

2025

Annual Comprehensive Financial Report



PIMA COUNTY

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona

**PIMA COUNTY, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

BOARD OF SUPERVISORS

Rex Scott
Chair
District #1

Jennifer Allen
Vice Chair
District #3

Dr. Matt Heinz
District #2

Steve Christy
District #4

Andrés Cano
District #5

COUNTY ADMINISTRATOR

Jan Leshar

Deputy County Administrator

Carmine DeBonis, Jr.

Prepared by the Department of Finance and Risk Management

Art Cuaron
Director

Andy Welch
Deputy Director

Meridith Litton, CPA
Deputy Director

Sam Correa
Deputy Director

Jeff Whiting
Deputy Director

Blanca Rossetti
Division Manager
Financial Control & Reporting

Supervisors

Claudia Owens, MBA

Rebecca Potter, CPA

Manuel Y. Gomez, MSF

Accountants

Brenda Escarcega
Christina Lupo
Edgar Davila
Edmundo Murrieta

Kyle Spindler
Linda House
Luis Montes

Robert Walls
Valentin R. Dominguez
Victoria Duran

PIMA COUNTY, ARIZONA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
I. INTRODUCTORY SECTION		
Letter of Transmittal		1 - 7
Certificate of Achievement for Excellence in Financial Reporting		8
Organizational Chart		9
II. FINANCIAL SECTION		
Independent Auditors' Report		10 - 14
A. MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)		15 - 31
B. BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements		
Statement of Net Position	A - 1	32
Statement of Activities	A - 2	33 - 34
Government Fund Financial Statements (Major and Other)		
Balance Sheet	A - 3	35
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	A - 4	36
Statement of Revenues, Expenditures and Changes in Fund Balances	A - 5	37
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A - 6	38
Proprietary Fund Financial Statements (Major and Other)		
Statement of Net Position	A - 7	39
Statement of Revenues, Expenses and Changes in Fund Net Position	A - 8	40
Statement of Cash Flows	A - 9	41 - 42
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	A - 10	43
Statement of Changes in Fiduciary Net Position	A - 11	44

PIMA COUNTY, ARIZONA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

TABLE OF CONTENTS (continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
Notes to Financial Statements		
Note 1: Summary of Significant Accounting Policies		45 - 52
Note 2: Change in Accounting Principle		53
Note 3: Cash and Investments		54 - 58
Note 4: Public-Private and Public-Public Partnerships		59
Note 5: Capital Assets		60 - 62
Note 6: Claims, Judgments and Risk Management		63 - 64
Note 7: Long-Term Liabilities		65 - 74
Note 8: Landfill Liabilities		75
Note 9: Interfund Transactions		76 - 77
Note 10: Pensions and Other Postemployment Benefits		78 - 93
Note 11: Construction and Other Significant Commitments		94
Note 12: Fund Balance Classifications of the Governmental Funds		95
Note 13: Receivables		96
Note 14: Due from Other Governments		96
Note 15: Subsequent Events		97
C. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS		
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund	B - 1	98
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Grants Fund		99
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Other Special Revenue Fund		100
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual		101
Schedule of the County's Proportionate Share of the Net Pension Liability – Cost-Sharing Pension Plans	B - 2	102
Schedule of Changes in the County's Net Pension Liability and Related Ratios – Agent Pension Plans		103 - 104
Schedule of County Pension Contributions		105
Notes to Pension Plan Schedules		106 - 107
D. COMBINING STATEMENTS AND OTHER SCHEDULES		
Other (Nonmajor) Governmental Funds		
Combining Balance Sheet – Nonmajor Governmental Funds	C - 1	108 - 109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	C - 2	110 - 111
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Other Governmental Funds		
Capital Projects Fund	C - 3	112
Debt Service Fund	C - 4	113
Transportation – Special Revenue Fund	C - 5	114
Health – Special Revenue Fund	C - 6	115
Regional Flood Control District – Special Revenue Fund	C - 7	116
Wireless Integrated Network – Special Revenue Fund	C - 8	117
School Reserve – Special Revenue Fund	C - 9	118
Environmental Quality– Special Revenue Fund	C - 10	119

PIMA COUNTY, ARIZONA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

TABLE OF CONTENTS (continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance –		
Budget and Actual – Other Governmental Funds (continued)		
Waste Tire – Special Revenue Fund	C - 11	120
Library District – Special Revenue Fund	C - 12	121
Stadium District – Special Revenue Fund	C - 13	122
Community Facilities Districts – Special Revenue Fund	C - 14	123
Improvement & Other Districts – Special Revenue Fund	C - 15	124
Other (Nonmajor) Enterprise Funds		
Combining Statement of Net Position	C - 16	125
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position	C - 17	126
Combining Statement of Cash Flows	C - 18	127 - 128
Internal Service Funds		
Combining Statement of Net Position	C - 19	129
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position	C - 20	130
Combining Statement of Cash Flows	C - 21	131 - 132
Fiduciary Funds		
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	C - 22	133
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	C - 23	134
Combining Statement of Fiduciary Net Position – Custodial Funds	C - 24	135
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	C - 25	136
 III. STATISTICAL SECTION		
Financial Trends Information		
Net Position by Component	D - 1	137
Changes in Net Position	D - 2	138 - 139
Fund Balances – Governmental Funds	D - 3	140
Changes in Fund Balances – Governmental Funds	D - 4	141
Revenue Capacity Information		
Taxable Assessed Value and Estimated Actual Value of Property	D - 5	142
Direct and Overlapping Property Tax Rates	D - 6	143
Direct and Overlapping Property Tax Rates – School Districts	D - 6a	144
Principal Property Taxpayers	D - 7	145 - 146
Real Property Tax Levies and Collections	D - 8	147
Assessed, Limited and Full Cash (Secondary) Value of Taxable Property	D - 9	148
Comparative Net Valuations and Tax Rates	D - 10	149 - 151
Historical Collections – Hotel Excise Tax Car Rental Surcharge and Recreational Vehicle Tax	D - 11	152
Streets and Highways Revenues	D - 12	153

PIMA COUNTY, ARIZONA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

TABLE OF CONTENTS (continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
III. STATISTICAL SECTION (continued)		
Debt Capacity Information		
Ratios of Outstanding Debt by Type to Personal Income and Per Capita	D - 13	154
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	D - 14	155
Ratio of Direct and Overlapping Debt to Property Values and Per Capita	D - 14a	156
Computation of Direct and Overlapping Governmental Activities Debt Outstanding	D - 15	157
Legal Debt Margin	D - 16	158
Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage	D - 17a	159
Transportation Revenue Bonds – Pledged Revenue Bond Coverage	D - 17b	160
Historic Pledged Revenue Collections	D - 17c	161
Financed Purchases	D - 18	162
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	D - 19	163
Demographic and Economic Information		
Demographic and Economic Statistics	D - 20	164
Principal Employers	D - 21	165 - 166
Population and Employment	D - 22	167
Transportation and Real Estate	D - 23	168
Economic Indicators by Calendar Year	D - 24	169
Population Statistics	D - 25	170
Average Annual Jail Population	D - 26	171
Operating Information		
Employees by Function	D - 27	172
Operating Indicators by Program	D - 28	173
Capital Assets and Infrastructure by Program	D - 29	174



INTRODUCTORY SECTION

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

FINANCIAL SECTION

STATISTICAL SECTION

INTRODUCTORY SECTION

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



COUNTY ADMINISTRATOR'S OFFICE

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

JAN LESHER
County Administrator

February 27, 2026

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Pima County for the fiscal year ended June 30, 2025. This report presents comprehensive financial and operating information about the County's activities for the fiscal year.

We believe that the financial information, as presented, is accurate in all material aspects; that it is presented in a manner designed to openly disclose the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Arizona Auditor General is required to audit financial transactions and accounts kept by counties. The Auditor General has issued an unmodified ("clean") opinion on the Pima County financial statements for the year ended June 30, 2025. The Auditor General's report is located at the front of the financial section of this report.

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

Pima County Profile

Covering an area of approximately 9,200 square miles, Pima County is one of the oldest continuously inhabited areas of the United States. It is situated in the southern part of Arizona with a portion of its southern boundary bordering Mexico. Created in 1864, Pima County includes a large portion of southern Arizona acquired from Mexico by the Gadsden Purchase of 1854. Pima County has purchased thousands of acres of open space and ranches to preserve and protect the stunning landscapes and historic and cultural sites. The County's population has grown from 395 in 1820 to an estimated population of 1,095,834 in 2025, according to the Arizona Office of Economic Opportunity. The County has a vibrant multicultural diversity. A major commercial and academic hub, Pima County is home to Tucson, the second largest city in Arizona. Although the County has five incorporated cities and towns, more than a third of the population lives outside of any incorporated cities or towns.

A five-member Board of Supervisors is responsible for implementing the County's governmental and administrative affairs. Each member is elected from a designated district to serve a four-year term. The chairman is selected by the

Board from among its members. The Board is responsible for establishing the policies of the County, which provide guidance to the various County constitutional officers and departments. The Board has the legal authority and responsibility to establish spending limits and approve the budgets of all County departments and also sets the amount of taxes to be levied. The Board appoints a County Administrator who is responsible for the general administrative and overall operations of the various departments of the County. The County has several other elected officials including the Assessor, County Attorney, Recorder, Sheriff, Clerk of the Superior Court, the Constables, Superintendent of Schools, Treasurer, and Judges for the Superior Courts, Juvenile Courts, and Justice Courts.

Pima County includes in its financial statements all funds, agencies, boards, commissions, and authorities for which the Pima County Board of Supervisors is financially accountable. As the primary government, Pima County is considered financially responsible for another organization if it appoints most of that organization's governing board and either (1) can control the organization's decisions, or (2) could receive financial benefits from it or be required to cover its financial losses. Additionally, the County may be financially accountable if an organization is fiscally dependent on the County.

Pima County offers a wide variety of governmental services that are organized into the following functional areas for fiscal year (FY) 2025/26:

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

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

The County's component units include the following:

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

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

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

Following receipt of the County Administrator's Recommended Budget and public discussion of the Recommended Budget, the Board of Supervisors historically adopts a budget in June. An annual balanced budget must be adopted on or before the first Monday in August. The Adopted Budget sets a ceiling on expenditures that may be incurred for the County as a whole. On an annual basis, each governmental and proprietary fund is appropriated, in addition to the County Administrator's office preparing a five-year Capital Improvement Plan, which includes a one-year Capital Improvement Budget. This annual budget serves as the foundation for the County's financial planning and control. The County has adopted a program-based approach to presenting its budget, where each program represents a set of closely related activities and services managed by a department. For instance, the Regional Wastewater Reclamation Department budget is organized into four distinct programs: Administration, Conveyance System, Technical Services and Engineering, and Treatment Operations. All departments are budgeted on a cost unit/object line-item basis. Departments may modify line-item amounts within their own budgets provided the total department budget amount at the fund level remains unchanged. Changes to the adopted budget that require a transfer between funds are evaluated by the County Administrator prior to recommendation of approval to the Board of Supervisors. Should the County Administrator recommend the change to the Board of Supervisors, the recommendation will be considered at a regularly scheduled, open meeting of the Board.

The County's annual Adopted Budget can be found at <https://www.pima.gov/1172/County-Budget>.

Economic Outlook

Pima County's major employers are Raytheon, University of Arizona, Banner – University Medical Center, Davis-Monthan Air Force Base, Pima County Government, Tucson Unified School District and Tucson Medical Center. Major manufacturers include Ventana Medical Systems, IBM, Caterpillar, and several aerospace and aircraft companies including Raytheon, Bombardier Aerospace, Sargent Aerospace and Defense, and Honeywell Aerospace. Employment by industry is led by government; trade, educational and health services; transportation and utilities; leisure and hospitality; and professional and business services. The average Pima County unemployment rate for 2024 was 3.6% as the job market remained strong despite the Federal Reserve continuing to keep interest rates high to cool the economy. Nearly half of Pima County's population is in the prime working age range of 18 to 54.

