from reimbursements on intergovernmental grant awards, including federal and state entities.

Facilities Management

The Facilities Management Department had construction contractual commitments of \$33,381 and other contractual commitments related to service contracts of \$6,314. Funding for these expenditures will be provided from Certificates of Participation and general fund and building rental revenues.

Environmental Quality

The Environmental Quality Department had construction contractual commitments of \$6,391 and other contractual commitments related to service contracts of \$72. Funding for these expenditures will be provided from general fund revenues.

Behavioral Health

The Behavioral Health Department had construction contractual commitments of \$1,000 and other contractual commitments related to service contracts of \$65,512. Funding for these expenditures will be provided from general fund and grant revenues.

Health

The Health Department had contractual commitments related to service contracts of \$6,302. Funding for these expenditures will be provided from general fund and grant revenues.

Regional Flood Control

The Regional Flood Control Department had construction contractual commitments of \$7,306 and other contractual commitments related to services contracts of \$1,049. Funding for these expenditures will be primarily from tax levy revenues.

Regional Wastewater Reclamation

The Regional Wastewater Reclamation enterprise fund had construction contractual commitments of \$46,754 and other contractual commitments related to services of \$6,494. Funding for these expenses will be primarily from the Sewer Revenue Obligations and sewer user fees.

Transportation

The Transportation Department had construction contractual commitments of \$31,380 and other contractual commitments related to services of \$8,675. Funding for these expenditures will be primarily provided from Transportation Revenue bonds, Certificates of Participation, federal grants, and state Highway User Tax Revenue.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2022
(in thousands)

Note 12: Stewardship, Compliance, and Accountability

At June 30, 2022, the following nonmajor fund reported a deficit in fund balance:

Fund	Deficit
Governmental Fund:	
Health	1,997

The Health Fund had a deficit fund balance of \$1,997. Due to the COVID-19 pandemic, many of the expenditures incurred by the Health Department that met the eligibility criteria for grant funding, were received and reported within the Grants Fund. However, for some of the larger grants received, there were eligibility restrictions related to the timing of when costs were incurred. This resulted in expenditures being ineligible for grant funding and ended up being reported within the Health Fund. These will be eliminated through subsidies from the General Fund.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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Note 13: Subsequent Events

Sewer System Revenue Obligations – On August 18, 2022 the County defeased \$3,645 of the Series 2014 and \$14,000 of the Series 2016 outstanding Sewer System Revenue Obligations using available cash of the Regional Wastewater Reclamation Fund.

On November 16, 2022, the County issued Sewer System Revenue and Revenue Refunding Obligations, Series 2022 in the amount of \$68,225. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program and to refund the outstanding balance of the 2012A issue. The Series 2022 obligations are projected to be paid in full by fiscal year 2032-33 from the revenues received in the Regional Wastewater Reclamation Fund.

Certificates of Participation – On November 17, 2022, the County issued Certificates of Participation, Series 2022AB in the amount of \$88,445. The proceeds from the 2022A will be used to be used to fund various Sheriff and Facilities Management projects and will be repaid within fifteen years using General Fund revenues. The proceeds from the 2022B will be used to fund the Road Repair Program and the new Enterprise Software System and will be repaid within five years using General Fund and General Fund PAYGO revenues.



2022

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



REQUIRED SUPPLEMENTARY INFORMATION

Other Than Management's Discussion & Analysis

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	379,654	379,654	378,098	(1,556)
Licenses and permits	3,684	3,684	3,911	227
Intergovernmental	182,939	182,939	221,644	38,705
Charges for services	42,897	42,897	43,226	329
Fines and forfeits	3,101	3,101	2,572	(529)
Investment earnings	403	403	842	439
Miscellaneous	4,974	4,974	16,098	11,124
Total revenues	617,652	617,652	666,391	48,739
Expenditures:				
General government				
Analytics & Data Governance	3,319	3,319	2,902	417
Assessor	9,678	9,678	8,265	1,413
Board of Supervisors	2,663	2,663	2,527	136
Clerk of Superior Court	11,411	11,411	11,126	285
Constables	1,640	1,640	1,556	84
County Administration	138,178	138,178	66,697	71,481
County Attorney	24,664	24,664	24,084	580
Facilities Management	23,844	23,844	21,423	2,421
Justice Courts	9,133	9,133	8,635	498
Juvenile Courts	20,497	20,497	20,478	19
Public Defense Services	31,820	31,820	35,114	(3,294)
Public Works	2,263	2,263	2,241	22
Recorder	6,720	6,720	3,978	2,742
Superior Court	37,306	37,306	38,965	(1,659)
Superior Court Mandated Services	1,844	1,844	1,897	(53)
Treasurer	2,557	2,557	2,256	301
Public safety				
Finance	300,000	300,000	268,134	31,866
Sheriff	142,228	142,228	139,984	2,244
Office of Emergency Management & Homeland Security	787	787	712	75
Sanitation				
Environmental Quality	1,346	1,346	1,274	72
Health				
Forensic Science Center	4,883	4,883	4,813	70
Pima Animal Care	12,068	12,068	11,209	859
Welfare				
Finance	15,000	15,000	15,000	
Behavioral Health	32,544	32,544	24,444	8,100
County Administration	60,744	60,744	60,744	
Culture and recreation				
Parks and Recreation	20,175	20,175	19,102	1,073
Education and economic opportunity				
Community & Workforce Development	25,012	25,012	11,745	13,267
School Superintendent	2,186	2,186	2,131	55
Debt Service - principal			544	(544)
- interest			79	(79)
Total expenditures	944,510	944,510	812,059	132,451
Deficiency of revenues under expenditures	(326,858)	(326,858)	(145,668)	181,190
Other financing sources (uses):				
Lease agreements			2,331	2,331
Proceeds from sale of capital assets			1	1
Transfers in	5,236	5,236	4,630	(606)
Transfers (out)	(94,148)	(94,148)	(90,606)	3,542
Total other financing uses	(88,912)	(88,912)	(83,644)	5,268
Net change in fund balances	(415,770)	(415,770)	(229,312)	186,458
Fund balances at beginning of year	415,770	415,770	433,852	18,082
Fund balances at end of year			\$ 204,540	\$ 204,540

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – Grants Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 452,939	\$ 452,939	\$ 128,248	\$ (324,691)
Investment earnings			408	408
Miscellaneous	4,969	4,969	13,210	8,241
Total revenues	457,908	457,908	141,866	(316,042)
Expenditures:				
General government				
Clerk of the Superior Court	822	822	24	798
Constables	35	35	8	27
County Administration	354,148	354,148	45,616	308,532
County Attorney	4,980	4,980	3,939	1,041
Justice Courts	7	7	95	(88)
Juvenile Courts	1,092	1,092	882	210
Public Defense Services	1,624	1,624	1,298	326
Public Works	5,300	5,300	14	5,286
Recorder	300	300		300
Superior Court	1,626	1,626	1,361	265
Public safety				
Flood Control	1,583	1,583	788	795
Sheriff	5,199	5,199	2,854	2,345
Office of Emergency Management & Homeland Security	1,376	1,376	1,324	52
Highways and streets				
Transportation				
Health				
Environmental Quality	1,348	1,348	968	380
Forensic Science Center	48	48	20	28
Health	15,480	15,480	22,968	(7,488)
Pima Animal Care	1,101	1,101	771	330
Welfare				
Behavioral Health	723	723	362	361
Culture and recreation				
Parks and Recreation	335	335	237	98
Education and economic opportunity				
Community & Workforce Development	59,433	59,433	45,638	13,795
Total expenditures	456,560	456,560	129,167	327,393
Excess of revenues over expenditures	1,348	1,348	12,699	11,351
Other financing sources (uses):				
Transfers in	6,075	6,075	2,791	(3,284)
Transfers (out)	(10,210)	(10,210)	(12,735)	(2,525)
Total other financing sources (uses)	(4,135)	(4,135)	(9,944)	(5,809)
Net change in fund balance	(2,787)	(2,787)	2,755	5,542
Fund balance at beginning of year	1,948	1,948	(27,569)	(29,517)
Fund balance at end of year	\$ (839)	\$ (839)	\$ (24,814)	\$ (23,975)

Notes to Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
June 30, 2022
(in thousands)

Note 1: Budgeting and Budgetary Control

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

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

Note 2: Budgetary basis of accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the Present value of net minimum lease payments unbudgeted item reported as lease agreements.

	General Fund
Deficiency of revenues under expenditures	
from the statement of revenues, expenditures, and changes in fund balances	\$ (147,999)
Present value of net minimum lease payments	2,331
Deficiency of revenues under expenditures from the budgetary comparison schedules	<u>(145,668)</u>

Note 3: Expenditures in Excess of Appropriations

For the year ended June 30, 2022, expenditures for the following departments in the General and Grants Funds exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Function/Department	Excess
General government:	
Justice Courts - Grants	\$ 88
Public Defense Services - General Fund	3,294
Superior Court - General Fund	1,659
Superior Court Mandated Service - General Fund	53
Total general government	<u>5,094</u>
Health:	
Health - Grants Fund	7,488
Total health	<u>7,488</u>
Debt Service:	
Principal - General Fund	544
Interest - General Fund	79
Total debt service	<u>623</u>

For the Public Defense Services - General Fund the excess was due to more than double the expected cost for contracted attorneys fees. The Office of Court Appointed Counsel provides constitutionally required representation. In-Lieu of internal representation the Office of Court Appointed Counsel contracts with private attorneys to provide the constitutionally required counsel. The high case filings from the Pima County Attorney and retention issues which increased the contracting for private attorneys were not a consideration at the time the budgetary process was completed, which resulted in the \$3,294 excess.

For the Health – Grants Fund, the excess was due to a large number of grants received in response to the public health emergency related to the COVID-19 pandemic. The County developed the Health – Grant Fund estimated budget based on the guidelines initially established by the grantors. However, after the budgetary process was completed, updated guidance was issued by the grantors which provided clarity on what types of expenditures would be allowable and additional funding was made available. As a result, additional expenditures were incurred by this fund over what was originally budgeted.

PIMA COUNTY, ARIZONA

Schedule of the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 June 30, 2022
 (in thousands)

	Reporting Fiscal Year (Measurement Date)								2014 thru 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Arizona State Retirement System									
County's proportion of the net pension liability	2.16%	2.26%	2.28%	2.36%	2.41%	2.44%	2.51%	2.56%	Information not available
County's proportionate share of the net pension liability	\$ 283,562	\$ 390,909	\$ 332,203	\$ 328,958	\$ 375,197	\$ 393,174	\$ 391,629	\$ 379,139	
County's covered payroll	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570	\$ 229,907	
County's proportionate share of the net pension liability as a percentage of its covered payroll	116.97%	158.68%	137.75%	140.62%	159.40%	172.35%	169.12%	164.91%	
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	
Corrections Officer Retirement Plan— Administrative Office of the Courts									
	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 thru 2013
County's proportion of the net pension liability	10.96%	10.89%	11.44%	11.51%	11.95%	12.42%	12.45%	12.43%	Information not available
County's proportionate share of the net pension liability	\$ 40,691	\$ 52,009	\$ 48,276	\$ 41,436	\$ 47,929	\$ 35,046	\$ 30,274	\$ 27,888	
County's covered payroll	\$ 15,769	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857	\$ 13,114	
County's proportionate share of the net pension liability as a percentage of its covered payroll	258.04%	396.20%	358.40%	310.48%	357.68%	256.17%	218.47%	212.66%	
Plan fiduciary net position as a percentage of the total pension liability	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%	
Elected Officials Retirement Plan									
	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 thru 2013
County's proportion of the net pension liability	8.95%	9.10%	9.06%	10.24%	7.42%	7.90%	7.55%	7.64%	Information not available
County's proportionate share of the net pension liability	\$ 54,444	\$ 61,427	\$ 60,051	\$ 64,495	\$ 90,478	\$ 74,615	\$ 59,037	\$ 51,259	
State's proportionate share of the net pension liability associated with the County	5,472	5,838	5,644	11,051	29,292	15,406	18,405	15,717	
Total	\$ 59,916	\$ 67,265	\$ 65,695	\$ 75,546	\$ 119,770	\$ 90,021	\$ 77,442	\$ 66,976	
County's covered payroll	\$ 9,801	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391	\$ 6,932	
County's proportionate share of the net pension liability as a percentage of its covered payroll	555.49%	847.04%	828.75%	923.47%	1283.38%	1127.63%	923.75%	739.45%	
Plan fiduciary net position as a percentage of the total pension liability	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2022
(in thousands)

Exhibit B - 2

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

Information
not available

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2022
(in thousands)

Exhibit B - 2

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

Information
not available

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of County Pension Contributions
June 30, 2022
(in thousands)

Exhibit B - 2

Arizona State Retirement System

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 30,252	\$ 28,261	\$ 28,242	\$ 26,908	\$ 25,552	\$ 25,320	\$ 24,752	\$ 25,218	\$ 24,600	Information not available
County's contributions in relation to the statutorily required contribution	30,252	28,261	28,242	26,908	25,552	25,320	24,752	25,218	24,600	
County's contribution deficiency (excess)										
County's covered payroll	\$ 251,932	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570	\$ 229,907	
County's contributions as a percentage of covered payroll	12.01%	11.66%	11.46%	11.16%	10.92%	10.76%	10.85%	10.89%	10.70%	

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

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 4,554	\$ 4,372	\$ 3,993	\$ 4,258	\$ 3,003	\$ 2,691	\$ 2,613	\$ 2,062	\$ 1,933	Information not available
County's contributions in relation to the statutorily required contribution	4,554	4,372	3,993	4,258	3,003	2,691	2,613	2,062	1,933	
County's contribution deficiency (excess)										
County's covered payroll	\$ 17,637	\$ 15,769	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857	\$ 13,114	
County's contributions as a percentage of covered payroll	25.82%	27.73%	30.42%	31.61%	22.50%	20.08%	19.10%	14.88%	14.74%	

Elected Officials Retirement Plan

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 4,045	\$ 4,520	\$ 4,218	\$ 4,168	\$ 1,508	\$ 1,566	\$ 1,555	\$ 1,502	\$ 1,629	Information not available
County's contributions in relation to the statutorily required contribution	4,045	4,520	4,218	3,204	460	1,566	1,555	1,502	1,629	
County's contribution deficiency (excess)				\$ 964	\$ 1,048					
County's covered payroll	\$ 10,353	\$ 9,801	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391	\$ 6,932	
County's contributions as a percentage of covered payroll	39.07%	46.12%	58.16%	44.22%	6.59%	22.21%	23.50%	23.50%	23.50%	

Public Safety Personnel Retirement System - Sheriff

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 22,431	\$ 21,673	\$ 21,439	\$ 18,766	\$ 18,771	\$ 16,861	\$ 15,119	\$ 11,490	\$ 10,627	Information not available
County's contributions in relation to the actuarially required contribution	207,563	44,478	21,439	18,766	14,407	16,861	15,119	11,490	10,627	
County's contribution deficiency (excess)	\$ (185,132)	\$ (22,805)			\$ 4,364					
County's covered payroll	\$ 31,246	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515	\$ 31,543	
County's contributions as a percentage of covered payroll	664.29%	153.23%	70.86%	62.84%	49.24%	52.44%	49.76%	36.46%	33.69%	

Corrections Officer Retirement Plan - Detention

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 7,676	\$ 7,676	\$ 7,261	\$ 6,515	\$ 5,155	\$ 4,872	\$ 4,618	\$ 3,441	\$ 2,970	Information not available
County's contributions in relation to the actuarially required contribution	65,353	14,872	7,261	6,515	5,155	4,872	4,618	3,441	2,970	
County's contribution deficiency (excess)	\$ (57,677)	\$ (7,196)								
County's covered payroll	\$ 29,348	\$ 26,048	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816	\$ 20,051	
County's contributions as a percentage of covered payroll	222.68%	57.09%	31.22%	30.53%	24.86%	22.58%	22.79%	16.53%	14.81%	

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2022
(in thousands)

Exhibit B - 2

Note 1: Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: Level percent-of-pay, closed. PSPRS members with initial membership on or after July 1, 2017: Level dollar closed.
Remaining amortization period as of the 2020 actuarial valuation	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 17 years. PSPRS members with initial membership on or after July 1, 2017: 10 years.
Asset valuation method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 7-year smoothed market value; 80% / 120% market corridor. PSPRS members with initial membership on or after July 1, 2017: 5-year smoothed market value; 80% / 120% market corridor.
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2022
(in thousands)

