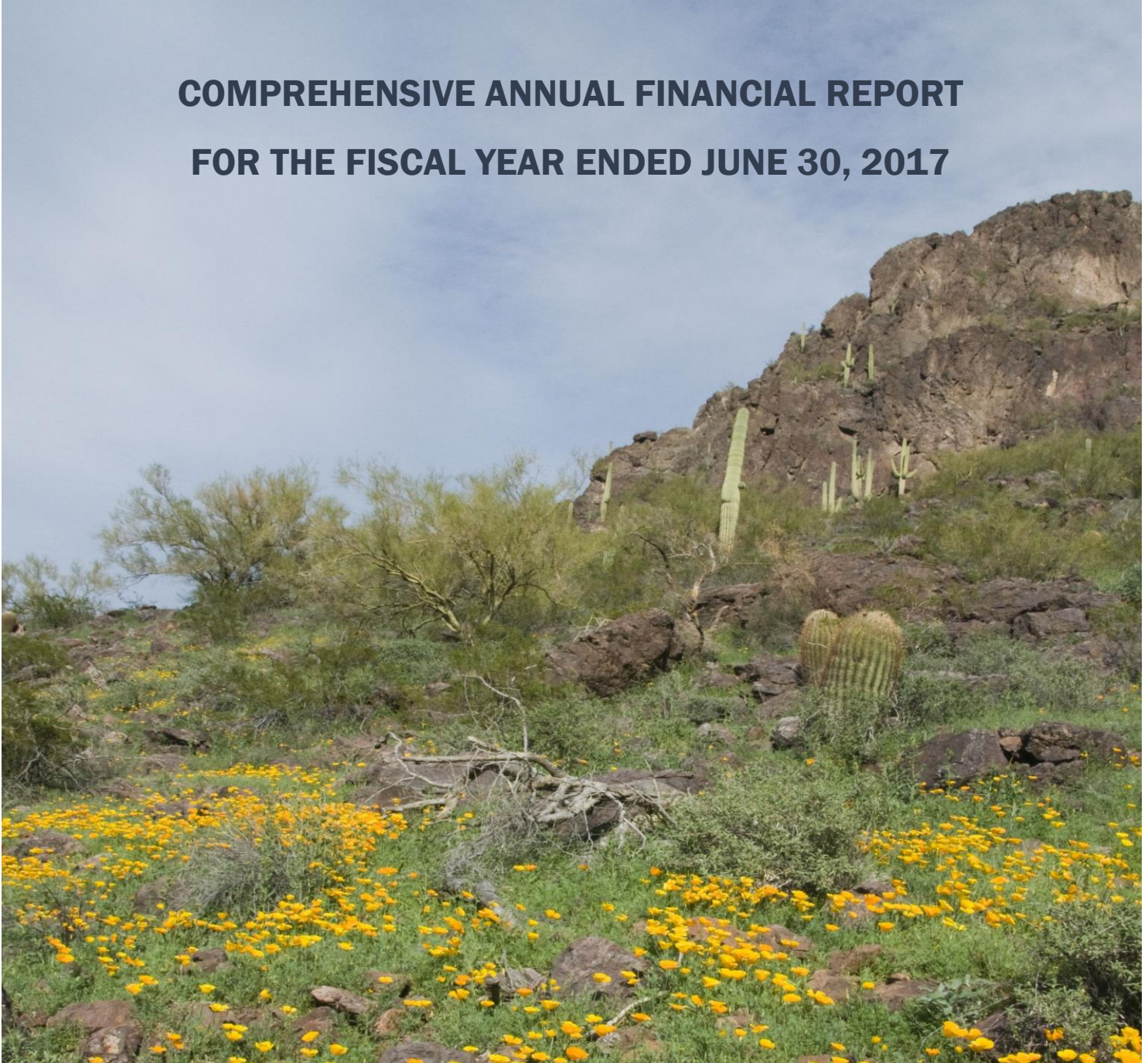




# PINAL COUNTY

WIDE OPEN OPPORTUNITY

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017



*Pinal County government protects and enhances its citizens' quality of life by driving economic development and providing efficient, effective, needed services through talented, motivated employees.*

*Pinal County government leads through innovation and collaboration which results in vibrant, safe, sustainable communities.*

**Pinal County, Arizona**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2017**

Prepared by:

The Pinal County Finance Department

Levi D. Gibson, CPA, M. Acc., CFIP  
Finance Director

**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2017**

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# Introductory Section





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**June 26, 2018**

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

Arizona Revised Statute (A.R.S.) § 41-1279.21 requires the Office of the Auditor General or a firm of licensed certified public accountants contracted by the Auditor General to conduct financial audits of the accounts and records of County governments. Pursuant to the statute, the Office of the Auditor General contracted with CliftonLarsonAllen LLP to audit the Pinal County (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the County's basic financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the financial section of this report.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

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### **Pinal County Profile**

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The County was founded in 1875 and is located in the south-central part of the State of Arizona, bordered on the north by Maricopa County and on the south by Pima County. Florence, established in 1866 was designated and has remained the county seat. This location, approximately halfway between Phoenix to the north and Tucson to the south, the two largest cities in Arizona, presents some unique problems to the County. Generally rural in nature, the County has a smaller tax base than either Maricopa or Pima counties, yet proximity to these major metropolitan areas keeps labor and supply costs high.

The County encompasses approximately 5,400 square miles. The principal geographic features consist of mountains with elevations to 6,000 feet in the eastern portion and low desert valleys in the western portion of the County. All of Pinal County is considered part of the Phoenix-Mesa-Glendale, AZ MSA.

The June 30, 2017 population of the County was estimated to be 430,237. The communities of Mammoth, Oracle, San Manuel, and Kearny have traditionally been active in copper mining, smelting, milling and refining, and tourism. Arizona City, Eloy, Maricopa, Picacho, Red Rock, and Stanfield have agriculture based economies. Apache Junction, Maricopa, Coolidge, Eloy, and particularly Casa Grande have diversified their economic base to include manufacturing, trade and services.

This expansion and diversification has been facilitated by their location in the major growth corridor between Phoenix and Tucson near the junction of I-10 and I-8, except for Apache Junction, which is to the east of Mesa. Most of the southern  $\frac{3}{4}$  of Pinal County and a small area in Apache Junction are designated as Enterprise Zones.

The governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors is comprised of five board members that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors. The County has several elected officials including the Assessor, Clerk of the Superior Court, Constables, County Attorney, Recorder, Sheriff, Superintendent of Schools, and the Treasurer.

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

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

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

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

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

Local economy - The major economic activities within Pinal County include mining, farming, food manufacturing, tourism, transportation and logistics, aerospace and defense, and health services. Copper mining is the chief economic activity in the eastern portion of Pinal County. BHP Copper Inc., headquartered in Tucson, has mines located in Miami and Pinto Valley (Gila County). BHP is scheduled to open a mine within the next several years in Copper Creek (in Pinal County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters.

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

Tourism also impacts the local economy as a mild climate and several points of interest attract tourists and winter visitors. Attractions include the Casa Grande Valley Historical Museum, the Biosphere II (largest living laboratory in the world), the Lost Dutchman State Park, the Casa Grande Ruins National Monument near Coolidge, and the Boyce Thompson Arboretum, located just outside Superior. Additional tourist spots include the Superstition Mountains Wilderness Area, which offers hiking and exploring for visitors in search of the Lost Dutchman's gold mine; Picacho Peak State Park, offering hiking, camping and picnic areas; and the Pinal Pioneer Parkway and the Apache Trail, two scenic drives with a variety of desert vegetation. For those tourists with a desire for more action, Eloy is an international location for skydiving.

A major factor in employment in the County is the prisons, both governmental and private. The State of Arizona operates prisons in Pinal County, including the State's maximum-security prison in Florence. Core Civic operates several private prisons, in Florence, Eloy, and La Palma, which is the largest CCA facility in the country. Also, there is a Federal Immigration Services facility in Florence.

Arizona's economy has been following suit with the national and most other state economies. Similar to the National and State economies, Pinal County follows the pattern of moderate growth. Stabilization in the residential home market and modest growth in retail sales across the state resulted in greater sales tax revenue, both County and State shared.

**Long – Term Financial Planning** - The County's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Pinal County's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2016-2017.

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

- **Fiscal Conservatism:** Ensure the County is in a solid financial condition at all times, current revenues will be sufficient to support current operating expenditures. The County performs monthly reviews of operating budgets for all funds regardless of funding source.
- **Flexibility:** Ensure the County is in a position to respond to changes in the economy or new service challenges without undue amounts of financial stress.
- **Adherence to the Highest Accounting and Management Practices:** Comply with the Government Finance Officers Association (GFOA) standards for reporting, the Governmental Accounting Standards Board (GASB) and State reporting requirements.
- **Maintain Reserve:** Fund Balance coverage for the General Fund will be maintained at a minimum of 10% of adopted General Fund expenditures.

**Major Initiatives.** During FY 2016-2017 Pinal County continued to invest in basic government service programs and amenities. The planning parameters were Regional Leadership, Growth, Public Safety, Healthcare, Transportation, Jobs and Economic Development, and Accountability.

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

- Focus on maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing. Standard & Poor's rated several of Pinal County's Excise Tax Revenue Bonds as follows: Series 2010 at AA, Series 2014 at AA-, and Series 2015 at AA-, all with a stable outlook.
- Cost containment and improving efficiencies continue to be a top priority to help ensure the financial well-being of the County, while maintaining an adequate level of reserves.

- Seeking support at state and federal level for necessary approvals for the following:
  - efforts to plan and engineer ways to reduce flooding in the Lower Santa Cruz River Watershed, Tangerine Basin and along Hunt Highway/Gantzel Road.
  - funding to widen Hunt Highway and Gantzel Road to reduce congestion, improve commute times and attract more businesses to the area while also reducing dust and vehicle emission in the San Tan Valley area. The County completed construction for the first, second and third phase of the improvement project. Phase four design and property acquisition has also been completed with scheduled construction beginning in late August 2017.
  - funding to pave dirt roads to reduce the amount of particulate matter (dust & dirt) in the air.
  - design and construction for improvements to the San Manuel Airport and Pinal Air Park infrastructure.
- A Corridor Study, in conjunction with the cities of Casa Grande and Maricopa, to define and obtain environmental approvals for an east-west parkway that will connect State Route 347 (in Maricopa) to Interstate 10 (in Casa Grande).

#### Acknowledgments

The preparation of this report would not have been possible without the efficient, effective and dedicated services of the entire staff of the Finance Department, the assistance of administrative personnel in the various departments, and through the competent services of CliftonLarsonAllen LLP, Certified Public Accountants and the Arizona State Auditor General's Office. I appreciate all of those who assisted in and contributed to the preparation of this report. I also wish to express my sincere appreciation to the members of the Board of Supervisors, the County Manager, and the Assistant County Manager for Administrative Services for their unfailing support in maintaining the highest standards of professionalism in the management of Pinal County's finances.

Respectfully submitted,

Levi D. Gibson, CPA, M. Acc., CFIP  
Finance Director

# PINAL COUNTY

**PINAL COUNTY VOTERS**

**ELECTED OFFICIALS**  
 Douglas Wolf, Assessor  
 Kent Volkmer, Attorney  
 Amanda Stanford, Clerk of the Court  
 Virginia Ross, Recorder/Elections  
 Jill Broussard, School Superintendent  
 Mark Lamb, Sheriff  
 Michael McCord, Treasurer  
 Superior Court Justices (10)  
     Adult Probation  
     Juvenile Court Services  
 Justices of the Peace (8)

**Clerk Of the Board**  
 Sheri Cluff

**Board of Supervisors**  
 Pete Rios, District 1  
 Mike Goodman, District 2  
 Steve Miller, District 3  
 Anthony Smith, District 4  
 Todd House, District 5

**Internal Auditor**  
 TBD

**County Manager**  
 Greg Stanley

**Budget & Research**  
 Leo Lew

**Communications & Public Affairs**  
 Joe Pyritz

**Assistant County Manager**  
 Leo Lew

**Assistant County Manager**  
 TBD

Levi Gibson, **Finance Director**  
 Patrick Camunez, **Human Resources Director**  
 Steve Frazier, **Chief Information Officer**  
 Dr. Shauna McIsaac, **Public Health Director**  
 Chris Reimus, **Environmental Health Assistant Director**  
 James E. Mannato, **Public Defender**  
 Denise Keller, **Library District Director**  
 Adeline Allen, **Housing Director**  
 Geraldine Roll, **Public Fiduciary Director**

Michael Sundblom, **Air Quality Director**  
 Himanshu Patel, **Community Development**  
 Louis Andersen, **Public Works Director**  
 Jack Flindt, **Fleet Services/Risk Management Director**  
 Archie Carreon, **Facilities Management Director**  
 Audra Michael, **Animal Care & Control Director**

**PINAL COUNTY**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2017**  
**County Officials**

**Elected Officials**

Supervisor, District 1	Pete Rios
Supervisor, District 2	Mike Goodman
Supervisor, District 3	Steve Miller
Supervisor, District 4	Anthony Smith
Supervisor, District 5	Todd House
Assessor	Douglas Wolf
Attorney	Kent Volkmer
Clerk of Superior Court	Amanda Stanford
Recorder/Elections	Virginia Ross
School Superintendent	Jill Broussard
Sheriff	Mark Lamb
Superior Court Judge, Division 17	Honorable Stephen F. McCarville
Superior Court Judge, Division 19	Honorable Kevin D. White
Superior Court Judge, Division 20	Honorable Joseph R. Georgini
Superior Court Judge, Division 21	Honorable Brenda E. Oldham
Superior Court Judge, Division 23	Honorable Steven J. Fuller
Superior Court Judge, Division 24	Honorable Daniel A. Washburn
Superior Court Judge, Division 25	Honorable Jason R. Holmberg
Superior Court Judge, Division 26	Honorable Henry G. Gooday
Superior Court Judge, Division 27	Honorable Karl C. Eppich
Superior Court Judge, Division 28	Honorable Delia R. Neal
Treasurer	Michael McCord
Justices of the Peace (8) and Constables (8)	Various

**Appointed Officials**

County Manager	Greg Stanley
Internal Auditor	TBD
Clerk of the Board	Sheri Cluff
Assistant County Manager	Leo Lew
Assistant County Manager	TBD
Finance Director	Levi Gibson
Public Works Director	Louis Andersen
Community Development	Himanshu Patel
Public Defender	James E. Mannato
Library District Director	Denise Keller
Budget Director	Leo Lew
Facilities Management Director	Archie Carreon
Fleet Services/Risk Management Director	Jack Flindt
Human Resources Director	Patrick Camunez
Chief Information Officer	Steve Frazier
Air Quality Director	Michael Sundblom
Interim Animal Care & Control Director	Audra Michael
Housing Director	Adeline Allen
Behavioral Health, Public Fiduciary Director	Geraldine Roll
Public Health Director	Dr. Shauna McIsaac
Environmental Health Director	Chris Reimus

## INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Board of Supervisors of  
Pinal County, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pinal County, Arizona (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Grants Fund, which represents 0.10 percent, 0.18 percent, and 1.54 percent, respectively, of the assets, net position, and revenues of the governmental activities and 0.38 percent, 0.35 percent, and 1.62 percent, respectively, of the assets, fund balance, and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Housing Grants Fund, are based solely on the other auditors' report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

***Opinions***

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pinal County, Arizona as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note 4 to the financial statements, the County restated beginning net position/fund balances of its financial statements for the year ended June 30, 2017, to correct misstatements in its previously issued financial statements. Our opinions are not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of the County's Proportionate Share of the Net Pension Liability – Cost Sharing Pension Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios – Agent Pension Plans, the Schedule of County Pension Contributions, and the Schedule of Agent Other Post-Employment Benefits Plans' Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result 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.

*CliftonLarsonAllen LLP*

Phoenix, Arizona  
June 26, 2018

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# Financial Section



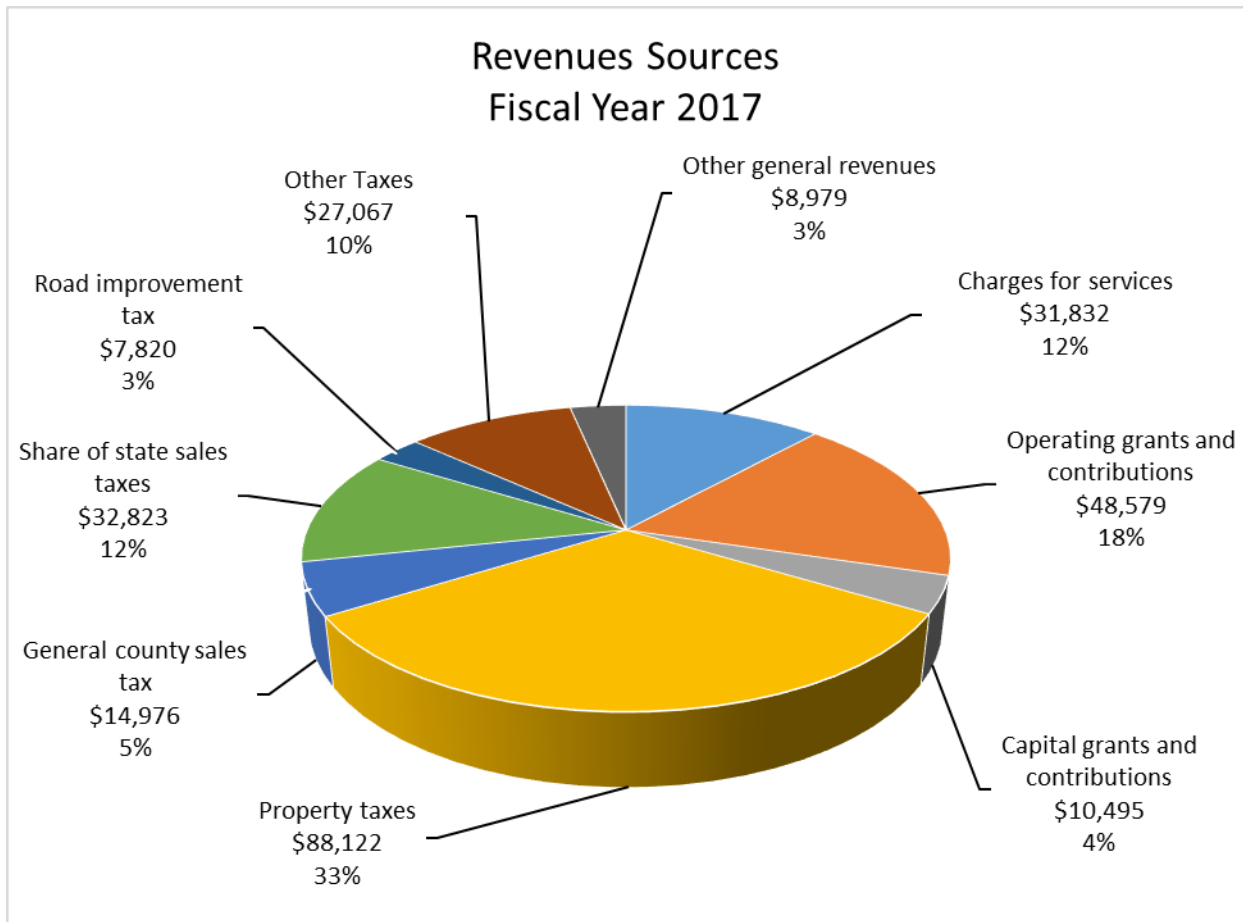
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## PINAL COUNTY Management’s Discussion and Analysis

As management of Pinal County (County), we offer readers of the County’s financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ix – xii of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources at the close of fiscal year 2017 by \$307,765 (net position), which represented an increase of \$11,433 from the prior year. Of this amount, \$364,991 is invested in capital assets, \$97,069 is subject to external restrictions, and (\$154,295) is unrestricted. The negative balance in the unrestricted portion of net position is due to the County recognizing net pension liabilities for all plans to which it contributes.
- The County's primary sources of revenue are from property taxes, operating grants and contributions, share of state sales taxes, charges for services, and other taxes.



## PINAL COUNTY Management's Discussion and Analysis

- As of June 30, 2017, the County's governmental funds reported combined fund balances of \$154,372, a decrease of \$6,582 in comparison with the prior year. Approximately 19% of the combined fund balances, or \$29,466 is available for spending at the County's discretion (assigned & unassigned fund balance).
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$28,444, or 18.72% of total General Fund expenditures.
- The County's total long-term liabilities as of June 30, 2017, were \$397,975. Revenue bonds and loans payable, including unamortized premiums, and net pension liabilities, represent 96% of the total. The final payments on the loans payable are due in fiscal years 2019. The final payments for the 2010 revenue bonds are due in fiscal years 2021 and 2036, the final payments for the 2014 revenue bonds are due in fiscal years 2026 and 2035, and the final payments for the 2015 revenue bonds are due in fiscal years 2020 and 2030.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide Financial Statements** 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 of the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported as 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 the County's 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 leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The business-type activities of the County include Sheriff Inmate Services and Airport Economic Development.

**The government-wide financial statements can be found on pages 25-26 of this report.**

**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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

## PINAL COUNTY Management's Discussion and Analysis

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

The County uses 171 individual governmental funds to satisfy legal and operating requirements. Some of these funds are combined according to their functional basis for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road Tax Districts, Public Works Highway, Development Impact Fee, Workforce Grants, Bond Funded Capital Projects, and Debt Service Funds. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and other governmental funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. These statements can be found on pages 89-94.

**The basic governmental fund financial statements can be found on pages 27-30 of this report.**

**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 Sheriff Inmate Services and Airport Economic Development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the County's participation in the Arizona Metropolitan Trust for employee benefits and Fleet Maintenance. Because the services of internal service funds predominantly benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Fund data for non-major enterprise funds are combined into a single, aggregated presentation provided in the form of *combining statements* elsewhere in this report. The County's internal service fund is presented separately in the proprietary fund financial statements.

**The proprietary fund financial statements can be found on pages 31-34 of this report.**

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

**The fiduciary fund financial statements can be found on pages 35-36 of this report.**

**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 to the financial statements can be found on pages 37-86 of this report.

**Required Supplementary Information** is presented in addition to the basic financial statements and accompanying notes, concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budgetary comparison schedules previously discussed are also included in this section. Required supplementary information can be found on pages 89-104 of this report.

**Combining Statements and Other Schedules** referred to earlier in connection with non-major governmental funds and enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules including statistical information can be found on pages 107-177 of this report.



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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. County assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$307,765 at the close of the most recent fiscal year.

**Governmental Activities – Statement of Net Position**

The largest portion of the net position, \$361,945, reflects net investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less accumulated depreciation and any related debt used to acquire these assets that is still outstanding. Net position invested in capital assets increased by \$13,861 mainly due to an increase in construction in progress relating to multiple on-going projects. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. As part of the County's net investment in capital assets, the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$97,069 represents resources that are subject to external restrictions on how they may be used. A majority of restrictions are imposed by grantor agencies and creditors. The remaining balance of unrestricted net position of (\$142,639) in fiscal year 2015-16 decreased in the current year by \$12,384, to a deficit of (\$155,023). The majority of this decrease is due to the addition of net pension liabilities.

Overall, the net position increased by \$11,291 from net position reported at June 30, 2016.

Current and other assets decreased by \$13,565. Notable changes included an increase in cash and investments in the General Fund and a decrease in cash and investments held by trustees in the major fund Bond Funded Capital Projects.

The increases in deferred outflows of resources from \$32,211 to \$48,542 and deferred inflows of resources from \$19,976 to \$24,095 consist mainly of the contributions to the pension plans after the measurement date and the changes in estimates and assumptions used to calculate the net pension liabilities. Additional information on the County's pension plan activity can be found in Note 11 of the notes to the financial statements on pages 60-82 of this report.

Long-term liabilities increased in the current year by \$15,741. Notable changes included the addition of net pension liabilities and the reduction of loans and bonds payable with the associated unamortized premiums/discounts.

**Business-type Activities – Statement of Net Position**

A majority portion of the net position, \$3,046 reflects investment in capital assets (e.g., buildings, infrastructure, and machinery and equipment).

None of the net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$728 is 19.29% of total net position.

The net position increased by \$142 from net position reported at June 30, 2016. The increase in net position is due to operating revenues exceeding operating expenses and intergovernmental revenues.

Current and other assets increased by \$267. This increase is due to the increase in rental revenues in the Airport Economic Development fund.

Capital assets decreased by \$199. This decrease is due to depreciation expense recognized in the period.

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

Long-term liabilities decreased by \$43. Notable changes included the reduction of net pension liabilities and compensated absences.

<b>Condensed Statement of Net Position</b>						
<b>June 30, 2017 and 2016</b>						
	Governmental Activities		Business-type Activities		Total	
	2017	2016 *	2017	2016 *	2017	2016 *
Current and other assets	\$ 185,893	\$ 199,458	\$ 1,171	\$ 904	\$ 187,064	\$ 200,362
Capital assets	506,578	484,209	3,046	3,245	509,624	487,454
Total assets	<u>692,471</u>	<u>683,667</u>	<u>4,217</u>	<u>4,149</u>	<u>696,688</u>	<u>687,816</u>
Deferred outflows of resources						
Pension	48,542	32,211	67	64	48,609	32,275
Deferred charge on debt refunding	216	324	-	-	216	324
Total deferred outflows of resources	<u>48,758</u>	<u>32,535</u>	<u>67</u>	<u>64</u>	<u>48,825</u>	<u>32,599</u>
Other liabilities	15,569	21,693	58	54	15,627	21,747
Long-term liabilities	397,574	381,833	401	444	397,975	382,277
Total liabilities	<u>413,143</u>	<u>403,526</u>	<u>459</u>	<u>498</u>	<u>413,602</u>	<u>404,024</u>
Deferred inflows of resources						
Pension	24,095	19,976	51	83	24,146	20,059
Total deferred inflows of resources	<u>24,095</u>	<u>19,976</u>	<u>51</u>	<u>83</u>	<u>24,146</u>	<u>20,059</u>
Net position:						
Net investment in capital assets	361,945	348,084	3,046	3,245	364,991	351,329
Restricted	97,069	87,255	-	-	97,069	87,255
Unrestricted (deficit)	<u>(155,023)</u>	<u>(142,639)</u>	<u>728</u>	<u>387</u>	<u>(154,295)</u>	<u>(142,252)</u>
Total net position	<u>\$ 303,991</u>	<u>\$ 292,700</u>	<u>\$ 3,774</u>	<u>\$ 3,632</u>	<u>\$ 307,765</u>	<u>\$ 296,332</u>

\* 2016 balances have been restated - See Note 4 in the Notes to Financial Statements.

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

**Governmental Activities – Statement of Activities**

Revenues

Total revenues of \$269,549 increased by \$19,764 from the prior year primarily due to the following:

- An increase (in total) of \$7,915 in charges for services, operating grants and contributions, and capital grants and contributions attributed to donated land and roads related to the County's infrastructure construction projects.
- An increase of \$1,190 in the County's share of state sales taxes due to positive economic factors throughout the State that resulted in additional sales tax revenues.
- An increase of \$3,402 in other taxes due to increases in both unrestricted share of vehicle license tax received from the State and road tax collected within the County.
- An increase of \$6,232 in other general revenues due to increases in both contributions not restricted to specific programs and miscellaneous revenues for economic development purposes.

Expenses

Total expenses of \$258,234 increased by \$12,229 from the prior year primarily due to the following:

- An increase of \$7,877 in public safety due to increases in personnel costs such as overtime and recognition of pension refunds to public safety employees.
- An increase of \$2,866 in highways and streets due to completion of construction projects related to roads and bridges infrastructure.

**Business-type activities – Statement of Activities**

Revenues

Total revenues of \$1,144 decreased by \$2,252 from the prior year primarily due to the following:

- A decrease of \$2,180 in operating grants and contributions revenues in the Airport Economic Development fund due to the expiration of an airport development grant received from the Arizona Department of Transportation for construction projects.

Expenses

Total expenses of \$1,026 decreased by \$2,454 from the prior year primarily due to the following:

- A decrease of \$2,251 in expenses in the Airport Economic Development fund due to the completion of projects funded by grant revenues.

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

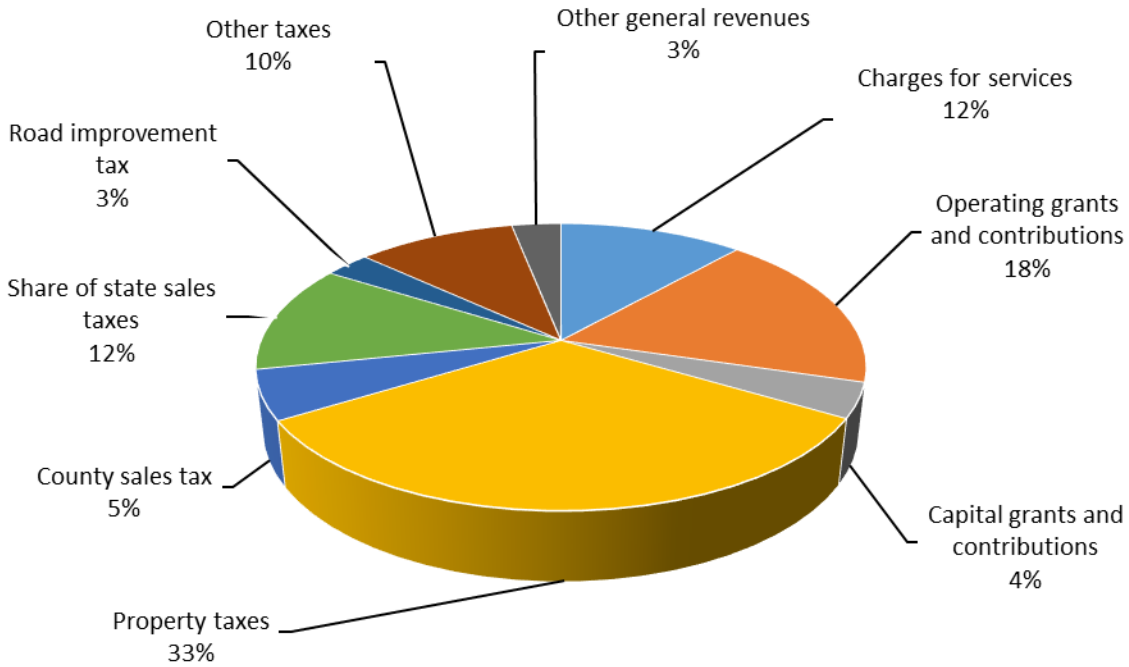
The following table summarizes the changes in net position for governmental and business-type activities.