A sunny, mild, dry climate with an average temperature of 71°F and a unique desert location help promote travel and tourism as a major industry in Pima County. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses. These sales support jobs for Pima County residents and contribute tax revenues

to local and state governments. According to recent research data released by the Arizona Office of Tourism, Pima County direct travel spending generated approximately \$3.46 billion (11.7% of Arizona direct travel spending) in 2024. This direct travel spending generated 22,900 direct jobs, \$920 million in direct earnings and \$228 million in local and state tax revenues. These amounts were about the same as the results from 2023. Unlike other industries, taxes generated by travel industry spending are paid by visitors rather than residents. These visitors bring new money into Pima County's economy and generate revenue in the County. Some of the best world-class attractions in Arizona are found in Pima County, such as the Arizona-Sonora Desert Museum and the Pima Air and Space Museum.

Economic trends over the last year include the following:

- New home sales during FY 2024/25 increased by 8.6% over FY 2023/24 while existing home sales went up by about 1%. Median sales prices were essentially flat with new home prices down about 1% and existing home prices up by approximately 2%. While home sales improved, the number of permits issued decreased from 4,694 in FY 2023/24 to 3,264 in FY 2024/25 due in part to some builders taking a “wait and see” approach to new construction as they monitor how political policy will impact the price of materials and labor.
- State-shared sales tax revenue increased to a record \$193M in FY 2024/25 as continued high levels of employment statewide encouraged more consumer spending in spite of higher prices. Pima County is budgeting \$187M in state-shared sales tax revenue for FY 2025/26 based on forecasting provided by the County Supervisors Association and continued optimistic predictions of retail sales by the University of Arizona Economic Business and Research Center. This level of sales tax revenue could be negatively affected if the country enters into a recession.

Please refer to the MD&A beginning on page **15** for additional information regarding the County's economic outlook.

Long-term Financial Planning

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

Pima County's Strategic Plan provides an overall framework that defines the County's vision, values, and direction. It is organized around four core pillars that reflect the Board's priorities and commitment to excellent service: Public Service, Quality of Life, Infrastructure and Growth, and Sustainability and Conservation. Each pillar includes specific goals and strategies that represent the wide range of services provided to the community. The plan is carried out through an annual action planning process tied to the budget cycle. During this process, strategic goals are translated into specific, measurable department-level actions that are regularly reviewed and adjusted based on results and community feedback.

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

Capital Improvement Plan

The Adopted Budget for FY 2025-2026 includes \$201.6 million for the Capital Improvement Plan (CIP). Under this plan, four departments comprise 74% of the total CIP budget as follows:

- Regional Wastewater Reclamation, with a budget of \$62.9 million
- Facilities Management, with a budget of \$42.1 million
- Regional Flood Control District, with a budget of \$26.1 million
- Transportation, with a budget of \$17.1 million

Regional Wastewater Reclamation – The Regional Wastewater Reclamation Department (RWR) projects are predominantly funded by Sewer Revenue Obligations. RWR has a total FY 2025/26 budget of \$62.9 million. Major projects include:

- Tres Rios Class A Biosolids project for \$10.8 million
- Tres Rios Digester Facility project for \$9.4 million
- System-wide Pipe Rehabilitation Program for \$9.0 million
- Canoa Ranch Sewer Extension project for \$4.9 million

Facilities Management – The Facilities Management Department has active projects with a total FY 2025/26 budget of \$42.1 million. Major projects include:

- Superior Court Improvement project for \$18.3 million
- 33 N. Stone Improvement project for \$7.6 million
- 130 W. Congress Building Improvement project for \$1.7 million
- Teatro Carmen Renovation project for \$1.6 million

Regional Flood Control District – The Regional Flood Control District has active projects with a total budget of \$26.1 million. Major projects include:

- Fairgrounds South Houghton Channels project for \$4.0 million
- Santa Cruz Cortaro Narrows Training Structure project for \$3.8 million
- Major Watercourse Infrastructure projects \$3.0 million
- Ruthrauff Gardner Lane UPRR Culvert project for \$2.0 million

Transportation – The Department of Transportation projects are funded by highway user revenues, vehicle license tax revenues and from funding received from the Pima County Regional Transportation Authority, a taxing entity distinct from Pima County. Transportation has a total FY 2025/26 budget of \$17.1 million. Major projects include:

- Valencia Road Mission Road to Camino de la Tierra project for \$6.5 million
- Sunrise Drive at Esperero Wash project for \$2.0 million
- Valencia Road Kolb to Houghton project for \$2.0 million

Debt Management

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

Pima County has completed the bond program authorized by Pima County voters November 4, 1997, for Street and Highway Revenue Bonds. The remaining authorization of \$16.4 million will not be issued and the bond program is considered complete. The County issues Certificates of Participation for building construction and Sewer Revenue Obligations to fund the construction and improvement of the County's wastewater conveyance systems and treatment facilities.

Debt issuances anticipated for FY 2025/26 include \$45.8 million of Sewer Revenue Obligations and \$35.9 million of Certificates of Participation.

The County's conservative debt management principles play a critical role in the decision regarding when to issue new debt. The County has set an aggressive debt repayment schedule, with 100 percent retired at or before 15 years. The state constitution sets a cap on general obligation debt at 15 percent of the County's net secondary assessed valuation. In FY 2024/25, the constitutional debt limit was \$2.4 billion. The actual general obligation bonded indebtedness at year end was \$31.0 million, far below the constitutional debt limit.

Please refer to the MD&A beginning on page 15 and Note 7 beginning on page 65 for specific details on debt issuances, defeasances, and refundings.

Expenditure Limitation

Pima County, like all counties and cities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, of the Arizona Constitution sets limits on the County's legal budget capacity. In general, the Board of Supervisors, as the governing body of the County, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for Pima County by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the County during FY 1979/80 to reflect inflation and subsequent population growth for the County. Not subject to this limitation are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal grant and aid funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. As in previous years, the County's expenditures for FY 2024/25 are expected to be under the limit of \$749 million.

Single Audit

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

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

A complete Single Audit report for the fiscal year ended June 30, 2024, can be found at:

<https://www.pima.gov/1813/Audited-Financial-Reports>

The Single Audit for Pima County for the fiscal year ended June 30, 2025, was not complete at the time of publication of this ACFR.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pima County, Arizona, for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. Pima County has received this prestigious award for thirty-nine years from fiscal years ended June 30, 1984 through 2024, except for fiscal years ended June 30, 1990 and June 30, 1999, due to missing the filing deadline. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

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

Pima County also received the GFOA's Distinguished Budget Presentation Award for its FY 2024/25 budget document. This was the twenty-sixth consecutive year that Pima County has achieved this award. To qualify for the Distinguished Budget Presentation Award, Pima County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

We extend our sincere appreciation to the Board of Supervisors for its continued commitment to upholding the highest standards of professionalism and fiscal stewardship in the management of Pima County's finances. We also thank County departments for their collaboration and timely provision of the data necessary to prepare this report. Finally, we recognize and commend the team within the Department of Finance and Risk Management. Their expertise, diligence, and dedication were instrumental in the successful completion of this report.

Respectfully submitted,



Jan Lesher
County Administrator



Art Cuaron
Director, Department of Finance and Risk Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pima County
Arizona**

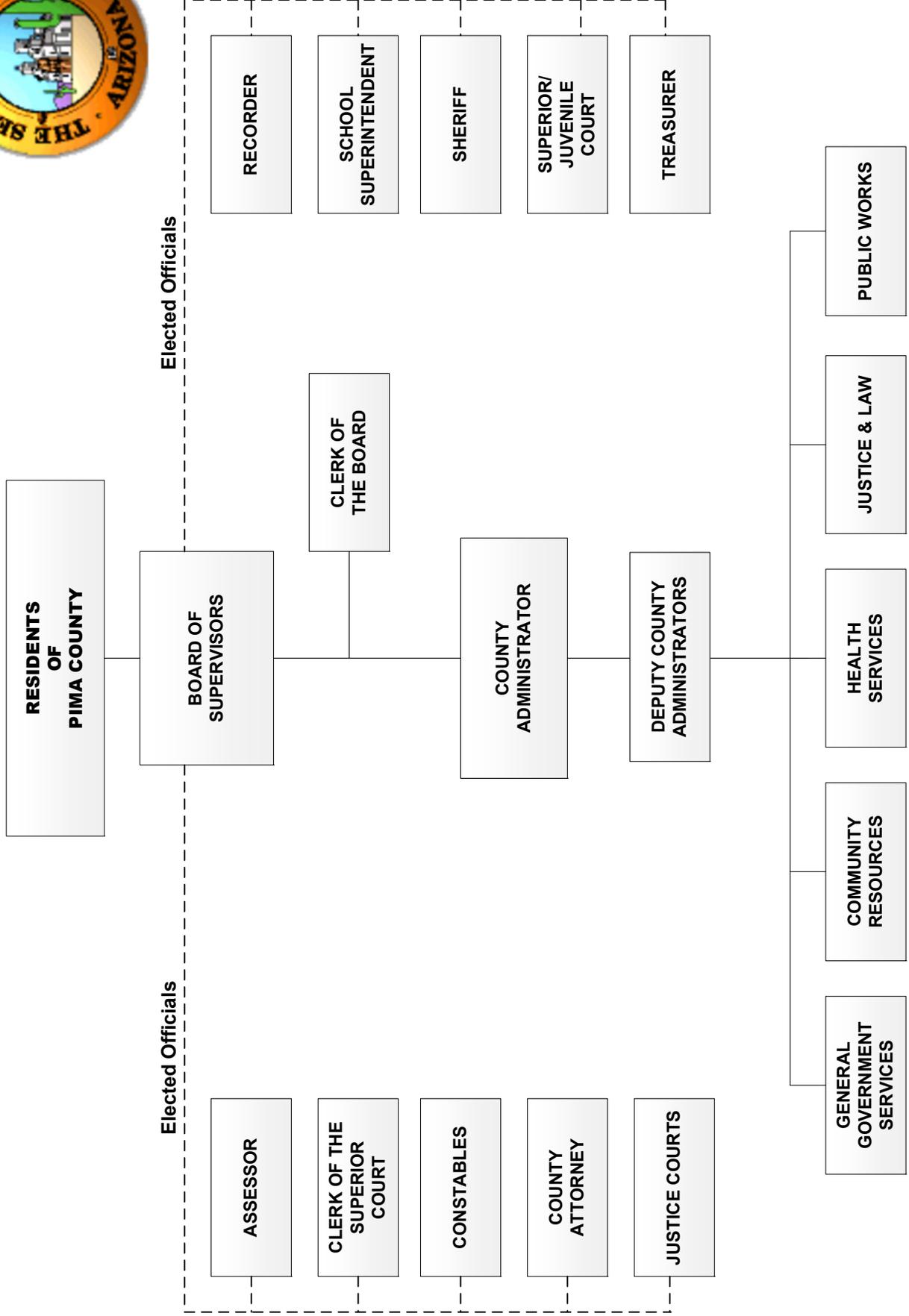
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

PIMA COUNTY ORGANIZATIONAL CHART



(This page intentionally left blank)



INTRODUCTORY SECTION

FINANCIAL SECTION

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

STATISTICAL SECTION

FINANCIAL SECTION

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



ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of the County as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of certain departments and funds and the discretely presented component unit, which account for the following percentages of the assets and deferred outflows, liabilities and deferred inflows, revenues, and expenses or expenditures of the opinion units as of June 30, 2025.