Exhibit B - 2

Note 2: Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, CORP-AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-, CORP-, and CORP-AOC- required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-, CORP-, and CORP-AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

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

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2022

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Governmental Funds

OTHER GOVERNMENTAL FUNDS (NONMAJOR)

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

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

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

Other Special Revenue Fund — to account for resources specifically identified to be expended for the various other programs of the County. These include various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

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

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

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

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

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

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

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

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

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PIMA COUNTY, ARIZONA
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022
(in thousands)

	Special Revenue Funds					
	Transportation	Health	Regional Flood Control District	Other	Wireless Integrated Network	School Reserve
Assets						
Cash and cash equivalents	\$ 46,116		\$ 13,970	\$ 61,446	\$ 3,703	\$ 1,385
Property taxes receivable (net)			900			
Interest receivable	12		4	19	1	
Due from other funds	1,029	\$ 154		1,474		5
Due from other governments	6,290	370	7	1,897		180
Accounts receivable	365	238	20	580	6	34
Leases				11,169	126	
Inventory	1,316				137	
Prepaid expenditures		38	75	137	3	1
Loan receivable	1,403					
Restricted cash equivalents						
Total assets	<u>\$ 56,531</u>	<u>\$ 800</u>	<u>\$ 14,976</u>	<u>\$ 76,722</u>	<u>\$ 3,976</u>	<u>\$ 1,605</u>
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$ 37,475	\$ 625	\$ 869	\$ 5,364	\$ 145	\$ 708
Interest payable		1				
Contract retentions	3,860					
Employee compensation	433	517	166	788	28	110
Due to other funds		1,651		169		
Due to other governments	2			31	91	
Deposits and rebates	1		2	1		
Interfund payable					700	
Unearned revenue	4		7	1,090	212	7
Total liabilities	<u>41,775</u>	<u>2,794</u>	<u>1,044</u>	<u>7,443</u>	<u>1,176</u>	<u>825</u>
Deferred inflows of resources						
Unavailable revenue - intergovernmental	1,402			1,575	6	173
Unavailable revenue - property taxes			787			
Unavailable revenue - other	320	3	19	6		
Deferred inflows related to leases				10,666	121	
Total deferred inflows of resources	<u>1,722</u>	<u>3</u>	<u>806</u>	<u>12,247</u>	<u>127</u>	<u>173</u>
Total liabilities and deferred inflows of resources	<u>43,497</u>	<u>2,797</u>	<u>1,850</u>	<u>19,690</u>	<u>1,303</u>	<u>998</u>
Fund balances						
Nonspendable	1,316	38	75	137	140	1
Restricted	11,718		13,051	36,031	2,533	327
Committed				17,706		120
Assigned				7,342		159
Unassigned		(2,035)		(4,184)		
Total fund balances	<u>13,034</u>	<u>(1,997)</u>	<u>13,126</u>	<u>57,032</u>	<u>2,673</u>	<u>607</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,531</u>	<u>\$ 800</u>	<u>\$ 14,976</u>	<u>\$ 76,722</u>	<u>\$ 3,976</u>	<u>\$ 1,605</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
\$ 5,189	\$ 2,403	\$ 32,132	\$ 2,104	\$ 49	\$ 141	\$ 168,638
		1,628		4	39	2,571
2	1	13	1			53
39			142			2,843
	331	77	196			9,348
68		347	114			1,772
						11,295
						1,453
2		894	4	10		1,164
						1,403
		45				45
<u>\$ 5,300</u>	<u>\$ 2,735</u>	<u>\$ 35,136</u>	<u>\$ 2,561</u>	<u>\$ 63</u>	<u>\$ 180</u>	<u>\$ 200,585</u>
\$ 24	\$ 278	\$ 2,052	\$ 582		9	48,131
						1
						3,860
69		658	128			2,897
						1,820
		6				130
						4
						700
		135	161			1,616
<u>93</u>	<u>278</u>	<u>2,851</u>	<u>871</u>		<u>9</u>	<u>59,159</u>
		6	88			3,250
		1,430			37	2,254
9			21			378
						10,787
<u>9</u>		<u>1,436</u>	<u>109</u>		<u>37</u>	<u>16,669</u>
<u>102</u>	<u>278</u>	<u>4,287</u>	<u>980</u>		<u>46</u>	<u>75,828</u>
2		939	4	10		2,662
2,516	2,457	29,910		53	134	98,730
						17,826
2,680			1,577			11,758
						(6,219)
<u>5,198</u>	<u>2,457</u>	<u>30,849</u>	<u>1,581</u>	<u>63</u>	<u>134</u>	<u>124,757</u>
<u>\$ 5,300</u>	<u>\$ 2,735</u>	<u>\$ 35,136</u>	<u>\$ 2,561</u>	<u>\$ 63</u>	<u>\$ 180</u>	<u>\$ 200,585</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2022
(in thousands)

	Special Revenue Funds					
	Transportation	Health	Regional Flood Control District	Other	Wireless Integrated Network	School Reserve
Revenues:						
Property taxes	\$ 1		\$ 29,143			
Licenses and permits	695	\$ 2,623	6			
Intergovernmental	74,155	672	17	\$ 22,576		\$ 3,425
Charges for services	156	3,143	249	10,865	\$ 3,914	367
Fines and forfeits	7		19	4,937		
Investment earnings	163		61	222	14	4
Miscellaneous	638	9	86	9,079	74	
Total revenues	<u>75,815</u>	<u>6,447</u>	<u>29,581</u>	<u>47,679</u>	<u>4,002</u>	<u>3,796</u>
Expenditures:						
General government				31,344		
Public safety			14,980	3,081	2,806	
Highways and streets	130,298					
Sanitation						
Health		19,510		19		
Culture and recreation				2,825		
Education and economic opportunity				2,266		3,731
Debt service - principal		107		178		
- interest		12		13		
Total expenditures	<u>130,298</u>	<u>19,629</u>	<u>14,980</u>	<u>39,726</u>	<u>2,806</u>	<u>3,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,483)</u>	<u>(13,182)</u>	<u>14,601</u>	<u>7,953</u>	<u>1,196</u>	<u>65</u>
Other financing sources (uses):						
Lease agreements		359				
Proceeds from sale of capital assets	144		34	290		
Transfers in	57,635	12,122	27	4,401		28
Transfers (out)	(26,746)	(1,038)	(15,081)	(16,780)	(475)	
Total other financing sources (uses)	<u>31,033</u>	<u>11,443</u>	<u>(15,020)</u>	<u>(12,089)</u>	<u>(475)</u>	<u>28</u>
Net change in fund balances	(23,450)	(1,739)	(419)	(4,136)	721	93
Fund balances at beginning of year	36,484	(258)	13,545	61,168	1,952	516
Changes in nonspendable resources:						
Change in prepaids						(2)
Fund balances at end of year	<u>\$ 13,034</u>	<u>\$ (1,997)</u>	<u>\$ 13,126</u>	<u>\$ 57,032</u>	<u>\$ 2,673</u>	<u>\$ 607</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
		\$ 51,480		\$ 26	\$ 268	\$ 80,918
\$ 2,706						6,030
	\$ 1,439	336	\$ 1,164			103,784
35		557	1,578			20,864
						4,963
19	9	127	4			623
6		570	55			10,517
<u>2,766</u>	<u>1,448</u>	<u>53,070</u>	<u>2,801</u>	<u>26</u>	<u>268</u>	<u>227,699</u>
					232	31,576
						20,867
						130,298
2,916	1,140					1,140
		42,650	7,433			22,445
						52,908
						5,997
		43		7		335
		29		6		60
<u>2,916</u>	<u>1,140</u>	<u>42,722</u>	<u>7,433</u>	<u>13</u>	<u>232</u>	<u>265,626</u>
(150)	308	10,348	(4,632)	13	36	(37,927)
		761				1,120
			1			469
828		6	9,833			84,880
		(4,190)	(4,243)		(42)	(68,595)
<u>828</u>		<u>(3,423)</u>	<u>5,591</u>		<u>(42)</u>	<u>17,874</u>
678	308	6,925	959	13	(6)	(20,053)
4,520	2,149	23,924	622	50	140	144,812
						(2)
<u>\$ 5,198</u>	<u>\$ 2,457</u>	<u>\$ 30,849</u>	<u>\$ 1,581</u>	<u>\$ 63</u>	<u>\$ 134</u>	<u>\$ 124,757</u>

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2022

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Schedule of Revenues, Expenditures
and Changes in Fund Balance

Budget and Actual – Other Governmental Funds

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 6,420	\$ 27,881	\$ 21,461
Charges for services	7,735	12,142	4,407
Investment earnings	597	(381)	(978)
Miscellaneous	1,500	4,939	3,439
Total revenues	<u>16,252</u>	<u>44,581</u>	<u>28,329</u>
Expenditures:			
Capital outlay	138,882	108,296	30,586
Total expenditures	<u>138,882</u>	<u>108,296</u>	<u>30,586</u>
Deficiency of revenues under expenditures	<u>(122,630)</u>	<u>(63,715)</u>	<u>58,915</u>
Other financing sources (uses):			
Face amount of long-term debt issued	50,000	50,000	
Transfers in	73,147	72,963	(184)
Transfers (out)	(57,589)	(54,739)	2,850
Total other financing sources	<u>65,558</u>	<u>68,224</u>	<u>2,666</u>
Net change in fund balance	(57,072)	4,509	61,581
Fund balance at beginning of year	76,963	88,615	11,652
Fund balance at end of year	<u>\$ 19,891</u>	<u>\$ 93,124</u>	<u>\$ 73,233</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 4

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 43,459	\$ 43,354	\$ (105)
Intergovernmental		15	15
Investment earnings	483	130	(353)
Total revenues	<u>43,942</u>	<u>43,499</u>	<u>(443)</u>
Expenditures:			
Debt service - principal	89,575	89,575	
- interest	19,520	18,628	892
- miscellaneous	398	247	151
Total expenditures	<u>109,493</u>	<u>108,450</u>	<u>1,043</u>
Deficiency of revenues under expenditures	<u>(65,551)</u>	<u>(64,951)</u>	<u>600</u>
Other financing sources:			
Transfers in	62,690	62,023	(667)
Total other financing sources	<u>62,690</u>	<u>62,023</u>	<u>(667)</u>
Net change in fund balance	(2,861)	(2,928)	(67)
Fund balance at beginning of year	5,389	4,466	(923)
Fund balance at end of year	<u>\$ 2,528</u>	<u>\$ 1,538</u>	<u>\$ (990)</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Transportation - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 5

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2	\$ 1	\$ (1)
Licenses and permits	907	695	(212)
Intergovernmental	67,706	74,155	6,449
Charges for services	200	156	(44)
Fines and forfeits		7	7
Investment earnings	20	163	143
Miscellaneous	269	638	369
Total revenues	<u>69,104</u>	<u>75,815</u>	<u>6,711</u>
Expenditures:			
Highways and streets	126,246	130,298	(4,052)
Total expenditures	<u>126,246</u>	<u>130,298</u>	<u>(4,052)</u>
Deficiency of revenues under expenditures	<u>(57,142)</u>	<u>(54,483)</u>	<u>2,659</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		144	144
Transfers in	61,085	57,635	(3,450)
Transfers (out)	(26,613)	(26,746)	(133)
Total other financing sources	<u>34,472</u>	<u>31,033</u>	<u>(3,439)</u>
Net change in fund balance	(22,670)	(23,450)	(780)
Fund balance at beginning of year	29,387	36,484	7,097
Fund balance at end of year	<u>\$ 6,717</u>	<u>\$ 13,034</u>	<u>\$ 6,317</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Health - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 6

	Budget	Actual	Variance
Revenues:			
Licenses and permits	\$ 2,173	\$ 2,623	\$ 450
Intergovernmental		672	672
Charges for services	2,139	3,143	1,004
Investment earnings	12		(12)
Miscellaneous	3	9	6
Total revenues	<u>4,327</u>	<u>6,447</u>	<u>2,120</u>
Expenditures:			
Health	21,247	19,510	1,737
Debt service - principal		107	(107)
- interest		12	(12)
Total expenditures	<u>21,247</u>	<u>19,629</u>	<u>1,618</u>
Deficiency of revenues under expenditures	<u>(16,920)</u>	<u>(13,182)</u>	<u>3,738</u>
Other financing sources (uses):			
Lease agreements		359	359
Transfers in	10,955	12,122	1,167
Transfers (out)	(2,809)	(1,038)	1,771
Total other financing sources	<u>8,146</u>	<u>11,443</u>	<u>3,297</u>
Net change in fund balance	(8,774)	(1,739)	7,035
Fund balance at beginning of year	39,950	(258)	(40,208)
Fund balance at end of year	<u>\$ 31,176</u>	<u>\$ (1,997)</u>	<u>\$ (33,173)</u>

PIMA COUNTY, ARIZONA

Exhibit C - 7

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Regional Flood Control District - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 29,143	\$ 29,143	
Licenses and permits	4	6	\$ 2
Intergovernmental	28	17	(11)
Charges for services	1,274	249	(1,025)
Fines and forfeits	3	19	16
Investment earnings	100	61	(39)
Miscellaneous	94	86	(8)
Total revenues	<u>30,646</u>	<u>29,581</u>	<u>(1,065)</u>
Expenditures:			
Flood control	17,242	14,980	2,262
Total expenditures	<u>17,242</u>	<u>14,980</u>	<u>2,262</u>
Excess of revenues over expenditures	<u>13,404</u>	<u>14,601</u>	<u>1,197</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		34	34
Transfers in	3	27	24
Transfers (out)	(16,074)	(15,081)	993
Total other financing uses	<u>(16,071)</u>	<u>(15,020)</u>	<u>1,051</u>
Net change in fund balance	(2,667)	(419)	2,248
Fund balance at beginning of year	10,190	13,545	3,355
Fund balance at end of year	<u>\$ 7,523</u>	<u>\$ 13,126</u>	<u>\$ 5,603</u>

PIMA COUNTY, ARIZONA

Exhibit C - 8

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Other - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 24,055	\$ 22,576	\$ (1,479)
Charges for services	9,123	10,865	1,742
Fines and forfeits	3,422	4,937	1,515
Investment earnings	591	222	(369)
Miscellaneous	7,367	9,079	1,712
Total revenues	<u>44,558</u>	<u>47,679</u>	<u>3,121</u>
Expenditures:			
General government	46,553	31,344	15,209
Public safety	5,142	3,081	2,061
Health	34	19	15
Culture and recreation	5,727	2,825	2,902
Education and economic opportunity	3,206	2,266	940
Debt service - principal	215	178	37
- interest	25	13	12
Total expenditures	<u>60,902</u>	<u>39,726</u>	<u>21,176</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,344)</u>	<u>7,953</u>	<u>24,297</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		290	290
Transfers in	3,302	4,401	1,099
Transfers (out)	(15,909)	(16,780)	(871)
Total other financing uses	<u>(12,607)</u>	<u>(12,089)</u>	<u>518</u>
Net change in fund balance	(28,951)	(4,136)	24,815
Fund balance at beginning of year	47,804	61,168	13,364
Fund balance at end of year	<u>\$ 18,853</u>	<u>\$ 57,032</u>	<u>\$ 38,179</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Wireless Integrated Network - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 9

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Charges for services	\$ 3,674	\$ 3,914	\$ 240
Investment earnings	13	14	1
Miscellaneous	66	74	8
Total revenues	<u>3,753</u>	<u>4,002</u>	<u>249</u>
Expenditures:			
Public safety	<u>3,063</u>	<u>2,806</u>	<u>257</u>
Total expenditures	<u>3,063</u>	<u>2,806</u>	<u>257</u>
Excess of revenues over expenditures	<u>690</u>	<u>1,196</u>	<u>506</u>
Other financing sources (uses):			
Transfers in	40		(40)
Transfers (out)	<u>(600)</u>	<u>(475)</u>	<u>125</u>
Total other financing uses	<u>(560)</u>	<u>(475)</u>	<u>85</u>
Net change in fund balance	130	721	591
Fund balance at beginning of year	98	1,952	1,854
Fund balance at end of year	<u>\$ 228</u>	<u>\$ 2,673</u>	<u>\$ 2,445</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
School Reserve - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 10