<b>Condensed Statement of Activities</b>						
<b>Years Ended June 30, 2017 and 2016</b>						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016 *	2017	2016 *	2017	2016 *
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 31,325	\$ 38,341	\$ 507	\$ 644	\$ 31,832	\$ 38,985
Operating grants and contributions	48,532	22,795	47	2,227	48,579	25,022
Capital grants and contributions	10,495	21,301	-	-	10,495	21,301
General revenues:						
Property taxes	88,122	87,782	-	-	88,122	87,782
County sales tax	14,976	14,561	-	-	14,976	14,561
Share of state sales taxes	32,823	31,633	-	-	32,823	31,633
Road improvement tax	7,820	7,550	-	-	7,820	7,550
Other taxes	27,067	23,665	-	-	27,067	23,665
Other general revenues	8,389	2,157	590	525	8,979	2,682
<b>Total revenues</b>	<b>269,549</b>	<b>249,785</b>	<b>1,144</b>	<b>3,396</b>	<b>270,693</b>	<b>253,181</b>
<b>Expenses:</b>						
General government	45,590	45,406	-	-	45,590	45,406
Public safety	123,252	115,375	-	-	123,252	115,375
Highways and streets	36,327	33,461	-	-	36,327	33,461
Sanitation	397	416	-	-	397	416
Health	30,750	30,694	-	-	30,750	30,694
Welfare	9,057	8,545	-	-	9,057	8,545
Culture and recreation	1,601	1,653	-	-	1,601	1,653
Education	6,256	5,952	-	-	6,256	5,952
Interest on long-term debt	5,004	4,503	-	-	5,004	4,503
Sheriff Inmate Services	-	-	191	394	191	394
Airport Economic Development	-	-	835	3,086	835	3,086
<b>Total expenses</b>	<b>258,234</b>	<b>246,005</b>	<b>1,026</b>	<b>3,480</b>	<b>259,260</b>	<b>249,485</b>
Excess (deficiency) before transfers	11,315	3,780	118	(84)	11,433	3,696
Transfers	(24)	(1,000)	24	1,000	-	-
Change in net position	11,291	2,780	142	916	11,433	3,696
Net Position, beginning of year, as restated	292,700	289,920	3,632	2,716	296,332	292,636
<b>Net position - ending</b>	<b>\$ 303,991</b>	<b>\$ 292,700</b>	<b>\$ 3,774</b>	<b>\$ 3,632</b>	<b>\$ 307,765</b>	<b>\$ 296,332</b>

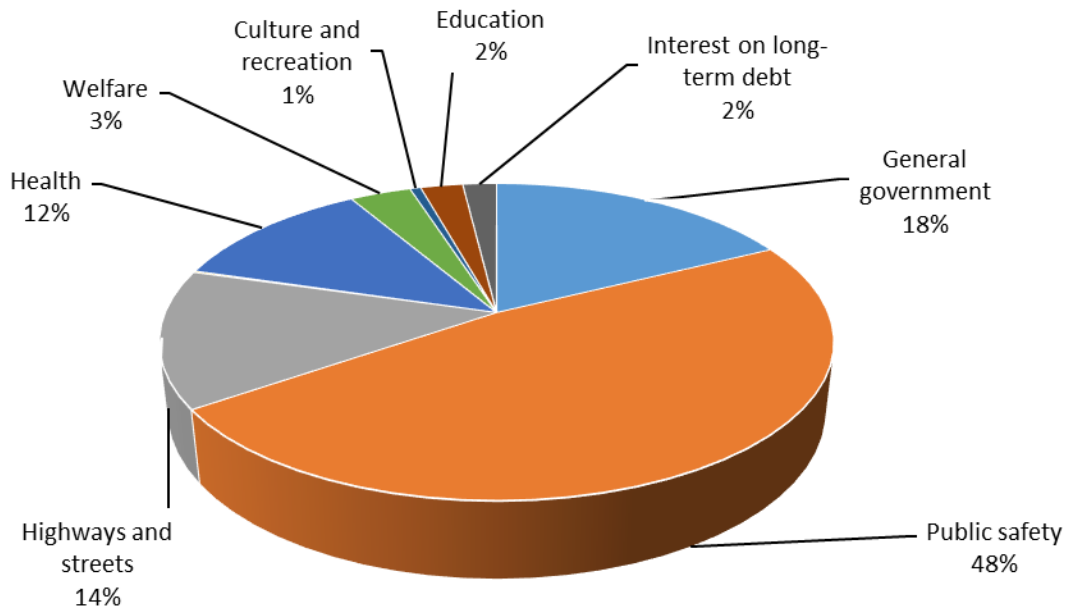
\* 2016 balances have been restated - See Note 4 in the Notes to Financial Statements.

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

**Revenues Sources - Governmental Activities**



**Expenses by Function - Governmental Activities**



# PINAL COUNTY

## Management's Discussion and Analysis

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

#### Governmental funds

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

At June 30, 2017, the County's governmental funds reported combined fund balance of \$154,372, a decrease of \$6,582 in comparison with the prior year. Less than 1%, \$114 of the combined fund balance constitutes *nonspendable fund balance*, made up of prepaid items and inventories that do not represent available spendable resources. Approximately 79% of the combined fund balance, \$122,642 constitutes *restricted fund balance* which represents resources that are subject to external restrictions on how they may be used. The remaining 21% of the combined fund balance is comprised of unassigned fund balance of \$26,914 which is available for spending at the County's discretion, while amounts of \$2,150 and \$2,552 of committed and assigned fund balances, respectively, have to be spent under the conditions specified by the Board of Supervisors and County Management.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$28,444. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$28,444 represents 19% of total General Fund expenditures.

The total fund balance of the County's General Fund increased during the fiscal year by \$6,179. Key factors in the increase to fund balance includes an increase tax and miscellaneous revenues in comparison to prior fiscal year.

The Road Tax Districts Fund total fund balance increased during the fiscal year by \$1,667. The increase is primarily attributed to a decrease in spending related to different road related construction projects.

The Public Works Highway Fund total fund balance increased during the year by \$791. This increase is mainly attributable to an increase in HURF and VLT revenues.

The Development Impact Fee Fund total fund balance decreased during the fiscal year by \$206. The fund decreased due to the amount of transfers out to other governmental funds that accounted for improvements made for parks, public safety, and streets within the impact fee area.

The Workforce Grants Fund total fund balance decreased during the fiscal year by \$609. The fund decreased due to unavailable revenues received after the accrual period for revenue recognition.

The Bond Funded Capital Projects Fund total fund balance decreased during the fiscal year by \$17,903. The fund decreased primarily due to capital outlay expenditures related to various county construction projects related to highways and roads, and public safety projects.

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

**Overview of all governmental funds**

Revenues for governmental funds totaled \$255,265 in fiscal year 2017, which represents an increase of 1.23% from fiscal year 2016.

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

Governmental Funds Revenues Classified by Source For the Years Ended June 30, 2017 and 2016							
	<u>2017</u>		<u>2016</u>		<u>Variance</u>		
	Amount	Percent	Amount	Percent	Amount	Percent	
Taxes	\$ 118,546	46.44%	\$ 112,714	44.70%	\$ 5,832	5.17%	
Licenses and permits	6,753	2.65%	5,525	2.19%	1,228	22.23%	
Intergovernmental	96,844	37.94%	102,947	40.82%	(6,103)	-5.93%	
Charges for services	22,451	8.80%	24,639	9.77%	(2,188)	-8.88%	
Fines and forfeits	2,456	0.96%	2,871	1.14%	(415)	-14.45%	
Investment earnings	354	0.14%	957	0.38%	(603)	-63.01%	
Contributions	3,199	1.25%	628	0.25%	2,571	409.39%	
Rentals	516	0.20%	450	0.18%	66	14.67%	
Miscellaneous	4,146	1.62%	1,440	0.57%	2,706	187.92%	
Total revenues	<u>\$ 255,265</u>	<u>100.00%</u>	<u>\$ 252,171</u>	<u>100.00%</u>	<u>\$ 3,094</u>	<u>1.23%</u>	

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

- Taxes – the increase of \$5,832 was primarily due to an increase in the amount the County received from its share of state sales taxes and vehicle license taxes received from the state. In addition property tax increased due to an increase in the primary assessed valuation.
- Licenses and permits – the increase of \$1,228 was due to an increase in demand for building permits.
- Intergovernmental – the decrease of \$6,103 was due to the termination of the agreement with the US Marshall Service, Core Civic and the County. The funds were passed through the County and recorded as revenues in the fund financial statements.
- Charges for services – the decrease of \$2,188 was due to a decrease in boarding the Arizona Department of Corrections inmates.
- Contributions – the increase of \$2,571 was due to an increase in funds received from private organizations regarding mitigation with the US Environmental Protection Agency.
- Miscellaneous – the increase of \$2,706 was primarily due revenues received for a purchase agreement for economic development purposes. See Note 14 - Other Investments for more information.

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

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

Governmental Funds Expenditures by Function For the Years Ended June 30, 2017 and 2016						
Governmental Function	<u>2017</u>		<u>2016</u>		<u>Variance</u>	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 36,042	13.52%	\$ 34,820	12.88%	\$ 1,222	3.51%
Public safety	110,385	41.42%	116,161	42.98%	(5,776)	-4.97%
Highways and streets	36,737	13.78%	36,474	13.49%	263	0.72%
Sanitation	421	0.16%	416	0.15%	5	1.20%
Health	31,949	12.00%	30,694	11.36%	1,255	4.09%
Welfare	8,724	3.27%	8,186	3.03%	538	6.57%
Culture and recreation	1,571	0.59%	1,653	0.61%	(82)	-4.96%
Education	6,256	2.35%	5,952	2.20%	304	5.11%
Capital outlay	19,144	7.18%	20,644	7.64%	(1,500)	-7.27%
Debt service:						
Principal retirement	8,081	3.03%	7,822	2.89%	259	3.31%
Interest	7,192	2.70%	7,481	2.77%	(289)	-3.86%
Total expenditures	<u>\$ 266,502</u>	<u>100%</u>	<u>\$ 270,303</u>	<u>100%</u>	<u>\$ (3,801)</u>	<u>-1.41%</u>

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

- General government – expenditures increased \$1,222 primarily due to increased costs associated with personnel including a salary adjustment study and pension increases.
- Public Safety – expenditures decreased \$5,776 primarily due to the terminaton of the agreement with the US Marshall Service, Core Civic and the County. The funds were passed through the County and recorded as expenditures in the fund financial statements.
- Health – expenditures increased \$1,255 due to the opening of a new health clinic and increase services provided related to the Women, Infants and Children (WIC) and Emergency Preparedness grant programs.
- Capital outlay – expenditures decreased \$1,500 primarily due to reduced construction activity in the Kelvin Road Bridge Fund.



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

**Proprietary funds**

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

Unrestricted net position for the enterprise funds totaled \$728. Investment in capital assets totaled \$3,046.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

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

<b>Enterprise Funds Schedule of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2017</b>			
	<b>Sheriff Inmate Services</b>	<b>Airport Economic Develop- ment</b>	<b>Total</b>
Operating revenues	\$ 553	\$ 547	\$ 1,100
Operating expenses	191	830	1,021
Operating income (loss)	362	(283)	79
Nonoperating revenues	(1)	40	39
Transfers	-	24	24
Changes in net position	<u>\$ 361</u>	<u>\$ (219)</u>	<u>\$ 142</u>

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues exceeded the final budget by \$2,393 or 1.50% due to an increase in license and permit fees as a result of increased demand for building permits; an increase in intergovernmental revenues from the County's share of state sales taxes; and charges for services revenues, specifically from the courts, recorder and animal care activities.

General Fund expenditures were less than the final budget by \$22,966 or 13.17% due to the following reasons:

- The Assistant County Manager-Admin spent \$24,695 less than budgeted in the general government function, primarily due to unspent funds and contingency funds not being used. The unspent funds and contingency funds offset an additional \$3,816 of excess expenditures in the public safety function.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The County's capital assets for its governmental and business-type activities as of June 30, 2017, amounted to \$509,624 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, software, and construction in progress.

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

Governmental activities:

- Construction in progress increased due to multiple on-going construction projects including the Hunt Highway widening project and construction on the addition to the County Superior Court building.

Governmental and Business-type Activities Capital Assets (net of accumulated depreciation) June 30, 2017 and 2016						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 197,841	\$ 191,732	\$ -	\$ -	\$ 197,841	\$ 191,732
Buildings and improvements	95,270	99,655	96	101	95,366	99,756
Machinery and equipment	14,872	14,146	196	268	15,068	14,414
Intangible - Software	1,257	1,494	-	-	1,257	1,494
Infrastructure	159,512	149,571	2,754	2,876	162,266	152,447
Construction in progress	37,826	27,611	-	-	37,826	27,611
Total	<u>\$ 506,578</u>	<u>\$ 484,209</u>	<u>\$ 3,046</u>	<u>\$ 3,245</u>	<u>\$ 509,624</u>	<u>\$ 487,454</u>

The County's infrastructure assets are recorded at actual cost when available or estimated historical cost when actual cost is not available, with donations being reported at acquisition value in the government-wide financial statements as required by GASB Statement No. 72. The acquisition of new infrastructure assets are reported as Highways and Streets expenditures within the Public Works Highway, Road Tax Districts, and Flood Control Funds.

Additional information on the County's capital assets can be found in Note 6 on pages 51-52 of this report.

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

**Long-term Debt**

At the end of the current fiscal year, the County had total long-term debt outstanding of \$171,855 for governmental activities as compared to \$181,127 in the prior year. This amount was comprised of \$166,754 of bonds payable, including unamortized discount on the 2010 revenue bonds and unamortized premium on the 2010 refunding revenue bonds, for the construction of two health clinics, the renovation of the County's historic courthouse and to refund the certificates of participation, Series 2001, respectively. This amount of bonds payable including unamortized premium on the 2014 revenue bond for road and highway improvements and improvements to public safety radio upgrades and unamortized premium on the 2014 refunding bonds related to the GADA 2006 loan, respectively. This amount of bonds payable including unamortized premium on the 2015 bonds payable to refund the certificates of participation, Series 2004; and \$4,093 of loans payable, including unamortized premium, for the animal shelter expansion project and several County building renovation projects. The Housing department has a note payable to the Arizona Department of Housing of \$487. The County also started leasing new copiers and printers and recorded the future obligations as capital leases.

<b>Long-Term Debt</b>				
<b>June 30, 2017 and 2016</b>				
	<b>Outstanding Debt</b>			<b>Percent Change</b>
	<b>2017</b>	<b>2016</b>		
Governmental Activities				
Loans payable	\$ 4,093	\$ 6,032		-32.15%
Obligations under capital leases	521	-		n/a
Note payable	487	487		0%
Bonds payable	166,754	174,608		-4.50%
Total	\$ 171,855	\$ 181,127		-32.15%

Additional information on the County's long-term debt can be found in Note 9 on pages 67-72 of this report.

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

- The current 2018, preliminary, seasonally adjusted, unemployment rate for the State of Arizona as of February was 4.9%.<sup>1</sup> The national rate as of February was 4.1%.<sup>1</sup> The unemployment rate for Pinal County as of September was 4.4%.<sup>1</sup> The State of Arizona seasonally adjusted unemployment decreased 0.2% from one year ago and the average unemployment rate for Pinal County remained the same from the prior year. The largest job increase exists in Construction, Manufacturing, and Education and Health Services. Marginal increases occurred in Trade, Transportation and Utilities, Financial Activities and Leisure and Hospitality. Professional and Business Services, Information, and Government remained flat%.<sup>1</sup>
- The housing industry, which has stabilized, continues to be one of the largest factors affecting the State of Arizona. Property tax receivables of \$2,458 increased by 2.63% over the prior year. In addition, the county also expects revenues from permits to slightly increase as new home construction remains steady.
- The County has projected that revenues from the Local Sales Taxes will increase in fiscal year 2018.

<sup>1</sup> [www.laborstats.az.gov/](http://www.laborstats.az.gov/) ADOA – EPS – Employment and Population Statistics March 2018.

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

- The County has projected \$33,603 of transaction privilege taxes to be received from the State of Arizona in fiscal year 2018 (an increase of about \$999 from fiscal year 2017).
- In fiscal year 2018, the Board of Supervisors kept the property tax rate at 3.8699 cents. However, an increase in net assessed valuations has resulted in \$4,616 more in primary property levied as compared to that levied in during fiscal year 2017.

The County continues to monitor the local, state and national economy in order to identify opportunities and threats to budgeted revenues. Improvement in the residential home market and retail sales across the State of Arizona resulted in more sales tax revenue, both County and State-Shared. The County continues to place great emphasis on control over expenditures.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Pinal County Finance Department, P.O. Box 1348, Florence, AZ, 85132.

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# Basic Financial Statements



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**PINAL COUNTY**  
**Statement of Net Position**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 117,733	\$ 810	\$ 118,543
Cash and investments held by trustees	35,073	-	35,073
Other Investments	3,230	-	3,230
Receivables (net of allowances for uncollectibles):			
Property taxes	2,458	-	2,458
Accounts	1,328	19	1,347
Notes receivable	-	307	307
Due from other governments	25,176	35	25,211
Inventories	68	-	68
Prepaid items	46	-	46
Cash, cash equivalents and investments - restricted	781	-	781
Capital assets, not being depreciated	235,667	-	235,667
Capital assets, being depreciated, net	270,911	3,046	273,957
Total assets	<u>692,471</u>	<u>4,217</u>	<u>696,688</u>
<b>Deferred Outflows of Resources</b>			
Pension	48,542	67	48,609
Deferred charge on debt refunding	216	-	216
Total deferred outflows of resources	<u>48,758</u>	<u>67</u>	<u>48,825</u>
<b>Liabilities</b>			
Accounts payable	5,909	10	5,919
Accrued payroll and employee benefits	4,881	11	4,892
Retainage payable	648	-	648
Contracts payable	89	-	89
Due to other governments	97	-	97
Deposits held for others	553	-	553
Interest payable	2,980	-	2,980
Unearned revenue	412	37	449
Noncurrent liabilities:			
Due within one year	20,471	20	20,491
Due in more than one year	377,103	381	377,484
Total liabilities	<u>413,143</u>	<u>459</u>	<u>413,602</u>
<b>Deferred Inflows of Resources</b>			
Pension	24,095	51	24,146
Total deferred inflows of resources	<u>24,095</u>	<u>51</u>	<u>24,146</u>
<b>Net Position</b>			
Net investment in capital assets	361,945	3,046	364,991
Restricted for:			
Public safety	12,915	-	12,915
Highways and streets	70,653	-	70,653
Health	5,749	-	5,749
Culture and recreation	3,653	-	3,653
Education	2,063	-	2,063
Other purposes	2,036	-	2,036
Unrestricted (deficit)	(155,023)	728	(154,295)
Total net position	<u>\$ 303,991</u>	<u>\$ 3,774</u>	<u>\$ 307,765</u>

The notes to the financial statements are an integral part of this statement.



**PINAL COUNTY**  
**Statement of Activities**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 45,590	\$ 8,023	\$ 252	\$ -	\$ (37,315)	\$ -	\$ (37,315)
Public safety	123,252	11,480	10,464	65	(101,243)	-	(101,243)
Highways and streets	36,327	7,738	23,770	10,272	5,453	-	5,453
Sanitation	397	18	499	-	120	-	120
Health	30,750	2,819	4,983	-	(22,948)	-	(22,948)
Welfare	9,057	528	6,466	158	(1,905)	-	(1,905)
Culture and recreation	1,601	708	28	-	(865)	-	(865)
Education	6,256	11	2,070	-	(4,175)	-	(4,175)
Interest on long-term debt	5,004	-	-	-	(5,004)	-	(5,004)
Total governmental activities	<u>258,234</u>	<u>31,325</u>	<u>48,532</u>	<u>10,495</u>	<u>(167,882)</u>	<u>-</u>	<u>(167,882)</u>
Business-type activities							
Sheriff Inmate Services	191	-	-	-	-	(191)	(191)
Airport Economic Development	835	507	47	-	-	(281)	(281)
Total business-type activities	<u>1,026</u>	<u>507</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>(472)</u>	<u>(472)</u>
Total primary government	<u>\$ 259,260</u>	<u>\$ 31,832</u>	<u>\$ 48,579</u>	<u>\$ 10,495</u>	<u>(167,882)</u>	<u>(472)</u>	<u>(168,354)</u>

General revenues:

Taxes:			
Property taxes, levied for general purposes	80,263	-	80,263
Property taxes, levied for educational purposes	2,749	-	2,749
Property taxes, levied for flood control	3,070	-	3,070
Property taxes, levied for library district	2,040	-	2,040
Transaction privilege taxes, levied for health district	3,006	-	3,006
General county sales tax	14,976	-	14,976
Road improvement tax	7,820	-	7,820
Share of state sales taxes	32,823	-	32,823
Unrestricted share of vehicle license tax	18,577	-	18,577
Payments in lieu of taxes	4,636	-	4,636
Franchises taxes	848	-	848
Contributions not restricted to specific programs	1,311	-	1,311
Investment earnings	396	(3)	393
Miscellaneous	5,932	593	6,525
Gain on disposal of capital assets	750	-	750
Transfers	(24)	24	-
Total general revenues and transfers	<u>179,173</u>	<u>614</u>	<u>179,787</u>
Changes in net position	11,291	142	11,433
<b>Net position - July 1, 2016, restated</b>	<u>292,700</u>	<u>3,632</u>	<u>296,332</u>
<b>Net position - June 30, 2017</b>	<u>\$ 303,991</u>	<u>\$ 3,774</u>	<u>\$ 307,765</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Major Funds								Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Workforce Grants	Bond Funded Capital Projects Fund	Debt Service Fund	Other Governmental Funds	
<b>Assets</b>									
Cash, cash equivalents and investments	\$ 20,284	\$ 20,721	\$ 23,626	\$ 13,569	\$ -	\$ -	\$ 1,081	\$ 38,295	\$ 117,576
Cash and investments held by trustees	-	-	-	-	-	28,318	6,755	-	35,073
Other Investments	3,230	-	-	-	-	-	-	-	3,230
Receivables (net of allowances for uncollectibles):									
Property taxes	2,284	-	-	-	-	-	-	174	2,458
Accounts	732	51	63	30	-	-	-	452	1,328
Due from other funds	578	-	-	-	-	-	-	4	582
Due from other governments	17,802	1,404	2,168	-	1,209	-	-	2,593	25,176
Inventories	-	-	-	-	-	-	-	68	68
Prepaid items	-	-	-	-	-	-	-	46	46
Restricted assets:									
Cash, cash equivalents and investments	-	-	50	473	-	-	-	258	781
Total assets	<u>\$ 44,910</u>	<u>\$ 22,176</u>	<u>\$ 25,907</u>	<u>\$ 14,072</u>	<u>\$ 1,209</u>	<u>\$ 28,318</u>	<u>\$ 7,836</u>	<u>\$ 41,890</u>	<u>\$ 186,318</u>
<b>Liabilities</b>									
Accounts payable	\$ 2,160	\$ 157	\$ 1,000	\$ 7	\$ 652	\$ 1,185	\$ -	\$ 687	\$ 5,848
Accrued payroll and employee benefits	3,589	-	443	-	9	-	-	834	4,875
Retainage payable	-	127	-	-	-	521	-	-	648
Contracts payable	89	-	-	-	-	-	-	-	89
Due to other funds	1	-	-	-	522	-	-	3	526
Due to other governments	-	-	-	-	-	-	-	97	97
Deposits held for others	56	-	-	-	-	-	-	497	553
Bonds payable	-	-	-	-	-	-	3,700	-	3,700
Interest payable	-	-	-	-	-	-	3,055	-	3,055
Unearned revenue	-	-	-	-	-	-	-	412	412
Total liabilities	<u>5,895</u>	<u>284</u>	<u>1,443</u>	<u>7</u>	<u>1,183</u>	<u>1,706</u>	<u>6,755</u>	<u>2,530</u>	<u>19,803</u>
<b>Deferred Inflows of Resources</b>									
Unavailable revenue - property taxes	1,571	-	-	-	-	-	-	121	1,692
Unavailable revenue - intergovernmental	9,000	-	-	-	673	-	-	778	10,451
Total deferred inflows of resources	<u>10,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>673</u>	<u>-</u>	<u>-</u>	<u>899</u>	<u>12,143</u>
<b>Fund Balances</b>									
Nonspendable:									
Inventories	-	-	-	-	-	-	-	68	68
Prepaid items	-	-	-	-	-	-	-	46	46
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>114</u>
Restricted	-	21,892	24,464	14,065	-	26,612	-	35,609	122,642
Committed	-	-	-	-	-	-	-	2,150	2,150
Assigned	-	-	-	-	-	-	1,081	1,471	2,552
Unassigned	28,444	-	-	-	(647)	-	-	(883)	26,914
Total fund balances	<u>28,444</u>	<u>21,892</u>	<u>24,464</u>	<u>14,065</u>	<u>(647)</u>	<u>26,612</u>	<u>1,081</u>	<u>38,461</u>	<u>154,372</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,910</u>	<u>\$ 22,176</u>	<u>\$ 25,907</u>	<u>\$ 14,072</u>	<u>\$ 1,209</u>	<u>\$ 28,318</u>	<u>\$ 7,836</u>	<u>\$ 41,890</u>	<u>\$ 186,318</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-wide Statement of Net Position**  
**June 30, 2017**

(Amounts expressed in thousands)

**Fund balances - total governmental funds (page 23)** \$ 154,372

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	\$ 740,946	
Less accumulated depreciation	<u>(234,368)</u>	506,578

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

12,143

Interest payable on long-term debt in the governmental funds includes payments due early in the following year for interest that was not incurred in the current period.

75

Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.

Loans payable	\$ (4,085)	
Premium on loans	(8)	
Bonds payable	(147,625)	
Net premium on bonds	(15,429)	
Note payable	(487)	
Capital leases	(521)	
Compensated absences	(11,474)	
Estimated liabilities for claims and judgments	(3,631)	
Net pension liability	<u>(210,457)</u>	\$ (393,717)

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

Deferred outflows of resources related to pensions	48,513	
Deferred inflows of resources related to pensions	(24,073)	
Deferred outflows for bond refunding	<u>216</u>	24,656

Internal service funds are used by management to charge the costs of certain activities, including insurance and automotive services and operation. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

(116)

**Net position of governmental activities (page 25)** \$ 303,991

**PINAL COUNTY**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Major Funds								
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Workforce Grants	Bond Funded Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
<b>Revenues:</b>									
Taxes	\$ 99,659	\$ 7,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,067	\$ 118,546
Licenses and permits	4,364	-	-	-	-	-	-	2,389	6,753
Intergovernmental	45,461	9	28,322	-	2,231	-	-	20,821	96,844
Charges for services	8,409	-	-	8,625	-	-	-	5,417	22,451
Fines and forfeits	1,114	-	-	-	-	-	-	1,342	2,456
Investment earnings	104	61	97	18	-	30	-	44	354
Contributions	37	25	2,513	-	-	-	-	624	3,199
Rentals	159	-	-	-	109	-	-	248	516
Miscellaneous	2,538	656	16	-	3	2	377	554	4,146
Total revenues	161,845	8,571	30,948	8,643	2,343	32	377	42,506	255,265
<b>Expenditures:</b>									
Current:									
General government	35,420	-	-	-	-	19	12	591	36,042
Public safety	95,438	-	-	-	-	-	-	14,947	110,385
Highways and streets	26	2,948	25,603	-	-	3,830	-	4,330	36,737
Sanitation	-	-	-	-	-	-	-	421	421
Health	18,963	-	-	-	-	-	-	12,986	31,949
Welfare	1,174	-	-	-	2,952	-	-	4,598	8,724
Culture and recreation	-	-	-	7	-	-	-	1,564	1,571
Education	891	-	-	-	-	-	-	5,365	6,256
Debt service:									
Principal retirement	61	-	-	-	-	-	8,020	-	8,081
Interest	3	-	-	-	-	-	7,189	-	7,192
Capital outlay	-	-	-	-	-	14,086	-	5,058	19,144
Total expenditures	151,976	2,948	25,603	7	2,952	17,935	15,221	49,860	266,502
Excess (deficiency) of revenues over expenditures	9,869	5,623	5,345	8,636	(609)	(17,903)	(14,844)	(7,354)	(11,237)
<b>Other financing sources (uses):</b>									
Capital lease agreements	582	-	-	-	-	-	-	-	582
Insurance reimbursement	182	-	-	-	-	-	-	-	182
Sale of capital assets	109	-	147	-	-	-	-	1,026	1,282
Transfers in	7,684	-	3,838	-	-	-	14,863	14,242	40,627
Transfers out	(12,247)	(3,956)	(8,539)	(8,842)	-	-	-	(4,448)	(38,032)
Total other financing sources (uses)	(3,690)	(3,956)	(4,554)	(8,842)	-	-	14,863	10,820	4,641
Net change in fund balances	6,179	1,667	791	(206)	(609)	(17,903)	19	3,466	(6,596)
Fund balances - July 1, 2016, as restated	22,265	20,225	23,673	14,271	(38)	44,515	1,062	34,981	160,954
Changes in nonspendable resources:									
Increase in inventories	-	-	-	-	-	-	-	6	6
Increase in prepaid items	-	-	-	-	-	-	-	8	8
Fund balances - June 30, 2017	\$ 28,444	\$ 21,892	\$ 24,464	\$ 14,065	\$ (647)	\$ 26,612	\$ 1,081	\$ 38,461	\$ 154,372

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Government-wide Statement of Activities**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

**Net change in fund balances - total governmental funds (page 29)** \$ (6,596)

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 depreciated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets	\$ 30,312	
Less current year depreciation	<u>(17,525)</u>	12,787

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

Net book value of capital asset disposals		(689)
---	--	-------

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.

Donations of capital assets	10,271	
State appropriation to EORP	1,783	
Intergovernmental	1,420	
Property tax revenues	15	13,489

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

County pension contributions	13,453	
Pension expense	<u>(25,194)</u>	(11,741)

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 debt principal 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.