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Government-wide statements</u>				
Governmental activities:				
Stadium District	2.22%	0.29%	1.28%	1.55%
School Reserve	0.33%	0.16%	1.45%	1.24%
Wireless Integrated Network	0.16%	0.02%	0.35%	0.31%
Self-Insurance Trust	2.62%	1.85%	1.73%	1.84%
Health Benefits Trust	1.53%	0.63%	8.41%	8.33%
Business-type activities:				
Regional Wastewater Reclamation	96.65%	98.11%	93.61%	93.87%
Development Services	2.34%	2.10%	5.17%	4.66%

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
Discretely presented component unit:				
Southwestern Fair Commission	100.00%	100.00%	100.00%	100.00%
<u>Fund statements</u>				
Major enterprise fund:				
Regional Wastewater Reclamation	100.00%	100.00%	100.00%	100.00%
Aggregate remaining fund information:				
Stadium District	0.19%	0.74%	2.45%	3.16%
School Reserve	0.81%	1.17%	3.80%	3.13%
Wireless Integrated Network	0.42%	0.25%	0.91%	0.79%
Development Services	2.79%	7.24%	2.43%	1.86%
Self-Insurance Trust	6.71%	27.01%	4.54%	4.65%
Health Benefits Trust	3.91%	9.13%	22.02%	21.04%

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

Basis for opinions

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

Emphasis of matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2025, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Other matters

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

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

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

Management's responsibilities for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- ▶ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ▶ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 15 through 31, budgetary comparison schedules on pages 98 through 101, schedule of the County's proportionate share of the net pension liability—cost-sharing pension plans on page 102, schedule of changes in the County's net pension liability and related ratios—agent pension plans on pages 103 and 104, schedule of County pension contributions on page 105, and notes to pension plan schedules on pages 106 and 107 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Combining and individual nonmajor fund financial statements and schedules

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

Other information

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

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

Other reporting required by Government Auditing Standards

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

February 27, 2026



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



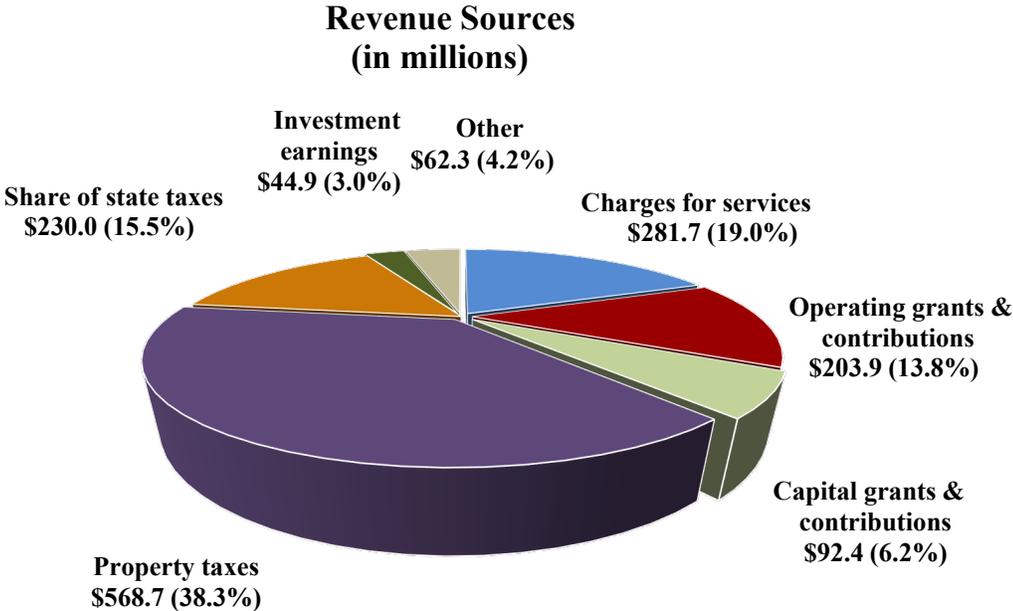
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Pima County, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2025**

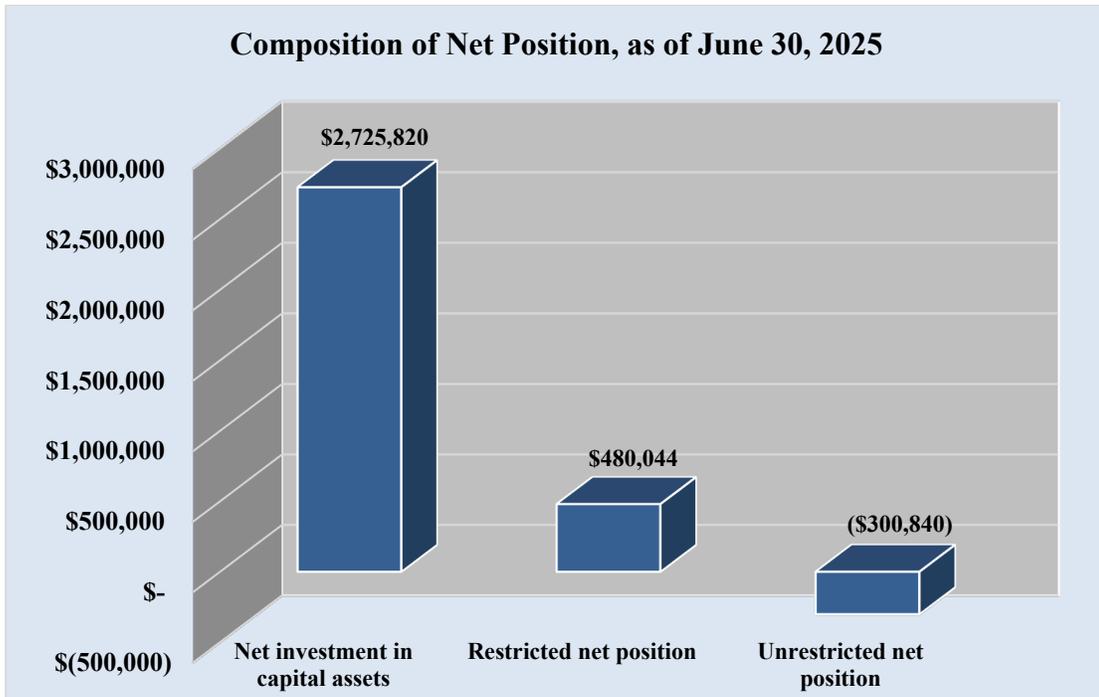
Our discussion and analysis of the County’s financial performance provides an overview of the County’s financial activities for the year ended June 30, 2025. Please read it in conjunction with the transmittal letter, which begins on page 1 and the County’s basic financial statements, which begin on page 32. All dollar amounts are expressed in thousands (000’s) unless otherwise noted.

Financial Highlights

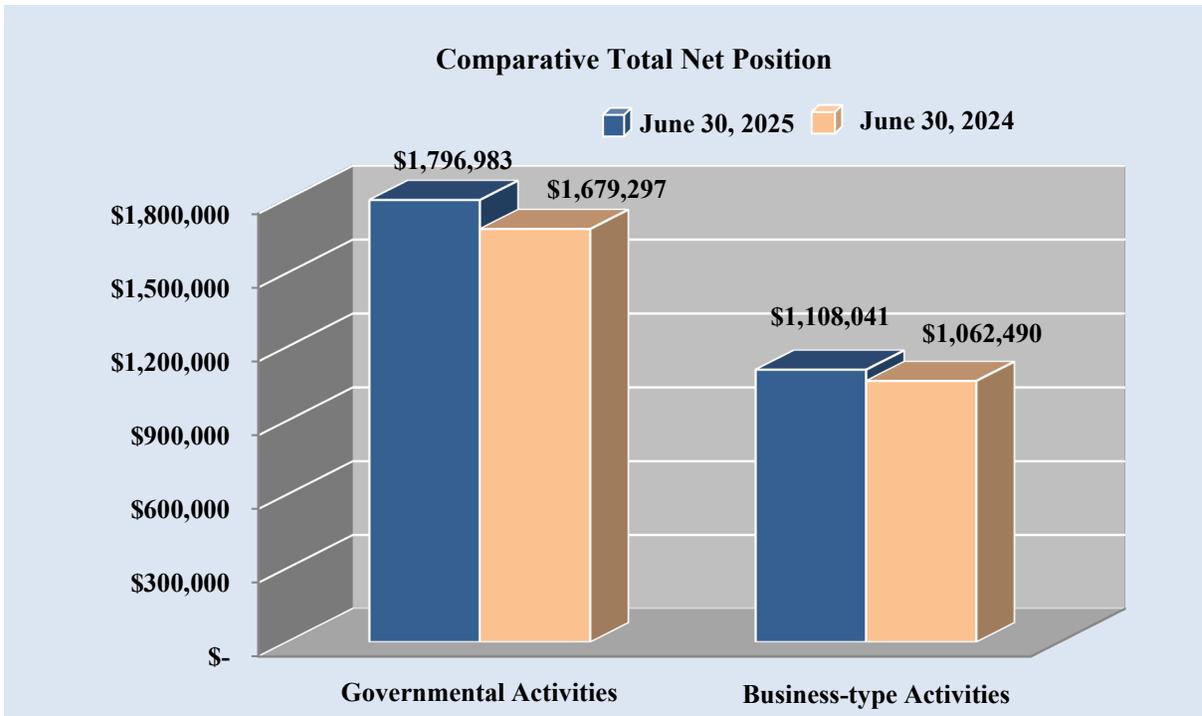
- The County restated the prior year’s total net position from \$2,741,787 to \$2,729,482 as a result of the implementation of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. For additional information, refer to page 53, Note 2: Change in Accounting Principle. The prior year amounts referenced further within the Management’s Discussion and Analysis do not reflect the restated amounts.
- The County’s total liabilities decreased by \$53,549 from \$1,844,403 to \$1,790,854, a 2.9% reduction compared to the prior year. This decrease was primarily driven by a \$41,000 reduction in unearned revenue, largely due to the recognition of revenue as funds from the American Rescue Plan Act (ARPA) grants were spent down.
- The County issued \$44,575 in Certificates of Participation (COPs) to fund various facilities management projects such as the improvements for the San Xavier Substation and \$62,255 in Sewer Revenue Obligations to fund the construction, expansion, and improvement of sewer treatment facilities and conveyance systems.
- The County’s total net position increased by \$163,237 from \$2,741,787 to \$2,905,024, a 6.0% increase when compared to the prior year.
- The County’s primary sources of revenue come from property taxes, charges for services, state shared taxes, and grants and contributions as displayed below:



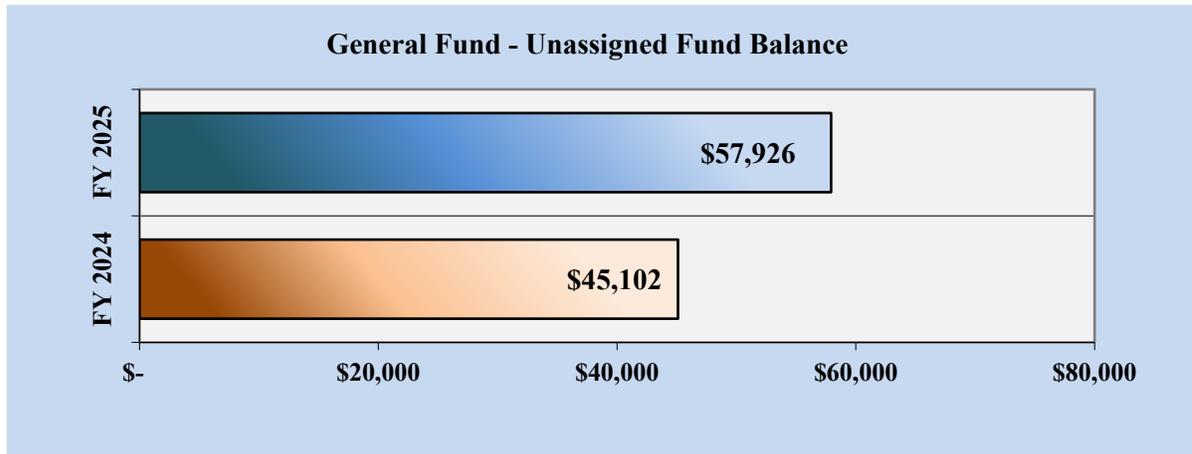
- The composition of the County's total net position on June 30, 2025, of \$2,905,024 is illustrated in the following chart.