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,342	\$ 3,425	\$ 2,083
Charges for services	380	367	(13)
Investment earnings		4	4
Total revenues	<u>1,722</u>	<u>3,796</u>	<u>2,074</u>
Expenditures:			
Education and economic opportunity	<u>2,033</u>	<u>3,731</u>	<u>(1,698)</u>
Total expenditures	<u>2,033</u>	<u>3,731</u>	<u>(1,698)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(311)</u>	<u>65</u>	<u>376</u>
Other financing sources			
Transfers in		<u>28</u>	<u>28</u>
Total other financing sources		<u>28</u>	<u>28</u>
Net change in fund balance	(311)	93	404
Fund balance at beginning of year	1,553	516	(1,037)
Changes in nonspendable resources:			
Change in prepaid expenditures		(2)	(2)
Fund balance at end of year	<u>\$ 1,242</u>	<u>\$ 607</u>	<u>\$ (635)</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Environmental Quality - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 11

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses and permits	\$ 2,401	\$ 2,706	\$ 305
Charges for services		35	35
Investment earnings	53	19	(34)
Miscellaneous	19	6	(13)
Total revenues	<u>2,473</u>	<u>2,766</u>	<u>293</u>
Expenditures:			
Environmental quality	3,321	2,916	405
Total expenditures	<u>3,321</u>	<u>2,916</u>	<u>405</u>
Deficiency of revenues under expenditures	<u>(848)</u>	<u>(150)</u>	<u>698</u>
Other financing sources (uses)			
Transfers in	733	828	95
Transfers (out)	(84)		84
Total other financing sources	<u>649</u>	<u>828</u>	<u>179</u>
Net change in fund balance	(199)	678	877
Fund balance at beginning of year	4,225	4,520	295
Fund balance at end of year	<u>\$ 4,026</u>	<u>\$ 5,198</u>	<u>\$ 1,172</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Waste Tire - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 12

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,280	\$ 1,439	\$ 159
Investment earnings	26	9	(17)
Total revenues	1,306	1,448	142
Expenditures:			
Sanitation	1,299	1,140	159
Total expenditures	1,299	1,140	159
Excess of revenues over expenditures	7	308	301
Net change in fund balance	7	308	301
Fund balance at beginning of year	2,102	2,149	47
Fund balance at end of year	\$ 2,109	\$ 2,457	\$ 348

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Library District - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 13

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 51,502	\$ 51,480	\$ (22)
Intergovernmental	211	336	125
Charges for services	570	557	(13)
Investment earnings	175	127	(48)
Miscellaneous	408	570	162
Total revenues	<u>52,866</u>	<u>53,070</u>	<u>204</u>
Expenditures:			
Culture and recreation	45,032	42,650	2,382
Debt service - principal		43	(43)
- interest		29	(29)
Total expenditures	<u>45,032</u>	<u>42,722</u>	<u>2,310</u>
Excess of revenues over expenditures	<u>7,834</u>	<u>10,348</u>	<u>2,514</u>
Other financing sources (uses):			
Lease agreements		761	761
Transfers in		6	6
Transfers (out)	(4,131)	(4,190)	(59)
Total other financing uses	<u>(4,131)</u>	<u>(3,423)</u>	<u>708</u>
Net change in fund balance	3,703	6,925	3,222
Fund balance at beginning of year	<u>19,768</u>	<u>23,924</u>	<u>4,156</u>
Fund balance at end of year	<u>\$ 23,471</u>	<u>\$ 30,849</u>	<u>\$ 7,378</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Stadium District - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 14

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,100	\$ 1,164	\$ 64
Charges for services	2,143	1,578	(565)
Investment earnings		4	4
Miscellaneous	29	55	26
Total revenues	<u>3,272</u>	<u>2,801</u>	<u>(471)</u>
Expenditures:			
Culture and recreation	8,567	7,433	1,134
Total expenditures	<u>8,567</u>	<u>7,433</u>	<u>1,134</u>
Deficiency of revenues under expenditures	<u>(5,295)</u>	<u>(4,632)</u>	<u>663</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		1	1
Transfers in	8,712	9,833	1,121
Transfers (out)	(4,243)	(4,243)	
Total other financing sources	<u>4,469</u>	<u>5,591</u>	<u>1,122</u>
Net change in fund balance	(826)	959	1,785
Fund balance at beginning of year	(444)	622	1,066
Fund balance at end of year	<u>\$ (1,270)</u>	<u>\$ 1,581</u>	<u>\$ 2,851</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Community Facilities Districts - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 15

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 21	\$ 26	\$ 5
Investment earnings	10		(10)
Total revenues	<u>31</u>	<u>26</u>	<u>(5)</u>
Expenditures:			
Education and economic opportunity	1,350		1,350
Debt service - principal	7	7	
- interest	73	6	67
- miscellaneous	101		101
Total expenditures	<u>1,531</u>	<u>13</u>	<u>1,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,500)</u>	<u>13</u>	<u>1,513</u>
Other financing sources:			
Proceeds from sale of debt	1,500		(1,500)
Total other financing sources	<u>1,500</u>		<u>(1,500)</u>
Net change in fund balance		13	13
Fund balance at beginning of year	1,287	50	(1,237)
Fund balance at end of year	<u>\$ 1,287</u>	<u>\$ 63</u>	<u>\$ (1,224)</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Improvement Other Districts - Special Revenue Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 16

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 273	\$ 268	\$ (5)
Total revenues	<u>273</u>	<u>268</u>	<u>(5)</u>
Expenditures:			
General government	<u>273</u>	<u>232</u>	<u>41</u>
Total expenditures	<u>273</u>	<u>232</u>	<u>41</u>
Excess of revenues over expenditures		<u>36</u>	<u>36</u>
Other financing uses:			
Transfers (out)		<u>(42)</u>	<u>(42)</u>
Total other financing uses		<u>(42)</u>	<u>(42)</u>
Net change in fund balance		(6)	(6)
Fund balance at beginning of year	<u>184</u>	<u>140</u>	<u>(44)</u>
Fund balance at end of year	<u>\$ 184</u>	<u>\$ 134</u>	<u>\$ (50)</u>



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COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Enterprise Funds

OTHER (NONMAJOR) ENTERPRISE FUNDS

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

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

PIMA COUNTY, ARIZONA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022
(in thousands)

Exhibit C - 17

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 22,128	\$ 1,112	\$ 23,240
Interest receivable	6		6
Due from other governments		2	2
Accounts receivable	75	26	101
Prepaid expense	30	8	38
Total current assets	<u>22,239</u>	<u>1,148</u>	<u>23,387</u>
Noncurrent assets:			
Net OPEB asset	140	9	149
Capital assets:			
Land		1,768	1,768
Buildings and improvements		27,608	27,608
Equipment	8	2,191	2,199
Less accumulated depreciation	(4)	(15,076)	(15,080)
Total capital assets (net)	<u>4</u>	<u>16,491</u>	<u>16,495</u>
Total noncurrent assets	<u>144</u>	<u>16,500</u>	<u>16,644</u>
Total assets	<u>22,383</u>	<u>17,648</u>	<u>40,031</u>
Deferred outflows of resources			
Pension/OPEB	973	59	1,032
Total deferred outflows of resources	<u>973</u>	<u>59</u>	<u>1,032</u>
Liabilities			
Current liabilities:			
Accounts payable	110	205	315
Employee compensation	159	11	170
Deposits and rebates	725		725
Unearned revenue		3	3
Compensated absences payable	294	11	305
Total current liabilities	<u>1,288</u>	<u>230</u>	<u>1,518</u>
Noncurrent liabilities:			
Compensated absences payable	320	21	341
Net Pension/OPEB liability	3,767	226	3,993
Total noncurrent liabilities	<u>4,087</u>	<u>247</u>	<u>4,334</u>
Total liabilities	<u>5,375</u>	<u>477</u>	<u>5,852</u>
Deferred inflows of resources			
Pension/OPEB	1,458	88	1,546
Total deferred inflows of resources	<u>1,458</u>	<u>88</u>	<u>1,546</u>
Net position			
Net investment in capital assets	4	16,491	16,495
Unrestricted	16,519	651	17,170
Total net position	<u>\$ 16,523</u>	<u>\$ 17,142</u>	<u>\$ 33,665</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Fund
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 18

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 14,010	\$ 2,321	\$ 16,331
Other	11	16	27
Total operating revenues	<u>14,021</u>	<u>2,337</u>	<u>16,358</u>
Operating expenses:			
Employee compensation	4,285	446	4,731
Operating supplies and services	62	35	97
Repair and maintenance	8	154	162
General and administrative	1,830	1,058	2,888
Consultants and professional services	257	119	376
Depreciation	1	807	808
Total operating expenses	<u>6,443</u>	<u>2,619</u>	<u>9,062</u>
Operating income (loss)	<u>7,578</u>	<u>(282)</u>	<u>7,296</u>
Nonoperating revenues (expenses):			
Investment earnings	(21)	4	(17)
Total nonoperating revenues (expenses)	<u>(21)</u>	<u>4</u>	<u>(17)</u>
Income (loss) before transfers	7,557	(278)	7,279
Transfers (out)		(634)	(634)
Change in net position	7,557	(912)	6,645
Net position at beginning of year	<u>8,966</u>	<u>18,054</u>	<u>27,020</u>
Net position at end of year	<u>\$ 16,523</u>	<u>\$ 17,142</u>	<u>\$ 33,665</u>

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 19

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from customers for goods and services provided	\$ 14,289	\$ 2,325	\$ 16,614
Cash payments to suppliers for goods and services	(656)	(1,278)	(1,934)
Cash payments to other funds for goods and services	(1,503)	(134)	(1,637)
Cash payments to employees for services	(4,553)	(415)	(4,968)
Net cash provided by operating activities	<u>7,577</u>	<u>498</u>	<u>8,075</u>
Cash flows from noncapital financing activities:			
Cash transfers out to other funds		(634)	(634)
Net cash used for noncapital financing activities		<u>(634)</u>	<u>(634)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets		11	11
Net cash provided by capital and related financing activities		<u>11</u>	<u>11</u>
Cash flows from investing activities:			
Interest received on cash and investments	(23)	5	(18)
Net cash provided by (used for) investing activities	<u>(23)</u>	<u>5</u>	<u>(18)</u>
Net increase (decrease) in cash and cash equivalents	7,554	(120)	7,434
Cash and cash equivalents at beginning of year	<u>14,574</u>	<u>1,232</u>	<u>15,806</u>
Cash and cash equivalents at end of year	<u>\$ 22,128</u>	<u>\$ 1,112</u>	<u>\$ 23,240</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 19.1

(continued)

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 7,578	\$ (282)	\$ 7,296
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	1	807	808
Changes in assets and deferred outflows of resources:			
Decrease (increase) in assets:			
Accounts receivable	28	(23)	5
Due from other governments		30	30
Prepaid expense	(12)	4	(8)
Net OPEB asset	(118)	(8)	(126)
Increase (decrease) in deferred outflows of resources:			
Pension/OPEB plans	22	(7)	15
Changes in liabilities and deferred inflows of resources:			
Increase (decrease) in liabilities:			
Accounts payable	10	(50)	(40)
Due to other governments			
Net Pension/OPEB liability	(1,517)	(48)	(1,565)
Other liabilities	252	(7)	245
Increase in deferred inflows of resources:			
Pension/OPEB plans	1,333	82	1,415
Net cash provided by operating activities	<u>\$ 7,577</u>	<u>\$ 498</u>	<u>\$ 8,075</u>



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COMBINING STATEMENTS AND OTHER SCHEDULES

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

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

PIMA COUNTY, ARIZONA
Combining Statements of Net Position
Internal Service Funds
June 30, 2022
(in thousands)

Exhibit C - 20

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 82,858	\$ 20,998	\$ 21,469	\$ 16,859	\$ 142,184
Interest receivable	5	2		5	12
Due from other governments				13	13
Accounts receivable	5	115	71	7	198
Inventory		752		216	968
Prepaid expense	774	38	130	6,856	7,798
Total current assets	<u>83,642</u>	<u>21,905</u>	<u>21,670</u>	<u>23,956</u>	<u>151,173</u>
Noncurrent assets:					
Net OPEB asset	37	101	29	194	361
Capital assets:					
Land	459				459
Buildings and improvements		23,106		224	23,330
Equipment	71	58,248		24,731	83,050
Less accumulated depreciation	(65)	(38,890)		(13,583)	(52,538)
Construction in progress		3,099			3,099
Total capital assets (net)	<u>465</u>	<u>45,563</u>	<u>29</u>	<u>11,372</u>	<u>57,400</u>
Total noncurrent assets	<u>502</u>	<u>45,664</u>	<u>29</u>	<u>11,566</u>	<u>57,761</u>
Total assets	<u>84,144</u>	<u>67,569</u>	<u>21,699</u>	<u>35,522</u>	<u>208,934</u>
Deferred outflows of resources					
Pension/OPEB	256	702	198	1,346	2,502
Total deferred outflows of resources	<u>256</u>	<u>702</u>	<u>198</u>	<u>1,346</u>	<u>2,502</u>
Liabilities					
Current liabilities:					
Accounts payable	1,466	2,591	1,549	448	6,054
Contracts retention		115			115
Employee compensation	39	116	33	205	393
Due to other funds		21			21
Unearned revenue			150	22	172
Compensated absences payable	81	206	46	369	702
Reported but unpaid losses	3,707		891		4,598
Incurred but not reported losses	2,538		5,049		7,587
Total current liabilities	<u>7,831</u>	<u>3,049</u>	<u>7,718</u>	<u>1,044</u>	<u>19,642</u>
Noncurrent liabilities:					
Compensated absences payable	36	8	26	172	242
Reported but unpaid losses	14,385		9		14,394
Incurred but not reported losses	11,345		51		11,396
Net Pension/OPEB liability	991	2,719	764	5,211	9,685
Total noncurrent liabilities	<u>26,757</u>	<u>2,727</u>	<u>850</u>	<u>5,383</u>	<u>35,717</u>
Total liabilities	<u>34,588</u>	<u>5,776</u>	<u>8,568</u>	<u>6,427</u>	<u>55,359</u>
Deferred inflows of resources					
Pension/OPEB	384	1,053	296	2,018	3,751
Total deferred inflows of resources	<u>384</u>	<u>1,053</u>	<u>296</u>	<u>2,018</u>	<u>3,751</u>
Net position					
Net investment in capital assets	465	45,563		11,372	57,400
Restricted for healthcare			13,033		13,033
Unrestricted	48,963	15,879		17,051	81,893
Total net position	<u>\$ 49,428</u>	<u>\$ 61,442</u>	<u>\$ 13,033</u>	<u>\$ 28,423</u>	<u>\$ 152,326</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 21

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 13,961	\$ 20,258	\$ 72,946	\$ 30,835	\$ 138,000
Other	261	174	5,364	149	5,948
Total operating revenues	<u>14,222</u>	<u>20,432</u>	<u>78,310</u>	<u>30,984</u>	<u>143,948</u>
Operating expenses:					
Employee compensation	2,183	2,713	823	5,278	10,997
Operating supplies and services	236	5,862	3	5,281	11,382
Incurred losses	3,747		70,401		74,148
Insurance premiums	5,756	750	5,890	29	12,425
General and administrative	778	2,087	965	1,996	5,826
Repair and maintenance	4	1,051		4,019	5,074
Consultants and professional services	1,691	117	3,548	3,820	9,176
Depreciation	10	6,288		3,244	9,542
Total operating expenses	<u>14,405</u>	<u>18,868</u>	<u>81,630</u>	<u>23,667</u>	<u>138,570</u>
Operating income (loss)	<u>(183)</u>	<u>1,564</u>	<u>(3,320)</u>	<u>7,317</u>	<u>5,378</u>
Nonoperating revenues (expenses):					
Investment earnings	(1,412)	(352)	(564)	41	(2,287)
Gain (loss) on disposal of capital assets		73		(273)	(200)
Total nonoperating expenses	<u>(1,412)</u>	<u>(279)</u>	<u>(564)</u>	<u>(232)</u>	<u>(2,487)</u>
Income (loss) before contributions and transfers	(1,595)	1,285	(3,884)	7,085	2,891
Capital contributions		10			10
Transfers in				1,360	1,360
Transfers (out)	(19)	(500)			(519)
Change in net position	(1,614)	795	(3,884)	8,445	3,742
Net position at beginning of year	<u>51,042</u>	<u>60,647</u>	<u>16,917</u>	<u>19,978</u>	<u>148,584</u>
Net position at end of year	<u>\$ 49,428</u>	<u>\$ 61,442</u>	<u>\$ 13,033</u>	<u>\$ 28,423</u>	<u>\$ 152,326</u>