Lease proceeds	(582)	
Debt service - principal payments	8,081	
Amortization of bond discount/premium	2,234	
Amortization of loan premium	9	
Amortization of deferred charge on debt refunding	<u>(108)</u>	9,634

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses are reported regardless of when the financial resources are available.

Change in compensated absences	84	
Change in estimated liabilities for claims and judgments	(2,931)	
Change in accrued interest	<u>55</u>	(2,792)

Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.

Increase in inventories	6	
Increase in prepaid items	<u>8</u>	14

Internal service funds are used by management to charge the costs of certain activities, including insurance and automotive maintenance and operation, to individual funds. The net expense, excluding pension related expenses, of certain internal service funds is reported with governmental activities in the Statement of Activities.

(2,815)

**Change in net position of governmental activities (page 26)** \$ 11,291

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and investments	\$ 810	\$ 157
Receivables (net of allowances for uncollectibles):		
Accounts	19	-
Notes receivable	307	-
Due from other governments	35	-
Total current assets	1,171	157
Noncurrent assets:		
Capital assets:		
Buildings and improvements	163	-
Machinery and equipment	1,158	-
Infrastructure	4,540	-
Less accumulated depreciation	(2,815)	-
Net capital assets	3,046	-
Total noncurrent assets	3,046	-
Total assets	4,217	157
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	67	29
Total deferred outflows of resources	67	29
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	10	61
Accrued payroll and employee benefits	11	6
Due to other funds	-	56
Unearned revenue	37	-
Compensated absences	20	-
Total current liabilities	78	123
Noncurrent liabilities:		
Net pension liability	367	157
Compensated absences	14	-
Total noncurrent liabilities	381	157
Total liabilities	459	280
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	51	22
Total deferred inflows of resources	51	22
<b>Net Position</b>		
Investment in capital assets	3,046	-
Unrestricted (deficit)	728	(116)
Total net position	3,774	(116)

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Business-type Activities- Nonmajor Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
<b>Operating revenues:</b>		
Charges for services	\$ -	\$ 18,609
Rentals	507	-
Miscellaneous	593	26
Total operating revenues	<u>1,100</u>	<u>18,635</u>
<b>Operating expenses:</b>		
Personal services	321	124
Supplies	59	133
Depreciation	194	-
Repairs and maintenance	96	20
Professional services	318	-
Medical claims and services	-	18,588
Public utility service	12	-
Miscellaneous	21	8
Total operating expenses	<u>1,021</u>	<u>18,873</u>
Operating income (loss)	<u>79</u>	<u>(238)</u>
<b>Nonoperating revenues:</b>		
Intergovernmental	47	-
(Loss) gain on investments	(3)	42
(Loss) gain on sale of capital assets	(5)	-
Total nonoperating revenues	<u>39</u>	<u>42</u>
Net position (deficit) before transfers	118	(196)
Transfers in	24	203
Transfers out	-	(2,822)
Changes in net position	142	(2,815)
Net position - July 1, 2016, as restated	<u>3,632</u>	<u>2,699</u>
Net position - June 30, 2017	<u>\$ 3,774</u>	<u>\$ (116)</u>

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
<b>Cash flows from operating activities:</b>		
Other receipts from operations	\$ 1,145	\$ 23
Receipts from employee contributions	-	18,613
Payments to suppliers and providers of goods and services	(664)	(126)
Payments for employee wages and benefits	(274)	(161)
Payments for claims	-	(18,581)
	207	(232)
<b>Net cash (used for) operating activities</b>	<b>207</b>	<b>(232)</b>
<b>Cash flows from noncapital financing activities:</b>		
Receipts from federal and local agencies	108	-
Cash received from other funds	24	259
Cash paid to other funds	-	(2,822)
	132	(2,563)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>132</b>	<b>(2,563)</b>
<b>Cash flows from investing activities:</b>		
Interest received on investments	(3)	42
	(3)	42
<b>Net cash provided by investing activities</b>	<b>(3)</b>	<b>42</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>336</b>	<b>(2,753)</b>
Cash and cash equivalents, July 1, 2016	474	2,910
Cash and cash equivalents, June 30, 2017	\$ 810	\$ 157

(Continued)

The notes to the financial statements are an integral part of this statement.



**PINAL COUNTY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2017**  
(Concluded)  
(Amounts expressed in thousands)

	Business-type Activities- Nonmajor Enterprise Funds	Governmental Activities- Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 79	\$ (238)
Adjustments to reconcile operating income (loss) to net cash (used for) operating activities:		
Depreciation expense	194	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Net pension liability	(30)	3
Deferred outflows of resources related to pensions	(3)	(13)
Deferred inflows of resources related to pensions	(32)	6
Accounts receivable	22	1
Notes receivable	23	-
Accounts payable	(26)	7
Accrued payroll and employee benefits	(7)	2
Accrued compensated absences	(13)	-
	128	6
Total adjustments and changes		
Net cash provided by (used for) operating activities	\$ 207	\$ (232)

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash, cash equivalents and investments	\$ 207,136	\$ 12,385
Interest receivable	522	-
Total assets	207,658	12,385
<b>Liabilities</b>		
Deposits held for others	-	12,385
Total liabilities	-	\$ 12,385
<b>Net Position</b>		
Held in trust for investment trust participants	\$ 207,658	

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Investment Trust Funds
<b>Additions:</b>	
Contributions by participants	\$ 601,765
Investment earnings	520
Total additions	602,285
<b>Deductions:</b>	
Distributions to participants	546,674
Total deductions	546,674
Change in net position	55,611
Net position - July 1, 2016	152,047
Net position - June 30, 2017	\$ 207,658

The notes to the financial statements are an integral part of this statement.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
(Amounts expressed in thousands)

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

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

A. Reporting Entity

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

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

The following table describes the County’s component units:

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
(Amounts expressed in thousands)

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
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The Pinal County Municipal Property Corporation and the Central Arizona Public Facility Corporation were formed to finance various construction projects including the new Superior Court facility and Sheriff's Administration facility. Because the County's Board of Supervisors serves as the Board of Directors of each of these corporations, they are reported as blended component units of the County. These corporations issue certificates of participation that evidence undivided proportionate interests in rent payments to be made under a lease agreement, with an option to purchase, between Pinal County and the corporations. Since this debt is in substance the County's obligations, these liabilities and resulting assets are reported in the government-wide statement of net position.

The Pinal County Employee Benefit Trust was created to provide benefits for County employees, elected officials, and eligible dependents. The Trustees are appointed by the Pinal County Board of Supervisors and may be removed by the Board of Supervisors at any time for cause or no cause. Based on these factors, the Pinal County Employee Benefit Trust is reported as a blended component unit in the accompanying financial statements. On February 4, 2015, the County's Board of Supervisors approved a change to the County's benefits program. Effective July 1, 2015, the County joined the Arizona Metropolitan Trust to provide benefits for employees and their dependents. The Trust limited operations to processing and paying claims and ceased operations during the fiscal year ended June 30, 2017. The proceeds were transferred to the County's General Fund.

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

Related Organization

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

**B. Basis of Presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the 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. They also distinguish between the County's governmental and business-type activities and between the County and its discretely presented component units. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
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- 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, such as intergovernmental revenues, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues 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 Road Tax Districts Fund*—accounts for monies from the Pinal County Transportation Excise Tax which is used to provide continued funding for the construction, reconstruction, maintenance, repair, and roadside development of county roads, streets and bridges.

*The Public Works Highway Fund*—accounts for monies from Highway User Revenue Fund and Vehicle License Tax that are restricted for road maintenance and operations, pavement preservation, and fleet services.

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

*The Workforce Grants Fund* - accounts for monies from the United States Department of Labor used to help job seekers access employment, education, training and support services to succeed in the labor market and to match employers with skilled workers they need to compete in the in the global economy.

*The Bond Funded Capital Projects Fund* – accounts for bond monies used for financing capital facilities and capital projects related to highways and roads, and public safety projects.

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*The Debt Service Fund* - accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues are primarily from the investment earnings, debt proceeds and transfers in.

The County also reports the following fund types:

*The internal service funds*—account for the County’s participation in the Arizona Metropolitan Trust for providing health insurance and other benefits to eligible County employees, elected officials and their respective eligible dependents and to account for automotive maintenance and operation of County vehicles.

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

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

**C. Basis of Accounting**

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

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

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

**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.



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

**E. Inventories**

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

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

**F. Property Tax Calendar**

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

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

**G. Capital Assets**

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Buildings & improvements	\$25	Straight line	10-40 years
Machinery & equipment	\$5	Straight line	3-21 years
Intangibles - software	\$50	Straight line	10 or more years
Infrastructure	\$100	Straight line	20-50 years

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

**PINAL COUNTY**  
**Notes to the Financial Statements**  
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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 position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

I. Investment Earnings

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

J. Compensated Absences

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

Employees may accumulate up to 360 hours of vacation. Any vacation hours in excess of the maximum amount that are unused at September 30 roll over and are added to an employee's sick leave balance. Upon terminating employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation 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.

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

K. Pensions

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

L. Fund Balance Classifications

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

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

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The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved in a public meeting by the County's Board of Supervisors, which is the highest level of decision-making authority within the County. The constraints placed on committed fund balances can be removed or changed by only the Board in a public meeting. The formal action to commit fund balance for a particular purpose is by a resolution approved by the Board in a public meeting.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager, Elected Officials, and the Chief Financial Officer to make assignments of resources for a specific purpose by a resolution approved by the Board in a public meeting.

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. It is the County's policy to use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
(Amounts expressed in thousands)

**Note 2 - Fund Balance Classifications of the Governmental Funds**

The fund balance categories and classifications for governmental funds as of June 30, 2017, were as follows:

	Major Funds								Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Workforce Grants Fund	Bond Funded Capital Projects Fund	Debt Service Fund	Other Governmental Funds	
<b>Fund balances:</b>									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114	\$ 114
Restricted for:									
Air pollution	-	-	-	-	-	-	-	458	458
Bridge construction	-	-	-	-	-	-	-	445	445
Other capital projects	-	-	-	-	-	26,612	-	-	26,612
Education	-	-	-	-	-	-	-	2,023	2,023
Emergency management	-	-	-	-	-	-	-	126	126
Environmental health	-	-	-	-	-	-	-	115	115
Financial services	-	-	-	-	-	-	-	90	90
Flood control	-	-	-	-	-	-	-	7,027	7,027
Highways and streets	-	-	-	7,849	-	-	-	9,007	16,856
Housing rehabilitation	-	-	-	-	-	-	-	427	427
Judicial activities	-	-	-	-	-	-	-	1,931	1,931
Justice courts	-	-	-	-	-	-	-	1,179	1,179
Law enforcement	-	-	-	-	-	-	-	1,432	1,432
Library services	-	-	-	-	-	-	-	743	743
Parks and recreation	-	-	-	2,878	-	-	-	-	2,878
Pinel animal care	-	-	-	-	-	-	-	476	476
Probation	-	-	-	-	-	-	-	2,196	2,196
Prosecution	-	-	-	-	-	-	-	2,364	2,364
Public health	-	-	-	-	-	-	-	4,245	4,245
Public safety	-	-	-	3,338	-	-	-	-	3,338
Road maintenance/construct.	-	21,892	24,464	-	-	-	-	-	46,356
Waste tire disposal	-	-	-	-	-	-	-	890	890
Other purposes	-	-	-	-	-	-	-	435	435
<b>Total restricted</b>	<b>-</b>	<b>21,892</b>	<b>24,464</b>	<b>14,065</b>	<b>-</b>	<b>26,612</b>	<b>-</b>	<b>35,609</b>	<b>122,642</b>
Committed to:									
Landfill oversight	-	-	-	-	-	-	-	313	313
Prosecution	-	-	-	-	-	-	-	3	3
Judicial enhancements	-	-	-	-	-	-	-	1,834	1,834
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,150</b>	<b>2,150</b>
Assigned to:									
Public safety	-	-	-	-	-	-	-	3	3
Other capital projects	-	-	-	-	-	-	-	1,468	1,468
Debt service	-	-	-	-	-	-	1,081	-	1,081
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,081</b>	<b>1,471</b>	<b>2,552</b>
Unassigned	28,444	-	-	-	(647)	-	-	(883)	26,914
<b>Total fund balances</b>	<b>\$ 28,444</b>	<b>\$ 21,892</b>	<b>\$ 24,464</b>	<b>\$ 14,065</b>	<b>\$ (647)</b>	<b>\$ 26,612</b>	<b>\$ 1,081</b>	<b>\$ 38,461</b>	<b>\$ 154,372</b>

**PINAL COUNTY**  
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**Note 3 - Stabilization Arrangements**

The Board of Supervisors established by resolution that the County General Fund maintain a Financial Stability Reserve at no less than 10% of the adopted General Fund expenditures to serve as financial protection for unforeseeable future economic circumstances. Any changes to the reserve must be approved by the Board of Supervisors in a public meeting. For the year ended June 30, 2017, the balance was \$16,366.

**Note 4 – Beginning Balances Restated**

Beginning balances are being restated due to errors in the following: adding note receivable not previously recorded and adjusting lease and grant revenues not accrued in the prior fiscal year in the Airport Economic Development Fund; adjusting accrued tax revenues recorded in prior fiscal year that were revenues for the current fiscal year in the General Fund and the Public Works Highway Fund; adding cash recorded at the Treasurer's Office but not on the county's general ledger in the Development Impact Fee and Accomodation School funds; adjusting accrued tax revenues that were not recorded in the prior fiscal year in the Public Works Services fund; adjusting construction in progress and infrastructure related to the completion of roads for the Phase I Hunt Highway Project; adding infrastructure due to a drainage system and three bridges where construction was completed in the prior fiscal year; adjusting interest payable for error in recording bond interest; adding note payable not previously recorded in the Housing Department; adjusting deferred outflow of resources for pensions as other amounts were included in the county's contribution subsequent to the measurement date; adjusting net pension liabilities for error in prior year's calculation.

	Enterprise Funds		Public		Other	Other	Total	
	Governmental Activities	Business Type Activities	General Fund	Works Highway	Development Impact Fees	Major Funds	Governmental Funds	Governmental Funds
Net position/fund balance as previously reported at June 30, 2016	\$ 290,229	\$ 3,238	\$ 23,153	\$ 25,859	\$ 13,799	\$ 65,764	\$ 34,599	\$ 163,174
Prior Period Adjustment								
Note receivable	-	330	-	-	-	-	-	-
Revenue accruals	(2,957)	64	(888)	(2,186)	-	-	117	(2,957)
Unrecorded cash	737	-	-	-	472	-	265	737
Construction in progress	(3,202)	-	-	-	-	-	-	-
Infrastructure, net of accumulated depreciation	5,274	-	-	-	-	-	-	-
Interest payable	3,119	-	-	-	-	-	-	-
Note payable	(487)	-	-	-	-	-	-	-
Deferred outflows of resources	(410)	-	-	-	-	-	-	-
Net pension liabilities	397	-	-	-	-	-	-	-
Total prior period adjustment	2,471	394	(888)	(2,186)	472	-	382	(2,220)
Net position/fund balance as restated, July 1, 2016	\$ 292,700	\$ 3,632	\$ 22,265	\$ 23,673	\$ 14,271	\$ 65,764	\$ 34,981	\$ 160,954

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**Note 5 – Deposits and Investments**

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, 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* - Statutes have the following requirements for credit risk:

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

*Custodial credit risk* - Statutes require 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 deposits 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. The maximum maturity for investments in repurchase agreements is 180 days.

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

Deposits—At June 30, 2017, the carrying amount of the County's deposits was \$97,406 and the bank balance was \$110,373.

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*Investments*—The County's investments at June 30, 2017, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Fair value measurement using			
	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Investments by fair value level</b>				
U.S. Treasury securities	\$ 14,972	\$ 14,972	\$ -	\$ -
U.S. agency securities	227,403		227,403	
Corporate bonds	16,915		16,915	
Pooled CDs	1,752		1,752	
CD held by Treasurer	50		50	
School Bonds				
Total investment by fair value	<u>261,092</u>	<u>14,972</u>	<u>246,120</u>	
<b>External investment pools measured at fair value</b>				
State Treasurer's investment pools	396			
Total investments measured at fair value	<u>261,488</u>			
<b>Investments measured at amortized cost</b>				
Repurchase agreement	15,000			
Total investments measured at amortized cost	<u>15,000</u>			
Total investments	<u>\$ 276,488</u>			

The investments categorized as Level 1 and Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. 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; the participant's shares are not identified with specific investments. The State Board of Investment provides oversight for the State Treasurer's investment pools.

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*Credit Risk*—The County’s credit risk policy states that the County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to those of the highest credit quality, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the County Treasurer will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. At June 30, 2017, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating agency	Amount
U.S. agency securities	AA+	S&P	\$ 182,815
U.S. Corporate Bonds	AA-	S&P	2,003
U.S. Corporate Bonds	A	S&P	9,975
U.S. Treasury	AA+	S&P	14,972
Corporate Bonds	A-	S&P	4,937
U.S. Agency Securities	AA+	S&P	44,588
State Treasurer's Investment Pool 7	AAA	Moody's	396
Repurchase agreements (implicitly guaranteed)	NR	Not Applicable	15,000
CD Held by Treasurer	NR	Not Applicable	50
Pooled CDs	NR	Not Applicable	1,752
			<u>\$ 276,488</u>

*Custodial credit risk*—For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party’s possession. The County’s policy states that the County Treasurer will conform with Arizona Revised Statutes, which currently does not address custodial credit risk for investments.

*Concentration of credit risk*—The County’s investment policy states that the County Treasurer will diversify its investments by security type and institution when practical and feasible to do so. The County Treasurer will limit investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), and will invest in securities with varying maturities. The County had investments at June 30, 2017, of 5 percent or more in the Federal Farm Credit Bank, the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association. These investments were 10.6 percent, 20.9 percent, 21.9 percent, and 30.7 percent, respectively, of the County’s total investments.



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*Interest rate risk*—The County's investment policy states that the County Treasurer will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter term securities. At June 30, 2017, the County had the following investments in debt securities.

Investment Type	Investment Maturities		
	Amount	Less than 1 Year	1-5 Years
U.S agency securities	\$ 227,403	\$ 39,714	\$ 187,689
U.S. Treasury securities	14,972		14,972
Corporate Bonds	16,915	4,937	11,978
State Treasurer's Investment Pool 7	396	396	-
Repurchase agreements	15,000	15,000	-
School Bond			-
CD Held by Treasurer	50	50	-
Pooled CDs	1,752	249	1,503
	<u>\$ 276,488</u>	<u>\$ 60,346</u>	<u>\$ 216,142</u>

*Foreign currency risk*—The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments unless the investment is denominated in United States dollars.

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

Cash, deposits and investments	
Cash on hand	\$ 24
Amount of deposits	97,406
Amount of investments	276,488
Total	<u>\$ 373,918</u>

	Governmental Activities	Business-Type Activities	Investment Trust Funds	Agency Funds	Total
Statement of Net Position:					
Cash, cash equivalents and investments	\$ 117,733	\$ 810	\$ 207,136	\$ 12,385	\$ 338,064
Cash, cash equivalents and investments - restricted	781				781
Cash and investments held by trustees	35,073	-	-	-	35,073
Total	<u>\$ 153,587</u>	<u>\$ 810</u>	<u>\$ 207,136</u>	<u>\$ 12,385</u>	<u>\$ 373,918</u>

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**Note 6 – Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016 *	Increases	Decreases	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 191,732	\$ 6,134	\$ 25	\$ 197,841
Construction in progress	27,611	23,457	13,242	37,826
Total capital assets not being depreciated	219,343	29,591	13,267	235,667
Capital assets being depreciated:				
Buildings & improvements	172,000	886	145	172,741
Machinery & equipment	77,941	5,990	3,916	80,015
Intangible - software	2,370	-	-	2,370
Infrastructure	232,770	17,383	-	250,153
Total capital assets being depreciated	485,081	24,259	4,061	505,279
Less accumulated depreciation for:				
Buildings & improvements	72,345	5,271	145	77,471
Machinery & equipment	63,795	4,575	3,227	65,143
Intangible - software	876	237	-	1,113
Infrastructure	83,199	7,442	-	90,641
Total accumulated depreciation	220,215	17,525	3,372	234,368
Total capital assets being depreciated, net	264,866	6,734	689	270,911
Governmental activities capital assets, net	\$ 484,209	\$ 36,325	\$ 13,956	\$ 506,578
Business-type activities:				
Capital assets being depreciated:				
Buildings & improvements	163	-	-	163
Machinery & equipment	1,189	-	31	1,158
Infrastructure	4,540	-	-	4,540
Total capital assets being depreciated	5,892	-	31	5,861
Less accumulated depreciation for:				
Buildings & improvements	62	5	-	67
Machinery & equipment	921	67	26	962
Infrastructure	1,664	122	-	1,786
Total accumulated depreciation	2,647	194	26	2,815
Total capital assets being depreciated, net	3,245	(194)	5	3,046
Business-type activities capital assets, net	\$ 3,245	\$ (194)	\$ 5	\$ 3,046

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Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 5,904
Public safety	2,148
Highways and streets	8,779
Sanitation	5
Health	258
Welfare	406
Culture and recreation	25
Total governmental activities depreciation expense	<u>\$ 17,525</u>
Business-type activities:	
Sheriff Inmate Services	\$ 41
Airport Economic Development	153
Total business-type activities depreciation expense	<u>\$ 194</u>

\* The Balance at July 1, 2016 has been restated for corrections to construction in progress and infrastructure with the applicable accumulated depreciation.

**Note 7 – Construction Commitments**

Pinal County was engaged in multiple construction projects as of June 30, 2017. The following commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Gantzel Rd Construction - Phase D	\$ 364	\$ 34
Gantzel Rd / Chandler Heights Rd Traffic Signal	74	162
Gantzel / Empire Traffic Signal	181	15
Guadalupe Rd Construction	368	17
Hunt Highway Construction - Phase III	403	16
Hunt Highway Phase III / Gantzel Rd Phase D1	7,312	637
Hunt Highway Phase IV - Flood	36	1,553
Ironwood Dr Construction	428	3,572
Kenworthy & Ocotillo Flood Mitigation	133	73
Mountain View Estates Access Rd	345	60
Pinal Airpark / SM Animal Control Rd	141	9
Pinal Airpark Runway Rehab	1,525	162
Rancho Bella Vista Flood	667	26
Santa Cruz River Wash Construction	2,594	140
Tangerine Basin Flood Mitigation	925	66
Remaining Contractual Commitments	-	3,405

The remaining contractual commitments amount of \$3,405, include design and/or studies of street construction and the maintenance of existing streets.

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**Note 8 – Due from Other Governments**

Amounts due from other governments at June 30, 2017, of \$17,802 reported in the governmental funds General Fund balance sheet included \$8,686 for an Intergovernmental Agreement with the City of Apache Junction. The Intergovernmental Agreement was entered into by the County to share costs with the City of Apache Junction in the re-construction, re-design and improvement of Ironwood Drive within the corporate limits of the City of Apache Junction. An amendment to the original Intergovernmental Agreement specified an extension of the date of the first scheduled payment and the amount of future payments. This receivable is not expected to be collected within one year since under the terms of the amended Intergovernmental Agreement, payments are scheduled to commence in 2023. Accordingly, the amount has been reported as deferred inflow of resources in the General Fund balance sheet. The remaining outstanding amounts are primarily due from other outstanding contractual obligations.

**Note 9 – Long-Term Liabilities**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2017:

	Balance July 1, 2016 *	Additions	Reductions	Balance June 30, 2017	Due within one year
Governmental activities:					
Loans payable	\$ 6,015	\$ -	\$ 1,930	\$ 4,085	\$ 2,005
Unamortized premium	17	-	9	8	6
Bonds payable	156,945	-	5,620	151,325	6,175
Unamortized premium/discount	17,663	-	2,234	15,429	2,134
Note payable	487	-	-	487	-
Capital leases	-	582	61	521	109
Net pension liabilities	188,845	21,769	-	210,614	-
Compensated absences	11,558	9,723	9,807	11,474	6,832
Estimated liabilities for claims and judgments	700	3,556	625	3,631	3,210
<b>Total governmental activities long-term liabilities</b>	<b>\$ 382,230</b>	<b>\$ 35,630</b>	<b>\$ 20,286</b>	<b>\$ 397,574</b>	<b>\$ 20,471</b>
Business-type activities:					
Net pension liabilities	\$ 397	\$ -	\$ 30	\$ 367	\$ -
Compensated absences	47	10	23	34	20
<b>Total business-type activities long-term liabilities</b>	<b>\$ 444</b>	<b>\$ 10</b>	<b>\$ 53</b>	<b>\$ 401</b>	<b>\$ 20</b>

\* The balance at July 1, 2016 has been restated for the note payable balance.

**The Greater Arizona Development Authority Loans**

In a prior year, the County defeased \$43,240 of a Greater Arizona Development Authority Loan, Series 2006-1 (GADA). This defeased amount and any earnings thereon were held with a trustee until the loan's early redemption date of August 2016. After the loan was paid off on August 1, 2016, there was a remaining balance of \$376 which was remitted to the County.

On April 1, 2008, Pinal County entered into a loan agreement for \$4,495 with the GADA to provide funds to construct an animal shelter facility expansion and a long term care facility expansion. Interest will be payable on

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January 1 and July 1 of each year commencing January 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

On February 1, 2009, Pinal County entered into a loan agreement for \$12,795 with the GADA to provide funds to construct a Justice Court Facility, construct various County facility expansions and upgrade the Sheriff's security system. Interest will be payable on January 1 and July 1 of each year commencing July 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

The County has pledged a portion of future State Shared Revenues to repay the loans obtained from GADA, issued in 2008, and a portion of State Shared Revenues and Excise Taxes Revenues to repay the GADA loan issued in fiscal year 2009. Total principal and interest payments remaining on the loans is \$4,258 payable through May 2019. State shared revenues have averaged \$30.4 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.9 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$32,823 and \$14,976, respectively. In the current year, principal and interest payments were \$1,930 and \$204, respectively.

The Greater Arizona Development Authority loans outstanding at June 30, 2017 were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Governmental activity - The Greater Arizona Development Authority Loan 2008 A	\$ 4,495	2017-2019	4.0%- 5.0%	\$ 1,060
Governmental activity - The Greater Arizona Development Authority Loan 2009 A	\$ 12,795	2017-2019	3.0%- 4.0%	3,025
				<u>\$ 4,085</u>

The following schedule details debt service requirements to maturity for the County's loans payable at June 30, 2017:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	2,005	129
2019	2,080	44
Total	<u>\$ 4,085</u>	<u>\$ 173</u>

**Pledged Revenue Bonds Payable, Series 2010**

On August 25, 2010, the County issued \$12,000 in Pledged Revenue Obligation Bonds, Series 2010, with an original issue discount of \$106. The net proceeds of \$11,700 (after payment of underwriting fees and other issuance costs) were used to pay for the construction of public health clinics in San Tan Valley, Arizona and the City of Maricopa, Arizona and will be used for renovation of Human Resources and Administrative office space. The bonds, which are callable on or after August 1, 2021, have interest rates ranging from 3.0% to 4.5%, payable semiannually on February 1 and August 1 of each year through 2035.

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**Pledged Revenue Refunding Bonds Payable, Series 2010**

On August 25, 2010, the County issued \$18,380 in Pledged Revenue Refunding Obligation Bonds, Series 2010, with a premium of \$1,588. The net proceeds of \$19,720 (after payment of underwriting fees and other issuance costs) were deposited in an irrevocable trust to provide for the advance refunding of the Series 2001 Certificates of Participation that were callable on or after June 1, 2011. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.5% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2020.

The County has pledged a portion of the Pinal County General Excise Tax Revenues and a portion of the State Shared Revenues to repay both of the Series 2010 bond issuances. Total principal and interest payments remaining on the bonds are \$24,630 payable through August 2035. State shared revenues have averaged \$30.4 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.9 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$32,823 and \$14,976, respectively. In the current year, the principal and interest payments were \$2,390 and \$877, respectively.

**Pledged Revenue Bonds Payable, Series 2014**

On December 17, 2014, the County issued \$52,700 in Pledged Revenue Obligation Bonds, Series 2014, with a premium of \$6,768. The net proceeds of \$59,004 (after payment of underwriting fees and other issuance costs) will be used to pay for improvements to certain highways and streets, upgrades to public safety radio and appurtenances, and for construction/improvements to court buildings. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.0% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2034.

**Pledged Revenue Refunding Bonds Payable, Series 2014**

On December 17, 2014, the County issued \$40,310 in Pledged Revenue Refunding Obligation Bonds, Series 2014, with a premium of \$6,473. The net proceeds after payment of underwriting fees and other issuance costs were deposited in an irrevocable trust to provide for the in-substance defeasance of the Greater Arizona Development Authority (GADA) Loan 2006-1 held with trustee until the loan's early redemption date of August 2016. The loan was paid off August 1, 2016, and a remaining balance of \$376 was returned to the County. The bonds, which are not subject to redemption prior to maturity, have interest rates ranging from 2.0% to 5.0%, payable semiannually on February 1 and August 1 of each year through 2025.

The County has pledged a portion of the Pinal County General Excise Tax Revenues, a portion of the State Shared Revenues, and Vehicle License Tax Revenues to repay both of the Series 2014 bond issuances. Total principal and interest payments remaining on the bonds are \$126,366 payable through 2034. State shared revenues have averaged \$30.4 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.9 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$16.3 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$32,823 and \$14,976, respectively, and vehicle license tax revenues recognized by the County were \$18,719. In the current year, principal and interest payments were \$3,365 and \$4,166, respectively.

**Pledged Revenue Refunding Bonds Payable, Tax-Exempt, Series 2015A**

On May 13, 2015, the County issued \$39,075 in Pledged Revenue Refunding Obligation Bonds, Tax-Exempt, Series 2015A, with a premium of \$6,390. The net proceeds of \$44,845 (after payment of underwriting fees and other issuance costs) were deposited in an irrevocable trust to provide for the refunding of the Series 2004 Certificates of Participation. The bonds are not subject to redemption prior to maturity, have interest rates ranging from 3.125% to 5%, payable semiannually on February 1 and August 1 of each year through 2029.