- Governmental activities total net position on June 30, 2025, is \$1,796,983, representing an increase of \$117,686 (7.0%) from the prior fiscal year's net position, due to an increase in property tax revenues of \$39,876 from a 5.71% increase in the taxable net assessed value and an increase in the highways and streets capital grants and contributions revenue of \$30,776 from increased contributions of road assets to the County. Business-type activities total net position of \$1,108,041, increased by \$45,551 (4.3%) in the current fiscal year, primarily due to an increase of \$45,498 of sewage conveyance systems assets due to sewage conveyance systems projects being completed and capitalized in the current fiscal year in the Regional Wastewater Reclamation (RWR) enterprise fund.



- The General Fund's unassigned fund balance for the current fiscal year is \$57,926, an increase of \$12,824 (28.4%) from \$45,102 in the previous fiscal year. This increase is primarily due to \$32,552 in increased property tax revenues from the 5.71% increase in the taxable net assessed value and was partially offset with increased expenses for the annualized salary increases resulting from the implementation of the classification and compensation study. The unassigned fund balance comprises 31.6% of the total fund balance of \$183,161. Refer to the analysis of the General Fund provided on page 26 for additional details about the fund's financial activities during the year.



Overview of the Financial Statements

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

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

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

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

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

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

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

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses

fund accounting to ensure and demonstrate finance-related legal compliance with applicable state statutes and Federal Office of Management and Budget budgeting guidelines. All of the funds can be divided into three categories: (1) *governmental funds*, (2) *proprietary funds*, and (3) *fiduciary funds*.

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

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

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

The governmental fund financial statements can be found on pages 35-38. The combining statements for non-major governmental funds can be found on pages 108-111.

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

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

The proprietary fund financial statements can be found on pages 39-42. The combining statements for other enterprise and internal service funds can be found on pages 125-132.

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

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

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages **45-97**.

Required Supplementary Information (RSI) is presented concerning the County's General Fund, Grants Fund and Other Special Revenue Fund budgetary schedules and the schedule of the County's Proportionate Share of the Net Pension Liability for Cost Sharing Pension Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios for Agent Pension Plans, and the Schedule of County Pension Contributions. Required supplementary information can be found on pages **98-107**.

Combining Statements and Other Schedules referred to earlier provide information for non-major governmental, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages **108-136**.

Government-Wide Financial Analysis

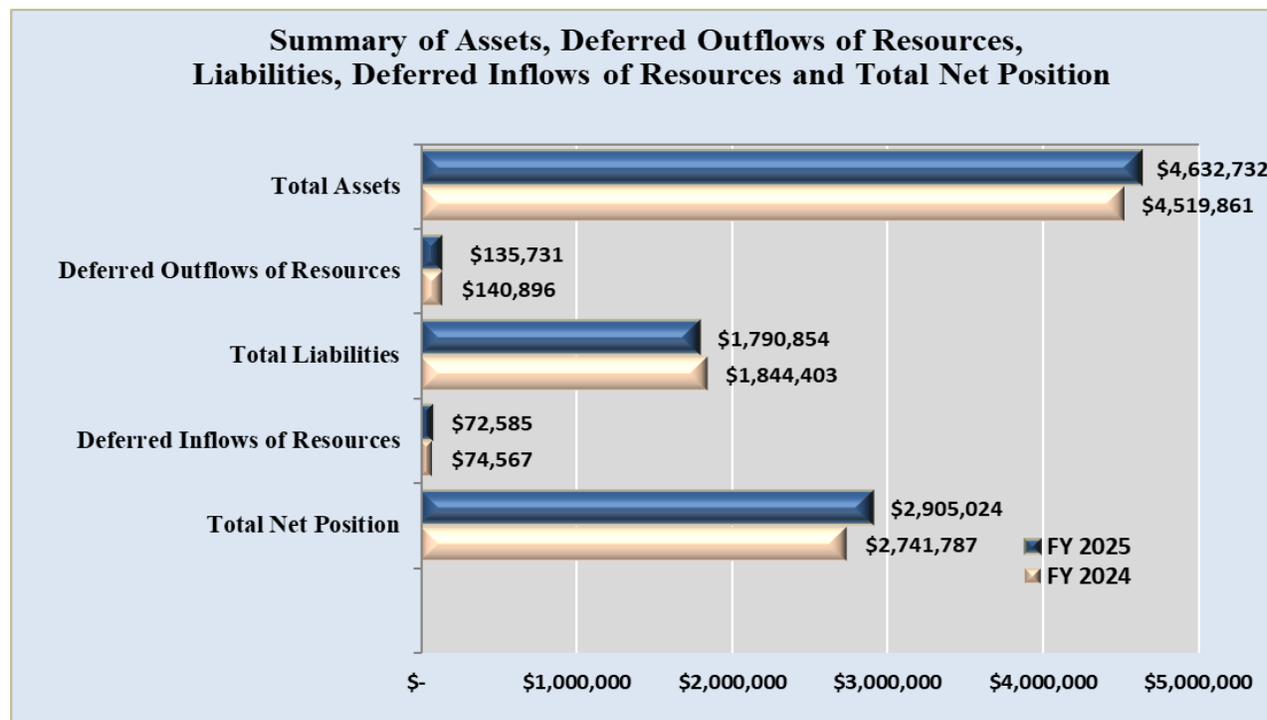
As noted earlier, net position may serve as a useful indicator of a government's financial position over time. An analysis of the results of operations is also useful. The schedule below identifies variances in the results of operations.

Schedule of Results of Operations and Net Position For the Years Ended June 30, 2025 and 2024			
	2025	2024	Variance
Charges for services	\$ 281,682	\$ 341,487	\$ (59,805)
Operating grants and contributions	203,944	276,996	(73,052)
Capital grants and contributions	92,397	70,725	21,672
Total program revenues	578,023	689,208	(111,185)
Total general revenues and transfers	905,944	859,420	46,524
Total program and general revenues	1,483,967	1,548,628	(64,661)
Total expenses	1,308,425	1,294,346	14,079
Change in net position	\$ 175,542	\$ 254,282	\$ (78,740)

Total program revenues decreased by \$111,185 (16.1%), largely due to a \$73,052 decrease in operating grants and contributions, primarily driven by decreased revenue from the U.S. Department of the Treasury and the U.S. Department of Health and Human Services for Emergency Rental Assistance, the National Initiative to Address COVID-19 Health Disparities, and Advancing Health Literacy grant programs. Additionally, the \$59,805 decrease in charges for services that was primarily from the County's share of opioid litigation settlements in the prior year also drove the decrease in total program revenues. Total general revenues and transfers increased by \$46,524 (5.4%), primarily driven by an increase in property tax revenues of \$39,876 from a 5.71% increase in the taxable net assessed value and an unchanged total property tax rate of \$5.1048 per \$100 of net taxable value. Combined with a \$14,079 (1.1%) increase in total expenses, these changes led to a \$78,740 (31.0%) reduction in the change in net position, bringing it to \$175,542.

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

The graph presented below illustrates, at a summary level, the changes in the elements of the Statement of Net Position for the County on June 30, 2025, and June 30, 2024.



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

The total of County assets on June 30, 2025, was \$4,632,732, an increase of \$112,871 (2.5%) from the prior year, while total liabilities decreased by \$53,549 (2.9%) from the prior year, ending at a balance of \$1,790,854. Deferred outflows of resources decreased by \$5,165 (3.7%) from the prior year, ending at a balance of \$135,731 and deferred inflows of resources decreased by \$1,982 (2.7%) from the prior year, ending at a balance of \$72,585.

The result of these changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources was an increase in net position of \$163,237 (6.0%), to \$2,905,024 in the current fiscal year, from \$2,741,787 in the prior fiscal year.

The largest portion of the County’s net position is reflected in its net investment in capital assets (i.e., land, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire those assets. On June 30, 2025, net investment in capital assets totaled \$2,725,820, an increase of \$126,663 (4.9%) from the prior year, due to the increase of \$75,954 (4.4%) for governmental activities and an increase of \$50,709 (5.7%) for business-type activities. The County uses a portion of these capital assets to provide services to its citizens, with the other portion available to its citizens for use; consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources subject to external restrictions on how they may be used comprise the restricted net position of \$480,044, which is an increase of \$54,447 (12.8%) from the prior year and represents approximately 16.5% of total net position.

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

**Schedule of Assets, Deferred Outflows of Resources,
Liabilities, Deferred Inflows of Resources and Net Position
At June 30, 2025 and 2024**

	Governmental Activities			Business-type Activities			Total		
	FY 2025	FY 2024	Variance	FY 2025	FY 2024	Variance	FY 2025	FY 2024	Variance
Current and other assets	\$ 957,854	\$ 960,754	\$ (2,900)	\$ 244,525	\$ 227,979	\$ 16,546	\$ 1,202,379	\$ 1,188,733	\$ 13,646
Capital assets (net):									
Land, buildings, equipment, infrastructure & other assets	2,170,494	2,078,900	91,594	1,259,859	1,252,228	7,631	3,430,353	3,331,128	99,225
Total assets	3,128,348	3,039,654	88,694	1,504,384	1,480,207	24,177	4,632,732	4,519,861	112,871
Deferred outflows of resources									
Pension/OPEB	124,128	130,051	(5,923)	6,035	4,216	1,819	130,163	134,267	(4,104)
Deferred charge on debt refunding	65	201	(136)	1,106	1,921	(815)	1,171	2,122	(951)
Asset retirement obligations				4,397	4,507	(110)	4,397	4,507	(110)
Total deferred outflows of resources	124,193	130,252	(6,059)	11,538	10,644	894	135,731	140,896	(5,165)
Current and other liabilities	117,318	159,885	(42,567)	13,856	15,595	(1,739)	131,174	175,480	(44,306)
Long-term liabilities	1,268,234	1,258,136	10,098	391,446	410,787	(19,341)	1,659,680	1,668,923	(9,243)
Total liabilities	1,385,552	1,418,021	(32,469)	405,302	426,382	(21,080)	1,790,854	1,844,403	(53,549)
Deferred inflows of resources									
Pension/OPEB	34,153	41,336	(7,183)	2,579	1,979	600	36,732	43,315	(6,583)
Leases and public-private partnerships	35,665	31,252	4,413				35,665	31,252	4,413
Deferred credit on debt refunding	188		188				188		188
Total deferred inflows of resources	70,006	72,588	(2,582)	2,579	1,979	600	72,585	74,567	(1,982)
Net position:									
Net investment in capital assets	1,783,447	1,707,493	75,954	942,373	891,664	50,709	2,725,820	2,599,157	126,663
Restricted	412,878	362,513	50,365	67,166	63,084	4,082	480,044	425,597	54,447
Unrestricted (deficit)	(399,342)	(390,709)	(8,633)	98,502	107,742	(9,240)	(300,840)	(282,967)	(17,873)
Total net position	\$ 1,796,983	\$ 1,679,297	\$ 117,686	\$ 1,108,041	\$ 1,062,490	\$ 45,551	\$ 2,905,024	\$ 2,741,787	\$ 163,237

Analysis of Net Position for Governmental Activities

The current and other assets total of \$957,854 in the current fiscal year is a decrease of \$2,900 (0.3%) under the prior year total of \$960,754. This decrease is primarily due to the decrease of \$9,689 in cash and cash equivalents and an increase in leases and public-private partnerships receivable of \$6,505. The decrease in cash & cash equivalents is primarily due to the spend-down of American Rescue Plan Act (ARPA) grant monies along with the decrease in overall federal grant revenues. The increase in leases and public-private partnerships receivable is primarily from the County's public-private partnership with Mosaic Quarter Development LLC to operate the Kino South Sports and Entertainment Complex as a public recreational facility.