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 22

	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from other funds for goods and services provided	\$ 13,961	\$ 20,258	\$ 72,946	\$ 30,835	\$ 138,000
Cash received from miscellaneous operations	256	118	5,496	212	6,082
Cash payments to suppliers for goods and services	(6,300)	(6,548)	(9,502)	(15,419)	(37,769)
Cash payments to other funds for goods and services	(803)	(1,936)	(753)	(1,346)	(4,838)
Cash payments for incurred losses	(3,791)		(69,701)		(73,492)
Cash payments to employees for services	(2,312)	(3,123)	(975)	(5,813)	(12,223)
Net cash provided by (used for) operating activities	<u>1,011</u>	<u>8,769</u>	<u>(2,489)</u>	<u>8,469</u>	<u>15,760</u>
Cash flows from noncapital financing activities:					
Cash transfers in from other funds				1,360	1,360
Cash transfers out to other funds	(19)	(500)			(519)
Loans with other funds		1,738		1	1,739
Net cash provided by (used for) noncapital financing activities	<u>(19)</u>	<u>1,238</u>		<u>1,361</u>	<u>2,580</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		182			182
Purchase of capital assets		(5,514)		(1,204)	(6,718)
Net cash used for capital and related financing activities		<u>(5,332)</u>		<u>(1,204)</u>	<u>(6,536)</u>
Cash flows from investing activities:					
Interest received on cash and investments	(1,413)	(354)	(563)	38	(2,292)
Net cash provided by (used for) investing activities	<u>(1,413)</u>	<u>(354)</u>	<u>(563)</u>	<u>38</u>	<u>(2,292)</u>
Net increase (decrease) in cash and cash equivalents	(421)	4,321	(3,052)	8,664	9,512
Cash and cash equivalents at beginning of year	<u>83,279</u>	<u>16,677</u>	<u>24,521</u>	<u>8,195</u>	<u>132,672</u>
Cash and cash equivalents at end of year	<u>\$ 82,858</u>	<u>\$ 20,998</u>	<u>\$ 21,469</u>	<u>\$ 16,859</u>	<u>\$ 142,184</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 22.1

(continued)

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	Self- Insurance Trust	Fleet Services	Health Benefit Trust	Other Internal Service	Total Internal Service Funds
	\$ (183)	\$ 1,564	\$ (3,320)	\$ 7,317	\$ 5,378
Operating income (loss)					
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization	10	6,288		3,244	9,542
Changes in assets and deferred outflows of resources:					
Decrease (increase) in assets:					
Accounts receivable	(5)	(56)	(13)	17	(57)
Due from other governments				25	25
Inventory and other assets		2		8	10
Prepaid expense	347	(1)	(79)	1,766	2,033
Net OPEB assets	(32)	(84)	(24)	(164)	(304)
Increase (decrease) in deferred outflows of resources:					
Pension/OPEB plans	(20)	58	23	33	94
Changes in liabilities and deferred inflows of resources:					
Increase (decrease) in liabilities:					
Accounts payable	1,015	1,382	230	(3,394)	(767)
Due to other governments					
Reported but unpaid losses	1,704		105		1,809
Incurred but not reported losses	(1,748)		595		(1,153)
Net pension/OPEB liability	(261)	(1,313)	(410)	(2,108)	(4,092)
Other liabilities	(170)	(28)	136	(120)	(182)
Increase in deferred inflows of resources:					
Pension/OPEB plans	354	957	268	1,845	3,424
Net cash provided by (used for) operating activities	\$ 1,011	\$ 8,769	\$ (2,489)	\$ 8,469	\$ 15,760

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2022:

Fleet Services Fund disposed of capital assets with a net book value of \$109.



2022

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Fiduciary Funds

FIDUCIARY FUNDS

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

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

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2022
(in thousands)

Exhibit C - 23

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Assets			
Cash and cash equivalents	\$ 3,172	\$ 1,606	\$ 4,778
Total assets	3,172	1,606	4,778
 Net position			
Restricted for			
Individuals, organizations, and other governments	3,172	1,606	4,778
Total net position	\$ 3,172	\$ 1,606	\$ 4,778

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2022
(in thousands)

Exhibit C - 24

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Additions:			
Other	\$ 8,263	\$ 118	\$ 8,381
Total additions	8,263	118	8,381
Deductions:			
Other	7,890	765	8,655
Total deductions	7,890	765	8,655
Net increase (decrease) in fiduciary net position	373	(647)	(274)
Net position held in trust July 1, 2021	2,799	2,253	5,052
Net position held in trust June 30, 2022	\$ 3,172	\$ 1,606	\$ 4,778

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022
(in thousands)

	External Investment Pool					Other		
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Assets								
Cash and cash equivalents	\$ 254,598	\$ 62,109	\$ 11,164	\$ 327,871	\$ 7,183	\$ 50,327	\$ 10,379	\$ 67,889
Property tax receivable					39,687			39,687
Interest receivable	80	24	3	107	1,155			1,155
Due from other governments					48,025			
Total assets	<u>254,678</u>	<u>62,133</u>	<u>11,167</u>	<u>327,978</u>	<u>48,025</u>	<u>50,327</u>	<u>10,379</u>	<u>108,731</u>
Net position								
Restricted for:								
Pool participants	254,678	62,133	11,167	327,978	48,025	50,327	10,379	108,731
Individuals, organizations, and other governments								
Total net position	<u>\$ 254,678</u>	<u>\$ 62,133</u>	<u>\$ 11,167</u>	<u>\$ 327,978</u>	<u>\$ 48,025</u>	<u>\$ 50,327</u>	<u>\$ 10,379</u>	<u>\$ 108,731</u>

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2022
(in thousands)

	External Investment Pool				Other			
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Additions:								
Contributions from pool participants	\$ 2,052,166	\$ 125,540	\$ 22,010	\$ 2,199,716		\$ 71,116		\$ 71,116
Contributions from other governments					\$ 1,316,263			1,316,263
Property tax collections for other governments					8,403			8,403
Fines and fees collected for other governments						146		146
Investment earnings	946	256	47	1,249			2,309	2,309
Inmate collections					364		30,809	31,173
Other								
Total additions	<u>2,053,112</u>	<u>125,796</u>	<u>22,057</u>	<u>2,200,965</u>	<u>1,325,030</u>	<u>71,262</u>	<u>33,118</u>	<u>1,429,410</u>
Deductions:								
Distributions to pool participants	1,966,647	134,679	21,503	2,122,829		99,074		99,074
Distributions to other governments					1,304,124			1,304,124
Property tax distributions to other governments					525			525
Interest expense					8,586			8,586
Fines and fees distributed to other governments							2,424	2,424
Payments to inmates							29,900	30,618
Other					718			
Total deductions	<u>1,966,647</u>	<u>134,679</u>	<u>21,503</u>	<u>2,122,829</u>	<u>1,313,953</u>	<u>99,074</u>	<u>32,324</u>	<u>1,445,351</u>
Net increase (decrease) in fiduciary net position	86,465	(8,883)	554	78,136	11,077	(27,812)	794	(15,941)
Net position July 1, 2021	168,213	71,016	10,613	249,842	36,948	78,139	9,585	124,672
Net position June 30, 2022	<u>\$ 254,678</u>	<u>\$ 62,133</u>	<u>\$ 11,167</u>	<u>\$ 327,978</u>	<u>\$ 48,025</u>	<u>\$ 50,327</u>	<u>\$ 10,379</u>	<u>\$ 108,731</u>



INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

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



STATISTICAL SECTION

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 1,308,057	\$ 1,354,456	\$ 1,385,996	\$ 1,376,761	\$ 1,429,607	\$ 1,452,111	\$ 1,517,465	\$ 1,582,181	\$ 1,616,368	\$ 1,633,005
Restricted for:										
Facilities, justice, library, tax stabilization and community development	100,423	61,936	60,285	58,269	66,828	68,636	63,501	102,881	117,584	119,378
Highways and streets	27,033	10,988	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727
Capital projects	9,853	66,885	64,612	62,386	76,278	80,619	34,549	34,384	8,134	28,642
Healthcare	1,163	3,591	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276
Unrestricted (deficit)	145,618	84,514	(507,127)	(494,395)	(503,936)	(530,353)	(435,876)	(456,402)	(417,783)	(363,483)
Total governmental activities net position	\$ 1,592,147	\$ 1,582,370	\$ 1,040,415	\$ 1,045,632	\$ 1,114,879	\$ 1,143,410	\$ 1,232,521	\$ 1,308,315	\$ 1,369,635	\$ 1,444,545
Business-type activities										
Net investment in capital assets	\$ 531,945	\$ 586,868	\$ 592,351	\$ 636,369	\$ 654,168	\$ 686,418	\$ 717,994	\$ 740,667	\$ 789,501	\$ 826,451
Restricted for:										
Debt service	29,100	31,615	36,683	36,666	38,247	40,271	41,762	36,905	31,100	32,398
Capital projects	42,841	22,720	7,980	3,440	1,667	2,267	6,447	5,963	7,447	10,528
Regional Wastewater	17,785	18,820	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728
Healthcare										
Unrestricted	101,759	117,425	87,010	88,906	75,231	56,307	55,035	70,486	64,998	70,761
Total business-type activities net position	\$ 723,430	\$ 777,448	\$ 743,443	\$ 784,604	\$ 788,981	\$ 804,614	\$ 840,396	\$ 873,601	\$ 913,129	\$ 961,866
Primary government										
Net investment in capital assets	\$ 1,840,002	\$ 1,941,324	\$ 1,978,347	\$ 2,013,130	\$ 2,083,775	\$ 2,138,529	\$ 2,235,459	\$ 2,322,848	\$ 2,405,869	\$ 2,459,456
Restricted for:										
Facilities, justice, library, tax stabilization and community development	100,423	61,936	60,285	58,269	66,828	68,636	63,103	102,881	117,584	119,378
Highways and streets	27,033	10,988	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727
Debt service	29,100	31,615	36,683	36,666	38,247	40,271	41,762	36,905	31,100	32,398
Capital projects	52,694	89,605	72,592	65,826	77,945	82,886	40,996	40,347	15,581	39,170
Regional Wastewater	17,785	18,820	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728
Healthcare	1,163	3,591	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276
Unrestricted (deficit)	247,377	201,939	(420,117)	(405,489)	(428,705)	(474,046)	(380,443)	(385,916)	(352,785)	(292,722)
Total primary government net position	\$ 2,315,577	\$ 2,359,818	\$ 1,783,858	\$ 1,830,236	\$ 1,903,860	\$ 1,948,024	\$ 2,072,917	\$ 2,181,916	\$ 2,282,764	\$ 2,406,411

Note:

Due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, in fiscal year 2019, net position for the year ended June 30, 2018 was restated, however this change is not reflected in this schedule.
 Due to the implementation of GASB Statement No. 82, *Pension Issues*, in fiscal year 2016, net position for the year ended June 30, 2015 was restated, however this change is not reflected in this schedule.
 Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015, net position for the year ended June 30, 2014 was restated, however this change is not reflected in this schedule.

Source:

Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 233,984	\$ 230,742	\$ 259,734	\$ 267,658	\$ 260,251	\$ 279,678	\$ 254,241	\$ 329,566	\$ 360,851	\$ 343,493
Public safety	166,476	188,782	188,189	201,759	214,648	214,460	199,402	197,857	215,376	204,946
Highways and streets	80,087	93,675	85,618	102,461	86,886	110,159	111,826	118,956	136,405	198,621
Sanitation	6,409	4,252	(4,882)	3,089	5,195	2,683	2,798	4,052	3,295	4,453
Health	36,540	36,085	38,219	38,386	39,454	38,186	39,658	43,389	79,676	60,822
Welfare	95,428	93,224	93,524	88,515	90,013	94,567	95,737	102,033	103,038	100,505
Culture and recreation	65,341	63,961	62,981	65,770	68,350	65,827	62,513	70,275	70,153	69,944
Education and economic opportunity	49,924	35,756	35,051	35,833	36,658	43,492	42,810	39,420	49,623	65,797
Amortization-unallocated	(286)	(5,758)	(6,237)	(6,862)	(9,348)	(7,806)	(6,551)	(6,909)	(6,870)	(5,254)
Interest on long-term debt	23,915	27,994	27,696	27,464	27,066	23,049	21,650	20,146	20,861	20,130
Total governmental activities expenses	757,818	768,713	779,893	824,073	819,173	864,295	824,084	918,785	1,032,408	1,063,457
Business-type activities:										
Regional Wastewater Reclamation	144,085	145,117	184,884	155,566	155,257	148,405	149,576	151,893	153,265	153,613
Pima Health System & Services										
Development Services	7,231	6,796	6,888	6,691	6,091	5,523	6,187	6,528	6,443	6,443
Parking Garages	1,825	1,877	1,814	2,350	2,840	2,821	2,963	2,649	2,481	2,619
Total business-type activities expenses	153,141	153,790	193,586	164,607	164,188	156,749	158,726	161,070	162,116	162,675
Total primary government expenses	\$ 910,959	\$ 922,503	\$ 973,479	\$ 988,680	\$ 983,361	\$ 1,021,044	\$ 982,810	\$ 1,079,855	\$ 1,194,524	\$ 1,226,132
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 28,910	\$ 27,355	\$ 27,974	\$ 27,149	\$ 28,331	\$ 27,713	\$ 26,789	\$ 28,754	\$ 33,606	\$ 32,414
Public safety	10,238	14,846	12,883	12,733	13,657	13,737	13,975	14,665	18,297	14,171
Highways and streets	6,511	6,307	6,136	5,263	6,696	8,356	7,908	9,236	12,432	13,006
Sanitation	3,577	31								
Health	12,495	13,259	12,894	13,437	13,831	13,727	14,576	14,614	15,154	16,097
Welfare	320	80	200	50			252	289	122	51
Culture and recreation	2,865	2,548	3,144	2,855	3,876	3,266	3,702	6,907	2,201	3,721
Education and economic opportunity	1,544	430	577	545	593	581	577	514	419	565
Operating grants and contributions	116,121	113,129	126,862	127,536	130,049	131,222	131,487	175,720	237,401	234,010
Capital grants and contributions	59,298	54,583	42,570	45,579	37,502	26,842	30,361	40,077	35,772	56,606
Subtotal governmental activities program revenues	\$ 241,879	\$ 232,568	\$ 233,240	\$ 235,147	\$ 234,535	\$ 225,444	\$ 229,627	\$ 290,776	\$ 355,404	\$ 370,641

(continued)