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**Pledged Revenue Bonds Payable, Taxable, Series 2015B**

On May 13, 2015, the County issued \$3,720 in Pledged Revenue Obligations, Taxable Bonds, and Series 2015B. In addition, the proceeds of \$3,656 will be used to reimburse the County for an amount advanced by the County in the amount of \$3,656 principal amount of Series 2004, Certificates of Participation (2004 COPS), as required between the County and the Internal Revenue Service (IRS) in settlement of an audit related to the 2004 COPS and the refunded property, which resulted in no adverse change in the tax-exempt status of interest related to the 2004 COPS. The bonds are not subject to redemption prior to maturity, have interest rates ranging from 1.05% to 2.10%, payable semiannually on February 1 and August 1 of each year through 2019.

The County has pledged a portion of the Pinal County General Excise Tax Revenues, a portion of the State Shared Revenues, and Vehicle License Tax Revenues to repay both of the Series 2015 bond issuances. Total principal and interest payments remaining on the bonds are \$57,802 payable through 2030. State shared revenues have averaged \$30.4 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.9 million per year over the last 5 years, and Vehicle License Tax Revenues have averaged \$16.3 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$32,823 and \$14,976, respectively, and vehicle license tax revenues recognized by the County were \$18,719. In the current year, the principal and interest payments were \$335 and \$1,943 respectively.

Bonds outstanding at June 30, 2017, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Pledged Revenue Obligations, Series 2010	\$ 12,000	2017-2036	3.0% to 4.5%	\$ 10,020
Pledged Revenue Refunding Obligations, Series 2010	\$ 18,380	2017-2021	2.5% to 5.0%	9,060
Pledged Revenue Obligations, Series 2014	\$ 52,700	2022-2035	2.0% to 5.0%	52,700
Pledged Revenue Refunding Obligations, Series 2014	\$ 40,310	2017-2026	2.0% to 5.0%	36,750
Pledged Revenue Refunding Obligations, Tax-Exempt Series 2015A	\$ 39,075	2020-2030	3.125 to 5.0%	39,075
Pledged Revenue Obligations, Taxable Series 2015B	\$ 3,720	2018-2020	1.05% to 2.10%	3,720
				<u>\$ 151,325</u>

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The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2017:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	6,175	6,816
2019	8,830	6,512
2020	9,215	6,161
2021	9,595	5,746
2022	10,295	5,254
2023-2027	46,370	15,838
2028-2032	38,750	9,085
2033-2036	22,095	2,061
Total	<u>\$ 151,325</u>	<u>\$ 57,473</u>

Note payable

The Housing department has a note payable to the Arizona Department of Housing of \$487 at June 30, 2017 with annual principal reduction contributions of zero over the next five years. The note is secured by the land and buildings under signed Deeds of Trust.

The outstanding balance of notes payable at June 30, 2017 was \$487. The notes payable each year in the amounts is listed below:

<u>Year Ending June 30,</u>	
2018	\$ -
2019	487

The debt is secured by the property purchased in conjunction with the above financing as reported above. Violation of the terms and conditions, such as disposal of the property before September 30, 2019 would result in the entire principal along with accrued interest becoming immediately due and payable.

Capital Leases

The County has acquired copier equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a transfer of ownership by the end of the lease term. The assets acquired did not meet the County's capitalization thresholds.



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The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2017.

Year Ending June 30,	Principal	Interest
2018	\$ 109	\$ 17
2019	113	13
2020	117	10
2021	107	5
2022	75	1
	\$ 521	\$ 46

Landfill closure and post closure care costs

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

Compensated absences and claims and judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim.

During fiscal year 2017, the County paid for governmental-type activity compensated absences as follows: 75 percent from the General Fund, 8 percent from the Public Works Highway Fund, and 17 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

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**Note 10 – Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by two public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool, which are described below. Settled claims have not exceeded coverage provided in any of the past 3 fiscal years.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$10 per occurrence for property claims and \$50 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties with workers' compensation coverage, as law requires, and risk-management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

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

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

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**Note 11 – Pensions and Other Post-Employment Benefits**

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan – Detention Officers (CORP Detention), the Corrections Officer Retirement Plan - Dispatchers (CORP Dispatchers), the Corrections Officer Retirement Plan - Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System - Pinal County Sheriff, and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

At June 30, 2017, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liabilities	\$ 210,614	\$ 367	\$ 210,981
Deferred outflows of resources	48,542	67	48,609
Deferred inflows of resources	24,095	51	24,146
Pension expense	25,157	13	25,170

The County's accrued payroll and employee benefits includes \$604 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2017. Also, the County reported \$13,453 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

The ASRS, CORP Detention, CORP Dispatchers, CORP AOC, PSPRS – Pinal County Sheriff, and EORP are described below.

**A. Arizona State Retirement System**

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

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

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ASRS

	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equal 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, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll.

In addition, the County was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of 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 contributions to the pension plan for the year ended June 30, 2017, were \$7,003. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year Ended June 30		
2017	\$ 365	\$ 91
2016	331	79
2015	368	75

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During the fiscal year 2017, the County paid for ASRS pension and OPEB contributions as follows: 68 percent from the General Fund, 12 percent from major funds, and 20 percent from other funds.

Pension liability – At June 30, 2017, the County reported a liability of \$109,192 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases.

The County’s proportion of the net pension liability was based on the actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2016. The County’s proportion measured as of June 30, 2016 was 0.6765 percent, which was a decrease of 0.0138 from its proportion measured as of June 30, 2015.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2017, the County recognized pension expense for ASRS of \$3,599. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 663	\$ 7,511
Changes of assumptions or other inputs	-	5,777
Net difference between projected and actual earnings on pension plan investments	11,833	-
Changes in proportion and differences between County contributions and proportionate share of contributions	597	2,108
County contributions subsequent to the measurement date	7,003	
Total	\$ 20,096	\$ 15,396

The \$7,003 reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30	
2018	\$ (5,894)
2019	(4,406)
2020	4,679
2021	3,318

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

ASRS	
Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3-6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS		
	Target	Long-term expected
<u>Asset Class</u>	<u>Allocation</u>	<u>arithmetic real</u>
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	<u>100%</u>	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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ASRS

	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
County's proportionate share of the net pension liability	\$ 139,226	\$ 109,192	\$ 85,109

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

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

Plan descriptions – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A nine-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, and Article 4.

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

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

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

PSPRS

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 15 years, age 62	25 years, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years

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PSPRS

Initial membership date:	
Before January 1, 2012	On or after January 1, 2012

**Benefit percent**

Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	

**Survivor Benefit**

Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

CORP

Initial membership date:	
Before January 1, 2012	On or after January 1, 2012

**Retirement and Disability**

Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
<b>Benefit percent</b>		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service



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CORP

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
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 on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earnings. 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. 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, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	CORP Detention	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	100	35	2
Inactive employees entitled to but not yet receiving benefits	23	42	8
Active employees	192	151	9
Total	315	228	19

Contributions and annual OPEB cost – State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

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	<u>PSPRS Sheriff</u>	<u>CORP Detention</u>	<u>CORP Dispatchers</u>	<u>CORP AOC</u>
Active members - Pension				
PSPRS members with an initial membership date on or before July 19, 2011				
July 2016 through April 2017	11.65%	n/a	n/a	n/a
May 2017 through June 2017	7.65%	n/a	n/a	n/a
PSPRS members with an initial membership date after July 19, 2011 and all CORP members	11.65%	8.41%	7.96%	8.41%
County				
Pension	28.86%	10.31%	14.79%	20.08%
Health insurance premium benefit	0.20%	0.06%	0.00%	0.80%

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.

	<u>PSPRS Sheriff</u>	<u>CORP Detention</u>	<u>CORP Dispatchers</u>	<u>CORP AOC</u>
Pension	18.79%	6.00%	10.21%	13.68%
Health Insurance Premium Benefit	0.00%	0.00%	0.00%	0.53%

For the agent plans, the County's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2017, were:

	<u>PSPRS Sheriff</u>	<u>CORP Detention</u>	<u>CORP Dispatchers</u>
Pension contributions made	\$ 3,792	\$ 783	\$ 63
Health Insurance Premium Benefit			
Annual OPEB cost	26	5	-
Contributions made	26	5	-

Contributions to the CORP AOC pension plan for the year ended June 30, 2017, were \$1,196. The County's contributions for the current and 2 preceding years for CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

<u>Year Ended June 30</u>	<u>Health Insurance Fund</u>
2017	\$ 46
2016	44
2015	68

During fiscal year 2017, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 87 percent from the General Fund and 13 percent from other nonmajor funds.

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Pension liability – At June 30, 2017, the County reported the following net pension liabilities:

	Net Pension Liability
PSPRS Sheriff	\$ 46,848
CORP Detention	8,634
CORP Dispatchers	790
CORP AOC (County's proportionate share)	13,164

The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total liabilities as of June 30, 2016, reflect the following changes of benefit terms and actuarial assumptions.

- In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.
- Laws 2016, Chapter 2, changed the benefit formula contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.50 percent for PSPRS and CORP plans.

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County's net pension liabilities as a result of these changes is not known.

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

PSPRS and CORP – Pension	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	4.0%-8.0% for PSPRS and 4.0%-7.25% for CORP
Inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

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PSPRS and CORP

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-Term expected arithmetic real rate of return</u>
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	<u>100%</u>	

Pension discount rates - At June 30, 2016, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.50 percent, which was a decrease of 0.35 from the discount rate used as of June 30, 2015. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarial determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability

PSPRS - Sheriff

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 81,163	\$ 44,386	\$ 36,777
Changes for the year:			
Service cost	2,500		2,500
Interest on the pension liability	6,289		6,289
Change of benefit terms	3,614		3,614
Differences between expected and actual experience in the measurement of the pension liability	(940)		(940)
Changes of assumptions or other inputs	3,490		3,490
Contributions – employer		3,263	(3,263)
Contributions – employee		1,487	(1,487)
Net investment income		259	(259)
Benefit payments, including refunds of employee contributions	(4,604)	(4,604)	
Administrative expenses		(38)	38
Other changes		(89)	89
Net changes	\$ 10,349	\$ 278	\$ 10,071
Balances at June 30, 2017	\$ 91,512	\$ 44,664	\$ 46,848

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CORP - Detention

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 29,853	\$ 24,105	\$ 5,748
Changes for the year:			
Service cost	1,151		1,151
Interest on the pension liability	2,333		2,333
Changes of benefit terms	46		46
Differences between expected and actual experience in the measurement of the pension liability	(1,193)		(1,193)
Changes of assumptions or other inputs	1,483		1,483
Contributions – employer		793	(793)
Contributions – employee		683	(683)
Net investment income		145	(145)
Benefit payments, including refunds of employee contributions	(1,412)	(1,412)	
Administrative expenses		(21)	21
Other changes		(666)	666
Net changes	\$ 2,408	\$ (478)	\$ 2,886
Balances at June 30, 2017	\$ 32,261	\$ 23,627	\$ 8,634

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CORP - Dispatchers

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 2,272	\$ 1,453	\$ 819
Changes for the year:			
Service cost	55		55
Interest on the pension liability	175		175
Changes of benefit terms	6		6
Differences between expected and actual experience in the measurement of the pension liability	(221)		(221)
Changes of assumptions or other inputs	51		51
Contributions – employer		53	(53)
Contributions – employee		34	(34)
Net investment income		9	(9)
Benefit payments, including refunds of employee contributions	(145)	(145)	
Administrative expenses		(1)	1
Net changes	<u>\$ (79)</u>	<u>\$ (50)</u>	<u>\$ (29)</u>
Balances at June 30, 2017	<u>\$ 2,193</u>	<u>\$ 1,403</u>	<u>\$ 790</u>

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, 2016. The County's proportion measured as of June 30, 2016 was 4.6657 percent which was a decrease of 0.2708 from its proportion measured as of June 30, 2015.

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Sensitivity of the County's net pension liability to changes in the discount rate – The following table presents the County's net pension liabilities calculated using the discount rates of 7.50 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
PSPRS Sheriff			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$ 59,433	\$ 46,848	\$ 36,542
CORP Detention			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$ 13,525	\$ 8,634	\$ 4,650
CORP Dispatchers			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$ 1,082	\$ 790	\$ 552
CORP AOC			
Rate	6.50%	7.50%	8.50%
County's proportionate share of the net pension liability	\$ 16,919	\$ 13,164	\$ 10,063

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

Pension expense – For the year ended June 30, 2017, the County recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS Sheriff	\$ 9,221
CORP Detention	\$ 1,572
CORP Dispatchers	\$ 56
CORP AOC (County's proportionate share)	\$ 1,841

Pension deferred outflows/inflows of resources – At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Sheriff	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,654	\$ 2,500
Changes of assumptions or other inputs	2,808	
Net difference between projected and actual earnings on pension plan investments	3,792	
County contributions subsequent to the measurement date	14,254	
Total	<u>\$ 14,254</u>	<u>\$ 2,500</u>



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CORP - Detention

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 3,929
Changes of assumptions or other inputs	2,029	
Net difference between projected and actual earnings on pension plan investments	1,491	
County contributions subsequent to the measurement date	783	
Total	<u>\$ 4,303</u>	<u>\$ 3,929</u>

CORP - Dispatchers

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 298
Changes of assumptions or other inputs	97	
Net difference between projected and actual earnings on pension plan investments	90	
County contributions subsequent to the measurement date	63	
Total	<u>\$ 250</u>	<u>\$ 298</u>

CORP - AOC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 280	\$ 663
Changes of assumptions or other inputs	1,787	
Net difference between projected and actual earnings on pension plan investments	994	
Changes in proportion and differences between county contributions and proportionate share of contributions		751
County contributions subsequent to the measurement date	1,196	
Total	<u>\$ 4,257</u>	<u>\$ 1,414</u>

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, 2018. Other amounts reported as a deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	PSPRS Sheriff	CORP Detention	CORP Dispatchers	CORP AOC
2018	\$ 1,594	\$ (116)	\$ (35)	\$ 513
2019	1,594	(116)	(35)	514
2020	2,018	121	(22)	472
2021	1,659	(74)	(19)	154
2022	676	(224)	-	(6)
Thereafter	421	-	-	-

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Agent plan OPEB actuarial assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2017, were established by the June 30, 2015 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

Projections of benefits are based on (1) the plans as the County and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2017 contribution requirements:

PSPRS and CORP – OPEB Contribution Requirements

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

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

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<u>Year ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
PSPRS Sheriff			
2017	\$ 26	100%	\$ -
2016	158	100%	-
2015	156	100%	-
CORP Detention			
2017	\$ 5	100%	\$ -
2016	53	100%	-
2015	83	100%	-
CORP Dispatchers			
2017	\$ -	100%	\$ -
2016	-	100%	-
2015	4	100%	-

Agent plan OPEB funded status—The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2017, along with the actuarial assumptions and methods used in those valuations follow.

	<u>PSPRS Sheriff</u>	<u>CORP Detention</u>	<u>CORP Dispatchers</u>
Actuarial value of assets (a)	\$ 2,572	\$ 1,471	\$ 160
Actuarial accrued liability (b)	2,251	859	44
Unfunded actuarial accrued liability (funding excess) (b) – (a)	\$ (321)	\$ (612)	\$ (116)
Funded ratio (a) / (b)	114.26%	171.25%	363.64%
Annual covered payroll (c)	\$ 11,445	\$ 7,328	\$ 417
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / c	-2.80%	-8.35%	-27.82%

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

**PSPRS and CORP – OPEB Funded Status**

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	19 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.40%
Projected salary increases	3.50% - 7.50% for PSPRS and 3.50.% - 6.50% for CORP
Wage growth	3.50% for PSPRS and CORP

**C. Elected Officials Retirement Plan**

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

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

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and ages 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 of service
<b>Survivor Benefit</b>		
Retired Members	75% of retired member's pension benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

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

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

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, 2017, statute required active EORP members with an initial date on or before July 19, 2011 to contribute 13 percent of the members' annual covered payroll for July 2016 through April 2017 and 7 percent of the members' annual covered payroll for May 2017 through June 2017. Statute required active EORP members with an initial membership date after July 19, 2011 to contribute 13 percent of the members' annual covered payroll, and the County to contribute 23.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute

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12.16 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. The County's contributions to the pension plan for the year ended June 30, 2017, were \$641. No OPEB contributions were required or made for the years ended June 30, 2015, 2016, and 2017.

During fiscal year 2017, the County paid for EORP pension contributions as follows: 87 percent from the General Fund and 13 percent from other funds.

Pension liability – At June 30, 2017, the County reported a liability for its proportionate share of 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	\$ 32,353
State's proportionate share of the EORP net pension liability associated with the County	6,680
Total	<u>\$ 39,033</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects a decrease in the investment rate of return actuarial assumption from 7.85 percent to 7.50 percent.

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2016. The County's proportion measured as June 30, 2016 was 3.42 percent, which was an increase of 0.09 from its proportion measured as of June 30, 2015.

The collective net pension liability measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County's proportionate share of the collective net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources – For the year ended June 30, 2017, the County recognized pension expense for EORP of \$8,881 and revenue of \$1,783 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PINAL COUNTY**  
**Notes to the Financial Statements**  
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EORP

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 609
Changes of assumptions or other inputs	3,633	
Net difference between projected and actual earnings on pension plan investments	749	
Changes in proportion and differences between county contributions and proportionate share of contributions	426	
County contributions subsequent to the measurement date	641	
Total	\$ 5,449	\$ 609

The \$641 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year Ending June 30		
2018	\$	2,847
2019		930
2020		272
2021		150

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

EORP	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	4.25%
Projected inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection Scale AA

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

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**Notes to the Financial Statements**  
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EORP	Target allocation	Long-term expected arithmetic real rate of return
<u>Asset Class</u>		
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	<u>100%</u>	

Discount rate – At June 30, 2016, the discount rate used to measure the EORP total pension liability was 3.68 percent which was a decrease of 1.18 from the discount rate used as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.50 percent was applied to periods of projected benefit payments through the year ended June 30, 2027. A municipal bond rate of 2.85 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 30, 2015, was applied to periods of projected benefit payments after June 30, 2027.

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 3.68 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 (2.68 percent) or 1 percentage point higher (4.68 percent) than the current rate:

EORP	1% Decrease	Current Discount Rate	1% Increase
	<u>2.68%</u>	<u>3.68%</u>	<u>4.68%</u>
County's proportionate share of net pension liability	\$ 37,661	\$ 32,353	\$ 27,923

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

EODCRS plan - Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5,



**PINAL COUNTY**  
**Notes to the Financial Statements**  
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Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by state statute.

For the year ended June 30, 2017, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll, and the County was required by statute to contribute 6 percent active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County's contributions to the individual account and the earnings on those contributions. In addition, statute required active EODCRS members and the County to each contribute at the actuarially determined rate of 0.125 percent of the members' annual covered payroll to the EODCDP plan. For the year ended June 30, 2017, the County recognized pension expense of \$50.

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

EODCDP Year ended June 30	Disability fund
2017	\$ 1
2016	1
2015	-

**Note 12 – Interfund Balances and Activity**

Interfund receivables and payables—interfund balances at June 30, 2017 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Workforce Grants	\$ 522
	Internal Service Fund	56
		<u>578</u>
Other Governmental Funds	General Fund	1
	Other Governmental Funds	3
		<u>4</u>
Total		<u>\$ 582</u>

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2017, and are expected to be repaid within one year from the date of the financial statements.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
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Interfund transfers—Interfund transfers for the year ended June 30, 2017, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 6,373
	Debt Service Fund	5,716
	Internal Service Fund	158
		<u>12,247</u>
Road Tax Districts Fund	Public Works Highway Fund	2,888
	Other Governmental Funds	1,068
		<u>3,956</u>
Public Works Highway Fund	General Fund	2,409
	Other Governmental Funds	6,106
	Enterprise Fund	24
		<u>8,539</u>
Development Impact Fee Fund	Debt Service Fund	8,785
	Other Governmental Funds	57
		<u>8,842</u>
Other Governmental Funds	General Fund	2,453
	Public Works Highway Fund	950
	Other Governmental Funds	638
	Debt Service Fund	362
	Internal Service Fund	45
	<u>4,448</u>	
Internal Service Fund	General Fund	<u>2,822</u>
Total transfers		<u>\$ 40,854</u>

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds for capital outlay. All significant interfund transfers were routine and consistent with the activities of the fund making the transfer. The exception of the Internal Service Fund transferring to General Fund excess cash due to the dissolution of the Pinal County Employee Benefit Trust.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
(Amounts expressed in thousands)

**Note 13 – County Treasurer’s Investment Pool**

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

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

The Treasurer allocates interest earnings to each of the pool’s participants. However, for the County’s monies in the pool the Board of Supervisors authorized \$122 of interest earned in certain other funds to be transferred to the General Fund.

Substantially, all deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$24 in cash on hand, \$35,073 cash and investments held by trustee, \$396 of investments in the State Treasurer’s Investment Pool, \$50 in Certificates of Deposit, and \$1,450 of other deposits. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks exclusive of the investments just described above. See Note 5 for disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Amount</u>
Repurchase Agreements (implicitly guaranteed)	\$ 15,000	0.016%	Daily	\$ 15,000
U.S. Agency securities	229,281	1.00% - 2.22%	12/17 - 05/22	227,403
U.S. Treasury securities	15,000	1.13% - 1.63%	05/19 - 11/20	14,972
Corporate Bonds	17,000	1.50% - 1.93%	5/18 - 7/20	16,915
Pooled CDs	1,743	1.25% - 2.35%	7/18 - 7/20	1,752

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
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A condensed statement of the investment pool's net position and changes in net position follows:

Statement of Net Position	
Assets	\$ 336,925
Liabilities	<u>-</u>
Net Position	<u>\$ 336,925</u>

Net position held in trust for:	
Internal participants	\$ 129,789
External participants	<u>207,136</u>
Total net position held in trust	<u>\$ 336,925</u>

Statement of Changes in Net Position	
Total additions	\$ 955,011
Total deductions	<u>(891,398)</u>
Net increase	<u>63,613</u>
Net position held in trust:	
July 1, 2016	<u>273,312</u>
June 30, 2017	<u>\$ 336,925</u>

**Note 14 – Other Investments**

On July 20, 2016 the County entered into a purchase agreement with various parties to acquire 500 acres of vacant land to develop as an economic development project. This project is for Lucid Motors, an automotive company specializing in electric cars. The County agreed to purchase the land and then execute a lease purchase with Lucid. Until the agreement is finalized, the County agreed with the land owners to execute a land purchase option in which the County would make periodic payments to the escrow agent for the option of purchasing the land at a later date. These payments will be applied to the purchase price of the land. In addition, Lucid has agreed to pay for the options until the agreement is executed. These payments have been recorded as miscellaneous revenues in the General Fund. As the County intends to resale the land via a lease purchase and does not have any legal rights to use the land or any responsibilities to care for the land, the County recognized the payments to the escrow agent as an Other investment in the General Fund.

**PINAL COUNTY**  
**Notes to the Financial Statements**  
**June 30, 2017**  
(Amounts expressed in thousands)

**Note 15 - Stewardship, Compliance and Accountability**

At June 30, 2017 the following funds reported deficits in fund balance or net position.

<u>Fund</u>	<u>Deficit</u>
<b>Governmental Funds</b>	
Workforce Grants	\$ 647
Miscellaneous Grants	19
<b>Internal Service Funds</b>	
Public Works Fleet Management	\$ 220

The deficits in fund balance for the Workforce Grant and Miscellaneous Grants funds are attributed to the deferring of certain grant revenues. The County accrues grant revenue received within 60 days after year-end, as it is available and measurable. Revenues received after 60 days are considered not available and therefore not accrued.

The deficit in net position for the Public Works Fleet Management fund is attributed both to the reporting of noncurrent net pension liabilities as a result of GASB Statement No. 68, Accounting and Financial Reporting for Pensions and results from operations during the year and is expected to be corrected in future periods.

# Required Supplementary Information



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**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 102,235	\$ 99,967	\$ 99,659	\$ (308)
Licenses and permits	3,540	3,540	4,364	824
Intergovernmental	44,542	44,542	45,461	919
Charges for services	7,192	7,192	8,409	1,217
Fines and forfeits	820	820	1,114	294
Investment earnings	150	150	104	(46)
Contributions	150	150	37	(113)
Rentals	116	116	159	43
Miscellaneous	2,975	2,975	2,538	(437)
Total revenues	161,720	159,452	161,845	2,393
<b>Expenditures:</b>				
<b>General Government</b>				
Assessor	3,086	3,471	3,389	82
Assistant County Manager-Admin	43,222	44,219	19,524	24,695
Assistant County Manager-Development	21,070	7,492	6,759	733
Board of Supervisors	1,892	2,023	1,880	143
County Manager	1,293	1,345	1,283	62
Recorder	1,264	1,394	1,382	12
Treasurer	1,347	1,473	1,172	301
Total General Government	73,174	61,417	35,389	26,028
<b>Public Safety</b>				
Assistant County Manager-Admin	719	739	574	165
Assistant County Manager-Health	6,968	7,512	8,139	(627)
Attorney	9,124	10,045	11,784	(1,739)
Clerk of Superior Court	4,094	4,764	4,249	515
Courts	22,020	24,389	26,056	(1,667)
Sheriff	38,929	43,686	44,149	(463)
Total Public Safety	81,854	91,135	94,951	(3,816)
<b>Highways and streets</b>				
Assistant County Manager-Admin	112	105	26	79
Total Highways and streets	112	105	26	79

The notes to the budgetary comparison schedules are an integral part of this schedule.



**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2017**  
**(Concluded)**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Health</b>				
Assistant County Manager-Admin	18,854	18,894	18,963	(69)
Total Health	18,854	18,894	18,963	(69)
<b>Welfare</b>				
Assistant County Manager-Admin	1,748	1,829	1,174	655
Total Welfare	1,748	1,829	1,174	655
<b>Education</b>				
School Superintendent	887	980	891	89
Total Education	887	980	891	89
Total general fund expenditures	176,629	174,360	151,394	22,966
Excess of revenues over expenditures	(14,909)	(14,908)	10,451	25,359
<b>Other financing sources (uses):</b>				
Insurance reimbursement	50	50	182	132
Proceeds from sale of capital assets	75	75	109	34
Transfers in	5,281	5,281	7,684	2,403
Transfers out	(12,381)	(12,449)	(12,247)	202
Total other financing (uses)	(6,975)	(7,043)	(4,272)	2,771
Net change in fund balances	(21,884)	(21,951)	6,179	28,130
Fund balances - July 1, 2016	21,884	21,951	22,265	314
Fund balances - June 30, 2017	\$ -	\$ -	\$ 28,444	\$ 28,444

The notes to the budgetary comparison schedules are an integral part of this schedule.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road Tax Districts Fund**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,500	\$ 7,500	\$ 7,820	\$ 320
Intergovernmental	-	-	9	9
Investment earnings	100	100	61	(39)
Contributions	188	188	25	(163)
Miscellaneous	-	-	656	656
Total revenues	<u>7,788</u>	<u>7,788</u>	<u>8,571</u>	<u>783</u>
<b>Expenditures:</b>				
Highways and streets	23,994	23,276	2,948	20,328
Total expenditures	<u>23,994</u>	<u>23,276</u>	<u>2,948</u>	<u>20,328</u>
Excess (deficiency) of revenues over expenditures	<u>(16,206)</u>	<u>(15,488)</u>	<u>5,623</u>	<u>21,111</u>
<b>Other financing sources (uses):</b>				
Transfers in	3,450	3,450	-	(3,450)
Transfers out	(5,500)	(6,218)	(3,956)	2,262
Total other financing (uses)	<u>(2,050)</u>	<u>(2,768)</u>	<u>(3,956)</u>	<u>(1,188)</u>
Net change in fund balances	(18,256)	(18,256)	1,667	19,923
Fund balance - July 1, 2016	18,256	18,256	20,225	1,969
Fund balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,892</u>	<u>\$ 21,892</u>

The notes to the budgetary comparison schedules are an integral part of this statement.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Works Highway Fund**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 25,664	\$ 25,664	\$ 28,322	\$ 2,658
Investment earnings	200	200	97	(103)
Contributions	6,053	6,053	2,513	(3,540)
Miscellaneous	140	140	16	(124)
Total revenues	<u>32,057</u>	<u>32,057</u>	<u>30,948</u>	<u>(1,109)</u>
<b>Expenditures:</b>				
Current:				
Highways and streets	47,761	47,761	25,603	22,158
Total expenditures	<u>47,761</u>	<u>47,761</u>	<u>25,603</u>	<u>22,158</u>
Excess (deficiency) of revenues over expenditures	<u>(15,704)</u>	<u>(15,704)</u>	<u>5,345</u>	<u>21,049</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	50	50	147	97
Transfers in	6,450	6,450	3,838	(2,612)
Transfers out	<u>(8,517)</u>	<u>(8,517)</u>	<u>(8,539)</u>	<u>(22)</u>
Total other financing (uses)	<u>(2,017)</u>	<u>(2,017)</u>	<u>(4,554)</u>	<u>(2,537)</u>
Net change in fund balances	(17,721)	(17,721)	791	18,512
Fund balance - July 1, 2016	<u>17,721</u>	<u>17,721</u>	<u>23,673</u>	<u>5,952</u>
Fund balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,464</u>	<u>\$ 24,464</u>

The notes to the budgetary comparison schedules are an integral part of this statement.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Development Impact Fee Fund**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 5,086	\$ 5,086	\$ 8,625	\$ 3,539
Investment earnings	-	-	18	18
Total revenues	<u>5,086</u>	<u>5,086</u>	<u>8,643</u>	<u>3,557</u>
<b>Expenditures:</b>				
Public safety	3,831	2,839	-	2,839
Highways and streets	7,724	7,667	-	7,667
Culture and recreation	1,957	1,957	7	1,950
Total expenditures	<u>13,512</u>	<u>12,463</u>	<u>7</u>	<u>12,456</u>
Excess (deficiency) of revenues over expenditures	<u>(8,426)</u>	<u>(7,377)</u>	<u>8,636</u>	<u>16,013</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(7,795)</u>	<u>(8,844)</u>	<u>(8,842)</u>	<u>2</u>
Total other financing (uses)	<u>(7,795)</u>	<u>(8,844)</u>	<u>(8,842)</u>	<u>2</u>
Net change in fund balances	(16,221)	(16,221)	(206)	16,015
Fund balance - July 1, 2016	<u>16,221</u>	<u>16,221</u>	<u>14,271</u>	<u>(1,950)</u>
Fund balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,065</u>	<u>\$ 14,065</u>

The notes to the budgetary comparison schedules are an integral part of this statement.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Workforce Grants**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,002	\$ 2,002	\$ 2,231	\$ 229
Rentals	-	-	109	109
Miscellaneous	-	-	3	3
Total revenues	<u>2,002</u>	<u>2,002</u>	<u>2,343</u>	<u>341</u>
<b>Expenditures:</b>				
Welfare	2,002	2,002	2,952	(950)
Total expenditures	<u>2,002</u>	<u>2,002</u>	<u>2,952</u>	<u>(950)</u>
Net change in fund balances	-	-	(609)	(609)
Fund balance - July 1, 2016	-	-	(38)	(38)
Fund balance - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (647)</u>	<u>\$ (647)</u>

The notes to the budgetary comparison schedules are an integral part of this statement.