Total liabilities decreased by \$32,469 (2.3%) to \$1,385,552, primarily due to a \$42,567 reduction in current and other liabilities. This reduction was largely driven by the spend-down of grant funding, which resulted in a corresponding decrease in unearned revenues. Governmental activities' unearned revenues decreased by \$40,936 as funds from the American Rescue Plan Act (ARPA) grants were recognized. Long-term liabilities increased by \$10,098, mainly due to new COPs issues and new subscription-based information technology arrangements (SBITAs) of \$87,102 and the \$17,728 increase in the net pension/OPEB liabilities due to the changes of assumptions in actuarial estimates. This was offset by \$102,953 in debt service principal payments for General Obligation (GO) bonds, Highway User Revenue Fund (HURF) bonds, Certificates of Participation (COPs), and Pledged Revenue Obligations (PRO) debt.

The decrease of \$6,059 (4.7%) in deferred outflows of resources and \$2,582 (3.6%) in deferred inflows of resources is due to the deferred outflows and inflows in pension/OPEB. These variances are due to the changes of assumptions in actuarial estimates related to the net pension/OPEB liabilities.

These changes resulted in an overall increase of \$117,686 (7.0%) in the current year's governmental activities total net position to \$1,796,983.

Analysis of Net Position for Business-type Activities

Total assets of \$1,504,384 in the current fiscal year increased by \$24,177 (1.6%) from the prior year total of \$1,480,207, resulting from a \$16,546 (7.3%) increase in current and other assets and a \$7,631 (0.6%) increase in capital assets. The rise in current and other assets is mainly driven by a \$24,016 increase in restricted cash and investments held by trustee(s) as a result of the Sewer System Revenue Obligations Series 2024 issuance in the Regional Wastewater Reclamation enterprise fund. The growth in capital assets is the result of a higher volume of construction projects that were completed in the current year for sewage conveyance system assets.

Total liabilities decreased \$21,080 (4.9%) in the current year to \$405,302, primarily due to a decrease of \$22,104 in outstanding sewer revenue obligations in the Regional Wastewater Reclamation enterprise fund.

The total deferred outflows of resources for the current year amounted to \$11,538, marking an increase of \$894 (8.4%). This increase can be mainly attributed to a \$1,819 increase in deferred outflows for pension/OPEB. Total deferred inflows increased by \$600 (30.3%) due to the changes of assumptions in actuarial estimates related to the net pension/OPEB liabilities.

The changes in total assets, liabilities, deferred outflows, and deferred inflows of resources resulted in a total net position of \$1,108,041, an increase of \$45,551 (4.3%).

Governmental Activities

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

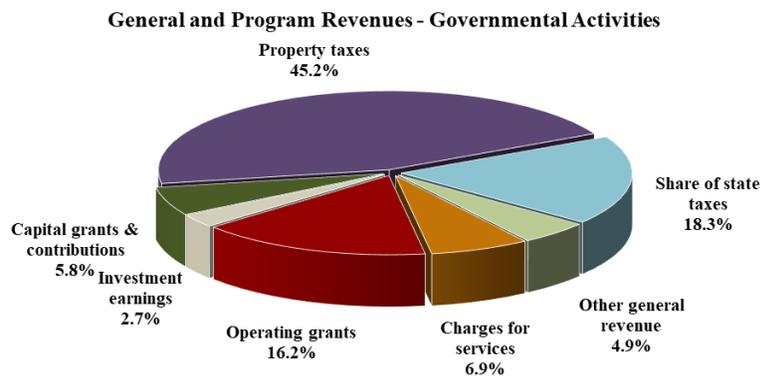
Governmental Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2025 and 2024				
	FY 2025	FY 2024	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 87,354	\$ 143,251	\$ (55,897)	-39.0%
Operating grants and contributions	203,944	276,996	(73,052)	-26.4%
Capital grants and contributions	73,641	44,954	28,687	63.8%
Total program revenues	364,939	465,201	(100,262)	-21.6%
General revenues:				
Property taxes	568,743	528,867	39,876	7.5%
Share of state taxes	229,972	222,224	7,748	3.5%
Investment earnings	33,516	37,041	(3,525)	-9.5%
Other general revenues	61,202	59,005	2,197	3.7%
Total general revenues	893,433	847,137	46,296	5.5%
Total revenues	1,258,372	1,312,338	(53,966)	-4.1%
Expenses:				
General government	455,141	399,737	55,404	13.9%
Public safety	235,826	243,311	(7,485)	-3.1%
Highways and streets	110,063	109,617	446	0.4%
Sanitation	2,040	3,446	(1,406)	-40.8%
Health	29,377	65,711	(36,334)	-55.3%
Welfare	127,937	118,828	9,109	7.7%
Culture and recreation	93,163	87,339	5,824	6.7%
Education and economic opportunity	57,436	71,525	(14,089)	-19.7%
Interest and amortization on long-term debt	20,181	19,343	838	4.3%
Total expenses	1,131,164	1,118,857	12,307	1.1%
Excess before transfers	127,208	193,481	(66,273)	-34.3%
Transfers in	1,499	4,617	(3,118)	-67.5%
Change in net position	128,707	198,098	(69,391)	-35.0%
Net position, July 1, 2024	1,679,297	1,481,199	198,098	13.4%
Aggregate amount of adjustments to and restatements of beginning net position ¹	(11,021)			
Net position, July 1, 2024, as restated	1,668,276			
Net position, June 30, 2025	\$ 1,796,983	\$ 1,679,297	\$ 117,686	7.0%

¹Due to implementation of GASB 101, *Compensated Absences*

Revenues

Total revenues of \$1,258,372 decreased \$53,966 (4.1%) from the prior year, primarily due to the reasons stated in the government-wide financial analysis previously. There was a \$73,052 (26.4%) decrease in operating grants and contributions revenues from the U.S. Department of the Treasury and the U.S. Department of Health and Human Services for Emergency Rental Assistance, the National Initiative to Address COVID-19 Health Disparities, and Advancing Health Literacy grant programs and a \$55,897 (39.0%) decrease in charges for services revenues from the County's share of opioid litigation settlements in the prior year. Total general revenues increased \$46,296 (5.5%) because of an increase of \$39,876 (7.5%) in property tax revenues. Property tax revenues increased due to increased net assessed valuations of taxable property in the County of 5.71%.

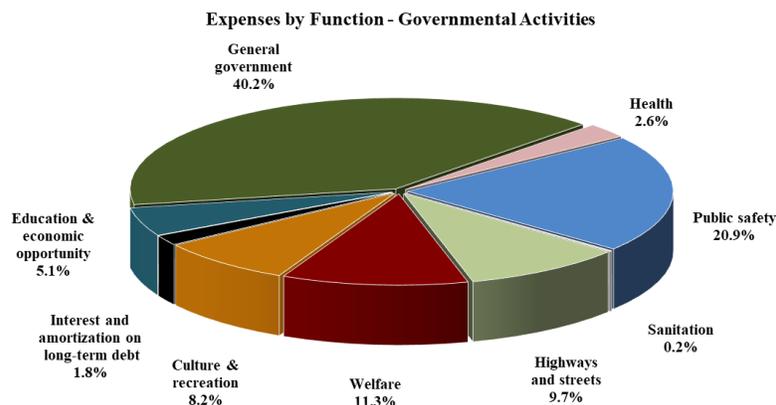
The chart below presents general and program revenues, as a percentage of total revenues. The amount provided from each revenue source for governmental activities, as a percentage of total revenue for governmental activities, has not changed significantly from the prior fiscal year. Property taxes, operating grants, and state-shared taxes account for approximately 79.7% of the County's revenues.



Expenses

Total expenses increased \$12,307 (1.1%) from the prior year, primarily due to an increase of \$35,418 (12.0%) in general government expenses in the General Fund offset with \$28,653 (39.0%) decreased general government expenses in the Grants Fund. The General Fund increase was the result of the recognition of the subscription-based information technology arrangement (SBITA) for the new County enterprise resource planning (ERP) software and the annualized salary increases resulting from the implementation of the classification and compensation study. The decrease in the Grants Fund was due to the decreased Opioid Emergency Response Assistance expenditures.

The following chart presents expenses by function as a percentage of total expenses. The amount of each expense by function as a percentage to total expenses, has not changed significantly from the prior fiscal year. General government and public safety account for over half of the County's total expenses with a total of 61.1%.



Business-type Activities

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

Business-type Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2025 and 2024				
	FY 2025	FY 2024	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 194,328	\$ 198,236	\$ (3,908)	-2.0%
Capital grants and contributions	18,756	25,771	(7,015)	-27.2%
Total program revenues	213,084	224,007	(10,923)	-4.9%
General revenues:				
Investment earnings	11,368	11,112	256	2.3%
Other general revenues	1,143	1,171	(28)	-2.4%
Total general revenues	12,511	12,283	228	1.9%
Total revenues	225,595	236,290	(10,695)	-4.5%
Expenses:				
Regional Wastewater Reclamation	166,396	164,710	1,686	1.0%
Development Services	8,266	7,950	316	4.0%
Parking Garages	2,599	2,829	(230)	-8.1%
Total expenses	177,261	175,489	1,772	1.0%
Excess before transfers	48,334	60,801	(12,467)	-20.5%
Transfers out	(1,499)	(4,617)	3,118	-67.5%
Change in net position	46,835	56,184	(9,349)	-16.6%
Net position, July 1, 2024	1,062,490	1,006,306	56,184	5.6%
Aggregate amount of adjustments to and restatements of beginning net position ¹	(1,284)			
Net position, July 1, 2024, as restated	1,061,206			
Net position, June 30, 2025	\$ 1,108,041	\$ 1,062,490	\$ 45,551	4.3%

¹Due to implementation of GASB 101, *Compensated Absences*

Revenues

Total program revenues for business-type activities decreased by \$10,923 (4.9%) primarily due to decreases of \$3,908 (2.0%) in charges for services and \$7,015 (27.2%) in capital grants and contributions. The decreases are due to decreases in developer capital contributions and the associated sewer connection permits. Total general revenues increased by \$228 (1.9%) primarily due to an increase of \$256 (2.3%) in investment earnings due to the increased cash balance.

Expenses

Total expenses for the business-type activities increased \$1,772 (1.0%), primarily due to an increase of \$1,686 (1.0%) in the Regional Wastewater Reclamation enterprise fund, along with a smaller increase observed in the Development Services Fund and a small decrease in the Parking Garages Fund. The net amount of transfers out decreased by \$3,118 (67.5%), primarily due to a decrease of transfers out of the Regional Wastewater Reclamation Enterprise Fund and into the Capital Projects Fund for contributions to the Continental Ranch Main Loop project in the prior year.