Source:
 Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program revenues										
Business-type activities:										
Charges for services	\$ 156,573	\$ 171,650	\$ 172,597	\$ 167,856	\$ 170,255	\$ 176,108	\$ 180,118	\$ 176,208	\$ 179,727	\$ 181,732
Regional Wastewater Reclamation										
Pima Health System & Services										
Development Services	6,519	7,553	6,324	6,212	8,076	8,791	8,859	10,396	13,947	14,010
Parking Garages	2,073	2,362	2,271	2,209	2,399	2,524	2,605	2,355	1,985	2,321
Operating grants and contributions			35	35						
Capital grants and contributions	3,914	6,807	5,854	7,297	5,119	7,354	10,968	8,531	13,743	14,661
Total business-type activities program revenues	169,079	188,372	187,081	183,609	185,849	194,777	202,550	197,490	209,402	212,724
Total primary government program revenues	\$ 410,958	\$ 420,940	\$ 420,321	\$ 418,756	\$ 420,384	\$ 420,221	\$ 432,177	\$ 488,266	\$ 564,806	\$ 583,365
Net (expense) revenue										
Governmental activities	(515,939)	(536,145)	(546,653)	(588,926)	(584,638)	(638,851)	(594,457)	(628,009)	(677,004)	(692,816)
Business-type activities	15,938	34,582	(6,505)	19,002	21,661	38,028	43,824	36,420	47,286	50,049
Total governmental activities net expense	<u>(500,001)</u>	<u>(501,563)</u>	<u>(553,158)</u>	<u>(569,924)</u>	<u>(562,977)</u>	<u>(600,823)</u>	<u>(550,633)</u>	<u>(591,589)</u>	<u>(629,718)</u>	<u>(642,767)</u>
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 383,508	\$ 378,032	\$ 423,538	\$ 444,194	\$ 453,004	\$ 476,365	\$ 463,547	\$ 482,079	\$ 485,886	\$ 500,619
Hotel/motel taxes	6,076	6,262	6,155	6,620	6,885	6,569	7,192	5,539	5,816	8,876
Other taxes levied for stadium district	1,524	1,509	1,536	1,614	1,590	1,612	1,544	1,270	954	1,162
Shared sales tax	97,685	101,605	105,522	107,966	111,922	118,702	124,999	131,125	152,512	171,839
Shared vehicle licenses	22,043	23,899	24,976	26,302	27,761	28,933	30,282	30,747	35,296	33,485
Unrestricted grants and contributions	3,207	5,035	4,562	4,199	4,550	4,733	4,877	5,890	4,892	7,289
Interest and penalties on delinquent taxes	7,439	6,976	6,164	5,590	6,504	5,157	5,247	5,286	5,886	5,247
Investment earnings	2,627	2,955	1,931	3,268	3,297	5,549	12,328	11,927	3,812	(665)
Miscellaneous	21,267	16,810	16,889	15,712	17,731	18,381	21,320	22,019	33,832	38,421
Transfers	(7,330)	(16,715)	(17,133)	(20,190)	20,146	25,393	11,855	7,921	9,438	1,453
Total governmental activities	538,046	526,368	574,140	595,275	653,390	691,394	683,568	703,803	738,324	767,726
Business-type activities:										
Investment earnings	1,017	1,237	903	1,291	1,512	2,228	4,224	4,045	1,110	(530)
Miscellaneous	580	1,484	549	678	1,350	763	1,038	661	570	671
Transfers	7,330	16,715	17,133	20,190	(20,146)	(23,393)	(11,855)	(7,921)	(9,438)	(1,453)
Total business-type activities	8,927	19,436	18,585	22,159	(17,284)	(22,402)	(6,593)	(3,215)	(7,758)	(1,312)
Total primary government	\$ 546,973	\$ 545,804	\$ 592,725	\$ 617,434	\$ 636,106	\$ 668,992	\$ 676,975	\$ 700,588	\$ 730,566	\$ 766,414
Change in net position:										
Governmental activities	22,107	(9,777)	27,487	6,349	68,752	52,543	89,111	75,794	61,320	74,910
Business-type activities	24,865	54,018	12,080	41,161	4,377	15,626	37,231	33,205	39,528	48,737
Total primary government	<u>\$ 46,972</u>	<u>\$ 44,241</u>	<u>\$ 39,567</u>	<u>\$ 47,510</u>	<u>\$ 73,129</u>	<u>\$ 68,169</u>	<u>\$ 126,342</u>	<u>\$ 108,999</u>	<u>\$ 100,848</u>	<u>\$ 123,647</u>

Source:
 Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 3,848	\$ 5,278	\$ 4,053	\$ 2,931	\$ 4,318	\$ 4,566	\$ 7,287	\$ 7,487	\$ 5,659	\$ 2,292
Restricted										
Committed	158	181	194	201	80	101	121	135	10,000	25,000
Assigned	56,526	42,731	47,878	77,550	97,638	108,825	101,990	97,974	418,030	160
Unassigned	\$ 60,532	\$ 48,190	\$ 52,125	\$ 80,682	\$ 102,036	\$ 113,492	\$ 109,398	\$ 105,596	\$ 433,852	\$ 174,757
Total General Fund										
	\$ 60,532	\$ 48,190	\$ 52,125	\$ 80,682	\$ 102,036	\$ 113,492	\$ 109,398	\$ 105,596	\$ 433,852	\$ 202,209
All other governmental funds										
Unreserved, reported in:										
Special revenue funds										
Nonspendable	\$ 1,939	\$ 1,894	\$ 2,515	\$ 2,323	\$ 2,496	\$ 2,676	\$ 2,540	\$ 2,400	\$ 2,928	\$ 2,662
Restricted	76,570	60,984	53,155	57,141	62,263	90,924	77,122	80,990	108,368	98,730
Committed	7,746	6,308	6,320	6,962	2,821	1,972	3,993	18,422	17,803	17,826
Assigned	23,784	4,204	3,769	3,289	9,421	4,747	9,836	14,558	15,992	11,758
Unassigned	(8,385)	(6,536)	(4,770)	(9,097)	(7,006)	(7,690)	(4,370)		(279)	(6,219)
Capital projects funds										
Nonspendable	187,855	145,256	126,827	104,274	96,228	136,889	78,107	72,010	66,658	49,051
Restricted	6,958	3,836	3,065	1,508						
Committed				195	209	9,492	41,234	45,776	21,957	44,073
Assigned	(83)	(80)	(57)							
Unassigned	25,640	7,848	8,424	6,656	3,127	5,004	6,845	5,143	4,466	1,538
Debt Service: Assigned										
Grants										
Nonspendable								180	29	243
Unassigned								(2,346)	(27,598)	(25,057)
Total other governmental funds	\$ 322,024	\$ 223,714	\$ 199,248	\$ 173,251	\$ 169,559	\$ 244,014	\$ 215,307	\$ 237,134	\$ 210,324	\$ 194,605

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

Source: Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 391,630	\$ 385,829	\$ 431,371	\$ 450,054	\$ 460,312	\$ 481,222	\$ 469,605	\$ 486,074	\$ 491,028	\$ 502,370
Special assessments	8,371	8,275	8,456	8,824	9,305	9,906	10,261	9,856	11,126	9,941
Licenses and permits	301,223	292,082	296,628	314,918	308,555	302,668	326,678	364,610	435,628	481,572
Intergovernmental	53,521	57,826	60,222	62,258	66,852	63,917	61,171	68,435	75,339	76,232
Charges for services	9,904	8,652	9,509	8,420	8,110	7,526	7,004	6,062	7,022	7,535
Fines and forfeits	2,282	1,737	1,155	1,812	2,257	4,022	7,564	7,417	3,074	1,622
Investment earnings	22,182	17,464	15,680	16,835	17,908	19,941	20,980	21,272	25,543	44,764
Miscellaneous	789,113	771,865	823,021	863,121	873,299	889,202	903,263	963,726	1,048,760	1,124,036
Total revenues										
Expenditures										
General government	238,582	247,507	256,331	255,639	258,350	257,511	269,391	318,476	347,492	337,570
Public safety	152,373	157,572	161,484	169,292	174,105	172,696	173,195	158,046	210,390	435,338
Highways and streets	35,866	37,772	39,664	45,625	41,523	42,038	39,953	63,254	89,690	130,298
Sanitation	5,328	2,521	2,403	2,237	2,343	2,314	2,405	2,511	2,239	2,414
Health	35,581	35,357	37,787	38,390	39,263	39,182	42,909	42,141	77,417	63,194
Welfare	95,339	93,193	93,418	88,436	89,915	94,594	95,907	102,043	103,029	100,550
Culture and recreation	55,691	56,745	68,987	58,710	64,725	62,070	64,003	64,731	65,820	72,247
Education and economic opportunity	44,299	34,196	34,280	35,121	35,872	40,102	42,345	38,583	48,026	66,554
Capital outlay	174,976	135,746	100,788	70,473	73,922	78,370	118,275	118,016	94,003	108,296
Debt service - principal	68,342	113,337	81,933	86,957	101,579	97,574	129,912	90,018	102,692	90,454
- interest	23,904	26,777	26,439	26,279	23,920	20,244	18,730	17,650	16,526	18,767
- miscellaneous	1,654	1,030	863	488	1,376	729	620	622	2,805	247
Total expenditures	931,935	941,753	904,377	877,647	906,893	907,424	997,645	1,016,071	1,160,129	1,425,929
Deficiency of revenues under expenditures	(142,822)	(169,888)	(81,356)	(14,526)	(33,594)	(18,222)	(94,382)	(52,345)	(111,369)	(301,893)
Other financing sources (uses):										
Issuance of refunding debts	51,280	8,805	13,685	9,640	150,385	2,621	6,709	5,588	5,603	
Premium on bonds	11,959	9,488	5,949	2,552	17,661					
Payments to escrow agents	(55,423)	(10,131)	(15,250)	(11,010)	(166,816)					
Capital leases/installment notes	764	239	11,500	149	1,700		170	679		470
Proceeds from sale of capital assets	31	360	119	89	246	566	1,676	268	5	3,451
Lease agreements										
Face amount of long-term debt	130,175	78,160	72,025	34,295	25,680	73,660	45,940	56,020	387,248	50,000
Transfers in	113,227	162,683	121,497	114,358	110,044	121,810	169,544	170,977	191,771	227,287
Transfers (out)	(122,244)	(190,140)	(148,744)	(132,865)	(87,640)	(94,524)	(162,458)	(163,167)	(171,810)	(226,675)
Total other financing sources	129,769	59,464	60,781	17,208	51,260	104,133	61,581	70,365	412,817	54,533
Change in reserves - net								4	(1)	(2)
Net change in fund balances	\$(13,053)	\$(110,424)	\$(20,575)	2,682	\$ 17,666	\$ 85,911	\$(32,801)	\$ 18,024	\$ 301,447	\$(247,362)
Debt service as a percentage of noncapital expenditures	11.67%	16.44%	13.51%	13.41%	14.94%	13.74%	16.11%	11.55%	11.10%	8.08%

Source:
 Pima County Department of Finance & Risk Management

STATISTICAL SECTION

REVENUE CAPACITY:

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

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

Tax Year	Commercial Property	Residential Property	Vacant Land	Other	Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
2013	2,375,969	4,701,881	429,967	51,312	7,559,129	5.1309	73,262,703	10.32%
2014	2,308,924	4,752,612	407,857	49,090	7,518,482	5.7639	74,402,882	10.11%
2015	2,230,175	4,952,757	385,043	52,386	7,620,361	5.9632	76,489,654	9.96%
2016	2,246,501	5,172,564	345,099	52,536	7,816,700	5.8852	78,911,345	9.91%
2017	2,323,580	5,374,744	321,022	55,611	8,074,958	6.0243	80,459,900	10.04%
2018	2,316,227	5,634,554	323,278	59,834	8,333,893	5.6525	82,745,384	10.07%
2019	2,408,207	5,948,604	311,735	61,418	8,729,964	5.6014	86,441,657	10.10%
2020	2,462,342	6,311,194	304,548	62,341	9,140,425	5.3524	90,656,154	10.08%
2021	2,650,189	6,667,859	309,971	68,132	9,696,151	5.2346	95,585,663	10.14%
2022	2,737,633	7,008,385	312,905	73,701	10,132,624	5.1036	100,257,796	10.11%

Notes:

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

Source:

Pima County Department of Finance & Risk Management

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

Tax Year	County Direct Rates															
	State of Arizona	City of Tucson	Community College District	City of Tucson	City of South Tucson	Street Lighting District	Central AZ Water Conservation District	Flowing Wells Irrigation District ²	Silverbell Irrigation District ²	Cortaro-Marana Irrigation District ²	Mobile Home Relocation District ³	Gladden Farms Community Facilities District	Vanderbilt Farms Community Facilities District ⁴	Quail Creek Community Facilities District	Gladden Farms Phase II Community Facilities District	Saguaro Springs Community Facilities District
2013	0.0000	0.5123	0.4741	1.2933	1.4304	2.9776	0.1400	19.3500	3.0000	69.0000	0.5000	2.8000	0.3000	3.3000	0.3000	0.3000
2014	0.0000	0.5089	1.3344	1.3444	1.4606	0.2528	0.1400	19.3500	3.0000	69.0000	0.5000	2.8000	0.3000	3.3000	0.3000	0.3000
2015	0.0000	0.5054	1.3689	1.3689	1.5960	0.2528	0.1400	19.3500	3.0000	72.0000	0.5000	2.8000	0.3000	3.3000	0.3000	0.3000
2016	0.0000	0.5010	1.3733	1.3733	1.5982	0.2528	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	0.3000	3.3000	0.3000	0.3000
2017	0.0000	0.4875	1.3890	1.3890	1.4342	0.2487	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	0.3000	3.3000	0.3000	0.3000
2018	0.0000	0.4741	1.3983	1.3983	1.4819	0.2512	0.1400	19.3500	3.0000	78.0000	0.0000	2.4400	0.3000	3.3000	0.3000	2.8000
2019	0.0000	0.4566	1.3758	1.3758	1.3810	0.2434	0.1400	19.3500	3.0000	79.5000	0.0000	2.8000	0.3000	3.3000	2.8000	2.8000
2020	0.0000	0.4426	1.3559	1.3559	1.3573	0.2527	0.1400	19.3500	3.0000	80.2500	0.0000	2.8000	0.3000	3.3000	2.8000	2.8000
2021	0.0000	0.4263	1.2733	1.2733	1.3123	0.2370	0.1400	19.3500	3.0000	84.0000	0.0000	2.8000	0.3000	3.3000	2.8000	2.8000
2022	0.0000	0.0000	1.2878	1.2878	1.4292	0.2338	0.1400	21.2900	3.2508	91.5000	0.0000	2.8000	0.3000	3.0300	2.8000	2.8000

Overlapping Rates

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

¹The Pima County Flood Control District tax levy applies only to real property.

²Irrigation Districts' tax rates shown are levied on a per-acre basis.

³Mobile Home Relocation levy applies only to unsecured mobile homes.

⁴Vanderbilt Farms Community Facilities District was dissolved in fiscal year 2020.

Source:
 Pima County Department of Finance & Risk Management

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

School District	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tucson Unified (#1)	7.4319	7.5094	7.3425	7.1258	6.9218	6.5554	6.3328	6.1243	6.1032	5.9173
Marana Unified (#6)	6.0085	6.2288	6.3370	6.3871	6.2334	6.0840	5.8650	5.7594	5.9491	5.4689
Flowing Wells Unified (#8)	6.7146	6.6135	6.6292	6.8971	6.7539	6.8860	6.8539	6.6839	6.4855	6.5638
Amphitheater Unified (#10)	5.9226	5.8044	5.6725	5.4917	5.6311	5.4919	5.4507	5.4522	5.1034	5.1627
Sunnyside Unified (#12)	5.0003	6.0364	3.9987	5.5498	5.7009	5.6636	5.3009	5.1530	4.6605	4.3087
Tanque Verde Unified (#13)	5.0012	5.0329	5.3069	5.2329	5.7574	5.4150	5.3974	5.2384	5.2731	5.0445
Ajo Unified (#15)	3.8882	4.8452	4.5540	4.7673	4.7107	4.5585	4.3771	4.2246	4.1276	4.0710
Catalina Foothills Unified (#16)	4.8264	4.7066	4.9985	5.9893	5.6661	5.4212	4.9943	5.5878	5.1980	5.0599
Vail Elementary (#20)	7.1703	7.3000	7.0189	7.0523	7.2630	7.1643	7.4759	7.1640	7.1497	6.8087
Sahuaria Unified (#30)	6.6341	7.2885	7.2847	7.3670	9.0399	8.4240	7.8712	7.4213	7.3042	7.1594
San Fernando Elementary (#35)	5.7831	5.8244	5.9538	4.4826	4.5003	4.3145	2.3087	1.9243	1.9959	1.9510
Empire Elementary (#37)	1.1287	2.1687	1.7677	2.4363	5.4021	6.4884	3.7643	2.4307	3.6087	3.4754
Continental Elementary (#39)	1.7027	2.6146	2.6512	2.4626	2.4991	2.5037	2.3785	2.3249	2.2488	2.1400
Redington Elementary (#44)	4.8200	4.7711	4.5901	8.9614	8.6853	8.6853	7.3742	7.3742	7.3742	7.3742
Altar Valley Elementary (#51)	6.2676	6.7381	7.6184	5.9857	5.7738	5.9852	5.5805	5.6522	6.7208	5.1139
Unorganized ¹	2.1265	2.1123	2.0977	2.0793	2.0234	1.9679	1.8954	1.8371	1.7694	1.7133

Notes:
¹County Education District; Only applies to those geographical areas within Pima County not part of formal school districting.