**Pinal County**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2017**  
(Amounts expressed in thousands)

**Note 1 – Budgeting and Budgetary Control**

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

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. For the fiscal year ending June 30, 2017 the Board of Supervisors elected to not appropriate transfers from the contingency account at the department level.

**Note 2 - Budgetary Basis of Accounting**

The County's budget is prepared on a basis consistent with U.S. generally accepted accounting principles except for the following unbudgeted items:

- The County did not legally adopt an annual budget for the Accommodation School.
- Present value of net minimum capital lease payments.

	<b>General Fund</b>
Excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances	\$ 9,869
Present value of net minimum capital lease payments	582
Excess (deficiency) of revenues over expenditures from the budgetary comparison schedule	\$ 10,451

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

For the year ended June 30, 2017, expenditures exceeded final budget amounts at the fund level as follows:

<b>Fund</b>		<b>Excess</b>
Workforce Grants fund	\$	950

The County is a subrecipient for Workforce, Innovation and Opportunity Act (WIOA) Title 1B funds passed through the State of Arizona. The County's budget of \$2,002 did not reflect authorized spending levels as stated in the contract between the County and the State. The total funding for the year ended June 30, 2017 per the contract was \$2,697. In addition, there was an additional \$1,163 of carry forward funds from the previous fiscal year's contract for a total authorized spending limit of \$3,860 in fiscal year-ending June 30, 2017. The WIOA grant is new to the County and staff will look to budget this fund more accurately based on funding levels, expected carryforward amounts and historical expenditures in prior fiscal years.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Cost-Sharing Pension Plans**  
**June 30, 2017**

(Amounts expressed in thousands)

ASRS

	Reporting fiscal year (measurement date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008 Information not available
County's proportion of the net pension liability	0.677%	0.690%	0.681%	
County's proportionate share of the net pension liability	\$ 109,192	\$ 107,527	\$ 100,718	
County's covered payroll	\$ 65,244	\$ 68,613	\$ 61,388	
County's proportionate share of the net pension liability as a percentage of its covered payroll	167.4%	156.7%	164.1%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

CORP – AOC

	Reporting fiscal year (measurement date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008 Information not available
County's proportion of the net pension liability	4.67%	4.94%	5.18%	
County's proportionate share of the net pension liability	\$ 13,164	\$ 12,001	\$ 11,623	
County's covered payroll	\$ 5,138	\$ 5,948	\$ 5,570	
County's proportionate share of the net pension liability as a percentage of its covered payroll	256.2%	201.8%	208.9%	
Plan fiduciary net position as a percentage of the total pension liability	54.81%	57.89%	58.59%	

EORP

	Reporting fiscal year (measurement date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008 Information not available
County's proportion of the net pension liability	3.42%	3.33%	3.27%	
County's proportionate share of the net pension liability	\$ 32,353	\$ 25,973	\$ 22,006	
State's proportionate share of the net pension liability associated with the County	\$ 6,680	\$ 8,097	\$ 6,747	
Total	39,033	\$ 34,070	28,753	
County's covered payroll	\$ 2,251	\$ 2,723	\$ 3,018	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1437.3%	953.8%	729.2%	
Plan fiduciary net position as a percentage of the total pension liability	23.42%	28.32%	31.91%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension Liability and Related Ratios**  
**Agent Pension Plans**  
**June 30, 2017**

(Amounts expressed in thousands)

PSPRS – Sheriff

	Reporting Fiscal Year (Measurement Date)			2014 through 2008 Information not available
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				
Service cost	\$ 2,500	\$ 2,671	\$ 2,699	
Interest on the total pension liability	6,289	6,055	5,133	
Changes of benefit terms	3,614	-	1,569	
Differences between expected and actual experience in the measurement of the pension liability	(940)	(1,206)	(1,323)	
Changes of assumptions or other inputs	3,490	-	7,654	
Benefit payments, including refunds of employee contributions	(4,604)	(4,308)	(3,640)	
Net change in total pension liability	10,349	3,212	12,092	
Total pension liability – beginning	81,163	77,951	65,859	
Total pension liability – ending (a)	<u>\$ 91,512</u>	<u>\$ 81,163</u>	<u>\$ 77,951</u>	
Plan fiduciary net position				
Contributions – employer	\$ 3,263	\$ 2,917	\$ 2,899	
Contributions – employee	1,487	1,389	1,434	
Net investment income	259	1,578	5,190	
Benefit payments, including refunds of employee contributions	(4,604)	(4,308)	(3,640)	
Administrative expense	(38)	(39)	(42)	
Other changes	(89)	(252)	(108)	
Net change in plan fiduciary net position	278	1,285	5,733	
Plan fiduciary net position – beginning	44,386	43,101	37,368	
Plan fiduciary net position – ending (b)	<u>\$ 44,664</u>	<u>\$ 44,386</u>	<u>\$ 43,101</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 46,848</u>	<u>\$ 36,777</u>	<u>\$ 34,850</u>	
Plan fiduciary net position as a percentage of the total pension liability	48.81%	54.69%	55.29%	
Covered payroll	\$ 12,245	\$ 13,423	\$ 12,940	
County's net pension liability as a percentage of covered payroll	382.59%	273.98%	269.32%	



**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension Liability and Related Ratios**  
**Agent Pension Plans**

**June 30, 2017**

(Amounts expressed in thousands)

CORP - Detention

	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008 Information not available
Total pension liability				
Service cost	\$ 1,151	\$ 1,863	\$ 1,929	
Interest on the total pension liability	2,333	2,436	2,283	
Changes of benefit terms	46	-	143	
Differences between expected and actual experience in the measurement of the pension liability	(1,193)	(3,061)	(1,398)	
Changes of assumptions or other inputs	1,483	-	1,377	
Benefit payments, including refunds of employee contributions	(1,412)	(2,973)	(1,733)	
Net change in total pension liability	2,408	(1,735)	2,601	
Total pension liability – beginning	29,853	31,588	28,987	
Total pension liability – ending (a)	<u>\$ 32,261</u>	<u>\$ 29,853</u>	<u>\$ 31,588</u>	
Plan fiduciary net position				
Contributions – employer	\$ 793	\$ 938	\$ 1,217	
Contributions – employee	683	851	1,066	
Net investment income	145	891	2,914	
Benefit payments, including refunds of employee contributions	(1,412)	(2,973)	(1,733)	
Administrative expense	(21)	(23)	(23)	
Other changes	(666)	(14)	39	
Net change in plan fiduciary net position	(478)	(330)	3,480	
Plan fiduciary net position – beginning	24,105	24,435	20,955	
Plan fiduciary net position – ending (b)	<u>23,627</u>	<u>24,105</u>	<u>24,435</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 8,634</u>	<u>\$ 5,748</u>	<u>\$ 7,153</u>	
Plan fiduciary net position as a percentage of the total pension liability	73.24%	80.75%	77.35%	
Covered payroll	\$ 7,506	\$ 11,308	\$ 12,606	
County's net pension liability as a percentage of covered payroll	115.03%	50.83%	56.74%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension Liability and Related Ratios**  
**Agent Pension Plans**  
**June 30, 2017**

(Concluded)

(Amounts expressed in thousands)

CORP - Dispatchers

	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008 Information not available
Total pension liability				
Service cost	\$ 55	\$ 89	\$ 90	
Interest on the total pension liability	175	180	162	
Changes of benefit terms	6	-	22	
Differences between expected and actual experience in the measurement of the pension liability	(221)	(154)	(54)	
Changes of assumptions or other inputs	51	-	115	
Benefit payments, including refunds of employee contributions	(145)	(173)	(59)	
Net change in total pension liability	(79)	(58)	276	
Total pension liability – beginning	2,272	2,330	2,054	
Total pension liability – ending (a)	<u>\$ 2,193</u>	<u>\$ 2,272</u>	<u>\$ 2,330</u>	
Plan fiduciary net position				
Contributions – employer	\$ 53	\$ 62	\$ 68	
Contributions – employee	34	43	51	
Net investment income	9	53	176	
Benefit payments, including refunds of employee contributions	(145)	(173)	(59)	
Administrative expense	(1)	(2)	(1)	
Other changes	-	(1)	-	
Net change in plan fiduciary net position	(50)	(18)	235	
Plan fiduciary net position – beginning	1,453	1,471	1,236	
Plan fiduciary net position – ending (b)	<u>\$ 1,403</u>	<u>\$ 1,453</u>	<u>\$ 1,471</u>	
County's net pension liability – ending (a) – (b)	<u>\$ 790</u>	<u>\$ 819</u>	<u>\$ 859</u>	
Plan fiduciary net position as a percentage of the total pension liability	63.98%	63.95%	63.13%	
Covered payroll	\$ 379	\$ 580	\$ 648	
County's net pension liability as a percentage of covered payroll	208.44%	141.21%	132.60%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2017**

(Amounts expressed in thousands)

ASRS

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Statutorily required contribution	\$ 7,003	\$ 7,002	\$ 7,472	\$ 6,565	
County's contributions in relation to the statutorily required contribution	7,003	7,002	7,472	6,565	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 62,560	\$ 65,244	\$ 68,613	\$ 61,388	
County's contributions as a percentage of covered payroll	11.19%	10.73%	10.89%	10.69%	

CORP - AOC

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Statutorily required contribution	\$ 1,196	\$ 1,025	\$ 885	\$ 806	
County's contributions in relation to the statutorily required contribution	1,196	1,025	885	806	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 5,730	\$ 5,138	\$ 5,948	\$ 5,570	
County's contributions as a percentage of covered payroll	20.87%	19.95%	14.88%	14.47%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2017**  
(Amounts expressed in thousands)

PSPRS - Sheriff

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Actuarially determined contribution	\$ 4,147	\$ 3,957	\$ 3,086	\$ 2,899	
County's contributions in relation to the actuarially determined contribution	3,792	3,333	3,086	2,899	
County's contribution deficiency (excess)	\$ 355	\$ 624	\$ -	\$ -	
County's covered payroll	\$ 13,045	\$ 12,245	\$ 13,423	\$ 12,940	
County's contributions as a percentage of covered payroll	29.07%	27.22%	22.99%	22.40%	

CORP - Detention

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Actuarially determined contribution	\$ 824	\$ 878	\$ 1,029	\$ 1,217	
County's contributions in relation to the actuarially determined contribution	783	805	1,029	1,217	
County's contribution deficiency(excess)	\$ 41	\$ 73	\$ -	\$ -	
County's covered payroll	\$ 7,550	\$ 7,506	\$ 11,308	\$ 12,606	
County's contributions as a percentage of covered payroll	10.37%	10.72%	9.10%	9.65%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of County Pension Contributions**  
**June 30, 2017**  
**(Concluded)**  
(Amounts expressed in thousands)

CORP - Dispatchers

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Actuarially determined contribution	\$ 71	\$ 62	\$ 66	\$ 68	
County's contributions in relation to the actuarially determined contribution	63	53	66	68	
County's contribution deficiency (excess)	\$ 8	\$ 9	\$ -	\$ -	
County's covered payroll	\$ 428	\$ 379	\$ 580	\$ 648	
County's contributions as a percentage of covered payroll	14.72%	12.37%	11.38%	10.50%	

EORP

	Reporting fiscal year				2013 through 2008 Information not available
	2017	2016	2015	2014	
Statutorily required contribution	\$ 641	\$ 529	\$ 640	\$ 699	
County's contributions in relation to the statutorily required contribution	641	529	640	699	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 2,730	\$ 2,251	\$ 2,723	\$ 3,018	
County's contributions as a percentage of covered payroll	23.48%	23.50%	23.50%	23.16%	

**PINAL COUNTY**  
**Required Supplementary Information**  
**Notes to Pension Plan Schedules**  
**June 30, 2017**

(Amounts expressed in thousands)

**Note 1 – Actuarially Determined Contribution Rates**

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

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period As of the 2015 actuarial valuation	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8% to 7.85%
Projected salary increases	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 2014 actuarial valuation, wage growth was decreased from 4.50% 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	RP-2000 mortality table (adjusted by 105% for both males and females)

**Note 2 – Factors that affect trends**

In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the PSPRS, CORP, and CORP-AOC changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes are included in the PSPRS' and CORP's changes in total pension liability for fiscal year 2015 (measurement date 2014) in the schedule of changes in the County's net pension liability and related ratios. These changes also increased the PSPRS, CORP, and CORP-AOC's required contributions beginning in fiscal year 2016 in the schedule of county pension contributions. PSPRS and CORP allowed the County to phase-in the increased contributions over 3 years. As a result, the County's contributions were less than the actuarially determined contributions for 2016 and 2017.

**PINAL COUNTY**  
**Required Supplementary Information**  
**Schedule of Agent OPEB Plans' Funding Progress**  
**June 30, 2017**  
(Amounts expressed in thousands)

**Health Insurance Premium Benefit**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) - (a)/c
<b>PSPRS Sheriff</b>						
6/30/2017	\$ 2,572	\$ 2,251	\$ (321)	114.26%	\$ 11,445	-2.80%
6/30/2016	\$ 2,456	\$ 2,038	\$ (418)	120.51%	\$ 12,245	-3.41%
6/30/2015	\$ 2,340	\$ 1,903	\$ (437)	122.96%	\$ 12,438	-3.51%
<b>CORP Detention</b>						
6/30/2017	\$ 1,471	\$ 859	\$ (612)	171.25%	\$ 7,328	-8.35%
6/30/2016	\$ 1,381	\$ 929	\$ (452)	148.65%	\$ 7,506	-6.02%
6/30/2015	\$ 1,282	\$ 974	\$ (308)	131.62%	\$ 8,439	-3.65%
<b>CORP Dispatchers</b>						
6/30/2017	\$ 160	\$ 44	\$ (116)	363.64%	\$ 417	-27.82%
6/30/2016	\$ 150	\$ 57	\$ (93)	263.16%	\$ 379	-24.54%
6/30/2015	\$ 140	\$ 68	\$ (72)	205.88%	\$ 486	-14.81%

# Combining Statements and Individual Fund Schedules





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**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 31,963	\$ 6,332	\$ 38,295
Receivables (net of allowances for uncollectibles):			
Property taxes	174	-	174
Accounts	451	1	452
Due from other funds	4	-	4
Due from other governments	2,593	-	2,593
Inventories	68	-	68
Prepaid items	46	-	46
Restricted assets:			
Cash and cash equivalents	258	-	258
Total assets	<u>\$ 35,557</u>	<u>\$ 6,333</u>	<u>\$ 41,890</u>
<b>Liabilities</b>			
Accounts payable	\$ 632	\$ 55	\$ 687
Accrued payroll and employee benefits	834	-	834
Due to other funds	3	-	3
Due to other governments	97	-	97
Deposits held for others	495	2	497
Unearned revenue	412	-	412
Total liabilities	<u>2,473</u>	<u>57</u>	<u>2,530</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	121	-	121
Unavailable revenue - intergovernmental	778	-	778
Total deferred inflows of resources	<u>899</u>	<u>-</u>	<u>899</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	68	-	68
Prepaid items	46	-	46
Total nonspendable	<u>114</u>	<u>-</u>	<u>114</u>
Restricted	29,815	5,794	35,609
Committed	2,150	-	2,150
Assigned	989	482	1,471
Unassigned	(883)	-	(883)
Total fund balances	<u>32,185</u>	<u>6,276</u>	<u>38,461</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,557</u>	<u>\$ 6,333</u>	<u>\$ 41,890</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Total
<b>Revenues:</b>			
Taxes	\$ 11,067	\$ -	\$ 11,067
Licenses and permits	2,389	-	2,389
Intergovernmental	20,821	-	20,821
Charges for services	5,417	-	5,417
Fines and forfeits	1,342	-	1,342
Investment earnings	64	(20)	44
Contributions	410	214	624
Rentals	248	-	248
Miscellaneous	554	-	554
Total revenues	<u>42,312</u>	<u>194</u>	<u>42,506</u>
<b>Expenditures:</b>			
Current:			
General government	591	-	591
Public safety	14,947	-	14,947
Highways and streets	4,330	-	4,330
Sanitation	421	-	421
Health	12,986	-	12,986
Welfare	4,598	-	4,598
Culture and recreation	1,564	-	1,564
Education	5,365	-	5,365
Debt service:			
Capital outlay	-	5,058	5,058
Total expenditures	<u>44,802</u>	<u>5,058</u>	<u>49,860</u>
Deficiency of revenues over expenditures	<u>(2,490)</u>	<u>(4,864)</u>	<u>(7,354)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	1,026	-	1,026
Transfers in	5,135	9,107	14,242
Transfers out	(4,448)	-	(4,448)
Total other financing sources (uses)	<u>1,713</u>	<u>9,107</u>	<u>10,820</u>
Net change in fund balances	(777)	4,243	3,466
Fund balances - July 1, 2016, as restated	32,948	2,033	34,981
Changes in nonspendable resources:			
Increase in inventories	6	-	6
Increase in prepaid items	8	-	8
Fund balances - June 30, 2017	<u>\$ 32,185</u>	<u>\$ 6,276</u>	<u>\$ 38,461</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Adult Probation	Air Quality	Animal Control
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,478	\$ 922	\$ 577
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	69	14	2
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 1,547</u>	<u>\$ 936</u>	<u>\$ 579</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 61	\$ 88	\$ 34
Accrued payroll and employee benefits	117	44	69
Due to other funds	-	-	-
Due to other governments	56	-	-
Total current liabilities	<u>234</u>	<u>132</u>	<u>103</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	346	-
Total noncurrent liabilities	<u>-</u>	<u>346</u>	<u>-</u>
Total liabilities	<u>234</u>	<u>478</u>	<u>103</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	1,560	458	476
Committed	-	-	-
Assigned	-	-	-
Unassigned	(247)	-	-
Total fund balances (deficit)	<u>1,313</u>	<u>458</u>	<u>476</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 1,547</u>	<u>\$ 936</u>	<u>\$ 579</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Attorney	Capital Projects Replacement	Clerk of Courts
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 2,228	\$ 986	\$ 1,521
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	5	-	42
Due from other funds	3	-	-
Due from other governments	188	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 2,424	\$ 986	\$ 1,563
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 4	\$ -	\$ -
Accrued payroll and employee benefits	48	-	4
Due to other funds	3	-	-
Due to other governments	2	-	-
Total current liabilities	57	-	4
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	57	-	4
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	-	-	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	2,364	-	713
Committed	3	-	846
Assigned	-	986	-
Unassigned	-	-	-
Total fund balances (deficit)	2,367	986	1,559
Total liabilities, deferred inflows of resources and, fund balances	\$ 2,424	\$ 986	\$ 1,563

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Courts	Employee Wellness	Health Services
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,267	\$ 16	\$ 119
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	61	-	-
Due from other funds	1	-	-
Due from other governments	164	-	4
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 1,493</u>	<u>\$ 16</u>	<u>\$ 123</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 17	\$ -	\$ 2
Accrued payroll and employee benefits	32	-	2
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>49</u>	<u>-</u>	<u>4</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>49</u>	<u>-</u>	<u>4</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	131	-	4
Total deferred inflows of resources	<u>131</u>	<u>-</u>	<u>4</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	1,084	16	115
Committed	229	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>1,313</u>	<u>16</u>	<u>115</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 1,493</u>	<u>\$ 16</u>	<u>\$ 123</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Justice Courts	Juvenile Probation	Local Transport Assist Grant
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,838	\$ 781	\$ -
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	137	11	-
Due from other funds	-	-	-
Due from other governments	48	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	1	-
Total assets	<u>\$ 2,023</u>	<u>\$ 793</u>	<u>\$ -</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 17	\$ 48	\$ -
Accrued payroll and employee benefits	20	70	-
Due to other funds	-	-	-
Due to other governments	-	39	-
Total current liabilities	<u>37</u>	<u>157</u>	<u>-</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>37</u>	<u>157</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	48	-	-
Total deferred inflows of resources	<u>48</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	1,179	636	-
Committed	759	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>1,938</u>	<u>636</u>	<u>-</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 2,023</u>	<u>\$ 793</u>	<u>\$ -</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Library Grants	Miscellaneous Grants	Public Defender
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 3	\$ 31	\$ 128
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	4	13
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 3	\$ 35	\$ 141
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 3	\$ 4	\$ 3
Accrued payroll and employee benefits	-	-	4
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	3	4	7
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	50	-
Total noncurrent liabilities	-	50	-
Total liabilities	3	54	7
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	-	-	-
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	-	-	134
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(19)	-
Total fund balances (deficit)	-	(19)	134
Total liabilities, deferred inflows of resources and, fund balances	\$ 3	\$ 35	\$ 141



**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Sheriff
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 4,126	\$ 896	\$ 853
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	21	25	7
Due from other funds	-	-	-
Due from other governments	-	180	527
Inventories	-	-	-
Prepaid items	-	-	6
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 4,147</u>	<u>\$ 1,101</u>	<u>\$ 1,393</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 3	\$ 3	\$ 35
Accrued payroll and employee benefits	35	23	12
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>38</u>	<u>26</u>	<u>47</u>
Noncurrent liabilities:			
Deposits held for others	451	-	-
Unearned revenue	-	-	16
Total noncurrent liabilities	<u>451</u>	<u>-</u>	<u>16</u>
Total liabilities	<u>489</u>	<u>26</u>	<u>63</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	59	85
Total deferred inflows of resources	<u>-</u>	<u>59</u>	<u>85</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	6
Total nonspendable	-	-	6
Restricted	3,658	1,016	1,432
Committed	-	-	-
Assigned	-	-	3
Unassigned	-	-	(196)
Total fund balances (deficit)	<u>3,658</u>	<u>1,016</u>	<u>1,245</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 4,147</u>	<u>\$ 1,101</u>	<u>\$ 1,393</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Treasurer	Housing Grants	Flood Control District
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 93	\$ 198	\$ 7,066
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	68
Accounts	-	24	20
Due from other funds	-	-	-
Due from other governments	-	115	-
Inventories	-	68	-
Prepaid items	-	40	-
Restricted assets:			
Cash and cash equivalents - restricted	-	257	-
Total assets	\$ 93	\$ 702	\$ 7,154
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 3	\$ 84	\$ 65
Accrued payroll and employee benefits	-	39	14
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	3	123	79
Noncurrent liabilities:			
Deposits held for others	-	44	-
Unearned revenue	-	-	-
Total noncurrent liabilities	-	44	-
Total liabilities	3	167	79
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	48
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	-	-	48
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	68	-
Prepaid items	-	40	-
Total nonspendable	-	108	-
Restricted	90	427	7,027
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	90	535	7,027
Total liabilities, deferred inflows of resources and, fund balances	\$ 93	\$ 702	\$ 7,154

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Library District	Lighting Special Districts	Miscellaneous Fees
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 759	\$ 7	\$ 685
Receivables (net of allowances for uncollectibles):			
Property taxes	45	1	-
Accounts	3	-	2
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 807</u>	<u>\$ 8</u>	<u>\$ 687</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 5	\$ -	\$ 5
Accrued payroll and employee benefits	27	-	9
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>32</u>	<u>-</u>	<u>14</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>32</u>	<u>-</u>	<u>14</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	32	1	-
Unavailable revenue - intergovernmental	-	-	-
Total deferred inflows of resources	<u>32</u>	<u>1</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	743	7	360
Committed	-	-	313
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>743</u>	<u>7</u>	<u>673</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 807</u>	<u>\$ 8</u>	<u>\$ 687</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Desert Vista Sanitation District	Public Health Services District	Queen Creek Domestic Water Improvement District
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 32	\$ 3,452	\$ 20
Receivables (net of allowances for uncollectibles):			
Property taxes	-	-	-
Accounts	-	7	-
Due from other funds	-	-	-
Due from other governments	-	1,350	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 32</u>	<u>\$ 4,809</u>	<u>\$ 20</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ -	\$ 148	\$ -
Accrued payroll and employee benefits	-	265	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Total current liabilities	<u>-</u>	<u>413</u>	<u>-</u>
Noncurrent liabilities:			
Deposits held for others	-	-	-
Unearned revenue	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>413</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - intergovernmental	-	451	-
Total deferred inflows of resources	<u>-</u>	<u>451</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	32	4,245	20
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(300)	-
Total fund balances (deficit)	<u>32</u>	<u>3,945</u>	<u>20</u>
Total liabilities, deferred inflows of resources and, fund balances	<u>\$ 32</u>	<u>\$ 4,809</u>	<u>\$ 20</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Accommodation School	Total
<b>Assets</b>		
Cash, cash equivalents and investments	\$ 1,881	\$ 31,963
Receivables (net of allowances for uncollectibles):		
Property taxes	60	174
Accounts	1	451
Due from other funds	-	4
Due from other governments	-	2,593
Inventories	-	68
Prepaid items	-	46
Restricted assets:		
Cash and cash equivalents - restricted	-	258
Total assets	\$ 1,942	\$ 35,557
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 632
Accrued payroll and employee benefits	-	834
Due to other funds	-	3
Due to other governments	-	97
Total current liabilities	-	1,566
Noncurrent liabilities:		
Deposits held for others	-	495
Unearned revenue	-	412
Total noncurrent liabilities	-	907
Total liabilities	-	2,473
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - property taxes	40	121
Unavailable revenue - intergovernmental	-	778
Total deferred inflows of resources	40	899
<b>Fund Balances</b>		
Nonspendable:		
Inventories	-	68
Prepaid items	-	46
Total nonspendable	-	114
Restricted	2,023	29,815
Committed	-	2,150
Assigned	-	989
Unassigned	(121)	(883)
Total fund balances (deficit)	1,902	32,185
Total liabilities, deferred inflows of resources and, fund balances	\$ 1,942	\$ 35,557

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Adult Probation	Air Quality	Animal Control
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 1
Licenses and permits	-	1,293	254
Intergovernmental	3,251	329	-
Charges for services	960	-	313
Fines and forfeits	-	-	20
Investment earnings	1	(3)	(2)
Contributions	-	-	46
Rentals	-	-	-
Miscellaneous	-	11	-
Total revenues	<u>4,212</u>	<u>1,630</u>	<u>632</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	4,045	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	1,375	2,169
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>4,045</u>	<u>1,375</u>	<u>2,169</u>
Excess (deficiency) of revenues over expenditures	<u>167</u>	<u>255</u>	<u>(1,537)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	63
Transfers in	-	-	1,512
Transfers out	-	(185)	(25)
Total other financing sources (uses)	<u>-</u>	<u>(185)</u>	<u>1,550</u>
Net change in fund balances	167	70	13
Fund balances (deficit) - July 1, 2016, as restated	1,146	388	463
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 1,313</u>	<u>\$ 458</u>	<u>\$ 476</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Attorney	Capital Projects Replacement	Clerk of Courts
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	1,173	-	-
Charges for services	11	-	586
Fines and forfeits	1,298	-	-
Investment earnings	6	(6)	2
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	58	-	-
Total revenues	<u>2,546</u>	<u>(6)</u>	<u>588</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	2,569	-	84
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>2,569</u>	<u>-</u>	<u>84</u>
Excess (deficiency) of revenues over expenditures	<u>(23)</u>	<u>(6)</u>	<u>504</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	135	992	-
Transfers out	(48)	-	(166)
Total other financing sources (uses)	<u>87</u>	<u>992</u>	<u>(166)</u>
Net change in fund balances	64	986	338
Fund balances (deficit) - July 1, 2016, as restated	2,303	-	1,221
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 2,367</u>	<u>\$ 986</u>	<u>\$ 1,559</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Courts	Employee Wellness	Health Services
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	471	-	97
Charges for services	580	-	-
Fines and forfeits	1	-	-
Investment earnings	1	-	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	17	21	-
Total revenues	<u>1,070</u>	<u>21</u>	<u>97</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	1,737	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	15	105
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,737</u>	<u>15</u>	<u>105</u>
Excess (deficiency) of revenues over expenditures	<u>(667)</u>	<u>6</u>	<u>(8)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	8	-	-
Transfers in	500	-	-
Transfers out	(99)	-	-
Total other financing sources (uses)	<u>409</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(258)	6	(8)
Fund balances (deficit) - July 1, 2016, as restated	1,571	10	123
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 1,313</u>	<u>\$ 16</u>	<u>\$ 115</u>