Financial Analysis of the County's Funds

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

Governmental Funds

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

Major Governmental Funds

General Fund

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

Property tax revenues for the General Fund increased \$32,552 (7.6%), reflecting the net impact of higher property valuations. Intergovernmental revenues increased \$11,665 (4.9%), primarily due to an increase in the State Shared Sales Tax distribution. Overall, revenues for the General Fund increased by \$34,210 (4.6%) and totaled \$779,774 for the current year.

General Fund expenditures totaled \$697,656, an increase of \$45,547 (7.0%) from the prior year. The significant change for the fiscal year was from recognition of the SBITA for the new County ERP software and the annualized salary increases resulting from the implementation of the classification and compensation study.

Transfers out totaled \$125,105, an increase of \$5,798 (4.9%) compared to the prior year. This increase was primarily due to \$27,521 in transfers out to the Debt Service Fund for the annual debt service of the Pledged Revenue Obligations Series 2021. The Pledged Revenue Obligations were issued in 2021 to fund the unfunded actuarial accrued liability for CORP and PSPRS.

Transfers in totaled \$17,869, an increase of \$14,012 (363.3%) from the prior year, primarily due to a \$8,000 transfer in from the Grants Fund consisting of ARPA interest that was later transferred out to the Health Fund.

The \$34,210 increase in revenues, the \$45,547 increase in expenditures, and a total net increase of \$38,560 in other financing uses yielded a net increase in fund balance of \$7,134, which ended the year at \$183,161.

Budget and Actual Comparison for the General Fund

Overall, actual revenues were higher than budgeted revenues by \$22,953, primarily due to the higher than budgeted intergovernmental revenue for the same reasons mentioned above, and actual expenditures were less than budgeted expenditures by \$109,900. Actual expenditures for the General Fund were below the budgeted amount, mainly because the County did not use \$99,619 budgeted for contingencies within the General Government – Finance Non-Departmental category which contains the County's General Fund reserve and other amounts set aside as contingency funds.

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

Capital Projects Fund

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

Total revenues of \$20,743 for the Capital Projects Fund represent a decrease of \$407 (1.9%) from the prior year, primarily due to a decrease from developers for impact fees offset by an increase in investment earnings.

Total capital outlay expenditures of \$116,769 in the current year is a decrease of \$26,763 (18.6%) from the prior year, due mostly to the completion of the projects for the Office of the Medical Examiner and the Northwest Service Center, as well as the replacement of the County's ERP system.

The Capital Projects Fund's face amount of long-term debt issued and premium on bonds of \$30,000 represent the issuance of Certificates of Participation (COPs), Series 2024 to fund various capital projects for Facilities Maintenance and the Sheriff's Department.

Transfers out totaled \$17,982, an increase of \$7,197 (66.7%) from the prior year, mainly due to transfers to the Other Special Revenue Fund for the Affordable Housing program.

Transfers in totaled \$94,162, an increase of \$4,696 (5.2%) compared to the prior year's total of \$89,466. The increase is directly related to funding the increase in capital expenditures for the improvements for the 130 W. Congress Administration East building.

The above detailed financial activities yielded an increase of \$14,154 in the Capital Projects Fund's net change in fund balance, which ended the year at \$114,097.

Debt Service Fund

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

Revenues for the Debt Service Fund decreased by \$9,668 (39.3%), as a result of the decrease in the secondary property tax levy driven by the Board of Supervisors policy D 22.12 for the pay-as-you-go (PAYGO) program that transitions from voter-authorized general obligation bond funding of capital improvement projects to primary property tax revenues from the General Fund.

Expenditures for the Debt Service Fund increased \$658 (0.6%) primarily due to an increase in principal payments for the Pledged Revenue Obligations partially offset by the decrease in principal and interest payments for GO Bonds Series 2016.

The \$9,668 decrease in revenues, the \$658 increase in expenditures, and \$3,869 increase in other financing sources yielded an overall decrease in fund balance of \$2,136, which ended the year at \$4,264.

Grants Fund

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

Total revenues of \$114,454 for the Grants Fund represents a decrease of \$61,337 (34.9%) from the prior year, primarily due to a decrease in Federal revenues from the U.S. Department of Treasury, for the Low-Income Home Energy Assistance Program Grant.

Grant Fund expenditures totaled \$98,173, a decrease of \$36,605 (27.2%) from the prior year, primarily due to a decrease of \$28,653 in general government. This decrease was driven by lower expenditures, specifically for the Opioid Emergency Response Assistance.

Transfers in totaled \$3,054, a decrease of \$978 (24.3%) over the prior year, primarily due to decreases within the General Fund for Emergency Management Performance Assistance.

Transfers out totaled \$36,008, a decrease of \$5,651 (13.6%) over the prior year, primarily due to decreases of transfers of grant funding to the Capital Projects Fund for the Facilities Management Northwest Service Center.

The \$61,337 decrease in revenues, the \$36,605 decrease in expenditures, and a total net decrease of \$4,673 in other financing uses yielded a \$16,673 net change in fund balance, which ended the year at a deficit of \$30,052.

Other Special Revenue Fund

This major fund accounts for resources specifically identified to be expended for a particular purpose, program, or activity. The revenues collected are restricted or assigned to these purposes and tracked separately within this fund. These include various probation programs, consumer protection programs, family support, antiracketeering programs,

law library, etc. Revenues are provided by fines, intergovernmental revenues, fees and forfeits, and charges for services.

Total revenues of \$61,276 for the Other Special Revenue Fund represents a decrease of \$11,621 (15.9%) from the prior year, primarily due to a decrease in opioid litigation settlement funds.

Other Special Revenue Fund expenditures totaled \$60,557, an increase of \$5,870 (10.7%) from the prior year, primarily due to increases of \$4,596 in general government, \$3,230 in education and economic opportunity and \$1,341 in culture and recreation, mainly due to increased expenditures in anti-racketeering reimbursements, construction and remodeling services. This was offset by a decrease of \$3,888 in public safety mainly due to an agreement with the Arizona Department of Administration for fund reallocation to line-level deputies and detention officers.

Transfers in totaled \$15,000, a decrease of \$162 (1.1%) over the prior year, primarily due to decreases in funding for the affordable housing initiatives.

Transfers out totaled \$11,664, an increase of \$8,070 (224.5%) over the prior year, primarily due to an increase within the Capital Projects Fund for PAYGO facilities renewal projects that occurred in the current year.

The \$11,621 decrease in revenues, the \$5,870 increase in expenditures, and a total net decrease of \$7,327 in other financing uses yielded a \$4,960 net change in fund balance, which ended the year at a surplus of \$100,313.

Major Proprietary Fund

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

Significant changes in the Fund’s net position during the fiscal year include a decrease in capital contributions of \$7,017 which was the result of fewer new housing developments being completed compared to the prior year. Increases in operating expenses including an increase in employee compensation of \$1,600 from the annualized salary increases resulting from the implementation of the classification and compensation study also contributed to changes in the Fund’s net position.

Aside from the increases mentioned above, the activity of the RWR Fund remained relatively stable as total operating revenues only increased slightly. The change in net position of \$43,682 was a decrease of \$8,864 (16.9%) over the prior year, which resulted in a net position of \$1,064,994 at the fiscal year-end.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets consists of land, buildings and improvements, sewage conveyance systems, infrastructure, equipment, construction in progress and intangible assets, including right-to-use lease and subscription assets.

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

Governmental and Business-type Activities Capital Assets As of June 30, 2025 and 2024									
	Governmental Activities			Business-type Activities			Total		
	FY 2025	FY 2024	Variance	FY 2025	FY 2024	Variance	FY 2025	FY 2024	Variance
Land	\$ 609,074	\$ 596,265	\$ 12,809	\$ 16,622	\$ 16,622		\$ 625,696	\$ 612,887	\$ 12,809
Construction in progress	61,607	174,286	(112,679)	90,065	95,800	(5,735)	151,672	270,086	(118,414)
Buildings and improvements	677,749	569,350	108,399	391,175	414,997	(23,822)	1,068,924	984,347	84,577
Infrastructure	591,550	590,155	1,395				591,550	590,155	1,395
Sewage conveyance systems				706,119	660,621	45,498	706,119	660,621	45,498
Equipment	120,924	95,463	25,461	50,735	58,027	(7,292)	171,659	153,490	18,169
Intangibles	109,590	53,381	56,209	5,143	6,161	(1,018)	114,733	59,542	55,191
Total	\$ 2,170,494	\$ 2,078,900	\$ 91,594	\$ 1,259,859	\$ 1,252,228	\$ 7,631	\$ 3,430,353	\$ 3,331,128	\$ 99,225

The County’s capital assets total is \$3,430,353 in the current year, an increase of \$99,225 (3.0%) from the prior year’s total of \$3,331,128. Significant changes in capital assets of Governmental Activities and Business-type Activities are discussed in further detail in the following sections.

Governmental Activities

The current year’s total assets of \$2,170,494 is a net increase of \$91,594 (4.4%) from the prior year. Completion of the Office of the Medical Examiner building, the Northwest Service Center, and the San Xavier Substation resulted in a decrease of \$112,679 (64.7%) for amounts in Construction in progress as well as the increase of \$108,399 (19.0%) in Buildings and improvements. The \$56,209 (105.3%) increase in Intangibles was from the recognition of the SBITA for the County’s ERP system replacement.

Additionally, there was a \$25,461 (26.7%) increase in equipment due to the replacement of the security system at the Adult Detention Center, as well as the necessary equipment for recently completed buildings and the replacement of outdated equipment that were purchased across 22 separate projects.

The \$12,809 increase in land is primarily attributable to \$6,153 in developer contributions and \$6,215 from project capitalizations, including the financed purchase of the Kelly Ranch property, which was valued at \$5,254, for conservation purposes under the continuing Open Space Project administered by the Conservation Land Resources Department.

Business-type Activities

Capital assets of business-type activities increased by \$7,631 (0.6%), due to increases of \$45,498 in sewage conveyance systems. These increases were offset by decreases in buildings and improvements of \$23,822 and in equipment of \$7,292. The increase in sewage conveyance systems was due to sewage conveyance systems projects being completed and capitalized in the current fiscal year. The decrease in buildings and improvements was the result of annual depreciation of existing assets. These increases and decreases were almost entirely from activity within the RWR Fund.

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

Long-term Debt

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

Long-Term Debt Issued Within Fiscal Year For the Years Ended June 30, 2025 and 2024		
	FY 2025	FY 2024
Certificates of Participation (COPs)	\$ 44,575	\$ 39,070
Sewer System Revenue Obligations	62,255	42,350
General Obligation Bonds		1,675
Financed Purchases	5,100	
Total	\$ 111,930	\$ 83,095

During the year, the County issued COPs Series 2024 in the amount of \$44,575 to fund various Facilities Management projects such as the Office of the Medical Examiner building and the San Xavier Substation for the Sheriff’s Department and to refund the \$18,130 outstanding balance of the COPs Series 2014 issue.

In addition, the County issued Sewer System Revenue Obligations Series 2024 in the amount of \$62,255 to provide funding for the acquisition, construction and improvement of the County’s sewer treatment facilities and conveyance systems and to refund the \$17,330 outstanding balance of the Sewer System Revenue Obligations Series 2014 issue.

The County also entered into financed purchases in the amount of \$1,100 for computer equipment for the Superior Court and \$4,000 for the Kelly Ranch property for conservation purposes for the Conservation Land Resources department.