Source:
Pima County Department of Finance & Risk Management

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

Taxpayer	2013			2014			2015			2016			2017		
	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 200,706	1	2.6%	\$ 201,401	1	2.5%	\$ 200,344	1	2.4%	\$ 188,366	1	2.2%	\$ 215,359	1	2.5%
Southwest Gas Corporation	61,669	4	0.8%	66,789	3	0.9%	70,297	3	0.9%	36,696	4	0.4%	75,306	3	0.9%
Pheips Dodge Corporation - Sierrita Mine	136,947	2	1.8%	95,186	2	1.2%	93,847	2	1.1%	81,988	2	1.0%	84,212	2	1.0%
ASARCO LLC - Mission Mine	74,101	3	1.0%	55,322	4	0.7%	48,496	4	0.6%	42,290	3	0.5%	43,258	4	0.5%
QWEST Corporation	40,386	5	0.5%	38,035	5	0.5%	37,877	5	0.5%	33,114	5	0.4%	35,990	5	0.4%
Northwest Hospital LLC	16,980	7	0.2%	16,982	8	0.2%	17,058	7	0.2%	16,858	8	0.2%	31,995	6	0.4%
SMSJ Tucson Holdings, LLC										17,471	7	0.2%	23,629	8	0.3%
DND Neffson Co. (Tucson Mall)	16,030	9	0.2%	16,037	9	0.2%	15,695	8	0.2%	15,668	9	0.2%	22,561	9	0.3%
Wal-Mart Stores, Inc.	16,923	8	0.2%	19,366	7	0.2%	18,494	6	0.2%	18,211	6	0.2%	21,809	10	0.3%
DDR Tucson Spectrum II, LLC										12,499	10	0.1%			
Raytheon															
Trico Electric Co-Op Inc.	21,713	6	0.3%	21,845	6	0.3%	14,131	10	0.2%						
JW Marriott Starr Pass Resort				12,298	10	0.2%									
Verizon Wireless	12,884	10	0.2%												
Sierrita Gas Pipeline LLC															
Arizona Portland Cement															
ASARCO Mining															
Westin La Paloma															
Total Top Ten	\$ 598,339		7.8%	\$ 543,261		6.8%	\$ 530,942		6.5%	\$ 463,161		5.4%	\$ 584,888		7.0%

Notes:
¹Secondary Assessed Valuation for Tax Year

Source:
Pima County Assessor's Office
Arizona Department of Revenue

\$7,623,691

\$ 7,579,899

\$ 7,906,190

\$ 8,262,665

\$ 584,888

\$ 8,508,990

(continued)

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

(continued)

Taxpayer	2018			2019			2020			2021			2022		
	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 217,657	1	2.4%	\$ 217,567	1	2.3%	\$ 228,198	1	2.2%	\$ 240,775	1	2.2%	\$ 273,438	1	2.4%
Southwest Gas Corporation	85,118	2	0.9%	92,375	2	1.0%	102,442	2	1.0%	119,687	2	1.1%	136,933	2	1.2%
Phelps Dodge Corporation	70,987	3	0.8%	71,722	3	0.7%	89,998	3	0.9%	101,453	3	0.9%	86,436	3	0.8%
Sierrita Gas Pipeline LLC	29,920	7	0.3%	28,751	7	0.3%	32,825	7	0.3%	40,427	4	0.4%	46,647	4	0.4%
ASARCO, LLC	40,280	4	0.4%	36,335	4	0.4%	42,110	4	0.4%	38,540	5	0.4%	34,044	5	0.3%
Raytheon Company							26,237	8	0.3%	32,155	6	0.3%	34,026	6	0.3%
Northwest Hospital, LLC	32,521	6	0.4%	33,047	6	0.3%	33,729	6	0.3%	31,175	7	0.3%	33,149	7	0.3%
Qwest Corporation	34,964	5	0.4%	35,335	5	0.4%	33,754	5	0.3%	30,935	8	0.3%	28,283	8	0.2%
SMSJ Tucson Holdings, LLC	29,729	8	0.3%	25,005	8	0.3%	26,006	9	0.3%	24,579	9	0.2%	25,946	9	0.2%
Wal-Mart Stores, Inc.	22,472	10	0.2%	23,020	10	0.2%									
DND Neffison Co. (Tucson Mall)	22,667	9	0.3%	23,150	9	0.2%	23,377	10	0.2%	23,978	10	0.2%	24,973	10	0.2%
DDR Tucson Spectrum II, LLC															
Trico Electric Co-Op, Inc.															
JW Marriott Starr Pass Resort															
Verizon Wireless															
Target Corporation															
Total Top Ten	\$ 586,315		6.4%	\$ 586,307		6.1%	\$ 638,676		6.2%	\$ 683,704		6.3%	\$ 723,875		6.4%

Notes: ¹Secondary Assessed Valuation for Tax Year

Source: Pima County Assessor's Office
Arizona Department of Revenue

\$ 9,030,169 \$ 9,645,865 \$ 10,226,395 \$ 10,836,344 \$ 11,355,659

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

Fiscal Year	Primary Property Tax Levy and Secondary Property Tax Levy for Debt Service	Secondary Property Tax Levy for Flood Control and Library District ^{4,5}	Original Real Property Tax Levy	Tax Roll Corrections	Real Property Tax Levy (Adjusted)	Collected to End of Tax Fiscal Year ¹		Collected to June 30, 2022 ¹		Delinquent Taxes Receivable ²
						Amount	Percent of Original Levy	Amount	Percent of Adjusted Levy	
2012-13	324,786	46,136	370,922		370,922	357,556	96.40%	369,401	99.59%	1,521
2013-14	323,026	45,287	368,313		368,313	355,338	96.48%	366,797	99.59%	1,516
2014-15	359,298	52,186	411,484		411,484	397,670	96.64%	410,213	99.69%	1,271
2015-16	374,101	59,448	433,549		433,549	418,716	96.58%	432,361	99.73%	1,188
2016-17	378,249	62,645	440,894		440,894	430,628	97.67%	439,481	99.68%	1,413
2017-18	382,611	81,772	464,383		464,383	453,822	97.73%	463,265	99.76%	1,118
2018-19	383,920	67,031	450,951		450,951	441,154	97.83%	444,508	98.57%	6,443
2019-20	397,391	72,146	469,537		469,537	458,509	97.65%	458,509	97.65%	11,028
2020-21	396,965	76,329	473,294		473,294	462,317	97.68%	462,317	97.68%	10,977
2021-22	408,140	80,602	488,742		488,742	475,664	97.32%	475,664	97.32%	13,078

Note:

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

² Represents the difference between the adjusted levy and collected to June 30, 2022.

³ Fiscal Year 2017-18 includes Transportation road property.

⁴ Fiscal Year 2018-19 includes Improvement & Other Districts.

⁵ Fiscal Year 2019-20 includes Community Facilities Districts.

Source:

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

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

Exhibit D - 9

Fiscal Year		Net Assessed Value	Limited and Full Cash Value ¹	Ratio of Net Assessed to Full Cash Value
2012-13	Primary	8,073,938	76,085,641	10.61%
2012-13	Secondary	8,171,212	77,731,086	10.51%
2013-14	Primary	7,559,129	73,262,703	10.32%
2013-14	Secondary	7,623,691	74,590,067	10.22%
2014-15	Primary	7,518,482	74,402,882	10.11%
2014-15	Secondary	7,579,899	75,389,155	10.05%
2015-16	Primary	7,620,361	76,489,654	9.96%
2015-16	Secondary	7,906,190	79,550,159	9.94%
2016-17	Primary	7,816,700	78,911,345	9.91%
2016-17	Secondary	8,262,665	83,520,548	9.89%
2017-18	Primary	8,074,958	80,459,900	10.04%
2017-18	Secondary	8,508,990	84,772,588	10.04%
2018-19	Primary	8,333,893	82,745,384	10.07%
2018-19	Secondary	9,030,169	89,027,208	10.14%
2019-20	Primary	8,729,964	86,441,657	10.10%
2019-20	Secondary	9,645,865	95,293,696	10.12%
2020-21	Primary	9,140,425	90,656,154	10.08%
2020-21	Secondary	10,226,395	101,016,359	10.12%
2021-22	Primary	9,696,151	95,585,663	10.14%
2021-22	Secondary	10,836,343	106,405,925	10.18%

Notes:

¹Limited value is the basis for primary taxes and annual changes therein are restricted by statute;
Full Cash Value or Secondary Value approximates market value.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Comparative Net Valuations and Tax Rates
(per \$100 assessed value)
(in thousands)

Exhibit D - 10

Jurisdiction	FY 2021-22 (Tax Year 2021)		FY 2022-23 (Tax Year 2022)	
	Valuation	Rate	Valuation	Rate
<u>State of Arizona</u>	\$ 9,696,150	0	\$ 10,132,624	0
<u>Pima County</u>				
General Fund - Primary	9,696,150	3.8764	10,132,624	3.8764
Debt Service - Secondary	9,696,150	0.4500	10,132,624	0.3200
Free Library - Secondary	9,696,150	0.5353	10,132,624	0.5453
Total County - Primary	9,696,150	3.8764	10,132,624	3.8764
Total County - Secondary		0.9853		0.8653
Grand Total		<u>4.8617</u>		<u>4.7417</u>
<u>Education Assistance</u>	9,696,150	0.4263	10,132,624	0.0000
<u>Flood Control District - Secondary</u>	8,794,452	0.3335	9,162,250	0.3235
<u>Fire District Assistance - Secondary</u>	9,696,150	0.0394	10,132,624	0.0384
<u>Pima Community College District</u>				
Primary	9,696,150	1.2733	10,132,624	1.2878
Total		<u>1.2733</u>		<u>1.2878</u>
<u>Central Arizona Water Conservation District</u>				
Secondary	9,696,150	0.1400	10,132,624	0.1400
<u>Cities & Towns</u>				
City of Tucson				
Primary	3,962,585	0.4430	4,155,638	0.5244
Secondary	3,962,585	0.8693	4,155,638	0.9048
Total		<u>1.3123</u>		<u>1.4292</u>
City of South Tucson				
Primary	24,976	0.2370	25,413	0.2338
Total		<u>0.2370</u>		<u>0.2338</u>
<u>School Districts</u>				
Unorganized - Primary	17,294	1.7694	16,430	1.7133
Tucson Unified (District #1)				
Primary	3,761,018	3.9489	3,921,344	3.8404
Secondary	3,761,018	2.1543	3,921,344	2.0769
Total		<u>6.1032</u>		<u>5.9173</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA
 Comparative Net Valuations and Tax Rates
 (per \$100 assessed value)
 (in thousands)

Exhibit D - 10

(continued)

Jurisdiction	FY 2021-22 (Tax Year 2021)		FY 2022-23 (Tax Year 2022)	
	Valuation	Rate	Valuation	Rate
Marana Unified (District #6)				
Primary	\$ 1,033,705	4.1052	\$ 1,096,227	3.5946
Secondary	1,033,705	1.8439	1,096,227	1.8743
Total		<u>5.9491</u>		<u>5.4689</u>
Flowing Wells Unified (District #8)				
Primary	221,076	3.8535	226,621	3.6994
Secondary	221,076	2.6320	226,621	2.8644
Total		<u>6.4855</u>		<u>6.5638</u>
Amphitheater Unified (District #10)				
Primary	1,750,677	3.6038	1,803,846	3.5830
Secondary	1,750,677	1.4996	1,803,846	1.5797
Total		<u>5.1034</u>		<u>5.1627</u>
Sunnyside Unified (District #12)				
Primary	520,919	3.6737	558,934	3.4705
Secondary	520,919	0.9868	558,934	0.8382
Total		<u>4.6605</u>		<u>4.3087</u>
Tanque Verde Unified (District #13)				
Primary	212,455	3.7341	219,134	3.4266
Secondary	212,455	1.5390	219,134	1.6179
Total		<u>5.2731</u>		<u>5.0445</u>
Ajo Unified (District #15)				
Primary	19,582	4.1276	18,334,801	4.0710
Total		<u>4.1276</u>		<u>4.0710</u>
Catalina Foothills Unified (District #16)				
Primary	677,142	3.6473	686,237	3.4710
Secondary	677,142	1.5507	686,237	1.5889
Total		<u>5.1980</u>		<u>5.0599</u>
Vail Elementary (District #20)				
Primary	649,978	4.1032	682,271	3.7355
Secondary	649,978	3.0465	682,271	3.0732
Total		<u>7.1497</u>		<u>6.8087</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA
Comparative Net Valuations and Tax Rates
(per \$100 assessed value)
(in thousands)

Exhibit D - 10

(continued)

Jurisdiction	FY 2021-22 (Tax Year 2021)		FY 2022-23 (Tax Year 2022)	
	Valuation	Rate	Valuation	Rate
Sahuarita Unified (District #30)				
Primary	\$ 351,874	3.9287	\$ 398,731	3.9738
Secondary	351,874	3.3755	398,731	3.1856
Total		<u>7.3042</u>		<u>7.1594</u>
San Fernando Elementary (District #35)				
Primary	13,243	1.9959	12,618	1.9510
Total		<u>1.9959</u>		<u>1.9510</u>
Empire Elementary (District #37)				
Primary	7,078	3.6087	7,388	3.4754
Total		<u>3.6087</u>		<u>3.4754</u>
Continental Elementary (District #39)				
Primary	404,979	1.8200	423,306	1.7789
Secondary	404,979	0.4288	423,306	0.3611
Total		<u>2.2488</u>		<u>2.1400</u>
Baboquivari Unified School (District #40)				
Primary	2,162	0	2,009	0
Total		<u>0</u>		<u>0</u>
Redington Elementary (District #44)				
Primary	1,487	7.3742	1,521	7.3742
Total		<u>7.3742</u>		<u>7.3742</u>
Altar Valley Elementary (District #51)				
Primary	51,481	5.8384	57,672	4.2825
Secondary	51,481	0.8824	57,672	0.8314
Total		<u>6.7208</u>		<u>5.1139</u>

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Historical Collections - Hotel Excise Tax
Car Rental Surcharge and Recreational Vehicle Tax
Last Ten Fiscal Years
(in thousands)

Exhibit D - 11

Fiscal Year	Hotel Excise Tax ¹	Car Rental Surcharges ²	Recreational Vehicle Tax ^{3,4}
2012-13	6,286	1,399	136
2013-14	6,276	1,390	122
2014-15	6,105	1,384	137
2015-16	6,534	1,468	146
2016-17	6,958	1,446	161
2017-18	6,345	1,530	71
2018-19	7,196	1,507	
2019-20	5,750	1,361	
2020-21	5,354	925	
2021-22	8,919	1,164	

Notes:

¹ Tax increased from 1% to 2% January 1, 1997; the additional 1% can only be used for County sports facilities. In January of 2006, the tax increased from 2% to 6%, of which only 34% can be used for sports facilities.

² Car rental surcharges increased from \$2.50 to \$3.50 per rental contract July 1, 1996. Usage is restricted to County sports facilities.

³ Recreational vehicle taxes apply at the rate of \$0.50 per vehicle per night and became effective July 1, 1997. Usage of this tax is limited to athletic activities.

⁴ Recreational vehicle taxes expired on December 31, 2017

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Streets and Highways Revenues
Last Ten Fiscal Years
(in thousands)

Exhibit D - 12

Fiscal Year	Amount	Highway User Revenue	Vehicle License Tax
2012-13	47,449	36,860	10,589
2013-14	49,212	37,500	11,712
2014-15	53,212	40,762	12,450
2015-16	56,006	42,543	13,463
2016-17	59,443	45,356	14,087
2017-18	61,552	46,553	14,999
2018-19	65,564	49,718	15,846
2019-20	64,812	48,759	16,053
2020-21	70,647	52,118	18,529
2021-22	73,691	55,522	18,169

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEBT CAPACITY:

The debt capacity information is intended to assist users to understand and assess a government's debt burden and ability to issue debt. Debt capacity information is cited as being very useful for assessing economic condition as frequently as revenue or tax capacity. Five of the schedules presented provide ten-year comparisons.

Certain schedules, for example, leases, lease-purchase installment notes payable, and purchase agreements, are provided to comply with debt disclosure requirements.