**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Justice Courts	Juvenile Probation	Local Transport Assist Grant
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	2,473	-
Charges for services	1,102	166	-
Fines and forfeits	-	-	-
Investment earnings	1	1	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	3	-
Total revenues	<u>1,103</u>	<u>2,643</u>	<u>-</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	593	2,561	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>593</u>	<u>2,561</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>510</u>	<u>82</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	2
Transfers out	(301)	(3)	-
Total other financing sources (uses)	<u>(301)</u>	<u>(3)</u>	<u>2</u>
Net change in fund balances	209	79	2
Fund balances (deficit) - July 1, 2016, as restated	1,729	557	(2)
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 1,938</u>	<u>\$ 636</u>	<u>\$ -</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Library Grants	Miscellaneous Grants	Public Defender
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	28	31	41
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings	-	-	(1)
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>28</u>	<u>31</u>	<u>40</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	28	112
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	31	-	-
Education	-	-	-
Total expenditures	<u>31</u>	<u>28</u>	<u>112</u>
Excess (deficiency) of revenues over expenditures	<u>(3)</u>	<u>3</u>	<u>(72)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	96
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>96</u>
Net change in fund balances	(3)	3	24
Fund balances (deficit) - July 1, 2016, as restated	3	(22)	110
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ 134</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Sheriff
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	568	-	-
Intergovernmental	-	883	2,440
Charges for services	238	17	136
Fines and forfeits	-	-	23
Investment earnings	14	(5)	1
Contributions	165	-	-
Rentals	-	-	-
Miscellaneous	116	37	4
Total revenues	<u>1,101</u>	<u>932</u>	<u>2,604</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	559	2,659
Highways and streets	965	-	-
Sanitation	-	420	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>965</u>	<u>979</u>	<u>2,659</u>
Excess (deficiency) of revenues over expenditures	<u>136</u>	<u>(47)</u>	<u>(55)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	242	2	711
Transfers in	350	266	75
Transfers out	(1,230)	(200)	-
Total other financing sources (uses)	<u>(638)</u>	<u>68</u>	<u>786</u>
Net change in fund balances	(502)	21	731
Fund balances (deficit) - July 1, 2016, as restated	4,160	995	508
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	6
Fund balances (deficit) - June 30, 2017	<u>\$ 3,658</u>	<u>\$ 1,016</u>	<u>\$ 1,245</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Treasurer	Housing Grants	Flood Control District
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 3,098
Licenses and permits	-	-	23
Intergovernmental	-	3,782	-
Charges for services	52	-	10
Fines and forfeits	-	-	-
Investment earnings	-	-	37
Contributions	-	-	-
Rentals	-	238	-
Miscellaneous	-	126	-
Total revenues	<u>52</u>	<u>4,146</u>	<u>3,168</u>
<b>Expenditures:</b>			
General government	51	-	-
Public safety	-	-	-
Highways and streets	-	-	3,347
Sanitation	-	-	-
Health	-	-	-
Welfare	-	4,598	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>51</u>	<u>4,598</u>	<u>3,347</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>(452)</u>	<u>(179)</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(900)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(900)</u>
Net change in fund balances	1	(452)	(1,079)
Fund balances (deficit) - July 1, 2016, as restated	89	979	8,106
Changes in nonspendable resources:			
Increase in inventories	-	6	-
Increase in prepaid	-	2	-
Fund balances (deficit) - June 30, 2017	<u>\$ 90</u>	<u>\$ 535</u>	<u>\$ 7,027</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Library District	Lighting Special Districts	Miscellaneous Fees
<b>Revenues:</b>			
Taxes	\$ 2,156	\$ 22	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	774
Fines and forfeits	-	-	-
Investment earnings	7	-	(4)
Contributions	-	-	-
Rentals	-	-	10
Miscellaneous	83	-	-
Total revenues	<u>2,246</u>	<u>22</u>	<u>780</u>
<b>Expenditures:</b>			
General government	-	-	540
Public safety	-	-	-
Highways and streets	-	18	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	1,533	-	-
Education	-	-	-
Total expenditures	<u>1,533</u>	<u>18</u>	<u>540</u>
Excess (deficiency) of revenues over expenditures	<u>713</u>	<u>4</u>	<u>240</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(781)	-	-
Total other financing sources (uses)	<u>(781)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(68)	4	240
Fund balances (deficit) - July 1, 2016, as restated	811	3	433
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 743</u>	<u>\$ 7</u>	<u>\$ 673</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Desert Vista Sanitation District	Public Health Services District	Queen Creek Domestic Water Improvement District
<b>Revenues:</b>			
Taxes	\$ 26	\$ 3,006	\$ 1
Licenses and permits	-	251	-
Intergovernmental	-	3,760	-
Charges for services	-	461	-
Fines and forfeits	-	-	-
Investment earnings	-	7	-
Contributions	-	190	-
Rentals	-	-	-
Miscellaneous	-	2	-
Total revenues	<u>26</u>	<u>7,677</u>	<u>1</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	1	-	-
Health	-	9,322	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1</u>	<u>9,322</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>25</u>	<u>(1,645)</u>	<u>1</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets	-	-	-
Transfers in	-	1,207	-
Transfers out	-	(510)	-
Total other financing sources (uses)	<u>-</u>	<u>697</u>	<u>-</u>
Net change in fund balances	25	(948)	1
Fund balances (deficit) - July 1, 2016, as restated	7	4,893	19
Changes in nonspendable resources:			
Increase in inventories	-	-	-
Increase in prepaid	-	-	-
Fund balances (deficit) - June 30, 2017	<u>\$ 32</u>	<u>\$ 3,945</u>	<u>\$ 20</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Accommodation School	Total
	<u>          </u>	<u>          </u>
<b>Revenues:</b>		
Taxes	\$ 2,757	\$ 11,067
Licenses and permits	-	2,389
Intergovernmental	2,062	20,821
Charges for services	11	5,417
Fines and forfeits	-	1,342
Investment earnings	7	64
Contributions	9	410
Rentals	-	248
Miscellaneous	76	554
	<u>4,922</u>	<u>42,312</u>
Total revenues		
<b>Expenditures:</b>		
General government	-	591
Public safety	-	14,947
Highways and streets	-	4,330
Sanitation	-	421
Health	-	12,986
Welfare	-	4,598
Culture and recreation	-	1,564
Education	5,365	5,365
	<u>5,365</u>	<u>44,802</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>(443)</u>	<u>(2,490)</u>
<b>Other financing sources (uses):</b>		
Sale of capital assets	-	1,026
Transfers in	-	5,135
Transfers out	-	(4,448)
	<u>-</u>	<u>1,713</u>
Total other financing sources (uses)		
Net change in fund balances	(443)	(777)
Fund balances (deficit) - July 1, 2016, as restated	2,345	32,948
Changes in nonspendable resources:		
Increase in inventories	-	6
Increase in prepaid	-	8
	<u>-</u>	<u>8</u>
Fund balances (deficit) - June 30, 2017	<u>\$ 1,902</u>	<u>\$ 32,185</u>

**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	<u>Capital Projects Miscellaneous</u>	<u>Public Works Gantzel Road Fund</u>	<u>Kelvin Road Bridge Construction</u>	<u>Fairgrounds Construction</u>
<b>Assets</b>				
Cash, cash equivalents and investments	\$ 407	\$ 5,351	\$ 478	\$ 96
Receivables (net of allowances for uncollectibles):				
Accounts	-	1	-	-
Total assets	<u>407</u>	<u>5,352</u>	<u>478</u>	<u>96</u>
<b>Liabilities</b>				
Accounts payable	22	-	33	-
Deposits held for others	<u>(1)</u>	<u>3</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>21</u>	<u>3</u>	<u>33</u>	<u>-</u>
<b>Fund Balances</b>				
Restricted	-	5,349	445	-
Assigned	<u>386</u>	<u>-</u>	<u>-</u>	<u>96</u>
Total fund balances (deficit)	<u>386</u>	<u>5,349</u>	<u>445</u>	<u>96</u>
Total liabilities and fund balances	<u>\$ 407</u>	<u>\$ 5,352</u>	<u>\$ 478</u>	<u>\$ 96</u>



**PINAL COUNTY**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	<b>Total</b>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 6,332
Receivables (net of allowances for uncollectibles):	
Accounts	1
Total assets	6,333
<b>Liabilities</b>	
Accounts payable	55
Deposits held for others	2
Total liabilities	57
<b>Fund Balances</b>	
Restricted	5,794
Assigned	482
Total fund balances (deficit)	6,276
Total liabilities and fund balances	\$ 6,333

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Capital Projects Miscellaneous	Public Works Gantzel Road Fund	Kelvin Road Bridge Construction	Fairgrounds Construction
<b>Revenues:</b>				
Investment earnings	\$ 2	\$ (22)	\$ -	\$ -
Contributions	-	214	-	-
Total revenues	<u>2</u>	<u>192</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Capital outlay	1,635	2,863	554	6
Total expenditures	<u>1,635</u>	<u>2,863</u>	<u>554</u>	<u>6</u>
Deficiency of revenues over expenditures	<u>(1,633)</u>	<u>(2,671)</u>	<u>(554)</u>	<u>(6)</u>
<b>Other financing sources:</b>				
Transfers in	2,359	5,973	775	-
Total other financing sources (uses)	<u>2,359</u>	<u>5,973</u>	<u>775</u>	<u>-</u>
Net change in fund balances	726	3,302	221	(6)
Fund balances (deficit) - July 1, 2016	<u>(340)</u>	<u>2,047</u>	<u>224</u>	<u>102</u>
Fund balances (deficit) - June 30, 2017	<u>\$ 386</u>	<u>\$ 5,349</u>	<u>\$ 445</u>	<u>\$ 96</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Total
<b>Revenues:</b>	
Investment earnings	\$ (20)
Contributions	214
Total revenues	194
<b>Expenditures:</b>	
Capital outlay	5,058
Total expenditures	5,058
Deficiency of revenues over expenditures	(4,864)
<b>Other financing sources:</b>	
Transfers in	9,107
Total other financing sources (uses)	9,107
Net change in fund balances	4,243
Fund balances (deficit) - July 1, 2016	2,033
Fund balances (deficit) - June 30, 2017	\$ 6,276

**PINAL COUNTY**  
**Special Revenue Funds**  
**Adult Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,966	\$ 3,278	\$ 3,251	\$ (27)
Charges for services	637	637	960	323
Investment earnings	-	-	1	1
Miscellaneous	-	-	-	-
Total revenues	<u>3,603</u>	<u>3,915</u>	<u>4,212</u>	<u>297</u>
<b>Expenditures:</b>				
Public safety	4,584	4,758	4,045	713
Total expenditures	<u>4,584</u>	<u>4,758</u>	<u>4,045</u>	<u>713</u>
Excess (deficiency) of revenues over expenditures	<u>(981)</u>	<u>(843)</u>	<u>167</u>	<u>1,010</u>
<b>Other financing sources (uses):</b>				
Transfers in	335	232	-	(232)
Transfers out	<u>(335)</u>	<u>(232)</u>	<u>-</u>	<u>232</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(981)	(843)	167	1,010
Fund balance (deficit) - July 1, 2016, as restated	<u>981</u>	<u>843</u>	<u>1,146</u>	<u>303</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313</u>	<u>\$ 1,313</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Air Quality**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 1,079	\$ 1,079	\$ 1,293	\$ 214
Intergovernmental	508	508	329	(179)
Investment earnings	-	-	(3)	(3)
Miscellaneous	-	-	11	11
Total revenues	<u>1,587</u>	<u>1,587</u>	<u>1,630</u>	<u>43</u>
<b>Expenditures:</b>				
Health	<u>2,134</u>	<u>2,134</u>	<u>1,375</u>	<u>759</u>
Total expenditures	<u>2,134</u>	<u>2,134</u>	<u>1,375</u>	<u>759</u>
Excess (deficiency) of revenues over expenditures	<u>(547)</u>	<u>(547)</u>	<u>255</u>	<u>802</u>
<b>Other financing sources (uses):</b>				
Transfers in	86	86	-	(86)
Transfers out	<u>(270)</u>	<u>(270)</u>	<u>(185)</u>	<u>85</u>
Total other financing sources (uses)	<u>(184)</u>	<u>(184)</u>	<u>(185)</u>	<u>(1)</u>
Net change in fund balances	(731)	(731)	70	801
Fund balance (deficit) - July 1, 2016, as restated	<u>731</u>	<u>731</u>	<u>388</u>	<u>(343)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 458</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Animal Control**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1	\$ 1
Licenses and permits	200	200	254	54
Charges for services	275	275	313	38
Fines and forfeits	30	30	20	(10)
Investment earnings	-	-	(2)	(2)
Contributions	10	35	46	11
Miscellaneous	20	20	-	(20)
Total revenues	<u>535</u>	<u>560</u>	<u>632</u>	<u>72</u>
<b>Expenditures:</b>				
Health	<u>2,509</u>	<u>2,534</u>	<u>2,169</u>	<u>365</u>
Total expenditures	<u>2,509</u>	<u>2,534</u>	<u>2,169</u>	<u>365</u>
Excess (deficiency) of revenues over expenditures	<u>(1,974)</u>	<u>(1,974)</u>	<u>(1,537)</u>	<u>437</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	63	63
Transfers in	1,512	1,512	1,512	-
Transfers out	<u>(25)</u>	<u>(25)</u>	<u>(25)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,487</u>	<u>1,487</u>	<u>1,550</u>	<u>63</u>
Net change in fund balances	(487)	(487)	13	500
Fund balance (deficit) - July 1, 2016, as restated	<u>487</u>	<u>487</u>	<u>463</u>	<u>(24)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476</u>	<u>\$ 476</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Attorney**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 1,150	\$ 1,426	\$ 1,173	\$ (253)
Charges for services	-	-	11	11
Fines and forfeits	375	375	1,298	923
Investment earnings	1	1	6	5
Miscellaneous	18	18	58	40
Total revenues	<u>1,544</u>	<u>1,820</u>	<u>2,546</u>	<u>726</u>
<b>Expenditures:</b>				
Public safety	2,839	3,199	2,569	630
Total expenditures	<u>2,839</u>	<u>3,199</u>	<u>2,569</u>	<u>630</u>
Excess (deficiency) of revenues over expenditures	<u>(1,295)</u>	<u>(1,379)</u>	<u>(23)</u>	<u>1,356</u>
<b>Other financing sources (uses):</b>				
Transfers in	279	368	135	(233)
Transfers out	(243)	(309)	(48)	261
Total other financing sources (uses)	<u>36</u>	<u>59</u>	<u>87</u>	<u>28</u>
Net change in fund balances	(1,259)	(1,320)	64	1,384
Fund balance (deficit) - July 1, 2016, as restated	<u>1,259</u>	<u>1,320</u>	<u>2,303</u>	<u>983</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,367</u>	<u>\$ 2,367</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Capital Projects Replacement**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		
	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Investment earnings	\$ -	\$ (6)	\$ (6)
Total revenues	-	(6)	(6)
<b>Expenditures:</b>			
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	(6)	(6)
<b>Other financing sources (uses):</b>			
Transfers in	992	992	-
Total other financing sources (uses)	992	992	-
Net change in fund balances	992	986	(6)
Fund balance (deficit) - July 1, 2016, as restated	(992)	-	992
Changes in nonspendable resources:			
Increase in inventory	-	-	-
Increase in prepaid items	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ 986</u>	<u>\$ 986</u>



**PINAL COUNTY**  
**Special Revenue Funds**  
**Clerk of Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 506	\$ 506	\$ 586	\$ 80
Investment earnings	10	10	2	(8)
Total revenues	<u>516</u>	<u>516</u>	<u>588</u>	<u>72</u>
<b>Expenditures:</b>				
Public safety	1,832	1,832	84	1,748
Total expenditures	<u>1,832</u>	<u>1,832</u>	<u>84</u>	<u>1,748</u>
Excess (deficiency) of revenues over expenditures	<u>(1,316)</u>	<u>(1,316)</u>	<u>504</u>	<u>1,820</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(164)</u>	<u>(164)</u>	<u>(166)</u>	<u>(2)</u>
Total other financing sources (uses)	<u>(164)</u>	<u>(164)</u>	<u>(166)</u>	<u>(2)</u>
Net change in fund balances	(1,480)	(1,480)	338	1,818
Fund balance (deficit) - July 1, 2016, as restated	<u>1,480</u>	<u>1,480</u>	<u>1,221</u>	<u>(259)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,559</u>	<u>\$ 1,559</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 509	\$ 570	\$ 471	\$ (99)
Charges for services	528	528	580	52
Fines and forfeits	1	1	1	-
Investment earnings	6	6	1	(5)
Miscellaneous	14	14	17	3
Total revenues	<u>1,058</u>	<u>1,119</u>	<u>1,070</u>	<u>(49)</u>
<b>Expenditures:</b>				
Public safety	2,371	2,432	1,737	695
Total expenditures	<u>2,371</u>	<u>2,432</u>	<u>1,737</u>	<u>695</u>
Excess (deficiency) of revenues over expenditures	<u>(1,313)</u>	<u>(1,313)</u>	<u>(667)</u>	<u>646</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	8	8
Transfers in	470	470	500	30
Transfers out	(17)	(17)	(99)	(82)
Total other financing sources (uses)	<u>453</u>	<u>453</u>	<u>409</u>	<u>(44)</u>
Net change in fund balances	(860)	(860)	(258)	602
Fund balance (deficit) - July 1, 2016, as restated	<u>860</u>	<u>860</u>	<u>1,571</u>	<u>711</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,313</u>	<u>\$ 1,313</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Employee Wellness**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	15	15	21	6
Total revenues	<u>15</u>	<u>15</u>	<u>21</u>	<u>6</u>
<b>Expenditures:</b>				
Health	25	25	15	10
Total expenditures	<u>25</u>	<u>25</u>	<u>15</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>(10)</u>	<u>(10)</u>	<u>6</u>	<u>16</u>
Net change in fund balances	(10)	(10)	6	16
Fund balance (deficit) - July 1, 2016, as restated	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Health Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 97	\$ 97	\$ 97	\$ -
Investment earnings	1	1	-	(1)
Total revenues	<u>98</u>	<u>98</u>	<u>97</u>	<u>(1)</u>
<b>Expenditures:</b>				
Health	<u>153</u>	<u>153</u>	<u>105</u>	<u>48</u>
Total expenditures	<u>153</u>	<u>153</u>	<u>105</u>	<u>48</u>
Excess (deficiency) of revenues over expenditures	<u>(55)</u>	<u>(55)</u>	<u>(8)</u>	<u>47</u>
Net change in fund balances	(55)	(55)	(8)	47
Fund balance (deficit) - July 1, 2016, as restated	<u>55</u>	<u>55</u>	<u>123</u>	<u>68</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 115</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Justice Courts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 1,008	\$ 1,008	\$ 1,102	\$ 94
Fines and forfeits	-	-	-	-
Investment earnings	-	-	1	1
Total revenues	<u>1,008</u>	<u>1,008</u>	<u>1,103</u>	<u>95</u>
<b>Expenditures:</b>				
Public safety	<u>2,157</u>	<u>2,157</u>	<u>593</u>	<u>1,564</u>
Total expenditures	<u>2,157</u>	<u>2,157</u>	<u>593</u>	<u>1,564</u>
Excess (deficiency) of revenues over expenditures	<u>(1,149)</u>	<u>(1,149)</u>	<u>510</u>	<u>1,659</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(306)</u>	<u>(306)</u>	<u>(301)</u>	<u>5</u>
Total other financing sources (uses)	<u>(306)</u>	<u>(306)</u>	<u>(301)</u>	<u>5</u>
Net change in fund balances	(1,455)	(1,455)	209	1,664
Fund balance (deficit) - July 1, 2016, as restated	<u>1,455</u>	<u>1,455</u>	<u>1,729</u>	<u>274</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ 1,938</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Juvenile Probation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 2,438	\$ 2,562	\$ 2,473	\$ (89)
Charges for services	107	107	166	59
Investment earnings	-	-	1	1
Miscellaneous	-	-	3	3
Total revenues	<u>2,545</u>	<u>2,669</u>	<u>2,643</u>	<u>(26)</u>
<b>Expenditures:</b>				
Public safety	<u>2,573</u>	<u>2,726</u>	<u>2,561</u>	<u>165</u>
Total expenditures	<u>2,573</u>	<u>2,726</u>	<u>2,561</u>	<u>165</u>
Excess (deficiency) of revenues over expenditures	<u>(28)</u>	<u>(57)</u>	<u>82</u>	<u>139</u>
<b>Other financing sources (uses):</b>				
Transfers in	8	10	-	(10)
Transfers out	<u>(107)</u>	<u>(110)</u>	<u>(3)</u>	<u>107</u>
Total other financing sources (uses)	<u>(99)</u>	<u>(100)</u>	<u>(3)</u>	<u>97</u>
Net change in fund balances	(127)	(157)	79	236
Fund balance (deficit) - July 1, 2016, as restated	<u>127</u>	<u>157</u>	<u>557</u>	<u>400</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636</u>	<u>\$ 636</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Local Transport Assist Grant**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		
	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Total revenues	-	-	-
<b>Other financing sources (uses):</b>			
Transfers in	\$ 3	\$ 2	\$ (1)
Total other financing sources (uses)	3	2	(1)
Net change in fund balances	3	2	(1)
Fund balance (deficit) - July 1, 2016, as restated	(3)	(2)	1
Changes in nonspendable resources:			
Increase in inventory	-	-	-
Increase in prepaid items	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Library Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 28	\$ 28	\$ 28	\$ -
Total revenues	<u>28</u>	<u>28</u>	<u>28</u>	<u>-</u>
<b>Expenditures:</b>				
Culture and recreation	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
Total expenditures	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Fund balance (deficit) - July 1, 2016, as restated	<u>3</u>	<u>3</u>	<u>3</u>	<u>-</u>
Changes in nonspendable resources:				
Increase in inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**PINAL COUNTY**  
**Special Revenue Funds**  
**Miscellaneous Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 50	\$ 50	\$ 31	\$ (19)
Investment earnings	-	-	-	-
Total revenues	<u>50</u>	<u>50</u>	<u>31</u>	<u>(19)</u>
<b>Expenditures:</b>				
General government	59	59	-	59
Public safety	<u>43</u>	<u>43</u>	<u>28</u>	<u>15</u>
Total expenditures	<u>102</u>	<u>102</u>	<u>28</u>	<u>74</u>
Excess (deficiency) of revenues over expenditures	<u>(52)</u>	<u>(52)</u>	<u>3</u>	<u>55</u>
Net change in fund balances	(52)	(52)	3	55
Fund balance (deficit) - July 1, 2016, as restated	<u>52</u>	<u>52</u>	<u>(22)</u>	<u>(74)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ (19)</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Defender**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 35	\$ 35	\$ 41	\$ 6
Investment earnings	2	2	(1)	(3)
Total revenues	<u>37</u>	<u>37</u>	<u>40</u>	<u>3</u>
<b>Expenditures:</b>				
Public safety	<u>233</u>	<u>233</u>	<u>112</u>	<u>121</u>
Total expenditures	<u>233</u>	<u>233</u>	<u>112</u>	<u>121</u>
Excess (deficiency) of revenues over expenditures	<u>(196)</u>	<u>(196)</u>	<u>(72)</u>	<u>124</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>108</u>	<u>108</u>	<u>96</u>	<u>(12)</u>
Total other financing sources (uses)	<u>108</u>	<u>108</u>	<u>96</u>	<u>(12)</u>
Net change in fund balances	(88)	(88)	24	112
Fund balance (deficit) - July 1, 2016, as restated	<u>88</u>	<u>88</u>	<u>110</u>	<u>22</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134</u>	<u>\$ 134</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Works Roadways**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 385	\$ 385	\$ 568	\$ 183
Intergovernmental	-	-	-	-
Charges for services	347	347	238	(109)
Investment earnings	32	32	14	(18)
Contributions	550	550	165	(385)
Miscellaneous	-	-	116	116
Total revenues	<u>1,314</u>	<u>1,314</u>	<u>1,101</u>	<u>(213)</u>
<b>Expenditures:</b>				
Highways and streets	<u>4,429</u>	<u>4,429</u>	<u>965</u>	<u>3,464</u>
Total expenditures	<u>4,429</u>	<u>4,429</u>	<u>965</u>	<u>3,464</u>
Excess (deficiency) of revenues over expenditures	<u>(3,115)</u>	<u>(3,115)</u>	<u>136</u>	<u>3,251</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	242	242
Transfers in	500	500	350	(150)
Transfers out	<u>(1,250)</u>	<u>(1,250)</u>	<u>(1,230)</u>	<u>20</u>
Total other financing sources (uses)	<u>(750)</u>	<u>(750)</u>	<u>(638)</u>	<u>112</u>
Net change in fund balances	(3,865)	(3,865)	(502)	3,363
Fund balance (deficit) - July 1, 2016, as restated	<u>3,865</u>	<u>3,865</u>	<u>4,160</u>	<u>295</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,658</u>	<u>\$ 3,658</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Works Services**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 800	\$ 800	\$ 883	\$ 83
Charges for services	35	35	17	(18)
Investment earnings	3	3	(5)	(8)
Miscellaneous	-	-	37	37
Total revenues	<u>838</u>	<u>838</u>	<u>932</u>	<u>94</u>
<b>Expenditures:</b>				
Public safety	685	685	559	126
Sanitation	1,206	1,206	420	786
Total expenditures	<u>1,891</u>	<u>1,891</u>	<u>979</u>	<u>912</u>
Excess (deficiency) of revenues over expenditures	<u>(1,053)</u>	<u>(1,053)</u>	<u>(47)</u>	<u>1,006</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	2	2
Transfers in	270	270	266	(4)
Transfers out	(200)	(200)	(200)	-
Total other financing sources (uses)	<u>70</u>	<u>70</u>	<u>68</u>	<u>(2)</u>
Net change in fund balances	(983)	(983)	21	1,004
Fund balance (deficit) - July 1, 2016, as restated	<u>983</u>	<u>983</u>	<u>995</u>	<u>12</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016</u>	<u>\$ 1,016</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Sheriff**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 5,950	\$ 7,324	\$ 2,440	\$ (4,884)
Charges for services	132	132	136	4
Fines and forfeits	30	30	23	(7)
Investment earnings	1	1	1	-
Miscellaneous	77	77	4	(73)
Total revenues	<u>6,190</u>	<u>7,564</u>	<u>2,604</u>	<u>(4,960)</u>
<b>Expenditures:</b>				
Public safety	6,502	6,502	2,659	3,843
Total expenditures	<u>6,502</u>	<u>6,502</u>	<u>2,659</u>	<u>3,843</u>
Excess (deficiency) of revenues over expenditures	<u>(312)</u>	<u>1,062</u>	<u>(55)</u>	<u>(1,117)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	50	50	711	661
Transfers in	38	82	75	(7)
Total other financing sources (uses)	<u>88</u>	<u>132</u>	<u>786</u>	<u>654</u>
Net change in fund balances	(224)	1,194	731	(463)
Fund balance (deficit) - July 1, 2016, as restated	<u>224</u>	<u>(1,194)</u>	<u>508</u>	<u>1,702</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	6	6
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,245</u>	<u>\$ 1,245</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Treasurer**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services	\$ 45	\$ 45	\$ 52	\$ 7
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>45</u>	<u>45</u>	<u>52</u>	<u>7</u>
<b>Expenditures:</b>				
General government	<u>95</u>	<u>95</u>	<u>51</u>	<u>44</u>
Total expenditures	<u>95</u>	<u>95</u>	<u>51</u>	<u>44</u>
Excess (deficiency) of revenues over expenditures	<u>(50)</u>	<u>(50)</u>	<u>1</u>	<u>51</u>
Net change in fund balances	(50)	(50)	1	51
Fund balance (deficit) - July 1, 2016, as restated	<u>50</u>	<u>50</u>	<u>89</u>	<u>39</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 90</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Housing Grants**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 4,230	\$ 4,369	\$ 3,782	\$ (587)
Rentals	-	-	238	238
Miscellaneous	747	747	126	(621)
Total revenues	<u>4,977</u>	<u>5,116</u>	<u>4,146</u>	<u>(970)</u>
<b>Expenditures:</b>				
Welfare	4,988	4,988	4,598	390
Total expenditures	<u>4,988</u>	<u>4,988</u>	<u>4,598</u>	<u>390</u>
Excess (deficiency) of revenues over expenditures	<u>(11)</u>	<u>128</u>	<u>(452)</u>	<u>(580)</u>
Net change in fund balances	(11)	128	(452)	(580)
Fund balance (deficit) - July 1, 2016, as restated	<u>11</u>	<u>(128)</u>	<u>979</u>	<u>1,107</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	6	6
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ 535</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Flood Control District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 3,174	\$ 3,174	\$ 3,098	\$ (76)
Licenses and permits	15	15	23	8
Charges for services	38	38	10	(28)
Investment earnings	40	40	37	(3)
Rentals	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,267</u>	<u>3,267</u>	<u>3,168</u>	<u>(99)</u>
<b>Expenditures:</b>				
Highways and streets	<u>6,380</u>	<u>6,380</u>	<u>3,347</u>	<u>3,033</u>
Total expenditures	<u>6,380</u>	<u>6,380</u>	<u>3,347</u>	<u>3,033</u>
Excess (deficiency) of revenues over expenditures	<u>(3,113)</u>	<u>(3,113)</u>	<u>(179)</u>	<u>2,934</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(4,665)</u>	<u>(4,665)</u>	<u>(900)</u>	<u>3,765</u>
Total other financing sources (uses)	<u>(4,665)</u>	<u>(4,665)</u>	<u>(900)</u>	<u>3,765</u>
Net change in fund balances	<u>(7,778)</u>	<u>(7,778)</u>	<u>(1,079)</u>	<u>6,699</u>
Fund balance (deficit) - July 1, 2016, as restated	<u>7,778</u>	<u>7,778</u>	<u>8,106</u>	<u>328</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,027</u>	<u>\$ 7,027</u>