PIMA COUNTY, ARIZONA
Ratios of Outstanding Debt by Type to Personal Income and Per Capita
Last Ten Fiscal Years
 (in thousands)

Fiscal Year	Governmental Activities					Business-Type Activities				
	General Obligation Bonds	Transportation Revenue Bonds	Certificates of Participation	Capital Leases	Installment Note Payable	Sewer Revenue Bonds	Sewer Revenue Obligations	Regional Wastewater Loans Payable	Contracts and Notes	Total Primary Government
2012-13	\$ 467,368	\$ 128,604	\$ 134,494	\$ 298	\$ 605	\$ 155,514	\$ 510,975	\$ 21,169	\$ 12,645	\$ 1,431,672
2013-14	416,006	133,081	149,703		640	138,431	540,288	19,680	7,942	1,405,771
2014-15	391,298	118,770	177,771		11,912	120,361	510,763	18,145	1,098	1,350,118
2015-16	350,135	103,961	179,054	136	8,733	104,153	481,027	16,563	1,577	1,245,339
2016-17	336,954	89,689	141,194	88	3,597	20,535	574,486	4,630	1,564	1,172,737
2017-18	288,182	85,508	166,617	38	2,078	2,863	565,708	3,555	763	1,115,312
2018-19	236,572	96,916	124,567		724		526,031	2,998	887	988,695
2019-20	181,428	80,899	161,063		749		496,944		2,120	923,203
2020-21	138,191	88,258	180,417		562		468,671		2,236	878,335
2021-22	95,961	73,731	196,338		384		433,310		2,883	802,607

Fiscal Year	Total Primary Government	Personal Income ¹	Percentage of Personal Income	Population at July 1 ¹	Debt per Capita
2012-13	\$ 1,431,672	\$ 36,935,363	3.88%	996,046	\$ 1,437
2013-14	1,405,771	38,025,100	3.70%	1,007,162	1,396
2014-15	1,350,118	39,106,000	3.45%	1,022,079	1,321
2015-16	1,245,339	40,359,300	3.09%	1,016,743	1,225
2016-17	1,172,737	41,349,550	2.84%	1,025,044	1,144
2017-18	1,115,312	43,223,000	2.58%	1,033,781	1,079
2018-19	988,695	46,497,700	2.13%	1,042,475	948
2019-20	923,203	49,961,000	1.85%	1,050,906	878
2020-21	878,335	55,047,000	1.60%	1,059,218	829
2021-22	802,607	55,396,200	1.45%	1,067,441	752

Notes:
 Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-73.
¹ Personal income and population statistics are based on calendar year.

Source:
 Pima County Department of Finance & Risk Management
 Office of Economic Opportunity

PIMA COUNTY, ARIZONA

Exhibit D - 14

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(in thousands)

Fiscal Year	General Obligation Bond Debt	Debt Service Funds Available for		Net General Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value		Population at July 1 ¹	Net General Bond Debt per Capita ²	
		Principal				Value	Value			
2012-13	\$ 467,368	\$ 22,900	\$ 444,468	\$ 8,171,212	5.44%	996,046	\$ 446			
2013-14	416,006	5,326	410,680	7,623,691	5.39%	1,007,162	408			
2014-15	391,298	6,037	385,261	7,579,899	5.08%	1,022,079	377			
2015-16	350,135	5,606	344,529	7,906,190	4.36%	1,016,743	339			
2016-17	336,954	2,793	334,161	8,262,665	4.04%	1,025,044	326			
2017-18	288,182	2,911	285,271	8,508,990	3.35%	1,033,781	276			
2018-19	236,572	2,639	233,933	9,030,169	2.59%	1,042,475	224			
2019-20	181,428	2,545	178,883	9,645,865	1.85%	1,050,906	170			
2020-21	138,191	3,038	135,153	10,226,395	1.32%	1,059,218	128			
2021-22	95,961		95,961	10,836,343	0.89%	1,067,441	90			

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-73.

¹Population statistics are based on calendar year.

²Debt per Capita is shown in actual dollars and not in thousands.

Source:

Pima County Department of Finance & Risk Management
Office of Economic Opportunity

PIMA COUNTY, ARIZONA
Ratio of Direct and Overlapping Debt to Property Values and Per Capita
Last Ten Fiscal Years
(dollar amounts in thousands)

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1 ¹	Debt per Capita ²
2012-13	1,311,417	8,171,212	16.05%	996,046	1,317
2013-14	1,153,220	7,623,691	15.13%	1,007,162	1,145
2014-15	1,501,691	7,579,899	19.81%	1,022,079	1,469
2015-16	1,445,104	7,906,190	18.28%	1,016,743	1,421
2016-17	1,393,757	8,262,665	16.87%	1,025,044	1,360
2017-18	1,337,556	8,508,990	15.72%	1,033,781	1,294
2018-19	1,325,724	9,030,169	14.68%	1,042,475	1,272
2019-20	1,250,116	9,645,865	12.96%	1,050,906	1,190
2020-21	1,194,283	10,226,395	11.68%	1,059,218	1,128
2021-22	2,188,918	10,836,343	20.20%	1,067,441	2,051

Notes:

Overlapping governments are those that coincide (at least in part), with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident and is responsible for the repayment of debt of each overlapping government.

¹Population statistics are based on calendar year.

²Debt per Capita is shown in actual dollars and not in thousands.

Source:

Pima County Department of Finance & Risk Management
 Office of Economic Opportunity

PIMA COUNTY, ARIZONA
 Computation of Direct and Overlapping
 Governmental Activities Debt Outstanding
 At June 30, 2022
 (in thousands)

Exhibit D - 15

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping</u>
Debt repaid with property tax:		
School Districts	\$ 556,775	\$ 556,775
Pima Community College	2,969	2,969
City of Tucson	1,262,760	<u>1,262,760</u>
Total overlapping		<u>\$ 1,822,504</u>
Debt repaid with property tax Direct:		
Pima County*	\$ 95,961	<u>\$ 95,961</u>
Total direct repaid with property tax		<u>\$ 95,961</u>
Other Debt:		
Certificates of participation	\$ 196,338	\$ 196,338
Installment note payable	384	384
Transportation bonds	73,731	<u>73,731</u>
Total other debt		<u>\$ 270,453</u>
Total direct		<u>\$ 366,414</u>
Total direct and overlapping debt		<u><u>\$ 2,188,918</u></u>

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and is responsible for the repayment of debt of each overlapping government.

*Excludes improvement districts.

Source:

Pima County Department of Finance & Risk Management
 City of Tucson Finance Department
 Pima Community College District Finance Office

PIMA COUNTY, ARIZONA
 Legal Debt Margin
 Last Ten Fiscal Years
 (dollar amounts in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Full Cash Net Assessed Value	\$ 8,171,212	\$ 7,623,691	\$ 7,579,899	\$ 7,906,190	\$ 8,262,665	\$ 8,508,990	\$ 9,030,169	\$ 9,645,865	\$ 10,226,395	\$ 10,836,343
Legal Debt Margin										
Debt limit (15% of assessed value)	1,225,682	1,143,554	1,136,985	1,185,929	1,239,400	1,276,349	1,354,525	1,446,880	1,533,959	1,625,451
Debt applicable to limit:										
General obligation bonds	456,690	407,275	383,935	344,620	321,285	275,990	227,335	174,910	134,103	93,615
Less: Net assets reserved for repayment of general obligation debt	(22,900)	(5,326)	(6,037)	(5,606)	(2,793)	(2,911)	(2,639)	(2,545)	(3,038)	
Total net debt applicable to the limit	433,790	401,949	377,898	339,014	318,492	273,079	224,696	172,365	131,065	93,615
Legal debt margin	\$ 791,892	\$ 741,605	\$ 759,087	\$ 846,915	\$ 920,908	\$ 1,003,270	\$ 1,129,829	\$ 1,274,515	\$ 1,402,894	\$ 1,531,836
Total net debt applicable to the limit as a percentage of debt limit.	35.39%	35.15%	33.24%	28.59%	25.70%	21.40%	16.59%	11.91%	8.54%	5.76%

Please see Note 7 to the Financial Statements, page 65 for additional details on calculation of the legal debt margin for the current year.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage
 Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Sewer User Revenues ¹	Less: Operating Expense ²	Available Net Revenue	Plus:		Pledged Revenues ³	Debt Service ⁶		Coverage Ratio ^{4,5}
				Ending cash Balances of Prior Fiscal Year (unrestricted)	Interest		Principal	Total	
2012-13	\$ 157,907	\$ 73,577	\$ 84,330	\$ 99,491	\$ 183,821	\$ 29,759	\$ 28,243	\$ 58,002	3.17
2013-14	174,271	77,893	96,378	128,735	225,113	37,025	30,386	67,411	3.34
2014-15	173,977	84,492	89,485	121,426	210,911	41,026	30,306	71,332	2.96
2015-16	169,730	83,423	86,307	110,741	197,048	40,320	28,529	68,849	2.86
2016-17	173,058	80,165	92,893	110,451	203,344	47,951	26,621	74,572	2.73
2017-18	178,933	79,208	99,725	89,316	189,041	44,434	25,371	69,805	2.71
2018-19	185,142	78,957	106,185	78,192	184,377	45,142	24,395	69,537	2.65
2019-20	180,593	81,357	99,236	66,724	165,960	39,200	22,364	61,564	2.70
2020-21	181,281	80,276	101,005	82,883	183,888	43,855	22,181	66,036	2.78
2021-22	182,370	84,410	97,960	73,230	171,190	48,825	19,791	68,616	2.49

Notes:

- ¹Includes sewer connection fees, interest income, and other miscellaneous revenues.
- ²Excludes grants, depreciation, interest expense and amortization.
- ³Pledged revenues defined by BOS Resolution 2010-50.
- ⁴Sewer revenue debt rate covenants require minimum coverage of 120%.
- ⁵For fiscal year 2009-2010, a new Debt Coverage calculation was implemented.
- ⁶Debt service requirements include principal and interest payable during the Bond Fiscal Year. Per the bond resolution, Bond Fiscal Year is defined as 7/2/20XX to 7/1/20XX.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Transportation Revenue Bonds - Pledged Revenue Bond Coverage
Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Transportation Revenue	Operating Expense	Available Net Revenue	Debt Service ¹		Coverage Ratio
				Principal	Interest	
2012-13	\$ 49,874	\$ 35,041	\$ 14,833	\$ 12,425	\$ 4,969	0.85
2013-14	50,997	37,295	13,702	13,685	5,197	0.73
2014-15	55,466	39,022	16,444	13,210	4,711	0.92
2015-16	57,976	39,798	18,178	14,585	4,146	0.97
2016-17	61,217	40,780	20,437	15,105	3,598	1.09
2017-18	63,604	41,801	21,803	14,820	3,354	1.20
2018-19	68,366	39,925	28,441	14,405	3,686	1.57
2019-20	68,088	63,234	4,854	12,755	3,016	0.31
2020-21	73,408	89,673	(16,265)	13,465	2,856	(1.00)
2021-22	75,814	130,298	(54,484)	9,025	2,265	(4.83)

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-73.

Operating expenditures do not include interest, depreciation or amortization.

¹Debt Service requirements include principal and interest payable in the 12 months following each fiscal year.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Historic Pledged Revenue Collections
Pima County, Arizona

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
County Excise Revenues	\$ 16,773	\$ 17,813	\$ 17,296	\$ 16,922	\$ 20,220	\$ 23,392	\$ 20,802
Gross State Shared Sales Tax Revenues ^(a)	107,515	111,443	115,777	127,899	131,541	151,796	169,855
Less: ALTCS contribution ^(b)	(41,888)	(41,862)	(43,631)	(43,333)	(46,805)	(47,416)	(44,073)
Less: AHCCCS contribution ^(c)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)
Net State Shared Sales Tax Revenue ^(d)	50,675	54,629	57,194	69,614	69,784	89,428	110,830
Vehicle License Tax Revenues ^(d)	26,301	27,761	28,933	30,282	30,747	35,296	33,484
PILT revenues	3,342	3,680	3,682	3,615	3,795	3,788	3,874
Total Pledged Revenues	\$ 97,091	\$ 103,883	\$ 107,105	\$ 120,433	\$ 124,546	\$ 151,904	\$ 168,990

^(a) Does not include amounts allocated from the Education Tax described under "State Shared Revenues" above.

^(b) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Sales Tax Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Sales Tax Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from any available State funding source.

^(c) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues determined by statutory formula for the administrative costs of implementing certain provisions of the Arizona Health Care Cost Containment System ("AHCCCS"). If the County does not make required contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Sales Tax Revenues.

^(d) The distribution of State Shared Sales Tax Revenues and Vehicle License Tax Revenues is subject to change by the State Legislature, and the distribution of PILT Revenues is subject to change by the federal government.

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
 Lease, Lease-Purchase, Installment Note Payable and Purchase Agreements
 Scheduled Payments
 (dollar amounts in thousands)

Function/Department	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Clerk of Superior Court - Equipment	\$ 63	84	96	73	51	38	55	57	45	
Superior Court - Equipment								\$ 130	\$ 133	\$ 137
Jail ¹										
Sheriff - Equipment	160	160	160	160						
Solid Waste - Equipment	298				3,289	1,565	567			
County Administration - Culture & Recreation	\$ 521	\$ 244	\$ 3,881	\$ 2,722	\$ 3,340	\$ 1,603	\$ 622	\$ 187	\$ 178	\$ 137

Notes:

¹Funds derived from a sale/leaseback of the County's Adult Corrections Facility provided funding for construction of Kino Veteran's Memorial SportsPark & Tucson Electric Park Stadium.

Source:

 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA

Exhibit D - 19

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years
(dollar amounts in thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures*	Ratio of Debt Service To General Expenditures
2012-13	\$ 67,885	\$ 23,903	\$ 91,788	\$ 756,959	12.1%
2013-14	112,835	26,758	139,593	806,007	17.3%
2014-15	81,705	26,424	108,129	803,590	13.5%
2015-16	83,765	25,515	109,280	807,174	13.5%
2016-17	94,695	23,354	118,049	832,971	14.2%
2017-18	96,005	20,133	116,138	829,054	14.0%
2018-19	128,350	18,674	147,024	879,370	16.7%
2019-20	89,365	17,620	106,985	898,055	11.9%
2020-21	102,505	16,504	119,009	1,066,126	11.2%
2021-22	89,575	18,628	108,203	1,317,633	8.2%

*Includes General, Special Revenue and Debt Service Funds, while excluding Capital Projects Fund.

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC INFORMATION:

The dual objectives of the demographic and economic information are to assist users in understanding certain aspects of the environment in which a government operates and to provide information that facilitates the comparisons of financial statement data over time and across governments.

Information of this type can help readers assess a government's condition by providing information about community expansion, average age increases or decreases and changes in personal income and unemployment. This type of data is important to readers in assessing economic condition.

PIMA COUNTY, ARIZONA
Demographic and Economic Statistics
Last Ten Years

Exhibit D - 20

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2013	996,046	36,935,363	37,082	7.0%
2014	1,007,162	38,025,100	37,755	6.4%
2015	1,022,079	39,106,000	38,261	5.6%
2016	1,016,743	40,359,300	39,695	5.0%
2017	1,025,044	41,349,550	40,339	4.5%
2018	1,033,781	43,223,000	41,811	4.3%
2019	1,042,475	46,497,700	44,603	4.7%
2020	1,050,906	49,961,000	47,541	8.0%
2021	1,059,218	55,047,000	51,969	6.9%
2022	1,067,441	55,396,200	51,896	3.5%

Sources:

Office of Economic Opportunity (for population data only)

UA Economic and Business Research Center, Eller College of Management

Bureau of Labor Statistics

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

Employer	2013			2014			2015			2016			2017		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	10,846	1	2.4%	11,047	1	2.4%	11,235	1	2.4%	11,251	1	2.4%	10,846	1	2.3%
Raytheon	10,300	2	2.3%	9,933	4	2.2%	9,600	2	2.1%	9,600	2	2.1%	10,300	2	2.2%
Davis-Monthan AFB	9,100	3	2.0%	8,933	2	2.0%	8,335	4	1.8%	8,406	4	1.8%	9,100	3	1.9%
State of Arizona	8,807	4	1.9%	9,439	3	2.1%	8,524	3	1.8%	8,580	3	1.8%	8,807	4	1.8%
Tucson Unified School District	6,790	6	1.5%	6,525	6	1.4%	7,134	5	1.5%	6,770	6	1.4%	7,688	5	1.6%
Banner Healthcare - UMC	6,099	8	1.3%	6,329	7	1.4%	6,542	7	1.4%	6,272	7	1.3%			
Pima County Government	6,076	9	1.3%	7,328	5	1.6%	7,023	6	1.5%	7,023	5	1.5%	6,076	9	1.3%
Wal-Mart Stores, Inc.	7,450	5	1.6%	5,200	10	1.1%	5,400	10	1.2%	5,500	10	1.2%	7,450	6	1.6%
City of Tucson															
Tucson Medical Center															
U.S. Customs & Border Protection	6,500	7	1.4%				6,470	8	1.4%		8	1.2%	6,500	7	1.4%
UA Healthcare Network													6,099	8	1.3%
Freepport-McMoran Inc	5,463	10	1.2%	5,600	9	1.2%	5,800	9	1.2%	5,530	9	1.2%	5,463	10	1.1%
Fort Huachuca ¹				5,717	8	1.3%									
Carondelet Health Network															
Total	77,431		17.1%	76,051		16.8%	76,063		16.3%	74,671		16.0%	78,329		16.4%
Total Work Force			453,200			452,429			467,438			467,438			477,017

Notes:

¹ Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

Sources:

The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
Pima Association of Governments (PAG)
Economic and Business Research Center, Eller College of Management FY2019

(continued)

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

(continued)	2018			2019			2020			2021			2022			
	Employer	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	12,531	1	2.6%	16,217	1	3.2%	12,517	2	2.5%	12,517	2	2.5%	14,160	1	2.9%	
Raytheon	11,471	3	2.4%	11,295	2	2.3%	12,606	1	2.6%	13,305	1	2.7%	13,201	2	2.7%	
Banner Healthcare - UMC	6,476	6	1.3%	6,499	7	1.3%	7,500	3	1.5%	7,703	3	1.5%	7,831	3	1.6%	
Tucson Unified School District	6,879	5	1.4%	6,872	5	1.4%	6,872	6	1.4%	6,532	6	1.3%	7,703	4	1.6%	
Pima County Government	5,921	7	1.2%	7,697	3	1.5%	6,937	5	1.4%	7,412	5	1.5%	7,412	5	1.5%	
Davis-Monthan AFB	11,769	2	2.4%	7,211	4	1.5%	7,211	4	1.5%	7,648	4	1.5%	6,532	6	1.4%	
State of Arizona	8,585	4	1.8%	6,654	6	1.3%	6,538	7	1.3%	4,817	7	1.0%	5,488	7	1.1%	
Wal-Mart Stores, Inc.	4,341	8	0.9%	4,414	8	0.9%	4,564	8	0.9%	4,773	8	1.0%	4,676	8	1.0%	
Tucson Medical Center	4,051	10	0.8%	3,987	10	0.8%	4,482	9	0.9%	4,453	9	0.9%	4,530	9	0.9%	
City of Tucson	4,093	9	0.8%	4,093	9	0.8%	4,025	10	0.8%	4,356	10	0.9%	4,453	10	0.9%	
U.S. Customs & Border Protection																
UA Healthcare Network																
Freepport-McMoran Inc.																
Fort Huachuca ¹																
Total	76,117		15.8%	74,939		15.0%	73,252		14.8%	73,516		14.8%	75,986		15.7%	
Total County Work Force	481,835			500,018			494,119			497,659			483,045			

Notes:

¹Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

Sources:

The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
Pima Association of Governments (PAG)
Economic and Business Research Center, Eller College of Management June 2021

PIMA COUNTY, ARIZONA
 Population and Employment
 Last Ten Calendar Years

Year	Population	Civilian Labor Force	Total Unemployment Rate	EMPLOYMENT				
				Mining	Construction	Manufacturing	Transportation & Utilities	Financial Activities
2013	996,046	449,958	7.0%	2,300	15,400	23,000	59,200	17,300
2014	1,007,162	452,429	6.4%	2,300	14,800	22,500	60,600	17,500
2015	1,022,079	467,438	5.6%	2,300	14,600	22,600	60,600	17,600
2016	1,016,743	476,578	5.0%	2,200	14,300	23,500	60,700	19,600
2017	1,025,044	477,017	4.6%	1,600	14,900	23,600	59,300	17,600
2018	1,033,781	481,835	4.3%	1,700	16,700	24,600	61,100	17,700
2019	1,042,475	496,584	4.7%	1,900	17,500	26,300	59,300	18,300
2020	1,050,906	501,343	8.0%	1,900	18,000	27,200	62,600	16,900
2021	1,059,218	498,822	6.9%	1,900	18,400	27,500	68,000	18,000
2022	1,067,441	486,565	3.5%	1,800	18,000	28,300	70,200	18,400

Notes:

All Employment data presented is not seasonally adjusted. Labor Force, Unemployment and Sector Employment for 2021 represent the average through July.

Sources:

UA Economic and Business Research Center, Eller College of Management
 Office of Economic Opportunity (for population data only)

PIMA COUNTY, ARIZONA
 Transportation and Real Estate
 Last Ten Fiscal Years

Fiscal Year	Transportation				Real Estate		Sales Volume (In thousands) \$
	Aircraft Movements	No. of Air Passengers	Bus Ridership	Riders Per Mile	Residential Bldg. Permits	Units Sold	
2013	138,263	3,308,620	20,352,101	2.16	3,713	13,587	2,528,609
2014	139,420	3,239,849	19,713,449	2.06	2,040	13,379	2,648,443
2015	141,422	3,181,901	19,657,931	2.06	3,250	13,692	2,856,957
2016	139,555	3,228,389	15,743,501	1.84	2,428	13,795	3,313,078
2017	132,867	3,413,451	16,388,315	1.71	2,466	15,172	3,488,123
2018	131,169	3,551,159	15,205,419	1.55	4,495	15,416	3,823,877
2019	131,416	3,783,535	14,262,758	1.73	4,404	15,468	4,042,995
2020	122,631	2,283,777	12,346,810	1.50	4,313	15,582	4,959,200
2021	140,182	2,257,581	10,894,760	1.38	4,958	17,856	5,839,650
2022	137,373	3,317,494	13,042,145	1.73	6,075	16,956	7,025,600

Note:

Tucson International Airport follows the Federal fiscal calendar.
 Beginning with calendar year 2020, Tucson Association of Realtors report the Sales Volume under Median Sales Prices. Prior to FY2020, the sales volume was based on monthly actual sales data.

Sources:

- UA Economic and Business Research Center, Eller College of Management
- Tucson Airport Authority
- Sun Tran
- Tucson Association of Realtors, Multiple Listing Service, Inc.

PIMA COUNTY, ARIZONA
Economic Indicators by Calendar Year
Last Ten Years
(dollar amounts in thousands)

Exhibit D - 24

Fiscal Year	Retail Sales ¹	No. of Dwelling Units Awarded ²	Change in Real Estate Sales Volume	Commercial Bank Deposits
2013	\$ 12,010,672	2,841	13%	\$ 12,173,345
2014	12,317,085	3,491	5%	12,980,645
2015	12,555,553	3,250	7%	13,760,260
2016	8,443,626	2,428	14%	14,654,142
2017	8,558,572	2,466	5%	15,226,977
2018	8,851,127	4,495	9%	15,716,917
2019	9,319,711	4,404	5%	15,573,516
2020	9,826,576	4,313	5%	18,684,759
2021	10,176,236	4,958	30%	20,558,194
2022	11,961,070	6,075	16%	22,954,811

Notes:

¹Prior to FY 2016, Retail Sales statistics were calculated in the aggregate, which included total taxable sales from the following categories: Retail, Restaurant & Bar, Food and Gasoline. As of FY 2016, only retail sales (not including food and fuel) are shown.

²Beginning with calendar year 2011, the number of dwelling units awarded includes both single family and multiple family unit structures combined.

Sources:

UA Economic and Business Research Center, Eller College of Management
Tucson Association of Realtors, Multiple Listing Service, Inc.
Federal Deposit Insurance Corporation

PIMA COUNTY, ARIZONA
Population Statistics
June 30, 2022

Exhibit D - 25

ESTIMATED POPULATION BY AGE

<u>Age Group</u>	<u>Population</u>
0-4	56,514
5-9	59,953
10-14	63,595
15-19	75,081
20-24	82,642
25-29	72,887
30-34	67,246
35-39	62,348
40-44	61,065
45-49	57,291
50-54	59,120
55-59	61,337
60-64	68,835
65-69	67,235
70-74	58,334
75+	93,958
Total	<u><u>1,067,441</u></u>

POPULATION PROJECTIONS

<u>Year</u>	<u>Projected Population</u>
2023	1,075,580
2028	1,114,474
2038	1,183,215
2048	1,238,890

Source:
Office of Economic Opportunity

PIMA COUNTY, ARIZONA
Average Annual Jail Population
Last Ten Fiscal Years

Exhibit D - 26

<u>Fiscal Year</u>	<u>Average Jail Population</u>
2013	2,000
2014	2,061
2015	1,863
2016	1,862
2017	1,863
2018	1,868
2019	1,853
2020	1,781
2021	1,531
2022	1,681

Source:
Pima County Sheriff's Department, Corrections Bureau

STATISTICAL SECTION

OPERATING INFORMATION:

The objective of the operating information is to provide contextual information about a government's operations and resources to assist users in using financial information to understand and assess a government's economic condition. Two types of information are considered important:

1. Basic information about infrastructure assets, utilities, and public works; in essence, the capital resources at the government's disposal. Examples include miles of streets and sewers and wastewater treatment volume.
2. Descriptive service information, which would help to evaluate the size of the government. This would include types of services, the related demand and volume, and the non-financial resources employed to provide the services.

PIMA COUNTY, ARIZONA
 Employees by Function
 Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
General government	2,321	2,805	2,832	2,753	3,164	3,011	3,213	2,931	3,086	3,213
Public safety	1,468	1,525	1,387	1,418	1,431	1,335	1,443	1,400	1,410	1,464
Highways and streets	265	258	248	253	262	229	214	175	177	271
Sanitation	3	31	33	32	35	35	44	35	35	35
Health	174	319	282	322	237	223	225	235	346	245
Welfare	397	8	7	9	22	15	17	22	24	22
Culture and recreation	331	442	434	453	526	447	493	458	486	536
Education and economic opportunity	144	112	111	116	136	130	139	141	134	138
Total governmental activities	5,103	5,500	5,334	5,356	5,813	5,425	5,788	5,397	5,698	5,924
Business-type activities										
Regional Wastewater Reclamation	413	438	387	406	474	433	455	372	397	477
Development Services	52	60	56	52	67	58	44	44	51	68
Parking Garages	3	3	5	4	4	5	3	3	7	4
Total business-type activities	468	501	448	462	545	496	502	419	455	549
Total	5,571	6,001	5,782	5,818	6,358	5,921	6,290	5,816	6,153	6,473

PIMA COUNTY, ARIZONA
Operating Indicators by Program
Last Ten Fiscal Years

Program:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sheriff	25,451	24,394	21,233	21,627	16,134	15,944	12,821	11,894	9,712	9,847
Physical arrests										
Traffic violations/citations										
Criminal	4,291	5,691	8,743	9,026	7,508	7,468	4,551	3,971	3,481	2,888
Civil	33,837	34,466	30,656	24,855	23,725	27,346	24,316	19,950	17,659	15,068
Total violations/citations	38,128	40,157	39,399	33,881	31,233	34,814	28,867	23,921	21,140	17,956
Wastewater										
Avg. daily sewage treated (MGD) ¹	60.9	60.2	60.3	59.5	59.0	57.0	57.5	58.0	56.9	58.7
New connections	1,856	1,804	1,427	1,986	2,887	2,411	2,798	2,992	3,666	2,921
Long-term storage credits (acre feet)										
Estimated value of LTSCs: CAP rates										
Estimated value of LTSCs: CAGR rates										N/A
Cultural and Recreational										
Spring training attendance	21,944	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Soccer attendance	21,942	36,723	41,259	40,804	76,437	93,144	102,204	122,312	54,928	321,049
Parks & Recreation										
Athletic field permits issued ²	263	326	280	267	276	648	4,885	599	599	599
Community center admissions	306,841	327,257	318,524	303,293	302,821	282,616	275,936	182,937	68,076	179,027
Volunteer hours	8,213	11,366	12,108	10,512	11,094	9,483	8,616	8,277	76,611	8,927
Library										
Volumes in collection ³	1,257,821	1,193,357	1,139,730	1,237,281	1,167,135	1,230,771	1,947,628	1,194,147	1,116,211	1,136,388
Total volumes borrowed	6,098,216	4,521,039	5,484,961	6,131,049	4,808,467	5,592,306	6,068,832	5,408,548	3,881,675	4,220,116
Number of cardholders	405,419	405,507	379,631	385,945	374,293	383,777	349,999	343,406	320,486	272,600
Capital Projects										
Land	\$ 6,947	\$ 4,335,540	\$ 10,746,469	\$ 4,230,852	\$ 2,062,882	\$ 1,299,047	\$ 5,472,097	\$ 348,655	\$ 1,251,708	\$ 3,977,003
Buildings	33,313,996	8,595,432	107,899,620	6,367,369	17,107,423	24,749,318	14,780,541	9,461,317	30,193,194	18,900,842
Improvements	12,837,873	20,436,143	3,763,811	25,101,285	9,964,116	10,124,651	7,119,819	35,157,824	8,871,339	6,255,954
Infrastructure	13,291,580	108,053,960	41,041,250	58,338,363	19,323,191	61,677,576	20,196,789	13,120,104	47,010,744	7,935,065
Total Completed	\$ 59,450,396	\$ 141,421,075	\$ 163,451,150	\$ 94,037,869	\$ 48,457,612	\$ 97,850,592	\$ 47,569,246	\$ 58,087,900	\$ 87,326,985	\$ 37,068,864

Notes:

¹MGD: Millions of Gallons per Day

²Field permit totals increased due to ActiveNet creating a permit for each field rather than lumping multiple fields together

³Volumes include physical and digital copies

PIMA COUNTY, ARIZONA
Capital Assets & Infrastructure by Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program:										
Sheriff										
Stations	7	7	7	7	7	7	7	7	7	8
Zone offices	2	2	2	2	2	2	2	2	2	2
Patrol units	305	354	371	362	344	354	365	383	362	394
Transportation (streets and highways)										
Streets (miles) ¹	1,905	1,854	1,854	1,870	1,866	1,891	1,904	1,907	1,926	1,926
Pothole repair	\$ 1,462,810	\$ 1,767,246	\$ 2,715,481	\$ 2,340,060	\$ 2,505,042	\$ 3,159,973	\$ 2,790,674	\$ 2,162,890	\$ 2,162,630	\$ 1,427,886
Flood Control										
Bank protection (miles) ²		175	195	200	201	202	204	102	207	207
Flood plain / drainage way (acres) ³	13,645	16,538	16,806	26,000	26,832	31,738	32,468	31,095	31,690	32,115
Parks & Recreation										
Urban parks (acres)	3,143	3,147	3,489	3,736	5,825	5,831	5,831	5,835	5,835	5,835
Playgrounds	40	41	38	37	38	41	41	41	42	42
Baseball/softball diamonds	87	89	91	94	94	71	71	71	104	104
Soccer/football fields	18	20	21	24	24	34	34	34	34	34
Community centers		11	11	11	11	11	11	11	11	11
Swimming pools / Splashpads	10	10	10	10	10	11	11	11	11	11
Wastewater										
Sanitary sewers (miles)	3,448	3,462	3,466	3,470	3,487	3,500	3,500	3,500	3,542	3,564
Treatment capacity (MGD) ⁴	97.04	95.04	95.03	95.04	92.00	95.00	95.00	95.00	94.74	94.74
Libraries										
County	26	27	27	27	27	27	27	27	27	27
Open Space Acquisitions										
Properties added	1	3	2	3	1					
Acres	1,416	823	389	676	95					
Cumulative acreage	59,802	60,625	61,014	61,690	61,785	61,785	61,785	61,785	61,785	61,785
Total properties	101	104	106	109	110	110	110	110	110	110

Notes:

¹Annexation by other jurisdictions resulted in a decrease of Transportation (Streets and Highways).

²No soil cement bank protection projects in 2012 and 2013.

³Regional Flood Control District maintained acreage only.

⁴On Jan. 3, 2012 capacity was reduced when the Town of Marana obtained ownership of the Marana Wastewater Treatment Facility.



PIMA COUNTY

Board of Supervisors

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Pima County Administrator

Jan Leshner