**PINAL COUNTY**  
**Special Revenue Funds**  
**Library District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,058	\$ 2,058	\$ 2,156	\$ 98
Investment earnings	4	4	7	3
Miscellaneous	82	82	83	1
Total revenues	<u>2,144</u>	<u>2,144</u>	<u>2,246</u>	<u>102</u>
<b>Expenditures:</b>				
Culture and recreation	1,648	2,138	1,533	605
Total expenditures	<u>1,648</u>	<u>2,138</u>	<u>1,533</u>	<u>605</u>
Excess (deficiency) of revenues over expenditures	<u>496</u>	<u>6</u>	<u>713</u>	<u>707</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(792)</u>	<u>(792)</u>	<u>(781)</u>	<u>11</u>
Total other financing sources (uses)	<u>(792)</u>	<u>(792)</u>	<u>(781)</u>	<u>11</u>
Net change in fund balances	(296)	(786)	(68)	718
Fund balance (deficit) - July 1, 2016, as restated	<u>296</u>	<u>786</u>	<u>811</u>	<u>25</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743</u>	<u>\$ 743</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Lighting Special Districts**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 21	\$ 21	\$ 22	\$ 1
Investment earnings	-	-	-	-
Total revenues	<u>21</u>	<u>21</u>	<u>22</u>	<u>1</u>
<b>Expenditures:</b>				
Highways and streets	<u>25</u>	<u>25</u>	<u>18</u>	<u>7</u>
Total expenditures	<u>25</u>	<u>25</u>	<u>18</u>	<u>7</u>
Excess (deficiency) of revenues over expenditures	<u>(4)</u>	<u>(4)</u>	<u>4</u>	<u>8</u>
Net change in fund balances	(4)	(4)	4	8
Fund balance (deficit) - July 1, 2016, as restated	<u>4</u>	<u>4</u>	<u>3</u>	<u>(1)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Miscellaneous Fees**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 20	\$ 20	\$ -	\$ (20)
Charges for services	674	674	774	100
Investment earnings	-	-	(4)	(4)
Rentals	20	20	10	(10)
Miscellaneous	-	-	-	-
Total revenues	<u>714</u>	<u>714</u>	<u>780</u>	<u>66</u>
<b>Expenditures:</b>				
General government	1,204	1,204	540	664
Total expenditures	<u>1,204</u>	<u>1,204</u>	<u>540</u>	<u>664</u>
Excess (deficiency) of revenues over expenditures	<u>(490)</u>	<u>(490)</u>	<u>240</u>	<u>730</u>
Net change in fund balances	(490)	(490)	240	730
Fund balance (deficit) - July 1, 2016, as restated	<u>490</u>	<u>490</u>	<u>433</u>	<u>(57)</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 673</u>	<u>\$ 673</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Desert Vista Sanitation District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 27	\$ 27	\$ 26	\$ (1)
Investment earnings	-	-	-	-
Total revenues	<u>27</u>	<u>27</u>	<u>26</u>	<u>(1)</u>
<b>Expenditures:</b>				
Sanitation	<u>34</u>	<u>34</u>	<u>1</u>	<u>33</u>
Total expenditures	<u>34</u>	<u>34</u>	<u>1</u>	<u>33</u>
Excess (deficiency) of revenues over expenditures	<u>(7)</u>	<u>(7)</u>	<u>25</u>	<u>32</u>
Net change in fund balances	(7)	(7)	25	32
Fund balance (deficit) - July 1, 2016, as restated	<u>7</u>	<u>7</u>	<u>7</u>	<u>-</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ 32</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Public Health Services District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2,840	\$ 2,840	\$ 3,006	\$ 166
Licenses and permits	243	243	251	8
Intergovernmental	3,672	3,672	3,760	88
Charges for services	437	437	461	24
Investment earnings	15	15	7	(8)
Contributions	141	141	190	49
Miscellaneous	-	-	2	2
Total revenues	<u>7,348</u>	<u>7,348</u>	<u>7,677</u>	<u>329</u>
<b>Expenditures:</b>				
Health	<u>11,599</u>	<u>11,597</u>	<u>9,322</u>	<u>2,275</u>
Total expenditures	<u>11,599</u>	<u>11,597</u>	<u>9,322</u>	<u>2,275</u>
Excess (deficiency) of revenues over expenditures	<u>(4,251)</u>	<u>(4,249)</u>	<u>(1,645)</u>	<u>2,604</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,377	1,377	1,207	(170)
Transfers out	<u>(678)</u>	<u>(681)</u>	<u>(510)</u>	<u>171</u>
Total other financing sources (uses)	<u>699</u>	<u>696</u>	<u>697</u>	<u>1</u>
Net change in fund balances	(3,552)	(3,553)	(948)	2,605
Fund balance (deficit) - July 1, 2016, as restated	<u>3,552</u>	<u>3,553</u>	<u>4,893</u>	<u>1,340</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,945</u>	<u>\$ 3,945</u>

**PINAL COUNTY**  
**Special Revenue Funds**  
**Queen Creek Domestic Water Improvement District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 2	\$ 2	\$ 1	\$ (1)
Investment earnings	-	-	-	-
Total revenues	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>
<b>Expenditures:</b>				
General government	<u>20</u>	<u>20</u>	-	<u>20</u>
Total expenditures	<u>20</u>	<u>20</u>	-	<u>20</u>
Excess (deficiency) of revenues over expenditures	<u>(18)</u>	<u>(18)</u>	<u>1</u>	<u>19</u>
Net change in fund balances	(18)	(18)	1	19
Fund balance (deficit) - July 1, 2016, as restated	<u>18</u>	<u>18</u>	<u>19</u>	<u>1</u>
Changes in nonspendable resources:				
Increase in inventory	-	-	-	-
Increase in prepaid items	-	-	-	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>

**PINAL COUNTY**  
**Capital Projects**  
**Capital Projects Miscellaneous**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
<b>Expenditures:</b>				
Capital outlay	1,485	2,505	1,635	870
Total expenditures	1,485	2,505	1,635	870
Deficiency of revenues over expenditures	(1,485)	(2,505)	(1,633)	872
<b>Other financing sources:</b>				
Sale of capital assets	20	20	-	(20)
Transfers in	2,359	2,359	2,359	-
Total other financing sources	2,379	2,379	2,359	(20)
Net change in fund balance	894	(126)	726	852
Fund balance (deficit) - July 1, 2016	(894)	126	(340)	(466)
Fund balance (deficit) - June 30, 2017	\$ -	\$ -	\$ 386	\$ 386

**PINAL COUNTY**  
**Capital Projects**  
**Public Works Gantzel Road Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 15	\$ 15	\$ (22)	\$ (37)
Contributions	5	5	214	209
Total revenues	<u>20</u>	<u>20</u>	<u>192</u>	<u>172</u>
<b>Expenditures:</b>				
Capital outlay	6,511	6,511	2,863	3,648
Total expenditures	<u>6,511</u>	<u>6,511</u>	<u>2,863</u>	<u>3,648</u>
Deficiency of revenues over expenditures	<u>(6,491)</u>	<u>(6,491)</u>	<u>(2,671)</u>	<u>3,820</u>
<b>Other financing sources:</b>				
Transfers in	5,973	5,973	5,973	-
Total other financing sources	<u>5,973</u>	<u>5,973</u>	<u>5,973</u>	<u>-</u>
Net change in fund balance	(518)	(518)	3,302	3,820
Fund balance (deficit) - July 1, 2016	<u>518</u>	<u>518</u>	<u>2,047</u>	<u>1,529</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,349</u>	<u>\$ 5,349</u>



**PINAL COUNTY**  
**Capital Projects**  
**Kelvin Road Bridge Construction**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 23	\$ 23	\$ -	\$ (23)
Total revenues	<u>23</u>	<u>23</u>	<u>-</u>	<u>(23)</u>
<b>Expenditures:</b>				
Capital outlay	5,658	5,658	554	5,104
Total expenditures	<u>5,658</u>	<u>5,658</u>	<u>554</u>	<u>5,104</u>
Deficiency of revenues over expenditures	<u>(5,635)</u>	<u>(5,635)</u>	<u>(554)</u>	<u>5,081</u>
<b>Other financing sources:</b>				
Transfers in	-	775	775	-
Total other financing sources	<u>-</u>	<u>775</u>	<u>775</u>	<u>-</u>
Net change in fund balance	(5,635)	(4,860)	221	5,081
Fund balance (deficit) - July 1, 2016	<u>5,635</u>	<u>4,860</u>	<u>224</u>	<u>(4,636)</u>
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445</u>	<u>\$ 445</u>

**PINAL COUNTY**  
**Capital Projects**  
**Fairgrounds Construction**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Capital outlay	102	102	6	96
Total expenditures	102	102	6	96
Deficiency of revenues over expenditures	(102)	(102)	(6)	96
Net change in fund balance	(102)	(102)	(6)	96
Fund balance (deficit) - July 1, 2016	102	102	102	-
Fund balance (deficit) - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 96</u>

**PINAL COUNTY**  
**Bond Funded Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 30	\$ 30
Miscellaneous	-	-	2	2
Total revenues	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
<b>Expenditures:</b>				
General government	9,917	9,917	19	9,898
Highways and streets	21,555	37,058	3,830	33,228
Capital outlay	-	-	14,086	(14,086)
Total expenditures	<u>31,472</u>	<u>46,975</u>	<u>17,935</u>	<u>29,040</u>
Deficiency of revenues over expenditures	<u>(31,472)</u>	<u>(46,975)</u>	<u>(17,903)</u>	<u>29,072</u>
Net change in fund balances	<u>(31,472)</u>	<u>(46,975)</u>	<u>(17,903)</u>	<u>29,072</u>
Fund balance, beginning	<u>31,472</u>	<u>46,975</u>	<u>44,515</u>	<u>(2,460)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,612</u>	<u>\$ 26,612</u>

**PINAL COUNTY**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>				
Miscellaneous	\$ -	\$ -	\$ 377	\$ 377
Total revenues	<u>-</u>	<u>-</u>	<u>377</u>	<u>377</u>
<b>Expenditures:</b>				
Debt Service				
General government	8	8	12	(4)
Principal retirement	8,020	8,020	8,020	-
Interest	7,189	7,189	7,189	-
Total expenditures	<u>15,217</u>	<u>15,217</u>	<u>15,221</u>	<u>(4)</u>
Deficiency of revenues over expenditures	<u>(15,217)</u>	<u>(15,217)</u>	<u>(14,844)</u>	<u>373</u>
<b>Other financing sources:</b>				
Transfers in	<u>14,871</u>	<u>14,871</u>	<u>14,863</u>	<u>(8)</u>
Total other financing sources	<u>14,871</u>	<u>14,871</u>	<u>14,863</u>	<u>(8)</u>
Net change in fund balances	(346)	(346)	19	365
Fund balance, beginning	<u>346</u>	<u>346</u>	<u>1,062</u>	<u>716</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,081</u>	<u>\$ 1,081</u>

**PINAL COUNTY**  
**Combining Statement of Net Position**  
**Nonmajor Internal Service Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ -	\$ -	\$ 157	\$ 157
Total current assets	<u>-</u>	<u>-</u>	<u>157</u>	<u>157</u>
Total assets	<u>-</u>	<u>-</u>	<u>157</u>	<u>157</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
Total deferred outflows of resources	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	8	-	53	61
Accrued payroll and employee benefits	6	-	-	6
Due to other funds	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>
Total current liabilities	<u>70</u>	<u>-</u>	<u>53</u>	<u>123</u>
Noncurrent liabilities:				
Net pension liability	<u>157</u>	<u>-</u>	<u>-</u>	<u>157</u>
Total noncurrent liabilities	<u>157</u>	<u>-</u>	<u>-</u>	<u>157</u>
Total liabilities	<u>227</u>	<u>-</u>	<u>53</u>	<u>280</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>
Total deferred inflows of resources	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>
<b>NET POSITION</b>				
Unrestricted (deficit)	<u>(220)</u>	<u>-</u>	<u>104</u>	<u>(116)</u>
Total net position	<u>\$ (220)</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ (116)</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Operating revenues:</b>				
Charges for services	\$ -	\$ -	\$ 18,609	\$ 18,609
Miscellaneous	23	-	3	26
Total operating revenues	23	-	18,612	18,635
<b>Operating expenses:</b>				
Personal services	124	-	-	124
Supplies	133	-	-	133
Repairs and maintenance	20	-	-	20
Medical claims and services	-	-	18,588	18,588
Miscellaneous	3	-	5	8
Total operating expenses	280	-	18,593	18,873
Operating income (loss)	(257)	-	19	(238)
<b>Nonoperating revenues:</b>				
(Loss) gain on investments	-	20	22	42
Total nonoperating revenues	-	20	22	42
Net position (deficit) before transfers	(257)	20	41	(196)
Transfers in	203	-	-	203
Transfers out	-	(2,822)	-	(2,822)
Changes in net position	(54)	(2,802)	41	(2,815)
Net position (deficit) - July 1, 2016	(166)	2,802	63	2,699
Net position (deficit) - June 30, 2017	\$ (220)	\$ -	\$ 104	\$ (116)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
<b>Cash flows from operating activities:</b>				
Other receipts from operations	\$ 23	\$ -	\$ -	\$ 23
Receipts from employee contributions	-	-	18,613	18,613
Payments to suppliers and providers of goods and services	(126)	-	-	(126)
Payments for employee wages and benefits	(161)	-	-	(161)
Payments for claims	-	-	(18,581)	(18,581)
Net cash provided by (used for) operating activities	<u>(264)</u>	<u>-</u>	<u>32</u>	<u>(232)</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from other funds	259	-	-	259
Cash paid to other funds	-	(2,822)	-	(2,822)
Net cash provided by (used for) noncapital financing activities	<u>259</u>	<u>(2,822)</u>	<u>-</u>	<u>(2,563)</u>
<b>Cash flows from investing activities:</b>				
Interest received on investments	-	20	22	42
Net cash provided by investing activities	<u>-</u>	<u>20</u>	<u>22</u>	<u>42</u>
Net increase (decrease) in cash and cash equivalents	(5)	(2,802)	54	(2,753)
Cash and cash equivalents - beginning	5	2,802	103	2,910
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 157</u>

(Continued)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Internal Service Funds**  
**Year Ended June 30, 2017**

(Concluded)  
(Amounts expressed in thousands)

	Public Works Fleet Management	Pinal County Employee Benefit Trust	Pinal County Employee Benefits	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (257)	\$ -	\$ 19	\$ (238)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Net pension liability	3	-	-	3
Deferred outflows related to pensions	(13)	-	-	(13)
Deferred inflows related to pensions	6	-	-	6
Accounts receivable	-	-	1	1
Accounts payable	(5)	-	12	7
Accrued payroll and employee benefits	2	-	-	2
Total adjustments and changes	(7)	-	13	6
Net cash provided by (used for) operating activities	\$ (264)	\$ -	\$ 32	\$ (232)



**PINAL COUNTY**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2017**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 292	\$ 518	\$ 810
Receivables (net of allowances for uncollectibles):			
Accounts	19	-	19
Notes receivable	-	307	307
Due from other governments	-	35	35
Total current assets	<u>311</u>	<u>860</u>	<u>1,171</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	-	163	163
Machinery and equipment	751	407	1,158
Infrastructure	-	4,540	4,540
Less accumulated depreciation	<u>(635)</u>	<u>(2,180)</u>	<u>(2,815)</u>
Total noncurrent assets	<u>116</u>	<u>2,930</u>	<u>3,046</u>
Total assets	<u>427</u>	<u>3,790</u>	<u>4,217</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	<u>20</u>	<u>47</u>	<u>67</u>
Total deferred outflows of resources	<u>20</u>	<u>47</u>	<u>67</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	4	6	10
Accrued payroll and employee benefits	4	7	11
Unearned revenue	-	37	37
Compensated absences	3	17	20
Total current liabilities	<u>11</u>	<u>67</u>	<u>78</u>
Noncurrent liabilities:			
Net pension liability	109	258	367
Compensated absences	2	12	14
Total noncurrent liabilities	<u>111</u>	<u>270</u>	<u>381</u>
Total liabilities	<u>122</u>	<u>337</u>	<u>459</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	<u>15</u>	<u>36</u>	<u>51</u>
Total deferred inflows of resources	<u>15</u>	<u>36</u>	<u>51</u>
<b>Net Position</b>			
Investment in capital assets	116	2,930	3,046
Unrestricted (deficit)	194	534	728
Total net position	<u>\$ 310</u>	<u>\$ 3,464</u>	<u>\$ 3,774</u>

**PINAL COUNTY**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Operating revenues:</b>			
Rentals	\$ -	\$ 507	\$ 507
Miscellaneous	553	40	593
Total operating revenues	<u>553</u>	<u>547</u>	<u>1,100</u>
<b>Operating expenses:</b>			
Personal services	86	235	321
Supplies	20	39	59
Depreciation	41	153	194
Repairs and maintenance	-	96	96
Professional services	40	278	318
Public utility service	-	12	12
Miscellaneous	4	17	21
Total operating expenditures	<u>191</u>	<u>830</u>	<u>1,021</u>
Operating income (loss)	<u>362</u>	<u>(283)</u>	<u>79</u>
<b>Nonoperating revenues:</b>			
Intergovernmental	-	47	47
(Loss) gain on investments	(1)	(2)	(3)
(Loss) gain on sale of capital assets	-	(5)	(5)
Total nonoperating revenues	<u>(1)</u>	<u>40</u>	<u>39</u>
Net position (deficit) before transfers	361	(243)	118
Transfers in	-	24	24
Changes in net position	361	(219)	142
Net position (deficit) - July 1, 2016, as restated	(51)	3,683	3,632
Net position (deficit) - June 30, 2017	<u>\$ 310</u>	<u>\$ 3,464</u>	<u>\$ 3,774</u>

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
<b>Cash flows from operating activities:</b>			
Other receipts from operations	\$ 534	\$ 611	\$ 1,145
Payments to suppliers and providers of goods and services	(196)	(468)	(664)
Payments for employee wages and benefits	(64)	(210)	(274)
Net cash provided by (used for) operating activities	274	(67)	207
<b>Cash flows from noncapital financing activities:</b>			
Receipts from federal and local agencies	-	108	108
Transfers from other funds	-	24	24
Net cash provided by noncapital financing activities	-	132	132
<b>Cash flows from investing activities:</b>			
Interest received on investments	(1)	(2)	(3)
Net cash provided by investing activities	(1)	(2)	(3)
Net increase in cash and cash equivalents	273	63	336
Cash and cash equivalents - beginning	19	455	474
Cash and cash equivalents - ending	<u>\$ 292</u>	<u>\$ 518</u>	<u>\$ 810</u>

(Continued)

**PINAL COUNTY**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**Year Ended June 30, 2017**

(Concluded)  
(Amounts expressed in thousands)

	Sheriff Inmate Services	Airport Economic Development	Total
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 362	\$ (283)	\$ 79
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	41	153	194
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Net pension liability	(59)	29	(30)
Deferred outflows of resources related to pensions	20	(23)	(3)
Deferred inflows of resources related to pensions	(44)	12	(32)
Accounts receivable	(19)	41	22
Notes receivable	-	23	23
Accounts payable	-	(26)	(26)
Accrued payroll and employee benefits	-	(7)	(7)
Accrued compensated absences	(27)	14	(13)
Total adjustments and changes	(88)	216	128
Net cash provided by (used for) operating activities	\$ 274	\$ (67)	\$ 207

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Position**  
**Investment Trust Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	<b>Treasurer's Pool Investment</b>	<b>Individual Investment Accounts</b>	<b>Total</b>
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 206,741	\$ 395	\$ 207,136
Interest receivable	522	-	522
Total assets	207,263	395	207,658
<b>Net Position</b>			
Held in trust for investment trust participants	207,263	395	207,658

**PINAL COUNTY**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2017**

(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 1,383	\$ 11,002	\$ 12,385
<b>Liabilities</b>			
Deposits held for others	\$ 1,383	\$ 11,002	\$ 12,385

**PINAL COUNTY**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**Year Ended June 30, 2017**  
(Amount expressed in thousands)

	<b>Treasurer's Pool Investment</b>	<b>Individual Investment Accounts</b>	<b>Total</b>
<b>Additions:</b>			
Contributions by participants	\$ 601,765	\$ -	\$ 601,765
Investment earnings	520	-	520
Total additions	<u>602,285</u>	<u>-</u>	<u>602,285</u>
<b>Deductions:</b>			
Distributions to participants	<u>546,674</u>	-	<u>546,674</u>
Total deductions	<u>546,674</u>	<u>-</u>	<u>546,674</u>
Change in net position	55,611	-	55,611
Net position - July 1, 2016	<u>151,652</u>	<u>395</u>	<u>152,047</u>
Net position - June 30, 2017	<u>\$ 207,263</u>	<u>\$ 395</u>	<u>\$ 207,658</u>

**PINAL COUNTY**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**

**Year Ended June 30, 2017**  
(Amounts expressed in thousands)

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<b>Special Purpose:</b>				
Assets				
Cash, cash equivalents and investments	\$ 473	\$ 3,008	\$ 2,098	\$ 1,383
Liabilities				
Deposits held for others	\$ 473	\$ 3,008	\$ 2,098	\$ 1,383
<b>Other Agency:</b>				
Assets				
Cash, cash equivalents and investments	\$ 6,656	\$ 67,037	\$ 62,691	\$ 11,002
Liabilities				
Deposits held for others	\$ 6,656	\$ 67,037	\$ 62,691	\$ 11,002
<b>Total - All Agency Funds</b>				
Assets				
Cash, cash equivalents and investments	\$ 7,129	\$ 70,045	\$ 64,789	\$ 12,385
Liabilities				
Deposits held for others	\$ 7,129	\$ 70,045	\$ 64,789	\$ 12,385



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# Statistical Section



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## STATISTICAL SECTION

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

### **Financial Trends** – Schedules on pages 182 through 185

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

### **Revenue Capacity** – Schedules on pages 186 through 191

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

### **Debt Capacity** – Schedules on pages 192 through 194

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

### **Demographic and Economic Information** – Schedules on pages 195 through 197

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

### **Operating Information** – Schedule on page 198 through 201

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

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**PINAL COUNTY**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(Accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011 (as restated)	2010 (as restated)	2009 (as restated)	2008
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 361,945	\$ 348,084	\$ 280,480	\$ 325,742	\$ 317,867	\$ 311,004	\$ 306,347	\$ 300,467	\$ 281,244	\$ 232,081
Restricted	97,069	87,255	96,330	92,483	90,734	94,611	91,943	101,343	105,962	106,422
Unrestricted (deficit)	(155,023)	(142,639)	(87,284)	41,547	56,415	58,237	57,200	44,931	30,402	33,673
Total governmental activities net position	<u>\$ 303,991</u>	<u>\$ 292,700</u>	<u>\$ 289,526</u>	<u>\$ 459,772</u>	<u>\$ 465,016</u>	<u>\$ 463,852</u>	<u>\$ 455,490</u>	<u>\$ 446,741</u>	<u>\$ 417,608</u>	<u>\$ 372,176</u>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 3,046	\$ 3,245	\$ 3,502	\$ 2,132	\$ 2,269	\$ 1,608	\$ 3,333	\$ 2,341	\$ 2,331	\$ 2,538
Restricted	-	-	-	155	139	450	3,426	3,745	2,846	2,836
Unrestricted (deficit)	728	387	(818)	(57)	786	2,663	5,109	4,598	6,005	2,973
Total business-type activities net position	<u>\$ 3,774</u>	<u>\$ 3,632</u>	<u>\$ 2,684</u>	<u>\$ 2,230</u>	<u>\$ 3,194</u>	<u>\$ 4,721</u>	<u>\$ 11,868</u>	<u>\$ 10,684</u>	<u>\$ 11,182</u>	<u>\$ 8,347</u>
<b>Net Position</b>										
Net investment in capital assets	\$ 364,991	\$ 351,329	\$ 283,982	\$ 327,874	\$ 320,136	\$ 312,612	\$ 309,680	\$ 302,808	\$ 283,575	\$ 234,619
Restricted	97,069	87,255	96,330	92,638	90,873	95,061	95,369	105,088	108,808	109,258
Unrestricted (deficit)	(154,295)	(142,252)	(88,102)	41,490	57,201	60,900	62,309	49,529	36,407	36,646
Total net position	<u>\$ 307,765</u>	<u>\$ 296,332</u>	<u>\$ 292,210</u>	<u>\$ 462,002</u>	<u>\$ 468,210</u>	<u>\$ 468,573</u>	<u>\$ 467,358</u>	<u>\$ 457,425</u>	<u>\$ 428,790</u>	<u>\$ 380,523</u>

**PINAL COUNTY**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (Accrual basis of accounting)  
 (Amounts expressed in thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental activities										
General government	\$ 45,590	\$ 45,406	\$ 50,653	\$ 41,218	\$ 43,152	\$ 46,024	\$ 68,581	\$ 67,143	\$ 83,213	\$ 77,216
Public safety	123,252	115,375	114,103	113,921	116,653	113,497	96,425	93,431	89,530	83,808
Highways and streets	36,327	33,461	30,896	32,877	29,183	28,937	30,614	30,514	40,651	36,697
Sanitation	397	416	303	301	324	422	444	707	693	927
Health	30,750	30,694	30,820	30,880	31,132	33,182	27,702	24,496	28,741	30,530
Welfare	9,057	8,545	5,900	7,213	8,161	6,217	6,017	5,683	5,218	5,576
Culture and recreation	1,601	1,653	1,498	1,954	1,942	2,002	2,116	1,819	2,189	1,354
Education	6,256	5,952	6,076	5,976	6,431	6,733	9,027	8,487	9,901	10,371
Interest on long-term debt	5,004	4,503	12,742	6,599	6,673	7,039	7,408	7,968	8,065	7,622
Total governmental activities expenses	<u>258,234</u>	<u>246,005</u>	<u>252,991</u>	<u>240,939</u>	<u>243,651</u>	<u>244,053</u>	<u>248,334</u>	<u>240,248</u>	<u>268,201</u>	<u>254,101</u>
Business-type activities										
Long Term Care	-	-	-	-	68	16,623	61,555	61,404	58,721	53,090
Sheriff Inmate Services	191	394	797	752	836	742	519	633	408	311
Home Health	-	-	-	-	-	1,953	6,210	5,117	5,309	4,578
Fairgrounds	-	-	-	-	-	85	479	520	643	892
Adult Day Care	-	-	-	-	-	-	-	-	-	153
Airport Economic Development (1)	835	3,086	1,098	1,346	515	417	281	-	-	-
Total business-type activities	<u>1,026</u>	<u>3,480</u>	<u>1,895</u>	<u>2,098</u>	<u>1,419</u>	<u>19,820</u>	<u>69,044</u>	<u>67,674</u>	<u>65,081</u>	<u>59,024</u>
Total primary government expenses	<u>\$ 259,260</u>	<u>\$ 249,485</u>	<u>\$ 254,886</u>	<u>\$ 243,037</u>	<u>\$ 245,070</u>	<u>\$ 263,873</u>	<u>\$ 317,378</u>	<u>\$ 307,922</u>	<u>\$ 333,282</u>	<u>\$ 313,125</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 8,023	\$ 10,960	\$ 4,730	\$ 4,583	\$ 4,510	\$ 3,749	\$ 4,963	\$ 5,211	\$ 5,844	\$ 8,898
Public Safety	11,480	16,621	14,875	23,764	25,615	25,089	26,923	22,596	22,649	21,401
Other activities	11,822	10,760	8,493	7,722	6,170	4,635	4,764	6,480	9,213	14,507
Operating grants and contributions	48,532	22,795	18,866	19,806	33,498	32,172	31,607	34,514	39,364	36,359
Capital grants and contributions	10,495	21,301	34,162	22,642	21,031	23,146	22,157	25,501	58,738	40,345
Total governmental activities program revenues	<u>90,352</u>	<u>82,437</u>	<u>81,126</u>	<u>78,517</u>	<u>90,824</u>	<u>88,791</u>	<u>90,414</u>	<u>94,302</u>	<u>135,808</u>	<u>121,510</u>

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities										
Business-type activities										
Charges for Services										
Long Term Care	-	-	-	-	-	16,089	62,678	61,588	61,971	55,389
Home Health	-	-	-	-	-	2,070	7,253	5,599	5,778	4,039
Other activities	507	644	298	93	602	240	304	307	327	499
Operating grants and contributions	47	2,227	211	386	625	122	705	60	35	91
Total business-type activities program revenues	554	2,871	509	479	1,227	18,521	70,940	67,554	68,111	60,018
Total primary government program revenues	\$ 90,906	\$ 84,914	\$ 81,635	\$ 78,996	\$ 92,051	\$ 107,312	\$ 161,354	\$ 161,856	\$ 203,919	\$ 181,528
Net (expense)/revenue										
Governmental activities	\$ (167,882)	\$ (163,568)	\$ (171,865)	\$ (162,422)	\$ (152,827)	\$ (155,262)	\$ (157,920)	\$ (145,946)	\$ (132,393)	\$ (132,591)
Business-type activities	(472)	(609)	(1,386)	(1,619)	(192)	(1,299)	1,896	(120)	3,030	994
Total primary government net expenses	\$ (168,354)	\$ (164,177)	\$ (173,251)	\$ (164,041)	\$ (153,019)	\$ (156,561)	\$ (156,024)	\$ (146,066)	\$ (129,363)	\$ (131,597)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Government Activities</b>										
Taxes:										
Property taxes	\$ 88,122	\$ 87,782	\$ 84,095	\$ 78,709	\$ 87,584	\$ 93,350	\$ 112,674	\$ 108,755	\$ 96,842	\$ 84,915
General county sales tax	14,976	14,561	14,007	13,554	12,800	12,460	12,104	12,065	14,103	17,222
Share of State sales taxes	32,823	31,633	30,565	29,450	27,586	26,700	20,921	18,812	20,496	24,012
Road improvement tax	7,820	7,550	7,107	6,877	6,530	6,341	4,798	4,481	5,220	6,308
Other taxes	27,067	23,665	24,932	24,173	15,564	15,056	14,559	14,022	15,784	15,056
Miscellaneous state assistance	-	-	550	550	-	-	-	304	431	642
Grants and contrib not restricted to specific programs	1,311	-	2,000	-	-	-	-	-	-	-
Investment earnings:										
Interest on investments	396	957	574	434	360	690	995	1,504	4,178	6,584
Miscellaneous	6,682	1,200	(588)	3,376	1,547	2,178	2,007	1,998	1,689	1,307
Reassignment of debt	-	-	-	-	-	(2,131)	-	-	-	-
Transfers	(24)	(1,000)	-	55	2,020	8,980	1,654	2,559	1,235	348
Total governmental activities	179,173	166,348	163,242	157,178	153,991	163,624	169,712	164,500	159,978	156,394
Business-type activities:										
Investment earnings:										
Interest on investments	(3)	-	-	3	7	37	137	198	358	514
Miscellaneous	593	525	473	699	678	964	1,055	858	564	561
Reassignment of debt	-	-	-	-	-	2,131	-	-	-	-
Extraordinary item: Insurance recovery	-	-	-	8	-	-	-	-	-	-
Transfers	24	1,000	-	(55)	(2,020)	(8,980)	(1,654)	(2,559)	(1,235)	(348)
Total business-type activities	614	1,525	473	655	(1,335)	(5,848)	(462)	(1,503)	(313)	727
Total primary government	\$ 179,787	\$ 167,873	\$ 163,715	\$ 157,833	\$ 152,656	\$ 157,776	\$ 169,250	\$ 162,997	\$ 159,665	\$ 157,121
<b>Change in Net Position</b>										
Governmental Activities	\$ 11,291	\$ 2,780	\$ (8,623)	\$ (5,244)	\$ 1,164	\$ 8,362	\$ 11,792	\$ 18,554	\$ 27,585	\$ 23,803
Business-type Activities	142	916	(913)	(964)	(1,527)	(7,147)	1,434	(1,623)	2,717	1,721
Total Primary Government	\$ 11,433	\$ 3,696	\$ (9,536)	\$ (6,208)	\$ (363)	\$ 1,215	\$ 13,226	\$ 16,931	\$ 30,302	\$ 25,524

(1) Airport Economic Development was reclassified with the implementation of GASB 54 in FY 2011 from governmental activities to business-type activities.

**PINAL COUNTY**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011 (as restated)	2010 (as restated)	2009 (as restated)	2008
General Fund (1)										
Reserved	-	-	-	-	-	-	-	\$ 327	\$ 445	\$ 952
Unreserved	-	-	-	-	-	-	-	43,210	36,260	41,533
Nonspendable							\$ 1,344			
Restricted	\$ -	\$ 715	\$ 715	\$ 715	\$ 715	\$ 715	715	-	-	-
Assigned	-									
Unassigned	28,444	22,438	19,271	35,791	47,326	43,014	42,309	-	-	-
Total general fund	<u>\$ 28,444</u>	<u>\$ 23,153</u>	<u>\$ 19,986</u>	<u>\$ 36,506</u>	<u>\$ 48,041</u>	<u>\$ 43,729</u>	<u>\$ 44,368</u>	<u>\$ 43,537</u>	<u>\$ 36,705</u>	<u>\$ 42,485</u>
All Other Governmental Funds (1)										
Reserved	-	-	-	-	-	-	-	\$ 207	\$ 216	\$ 455
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	84,879	80,331	80,187
Capital projects funds	-	-	-	-	-	-	-	14,618	18,085	9,973
Debt service funds	-	-	-	-	-	-	-	5,016	5,190	5,151
Nonspendable	\$ 114	\$ 100	\$ 84	\$ 71	\$ 108	\$ 98	\$ 96	-	-	-
Restricted	122,642	137,292	156,283	93,363	91,314	96,598	101,452	-	-	-
Committed	2,150	1,688	2,429	2,442	2,632	4,915	4,539	-	-	-
Assigned	2,552	1,166	1,535	2,990	4,479	8,105	3,163	-	-	-
Unassigned	(1,530)	(225)	(1,819)	(167)	-	-	(148)	-	-	-
Total all other governmental funds	<u>\$ 125,928</u>	<u>\$ 140,021</u>	<u>\$ 158,512</u>	<u>\$ 98,699</u>	<u>\$ 98,533</u>	<u>\$ 109,716</u>	<u>\$ 109,102</u>	<u>\$ 104,720</u>	<u>\$ 103,822</u>	<u>\$ 95,766</u>

(1) Starting with f/y 2011, fund balance presentation has changed, due to implementation of GASB 54.



**PINAL COUNTY**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

(Modified accrual basis of accounting)  
(Amounts expressed in thousands)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues</b>										
Taxes	\$ 118,546	\$ 112,714	\$ 108,149	\$ 105,166	\$ 111,292	\$ 115,068	\$ 130,923	\$ 126,338	\$ 118,505	\$ 109,442
Licenses and permits	6,753	5,525	5,128	4,717	3,546	3,005	2,758	3,330	3,732	5,796
Intergovernmental	96,844	102,947	94,514	89,292	91,258	91,928	81,164	81,699	92,656	92,114
Charges for services	22,451	24,639	18,357	29,065	29,309	28,925	27,661	27,353	26,538	35,285
Fines and forfeits	2,456	2,871	2,034	2,122	4,152	3,482	4,474	3,381	3,263	3,464
Investment earnings	354	957	574	434	360	690	995	1,504	4,178	6,584
Contributions	3,199	628	1,571	337	805	393	372	575	1,378	2,608
Rentals	516	450	487	487	396	430	524	840	919	791
Miscellaneous	4,146	1,440	1,051	2,141	1,385	1,138	1,438	1,518	1,315	5,048
Total revenues	<u>255,265</u>	<u>252,171</u>	<u>231,865</u>	<u>233,761</u>	<u>242,503</u>	<u>245,059</u>	<u>250,309</u>	<u>246,538</u>	<u>252,484</u>	<u>261,132</u>
<b>Expenditures</b>										
Current:										
General government	36,042	34,820	35,638	35,239	35,916	40,156	66,438	62,495	72,299	72,961
Public safety	110,385	116,161	115,220	115,788	117,950	112,448	96,791	92,175	88,073	82,323
Highways and streets	36,737	36,474	29,532	24,650	26,525	23,140	24,157	24,738	37,498	36,259
Sanitation	421	416	303	301	324	422	444	696	679	901
Health	31,949	30,694	30,715	31,115	31,130	32,945	27,589	24,297	28,567	30,472
Welfare	8,724	8,186	5,727	6,692	7,804	5,902	5,759	6,024	5,396	5,960
Culture and recreation	1,571	1,653	1,433	1,915	1,888	1,906	2,059	2,122	2,220	1,397
Education	6,256	5,952	6,076	5,976	6,431	6,733	9,027	8,672	9,901	10,371
Capital outlay	19,144	20,644	6,230	8,335	6,449	7,952	7,009	4,218	4,006	19,760
Debt service:										
Principal retirement	8,081	7,822	59,158	10,507	10,746	10,240	11,511	10,953	13,664	7,620
Interest and fiscal charges	7,192	7,481	11,097	6,582	6,982	7,292	7,038	7,804	7,825	7,633
Cost of issuance	-	-	440	-	-	-	440	-	176	86
Other	-	-	1,159	4	3	3	4	8	10	11
Total expenditures	<u>266,502</u>	<u>270,303</u>	<u>302,728</u>	<u>247,104</u>	<u>252,148</u>	<u>249,139</u>	<u>258,266</u>	<u>244,202</u>	<u>270,314</u>	<u>275,754</u>
Excess (deficiency) of revenues over expenditures	<u>(11,237)</u>	<u>(18,132)</u>	<u>(70,863)</u>	<u>(13,343)</u>	<u>(9,645)</u>	<u>(4,080)</u>	<u>(7,957)</u>	<u>2,336</u>	<u>(17,830)</u>	<u>(14,622)</u>
<b>Other financing sources (uses)</b>										
Transfers in	40,627	35,483	24,212	28,597	25,265	30,453	29,671	28,383	32,333	20,519
Transfers out	(38,032)	(33,232)	(24,515)	(28,542)	(23,245)	(25,484)	(28,005)	(25,824)	(31,111)	(20,171)
Proceeds from sale of capital assets	1,282	156	127	234	134	341	427	426	374	357
Capital lease agreements	582	-	-	-	-	-	-	2,098	6,083	6,109
Loan proceeds	-	-	-	-	-	-	-	-	12,795	3,695
Insurance reimbursement	182	99	2,126	1,682	610	87	126	255	121	98
Bond proceeds	-	-	95,495	-	-	-	12,000	-	-	-
Discount on bonds	-	-	-	-	-	-	(106)	-	-	-
Refunding bonds	-	-	40,310	-	-	-	18,380	-	-	-
Payment to refunded bond escrow agent	-	-	(43,242)	-	-	-	(19,720)	-	-	-
Premium on new debt issued	-	-	19,631	-	-	-	1,588	-	39	135
Loan issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>4,641</u>	<u>2,506</u>	<u>114,144</u>	<u>1,971</u>	<u>2,764</u>	<u>5,397</u>	<u>14,361</u>	<u>5,338</u>	<u>20,634</u>	<u>10,742</u>
Net change in fund balances	<u>\$ (6,596)</u>	<u>\$ (15,626)</u>	<u>\$ 43,281</u>	<u>\$ (11,372)</u>	<u>\$ (6,881)</u>	<u>\$ 1,317</u>	<u>\$ 6,404</u>	<u>\$ 7,674</u>	<u>\$ 2,804</u>	<u>\$ (3,880)</u>
Debt Service as a percentage of noncapital expenditures	6.50%	6.01%	24.1%	7.2%	7.4%	7.4%	7.6%	8.1%	8.7%	6.4%

**PINAL COUNTY**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

Fiscal Year	Type	Net Assessed Value	Estimated Actual Value	Percent of Net Assessed Value to Estimated Actual Value
2007/08	Primary	1,908,802	16,552,287	11.5%
	Secondary	2,334,827	20,071,892	11.6%
2008/09	Primary	2,473,500	21,583,423	11.5%
	Secondary	3,449,599	29,689,328	11.6%
2009/10	Primary	2,880,552	25,251,970	11.4%
	Secondary	3,398,761	29,107,137	11.7%
2010/11	Primary	2,546,949	22,166,148	11.5%
	Secondary	2,673,415	22,958,054	11.6%
2011/12	Primary	2,160,151	18,877,720	11.4%
	Secondary	2,218,641	19,219,008	11.5%
2012/13	Primary	2,153,783	18,747,927	11.5%
	Secondary	2,177,012	18,918,839	11.5%
2013/14	Primary	1,988,882	17,907,662	11.1%
	Secondary	2,005,344	18,007,722	11.1%
2014/15	Primary	2,005,152	18,408,874	10.9%
	Secondary	2,040,750	18,679,292	10.9%
2015/16	Primary	2,057,548	19,104,777	10.8%
	Secondary	2,450,252	22,826,726	10.7%
2016/17	Primary	2,119,751	20,091,668	10.6%
	Secondary	2,583,823	24,505,311	10.5%

Source: County assessment records

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

Tax Year	Commercial Property	Residential Property	Vacant/Ag Land	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
2007	406,589	1,186,738	308,491	6,984	1,908,802	4.4036%	16,552,287	11.53%
2008	471,977	1,526,547	467,028	7,948	2,473,500	3.8522%	21,583,423	11.46%
2009	550,729	1,789,488	530,360	9,975	2,880,552	3.6684%	25,251,970	11.41%
2010	561,560	1,470,541	504,035	10,813	2,546,949	4.3213%	22,166,148	11.49%
2011	581,044	1,216,288	353,163	9,656	2,160,151	4.3304%	18,877,720	11.44%
2012	613,223	1,203,181	325,002	12,377	2,153,783	4.1464%	18,747,927	11.49%
2013	551,188	1,136,974	285,853	14,867	1,988,882	4.1343%	17,907,662	11.11%
2014	603,138	1,184,374	202,173	15,467	2,005,152	4.1324%	18,408,874	10.89%
2015	499,188	1,262,332	282,841	13,187	2,057,548	4.3324%	19,104,777	10.77%
2016	508,805	1,326,227	262,787	21,932	2,119,751	4.2014%	20,091,668	10.55%

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

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

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

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>County Primary Rate</b>	<b>Library</b>	<b>Flood</b>	<b>Fire</b>	<b>Mary C. O'Brien School</b>	<b>Total</b>
2007/08	1,908,802	4.0183	0.0770	0.1300	0.0522	0.1261	4.4036
2008/09	2,473,500	3.4355	0.0970	0.1500	0.0438	0.1259	3.8522
2009/10	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	3.6684
2010/11	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	4.3213
2011/12	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	4.3304
2012/13	2,153,783	3.7999	0.0970	0.1700	0.0795	N/A	4.1464
2013/14	1,988,882	3.7999	0.0970	0.1700	0.0674	N/A	4.1343
2014/15	2,005,152	3.7999	0.0970	0.1700	0.0655	N/A	4.1324
2015/16	2,057,548	3.9999	0.0970	0.1700	0.0655	N/A	4.3324
2016/17	2,119,751	3.8699	0.0965	0.1693	0.0657	N/A	4.2014

Source: County Tax Records

Note: As of fiscal year 2010/11 the Mary C. O'Brien School rate is included in the County's Primary Rate.

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

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>
Arizona Public Service Company	\$ 74,928	1	3.53%	\$ 78,778	1	4.13%
ASARCO LLC / Ray Copper Complex	36,342	2	1.71%	19,826	2	1.04%
CCA Propertites of Arizona Inc	31,784	3	1.50%	14,825	5	0.78%
Kinder Morgan (former: El Paso Natural Gas Co.)	19,660	4	0.93%	14,880	4	0.78%
Unisource Energy Corporation (EPF)	18,845	5	0.89%			
Union Pacific Railroad Co	13,781	6	0.65%			
Corrections Corporation of America	13,294	7	0.63%			
Arizona Water Company	12,281	8	0.58%			
Southwest Gas Corporation	11,942	9	0.56%	11,047	7	0.58%
Johnson Utilities LLC	10,077	10	0.48%			
Wal-Mart Stores Inc				6,002	10	0.31%
Pulte Home Corporation				6,115	9	0.32%
Qwest Corporation				19,007	3	1.00%
Wal-Mart Stores East, LP				7,365	8	0.39%
SFPP LP dba Kinder Morgan Energy				12,590	6	0.66%
Total	<u>\$ 242,934</u>		<u>11.46%</u>	<u>\$ 190,435</u>		<u>9.99%</u>
Total Assessed Value	<u>\$ 2,119,751</u>			<u>\$ 1,908,802</u>		

Source: County Treasurer Tax Records

**PINAL COUNTY**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

(\$ Amounts expressed in thousands)

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2008	81,141	73,935	91.12%	2,336	76,271	94.00%
2009	93,096	85,640	91.99%	3,532	89,172	95.78%
2010	101,628	95,122	93.60%	4,800	99,922	98.32%
2011	109,076	98,065	89.91%	4,666	102,731	94.18%
2012	91,738	81,278	88.60%	4,642	85,920	93.66%
2013	87,103	77,831	89.36%	4,785	82,616	94.85%
2014	80,497	72,250	89.75%	2,543	74,793	92.91%
2015	81,182	73,613	90.68%	4,601	78,214	96.34%
2016	87,317	79,270	90.77%	3,493	82,763	94.78%
2017	87,221	83,732	96.00%	-	83,732	96.00%

Source: County financial records

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

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt			
	Pledged Revenue Bonds	Percentage of Actual Taxable Value of Property <sup>1</sup>	Per Capita <sup>2</sup>	Certificates of Participation	Special Assessment Bonds	Capital Leases	Loans
2007/2008	-	N/A	N/A	92,755	-	9,405	64,755
2008/2009	-	N/A	N/A	87,035	-	12,624	74,805
2009/2010	-	N/A	N/A	83,740	-	10,669	68,863
2010/2011	30,380	1.19%	81	61,685	-	6,985	64,458
2011/2012	30,349	1.40%	79	59,798	-	4,414	62,949
2012/2013	28,434	1.32%	73	57,618	-	2,073	58,361
2013-2014	26,780	1.35%	69	55,351	-	566	53,601
2014-2015	179,445	8.95%	N/A	-	-	416	7,904
2015-2016	174,608	8.33%	26	-	-	-	6,032
2016-2017	151,325	8.07%	25	-	-	521	4,085

**Business -Type Activities**

Fiscal Year	Capital Leases	Loans	Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
2007/2008	171	2,800	169,886	2.37%	518
2008/2009	141	2,800	177,405	2.25%	505
2009/2010	103	2,592	165,967	2.01%	466
2010/2011	69	2,347	165,924	1.87%	441
2011/2012	-	-	157,510	1.69%	411
2012/2013	-	-	146,486	N/A	379
2013-2014	-	-	136,298	N/A	350
2014-2015	-	-	187,765	1.81%	467
2015-2016	-	-	177,410	1.68%	436
2016-2017	-	-	155,931	10.75%	428

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

During FY11-12 the Long Term Care (LTC) AHCCCS contract was not renewed so services were ended for both LTC and Home Health. Remaining Principal & Interest on Capital Leases and Loans are outstanding debt for Total Primary Government rather than for Business-Type Activities.

<sup>1</sup>See Total Taxable assessed Value in the Taxable Assessed Value and Estimated Actual Value of Property schedule on page 188.

<sup>2</sup>See the Schedule of Demographic and Economic Statistics on page 195 for personal income and population data.

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

	Fiscal Year									
	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Debt Limit	\$ 144,090	\$ 206,976	\$ 203,926	\$ 160,405	\$ 133,118	\$ 130,621	\$ 120,321	\$ 122,445	\$ 147,015	\$ 155,029
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 144,090</u>	<u>\$ 206,976</u>	<u>\$ 203,926</u>	<u>\$ 160,405</u>	<u>\$ 133,118</u>	<u>\$ 130,621</u>	<u>\$ 120,321</u>	<u>\$ 122,445</u>	<u>\$ 147,015</u>	<u>\$ 155,029</u>
Total net debt applicable to the limit as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2016/2017

Assessed Value:	
Secondary	<u>\$ 2,583,823</u>
Debt Limit	<u>\$ 155,029</u>
(6% of total assessed value)	
Debt applicable to limit:	
General Obligation Bonds	-
Less: Amount available in Debt Service Fund	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 155,029</u>

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



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

Fiscal Year	Special Assessment Bonds						HELP Transportation Loan					
	Special Assessment Collections	Debt Service			Coverage	Road Improvements Sales Tax	Less: Operating Expenditures	Net Available Revenue	Debt Service			
		Principal	Interest						Principal	Interest	Coverage	
2007/08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2008/09	N/A	N/A	N/A	N/A	N/A	\$ 5,220	\$ 4,675	\$ 545	\$ 500	\$ 45	100.00%	
2009/10	N/A	N/A	N/A	N/A	N/A	4,480	3,945	535	500	35	100.00%	
2010/11	N/A	N/A	N/A	N/A	N/A	4,798	4,274	524	500	24	100.00%	
2011/12	N/A	N/A	N/A	N/A	N/A	6,341	5,829	512	500	12	100.00%	
2012/13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2013/14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2014/15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2015/16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2016/17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

GADA Loans and Pledged Revenue Bonds									
Fiscal Year	State Shared Sales Tax				Debt Service				
	Gross State Shared Sales Tax Revenue(1)	Less: AHCCCS/ALTCS Contributions	Net Available State Shared Sales Tax	County Excise Tax Revenue(1)	Principal	Interest	Coverage		
2007/08	24,012	\$ 11,415	12,597	N/A	2,160	2,854	251.24%		
2008/09	20,496	13,358	7,138	\$ 14,103	4,580	3,135	275.32%		
2009/10	18,812	7,385	11,427	12,065	3,315	3,208	360.14%		
2010/11	20,921	10,836	10,085	12,104	4,150	3,605	286.13%		
2011/12	26,700	16,141	10,559	12,460	4,600	4,119	264.01%		
2012/13	27,586	15,236	12,350	12,800	6,310	3,931	245.58%		
2013/14	29,450	15,738	13,712	13,554	6,815	3,708	259.11%		
2014/15	30,565	15,792	14,773	14,007	4,390	5,497	291.09%		
2015/16	31,633	15,745	15,888	14,561	7,735	7,460	200.39%		
2016/17	32,823	15,412	17,411	14,976	8,020	7,189	212.95%		

Source: County financial and tax records

(1) See Note 9 - Long Term Liabilities, page 53 for details.

**PINAL COUNTY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Income<sup>2</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
2006/07	300	\$ 6,041,934	23	4.8%
2007/08	328	7,164,122	24	4.7%
2008/09	351	7,892,358	24	6.6%
2009/10	356	8,259,897	24	12.1%
2010/11	376	8,860,496	24	11.9%
2011/12	383	9,301,723	24	9.2%
2012/13	387	N/A	N/A	9.1%
2013/14	389	N/A	N/A	8.1%
2014/15	402	10,387,778	26	6.5%
2015/16	407	10,582,000	26	5.9%
2016/17	<b>419</b>	10,551,391	25	<b>5.4%</b>

<sup>1</sup> Population data through 2009/10 and Unemployment data through 2010/11 is obtained from the Arizona Department of Commerce, Arizona Workforce Informer. For 2010/11 the population data is from the U.S. Census Bureau, American FactFinder for the 2010 census. For 2011/12 and 2012/13 the population data is from Quick Facts from the U.S. Census Bureau for 2011 and 2012 population estimates and the Unemployment data is from Arizona Department of Administration, Office of Employment and Population Statistics. For 2015/16 and 2016/2017 population and unemployment data was obtained from Arizona Department of Administration, Office of Employment and Population Statistics.

<sup>2</sup> Personal income and per capita income data is obtained from the Arizona Department of Economic Security, Arizona Regional Economic Profile through 2006/07, from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts for 2007/08 through 2014/15. Arizona REAP Project - [www.Arizona.reaproject.org](http://www.Arizona.reaproject.org) for 2015/2016 and 2016/2017.

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

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

Employer	2017			2008		
	Employees <sup>1</sup>	Rank	Percentage of Total County Employment	Employees <sup>1</sup>	Rank	Percentage of Total County Employment
State of Arizona	1,891	1	3.17%	3,009	1	3.02%
Pinal County	1,879	2	3.15%	2,719	2	2.73%
Walmart	1,140	3	1.91%	1,143	4	1.15%
Corrections Corporation of America	948	4	1.59%	2,097	3	2.11%
Pinal County Community College District	755	5	1.27%			
Caesars Entertainment Operating Co., Inc	750	6	1.26%			
Casa Grande Community Hospital	625	7	1.05%	745	8	0.75%
Az Training Center Coolidge	600	8	1.01%			
Marana Aerospace Solutions, Inc	373	9	0.63%			
Bureau of Customs and Border Protection	366	10	0.61%			
Casa Grande Regional Hospital			-	875	5	0.88%
U.S. Government	-		-	823	6	0.83%
ASARCO Inc. (Groupo Mexico)	-		-	715	9	0.72%
Harrahs Operating Co Inc Total	-		-	750	7	0.75%
Gila River Indian Community Total	-		-	705	10	0.71%
	-		-			

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

2017 Source: Central Arizona Association of Governments

2007 Source: FY06-07 Pinal County CAFR

Total County Employment Source: Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

**PINAL COUNTY**  
**Historical and Estimated Excise Tax Revenues, State Shared Revenues and Vehicle License Tax Revenue**  
**Current Year and Last Five Fiscal Years**  
**(Amounts expressed in thousands)**

Source	Actual						Budgeted (a)
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
County General Excise Tax Revenues	\$ 12,460	\$ 12,800	\$ 13,554	\$ 14,007	\$ 14,561	\$ 14,976	\$ 15,149
Gross State Shared Revenues	\$ 26,700	\$ 27,586	\$ 29,450	\$ 30,565	\$ 31,633	\$ 32,823	\$ 34,152
Less: ALTCS contribution (b)	(15,355)	(14,755)	(15,247)	(15,294)	(15,540)	(14,900)	(7,672)
Less: AHCCCS contribution (c)	(3,195)	(3,200)	(3,206)	(3,213)	(3,221)	(3,228)	(1,563)
Net State Shared Revenues	\$ 8,150	\$ 9,631	\$ 10,997	\$ 12,058	\$ 12,872	\$ 14,695	\$ 24,917
Vehicle License Tax Revenues	\$ 8,002	\$ 8,273	\$ 8,818	\$ 9,485	\$ 10,259	\$ 10,467	\$ 11,310
Total County Excise Tax Revenues, Net State Shared Revenues and Vehicle License Tax Revenues	<u>\$ 28,612</u>	<u>\$ 30,704</u>	<u>\$ 33,369</u>	<u>\$ 35,550</u>	<u>\$ 37,692</u>	<u>\$ 40,138</u>	<u>\$ 51,376</u>

Source: Comprehensive Annual Financial Reports of the County for the years indicated and the Budget and Research Department of the County.

- (a) These are "forward looking" statements based on projections and estimates.
- (b) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared 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 Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared 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 County is also required to make annual appropriations for contributions to the Arizona Health Care Cost Containment System ("AHCCCS") fund. If the County does not make its 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 Revenues.

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

Function/Program	Employees by Function as of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
General government	322	324	328	332	330	328	350	409	448	419
Public safety	1,207	1,176	1,224	1,275	1,340	1,315	1,257	1,313	1,453	1,434
Highways and streets	198	184	177	157	170	181	181	184	241	224
Sanitation	3	3	3	2	2	3	6	7	8	8
Health	160	152	150	255	148	151	150	167	258	247
Welfare	32	32	33	26	35	33	36	36	43	45
Culture and recreation	8	9	8	16	11	11	12	11	10	9
Education	11	77	76	80	66	70	69	75	65	60
Total governmental activities	1,941	1,957	1,999	2,143	2,102	2,092	2,061	2,202	2,526	2,446
Business-type activities										
Long Term Care	-	-	-	-	-	-	73	80	83	82
Sheriff/Inmate Services	1	1	4	3	2	3	3	3	2	2
Home Health	-	-	-	-	-	-	328	257	152	178
Fairgrounds	-	-	-	-	-	-	4	12	7	6
Adult Day Care	-	-	-	-	-	-	-	-	-	5
Airport Economic Development	2	2	2	2	2	2	2	-	-	-
Total business-type activities	3	3	6	5	4	5	410	352	244	273
Total	1,944	1,960	2,005	2,148	2,106	2,097	2,471	2,554	2,770	2,719

Source:  
2009 and prior: County Budget Office projected FTEs and Mary C O'Brien Accommodation School  
2010 and after: Pinal County Payroll Records and Mary C O'Brien Accommodation School  
\*Numbers have been rounded up to accommodate 1/2 employees

Number of General Government employees for 2016 does not include temporary election workers

**PINAL COUNTY**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years and Current**

Function/Program	Fiscal Year 2016/2017 (1)	Fiscal Year 2015/2016	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>General Government</u>							
County Assessor							
Number of parcels assessed	255,237	253,099	249,543	248,444	247,428	247,344	221,390
County Recorder							
Documents recorded	92,608	83,475	80,054	97,979	110,658	104,779	113,844
Development Services							
Building permits issued	3,134	2,498	3,592	3,949	3,524	2,937	2,817
Elections							
Active registered voters	189,462	171,357	163,749	160,282	156,689	160,985	161,813
Elections held	2	3	3	3	5	6	4
Ballots cast and counted	179,560	122,324	115,653	35,159	160,584	50,361	204,199
Facilities							
Work order requests	14,764	16,380	18,257	14,588	16,331	16,962	15,240
Fleet							
Work Orders completed	6,417	6,373	6,295	5,802	6,024	6,021	6,325
<u>Public Safety</u>							
County Attorney							
Adult felonies charged	3,401	3,824	3,954	2,700	2,036	2,813	2,386
Child support collected (2)	N/A	N/A	N/A	N/A	\$ 21,994	\$ 22,383	22,600
Victim Restitution for bad checks collected (3)	N/A	N/A	\$ 19	\$ 54	\$ 85	\$ 110	105
Sheriff							
Sworn Deputies	216	199	209	214	162	207	140
Service calls	87,970	84,676	89,393	101,864	104,450	99,122	88,706
Total bookings	11,218	11,545	10,984	17,659	17,906	16,172	15,592
Adult Probation							
Probationers (includes absconders)	4,645	4,420	3,208	2,706	2,818	3,517	3,511
Community work service hours	2,018	33,456	32,858	30,120	30,520	16,445	16,817
Victim restitution collected	\$ 479	\$ 433	\$ 459	\$ 436	\$ 582	\$ 435	348
Flood Control District							
Floodplain use permit applications received	145	24	27	21	27	29	45
ALERT gauge installations	4	-	4	4	4	3	4
<u>Health</u>							
Court ordered evaluations	126	172	249	253	148	157	174
Forensic mental health clients	193	263	193	261	150	151	159
<u>Public Health</u>							
Birth certificates issued	7,033	6,445	5,983	5,184	4,846	4,379	5,520
Death certificates issued	9,261	8,654	7,672	7,427	6,546	6,556	8,187
Community health services clients	21,396	20,537	20,819	15,190	19,587	20,386	19,758
Immunization visits	19,420	8,052	10,841	7,573	7,588	6,540	10,080
WIC clients	103,480	103,748	97,042	95,734	98,199	93,411	97,186

**PINAL COUNTY**  
**Operating Indicators by Function/Program**  
**Last Six Fiscal Years**

Function/Program	Fiscal Year 2016/2017 (1)	Fiscal Year 2015/2016 (1)	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>Culture and Recreation</u>							
Library District							
Circulation	1,296,117	1,356,015	1,381,283	1,405,537	1,430,329	1,508,320	1,558,678
Website visits	112,720	104,706	97,212	114,936	473,197	488,171	579,853
Active Borrowers	98,107	101,526	57,350	59,550	60,310	60,032	60,696
<u>Welfare</u>							
Public Fiduciary clients	195	183	217	253	279	284	279
<u>Education</u>							
Superintendent of Schools							
School districts in Pinal County	21	20	20	20	20	20	19

Source: County offices of elected officials and departments

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

(2) Child support has been transferred to the State of Arizona

(3) The bad check program has been outsourced to Corrective Solutions

**PINAL COUNTY**  
**Capital Asset Statistics by Function/Program**  
**Last Six Fiscal Years and Current**

Function/Program	Fiscal Year 2016/17 (1)	Fiscal Year 2015/16	Fiscal Year 2014/15	Fiscal Year 2013/14	Fiscal Year 2012/13	Fiscal Year 2011/12	Fiscal Year 2010/11
<u>General Government</u>							
Facilities							
Square footage maintained	1,223,111	1,179,191	1,161,194	1,184,253	1,171,460	1,103,847	1,111,174
Fleet							
Vehicles maintained	305	86	79	82	73	10	11
Superior Court							
Divisions	10	10	10	10	10	10	10
<u>Public Safety</u>							
Sheriff							
Patrol Vehicles	388	391	429	320	207	230	160
Fleet							
Vehicles maintained	436	510	145	124	434	414	390
Flood Control							
Flood ALERT stations	41	37	37	33	28	26	23
<u>Highways and Streets</u>							
Fleet							
Vehicles maintained	210	210	207	203	249	182	130
Heavy Equipment maintained	156	157	127	131	85	191	237
Public Works							
Miles of paved roads	1,029	1,024	1,028	1,031	1,023	1,020	1,018
Miles of gravel roads	1,024	1,017	1,044	1,040	1,042	1,039	1,050
<u>Sanitation</u>							
Leased Landfill	1	1	1	1	1	1	1
<u>Health</u>							
Animal Control							
Vehicles used in operations	30	28	26	25	22	21	14
Fleet							
Med Examiner Vehicles Maintained	2	2	3	2	2	2	2
Public Health							
Health facilities	11	11	11	11	11	11	11
Mobile clinic	-	1	1	1	1	1	1
<u>Culture and Recreation</u>							
Parks and recreation							
County parks	6	6	6	6	6	6	5

Source: County offices of elected officials and departments

Some information presented as of most recent data available for the fiscal year.

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



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