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

Credit Ratings				
	Standard & Poor's		Fitch Ratings	
	Rating	Date	Rating	Date
Certificates of Participation (COPs)	AA-	September-2025	AA	September-2025
General Obligation Bonds	AA	September-2025	AAA	September-2025
Pledged Revenue Obligations	AA+	March-2021	AA+	September-2025
Transportation Revenue Bonds	AA	November-2020	AA	September-2025
Sewer System Revenue Obligations	AA	September-2025	AA+	September-2025

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

The State of Arizona Constitution limits the amount of general obligation debt a governmental entity may issue to 6.0% of its net assessed valuation without voter approval. However, Pima County has voter approval for general obligation debt up to 15.0%. The County’s outstanding general obligation bonds amount of \$34,119 at the end of the current fiscal year is significantly below the current debt limitation of \$2,366,409.

Additional information regarding the County’s debt can be found in Note 7 of the financial statements, Long-term Liabilities, on pages 65-74.

Economic Factors and Next Year’s Budget

The fiscal year 2025-26 Budget is largely shaped by the County’s response to a series of external challenges. Primary among these is the Arizona Legislature’s decision to balance the State Budget by continuing to transfer \$125.9 million in state costs to Pima County. These additional cost shifts create significant fiscal uncertainty. The fiscal year 2025-26 Budget was developed within this environment of ongoing economic volatility and is built on a framework that carefully balances the County’s critical needs. As highlighted in the latest Economic Decision Guide Update, the broader economy continues to face headwinds, requiring a proactive and disciplined approach to financial management. The Adopted Budget prioritizes the continued delivery of essential services, strategic investments in core areas, and the preservation of long-term financial stability for fiscal year 2025-26.

State Budget Cost Shifts

In attempts to balance the State Budget, the Governor and Legislature continue to transfer significant amounts of state costs to the 15 counties throughout the state. The total of these cost transfers to Pima County is \$125.9 million for fiscal year 2025-26, or 25.7% of Pima County’s primary property tax levy. The most significant state costs being transferred are for the Arizona Long Term Care System, Salaries and Benefits of Superior and Juvenile Court employees, and the Arizona Health Care Cost Containment System.

Property Taxes

The fiscal year 2025-26 Adopted Budget includes an increase of \$0.0953 in the County’s primary property tax rate for General Government Revenues, a \$0.0100 decrease in the County Debt Service secondary property tax rate, a \$0.0018 increase in the Regional Flood Control District secondary property tax rate and a \$0.0042 increase in the County Library District secondary property tax rate from the fiscal year 2024-25 rates. The total property tax rate for Pima County (excluding the State mandated Fire District Assistance Tax) was set at \$5.1961 per \$100 of net taxable value.

State Shared Revenues

In fiscal year 2024-25, the amount of State shared sales tax revenue collected exceeded the budgeted amount of \$182.0 million by \$11.0 million. In response to this, the fiscal year 2025-26 budgeted amount has been increased by \$5.1 million to \$187.1 million, as taxable sales are expected to remain stable across the region.

Employee Benefits Costs

Over the years, Pima County has continued to change and upgrade its benefits package for employees. Over time, the cost to provide these benefits has steadily increased. As a comparison, the actual cost to the County for employee benefits in fiscal year 2003-04 totaled \$65 million whereas the budgeted benefit costs in fiscal year 2025-26 total \$190.5 million resulting in an increase that is nearly triple the fiscal year 2003-04 amount. The most significant increases were in the County's health insurance premiums which are budgeted to increase by \$3.5 million to offset higher budgeted claims expenses than the prior year.

Employee Medical Insurance Benefits Costs

Prior to fiscal year 2013-14, Pima County purchased medical insurance for its employees from an independent provider. Over the five years prior to fiscal year 2013-14, the County's employee medical insurance premiums increased by an average of 15 to 20 percent yearly. In order to control the rate of increase of employee medical insurance costs, the County moved to a self-insured medical plan run by a third-party administrator starting in fiscal year 2013-14. Under this new model, year-to-year medical insurance costs have increased in the range of 5 to 10 percent annually until the last year when they increased at a higher rate. For fiscal year 2025-26, the budgeted benefits increased only slightly from \$188.4 million in the FY 2024/25 Adopted Budget to \$188.5 million in FY 2025/26, a change of approximately \$100,000. The most significant benefit cost increase occurred in the employer's share of health insurance premiums, which rose by \$3.8 million. This increase was largely offset by reductions in retirement rates. The most significant retirement cost decreases were in the Arizona State Retirement and Public Safety Retirement plans, which declined by \$2.9 million and \$1.1 million, respectively.

Rainy Day Funds

Maintaining a budget reserve has given the County a favorable bond rating, which in turn has yielded substantial savings from lower interest payments on County debt. The reserve has also enabled the County to minimize the negative fiscal impacts of a variety of unforeseen events over which the County has had little or no control. The fiscal year 2025-26 adopted budget General Fund Reserve totals \$92.0 million. The fiscal year 2025-26 budget adjusted the reserve requirement, lowering it from 17 percent to 15 percent of the previous year's audited operating expenditures. This measured reduction allows for strategic reinvestment in critical services and infrastructure, helps alleviate pressure on the property tax rate, and still preserves a strong reserve position that safeguards the County's fiscal health and creditworthiness. The reserve level aligns with the range of reserves recommended by the Government Finance Officers Association. If this reserve is not spent, it will represent the base ending fund balance for fiscal year 2025-26.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Risk Management, 130 W. Congress, 4th Floor, Tucson, AZ, 85701.



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



BASIC FINANCIAL STATEMENTS

PIMA COUNTY, ARIZONA

Exhibit A - 1

Statement of Net Position

June 30, 2025

(in thousands)

	Primary Government			Component Unit SW Fair Commission
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 693,648	\$ 112,079	\$ 805,727	\$ 7,347
Property taxes receivable (net)	8,905		8,905	
Interest receivable	2,076	535	2,611	
Internal balances	(22)	22		
Due from other governments	71,186	12	71,198	
Accounts receivable (net)	98,058	17,518	115,576	61
Leases and public-private partnerships receivable	43,775		43,775	146
Inventories	2,708	2,336	5,044	65
Prepays	9,559	278	9,837	84
Restricted assets:				
Cash and investments held by trustee(s) - restricted	45	110,530	110,575	
Loans receivable	7,390		7,390	
Net OPEB asset	20,526	1,215	21,741	
Capital assets not being depreciated/amortized:				
Land	609,074	16,622	625,696	
Construction in progress	61,607	90,065	151,672	
Capital assets being depreciated/amortized (net):				
Buildings and improvements	677,749	391,175	1,068,924	4,250
Sewage conveyance system		706,119	706,119	
Equipment	120,924	50,735	171,659	1,250
Infrastructure	591,550		591,550	
Intangibles	109,590	5,143	114,733	
Total assets	3,128,348	1,504,384	4,632,732	13,203
Deferred outflows of resources				
Pension/OPEB	124,128	6,035	130,163	
Deferred charge on debt refunding	65	1,106	1,171	
Asset retirement obligations		4,397	4,397	
Total deferred outflows of resources	124,193	11,538	135,731	
Liabilities				
Accounts payable	46,563	10,216	56,779	264
Employee compensation	27,274	1,667	28,941	
Contract retentions	6,477		6,477	
Interest payable	1,834		1,834	
Due to other governments		20	20	
Deposits and rebates	934	1,382	2,316	30
Unearned revenue	34,236	571	34,807	3
Noncurrent liabilities:				
Due within one year	160,287	76,443	236,730	
Due in more than one year	1,107,947	315,003	1,422,950	26
Total liabilities	1,385,552	405,302	1,790,854	323
Deferred inflows of resources				
Pension/OPEB	34,153	2,579	36,732	
Deferred inflows related to leases and public-private partnerships	35,665		35,665	131
Deferred credit on debt refunding	188		188	
Total deferred inflows of resources	70,006	2,579	72,585	131
Net position				
Net investment in capital assets	1,783,447	942,373	2,725,820	5,500
Restricted for:				
Facilities, justice, library, community development, and tax stabilization	271,814		271,814	
Highways and streets	21,118		21,118	
Debt service		42,529	42,529	
Capital projects	58,181	1,659	59,840	
Regional wastewater reclamation		21,763	21,763	
Healthcare	41,239		41,239	
Net other postemployment benefits	20,526	1,215	21,741	
Unrestricted (deficit)	(399,342)	98,502	(300,840)	7,249
Total net position	\$ 1,796,983	\$ 1,108,041	\$ 2,905,024	\$ 12,749

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Activities
For the Year Ended June 30, 2025
(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 455,141	\$ 39,529	\$ 60,097	\$ 21,975
Public safety	235,826	16,204	5,501	5,548
Highways and streets	110,063	14,205	78,590	44,366
Sanitation	2,040		1,470	
Health	29,377	11,762	19,364	263
Welfare	127,937	95	2,086	
Culture and recreation	93,163	4,535	928	1,178
Education and economic opportunity	57,436	1,024	35,908	311
Interest and amortization on long-term debt	20,181			
Total governmental activities	<u>1,131,164</u>	<u>87,354</u>	<u>203,944</u>	<u>73,641</u>
Business-type activities:				
Regional Wastewater Reclamation	166,396	181,308		18,756
Development Services	8,266	10,316		
Parking Garages	2,599	2,704		
Total business-type activities	<u>177,261</u>	<u>194,328</u>		<u>18,756</u>
Total primary government	<u>\$ 1,308,425</u>	<u>\$ 281,682</u>	<u>\$ 203,944</u>	<u>\$ 92,397</u>
Component unit:				
Southwestern Fair Commission	9,335	7,409	1,475	
Total component unit	<u>\$ 9,335</u>	<u>\$ 7,409</u>	<u>\$ 1,475</u>	
General revenues:				
Property taxes, levied for general purposes				
Property taxes, levied for regional flood control district				
Property taxes, levied for library district				
Property taxes, levied for debt service				
Property taxes, levied for improvement and other districts				
Hotel/motel taxes, levied for sports facility and tourism				
Other taxes, levied for stadium district				
Unrestricted share of state sales tax				
Unrestricted share of state vehicle license tax				
Grants and contributions not restricted to specific programs				
Interest and penalties on delinquent taxes				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, July 1, 2024				
Aggregate amount of adjustments to and restatements of beginning net position ¹				
Net position, July 1, 2024, as restated				
Net position, June 30, 2025				

¹Due to implementation of GASB 101, *Compensated Absences*

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

Primary Government			Component Unit SW Fair Commission
Governmental Activities	Business-type Activities	Total	
\$ (333,540)		\$ (333,540)	
(208,573)		(208,573)	
27,098		27,098	
(570)		(570)	
2,012		2,012	
(125,756)		(125,756)	
(86,522)		(86,522)	
(20,193)		(20,193)	
(20,181)		(20,181)	
(766,225)		(766,225)	
	\$ 33,668	33,668	
	2,050	2,050	
	105	105	
	35,823	35,823	
(766,225)	35,823	(730,402)	
			(451)
			\$ (451)
458,679		458,679	
33,326		33,326	
61,958		61,958	
14,006		14,006	
774		774	
10,519		10,519	
1,388		1,388	
192,135		192,135	
37,837		37,837	
5,588		5,588	
5,355		5,355	
33,516	11,368	44,884	282
38,352	1,143	39,495	250
1,499	(1,499)		
894,932	11,012	905,944	532
128,707	46,835	175,542	81
1,679,297	1,062,490	2,741,787	12,767
(11,021)	(1,284)	(12,305)	(99)
1,668,276	1,061,206	2,729,482	12,668
\$ 1,796,983	\$ 1,108,041	\$ 2,905,024	\$ 12,749

Functions/Programs

Primary government:

Governmental activities:

- General government
- Public safety
- Highways and streets
- Sanitation
- Health
- Welfare
- Culture and recreation
- Education and economic opportunity
- Interest and amortization on long-term debt

Total governmental activities

Business-type activities:

- Regional Wastewater Reclamation
- Development Services
- Parking Garages
- Total business-type activities

Total primary government

Component unit:

- Southwestern Fair Commission

Total component unit

General revenues:

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

Transfers

- Total general revenues and transfers
- Change in net position

Net position, July 1, 2024

Aggregate amount of adjustments to and restatements of beginning net position¹

Net position, July 1, 2024, as restated

Net position, June 30, 2025

¹Due to implementation of GASB 101, *Compensated Absences*

PIMA COUNTY, ARIZONA
Balance Sheet - Governmental Funds
June 30, 2025
(in thousands)

Exhibit A - 3

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 185,750	\$ 128,459	\$ 4,140	\$ 6,672	\$ 98,648	\$ 102,649	\$ 526,318
Property taxes receivable (net)	7,171		223			1,511	8,905
Interest receivable	497	486	58	130	352	284	1,807
Due from other funds	4,608	1,091		515	369	204	6,787
Due from other governments	34,679	746	1	27,541	337	7,868	71,172
Accounts receivable	2,596	155		1,051	89,590	1,742	95,134
Leases receivable	18,421				25,087	267	43,775
Inventory						1,583	1,583
Prepaid expenditures	2,851			54	269	673	3,847
Loans receivable	3,022			855	2,900	613	7,390
Restricted cash and cash equivalents						45	45
Total assets	<u>\$ 259,595</u>	<u>\$ 130,937</u>	<u>\$ 4,422</u>	<u>\$ 36,818</u>	<u>\$ 217,552</u>	<u>\$ 117,439</u>	<u>\$ 766,763</u>
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable	\$ 16,096	\$ 10,207		\$ 5,549	\$ 3,740	\$ 7,312	\$ 42,904
Employee compensation	20,905	9		1,673	1,095	3,020	26,702
Contract retentions		5,527		32	410	508	6,477
Due to other funds	3,213	237		2,996	300	63	6,809
Deposits and rebates	931				1	2	934
Unearned revenue	61			32,683	1,200	292	34,236
Total liabilities	<u>41,206</u>	<u>15,980</u>		<u>42,933</u>	<u>6,746</u>	<u>11,197</u>	<u>118,062</u>
Deferred inflows of resources							
Unavailable revenue - intergovernmental	13,744	761		22,349	110	1,136	38,100
Unavailable revenue - property taxes	5,106		158			1,076	6,340
Unavailable revenue - settlements					85,128		85,128
Unavailable revenue - other	3,172	99		1,588	3,062	777	8,698
Deferred inflows related to leases and public-private partnerships	13,206				22,193	248	35,647
Total deferred inflows of resources	<u>35,228</u>	<u>860</u>	<u>158</u>	<u>23,937</u>	<u>110,493</u>	<u>3,237</u>	<u>173,913</u>
Total liabilities and deferred inflows of resources	<u>76,434</u>	<u>16,840</u>	<u>158</u>	<u>66,870</u>	<u>117,239</u>	<u>14,434</u>	<u>291,975</u>
Fund balances							
Nonspendable	2,851			54	269	2,301	5,475
Restricted		72,432			61,207	91,039	224,678
Committed	122,044				1,902	1,084	125,030
Assigned	340	41,665	4,264		36,935	8,581	91,785
Unassigned	57,926			(30,106)			27,820
Total fund balances (deficit)	<u>183,161</u>	<u>114,097</u>	<u>4,264</u>	<u>(30,052)</u>	<u>100,313</u>	<u>103,005</u>	<u>474,788</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 259,595</u>	<u>\$ 130,937</u>	<u>\$ 4,422</u>	<u>\$ 36,818</u>	<u>\$ 217,552</u>	<u>\$ 117,439</u>	<u>\$ 766,763</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025
(in thousands)

Exhibit A - 4

Fund balances - total governmental funds		\$ 474,788
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.</p>		
Governmental activities capital assets	\$ 3,801,313	
Less accumulated depreciation/amortization	<u>(1,718,911)</u>	2,082,402
<p>Some liabilities, such as pension and other postemployment benefits (OPEB) liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Bonds payable	(81,458)	
Certificates of participation payable	(238,991)	
Financed purchases	(5,100)	
Leases and SBITA payable	(49,641)	
Pledged revenue obligations	(246,590)	
Pollution remediation	(22)	
Landfill closure liability	(11,494)	
Net pension/OPEB liability	(504,407)	
Compensated absences liability	<u>(62,421)</u>	(1,200,124)
<p>Net OPEB assets held in trust for future benefits are not available resources for County operations and, therefore, are not reported in the funds.</p>		
Net OPEB asset	<u>20,097</u>	20,097
<p>Deferred outflows and inflows of resources related to pension/OPEB, leases and public-private partnerships and deferred charges on debt refunding are applicable to future reporting periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pension/OPEB	121,996	
Deferred inflows of resources related to pension/OPEB	(33,241)	
Accrued interest	(854)	
Deferred inflows related to leases and public-private partnerships	(18)	
Deferred outflows for bond debt refunding	65	
Deferred inflows for bond debt refunding	<u>(188)</u>	87,760
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.</p>		
Intergovernmental	38,100	
Property taxes	6,340	
Settlements	85,128	
Other	<u>8,698</u>	138,266
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.</p>		
		<u>193,794</u>
Net position of governmental activities		<u>\$ 1,796,983</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit A - 5

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 463,591		\$ 14,112			\$ 95,978	\$ 573,681
Licenses and permits	3,362				\$ 1	6,188	9,551
Intergovernmental	247,899	\$ 393	1	\$ 111,256	26,305	100,079	485,933
Charges for services	43,021	13,436			13,194	11,592	81,243
Fines and forfeits	2,759				9,971	74	12,804
Investment earnings	8,255	6,445	820	2,248	3,889	4,100	25,757
Miscellaneous	10,887	469		950	7,916	8,526	28,748
Total revenues	<u>779,774</u>	<u>20,743</u>	<u>14,933</u>	<u>114,454</u>	<u>61,276</u>	<u>226,537</u>	<u>1,217,717</u>
Expenditures:							
Current:							
General government	331,640			44,797	40,451	301	417,189
Public safety	172,975			8,505	5,410	20,739	207,629
Highways and streets				438		69,530	69,968
Sanitation	1,500					1,333	2,833
Health	18,266			22,486	1,456	25,161	67,369
Welfare	126,144			1,747			127,891
Culture and recreation	23,714			227	4,534	55,706	84,181
Education and economic opportunity	15,000			19,973	8,379	14,028	57,380
Debt service:							
Principal	6,472		84,665		301	288	91,726
Interest	1,945		18,714		26	207	20,892
Miscellaneous			573			1	574
Capital outlay		116,769					116,769
Total expenditures	<u>697,656</u>	<u>116,769</u>	<u>103,952</u>	<u>98,173</u>	<u>60,557</u>	<u>187,294</u>	<u>1,264,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,118</u>	<u>(96,026)</u>	<u>(89,019)</u>	<u>16,281</u>	<u>719</u>	<u>39,243</u>	<u>(46,684)</u>
Other financing sources (uses):							
Financed purchases		4,000			1,100		5,100
Premium on long-term debt		2,875	1,232				4,107
Issuance of refunding debt			17,450				17,450
Payments to escrow agent			(18,179)				(18,179)
Face amount of long-term debt issued		27,125					27,125
Lease agreements	683						683
Subscription-based information technology agreements	31,595					1,096	32,691
Sale of capital assets	(26)				(195)	1,107	886
Transfers in	17,869	94,162	86,380	3,054	15,000	51,178	267,643
Transfers (out)	(125,105)	(17,982)		(36,008)	(11,664)	(72,346)	(263,105)
Total other financing sources (uses)	<u>(74,984)</u>	<u>110,180</u>	<u>86,883</u>	<u>(32,954)</u>	<u>4,241</u>	<u>(18,965)</u>	<u>74,401</u>
Net change in fund balances	7,134	14,154	(2,136)	(16,673)	4,960	20,278	27,717
Fund balances (deficit), July 1, 2024	<u>176,027</u>	<u>99,943</u>	<u>6,400</u>	<u>(13,379)</u>	<u>95,353</u>	<u>82,702</u>	<u>447,046</u>
Changes in nonspendable resources:							
Change in prepaids						25	25
Fund balances (deficit), June 30, 2025	<u>\$ 183,161</u>	<u>\$ 114,097</u>	<u>\$ 4,264</u>	<u>\$ (30,052)</u>	<u>\$ 100,313</u>	<u>\$ 103,005</u>	<u>\$ 474,788</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025
(in thousands)

Exhibit A - 6

Net change in fund balances - total governmental funds \$ 27,717

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

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

Expenditures for capital assets	\$ 148,554	
Less current year depreciation/amortization	(101,808)	46,746

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

Face amount of long-term debt issued	(27,125)	
Premium on long-term debt	(4,107)	
Leases incurred	(683)	
Subscription-based information technology arrangements incurred	(32,691)	
Proceeds from issuance of refunding bonds	(17,450)	
Financed purchases	(5,100)	
Debt service - principal payments	91,726	
Payments to escrow agent	18,179	
Amortization of premiums/discounts	2,910	
Accrued interest payable	(511)	
Amortization of deferred charge/credit on refunding	(50)	25,098

Some revenues reported in the Statement of Activities and accrued on the Statement of Net Position do not represent the collection of current financial resources and therefore, are not reported as revenues but are deferred inflows of resources until earned in the governmental funds. Also, the collection of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

Donations of capital assets	41,797	
Public-private partnerships	2	
Intergovernmental	(4,784)	
Property tax revenues	416	
Settlements	(625)	
Other	1,374	38,180

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

Change in compensated absences	(1,515)	
Change in landfill liability	(83)	
Change in pollution remediation liability	8	
Net book value of capital asset disposals	(2,871)	
Other change in reserve for prepaids, School Reserve	25	(4,436)

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

Pension/OPEB contributions	60,027	
Pension/OPEB expense	(74,076)	(14,049)

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

Change in net position of governmental activities \$ 128,707

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Net Position - Proprietary Funds
June 30, 2025
(in thousands)

Exhibit A - 7

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Assets				
Current assets:				
Cash and cash equivalents	\$ 76,924	\$ 35,155	\$ 112,079	\$ 167,330
Restricted cash and cash equivalents	54,770		54,770	
Interest receivable	414	121	535	269
Due from other funds		42	42	3,316
Due from other governments	2	10	12	14
Accounts receivable	17,415	103	17,518	2,924
Inventory	2,336		2,336	1,125
Prepaid expense	236	42	278	5,712
Total current assets	152,097	35,473	187,570	180,690
Noncurrent assets:				
Restricted cash and cash equivalents	55,760		55,760	
Net OPEB asset	1,037	178	1,215	429
Capital assets:				
Land	14,853	1,769	16,622	459
Buildings and improvements	758,813	27,608	786,421	23,356
Sewage conveyance system	1,167,832		1,167,832	
Equipment	188,587	2,268	190,855	102,823
Intangibles	18,648		18,648	36,743
Less accumulated depreciation/amortization	(993,165)	(17,419)	(1,010,584)	(75,439)
Construction in progress	90,065		90,065	150
Total capital assets (net)	1,245,633	14,226	1,259,859	88,092
Total noncurrent assets	1,302,430	14,404	1,316,834	88,521
Total assets	1,454,527	49,877	1,504,404	269,211
Deferred outflows of resources				
Pension/OPEB	5,150	885	6,035	2,132
Deferred charge on refunding	1,106		1,106	
Asset retirement obligations	4,397		4,397	
Total deferred outflows of resources	10,653	885	11,538	2,132
Liabilities				
Current liabilities:				
Accounts payable	10,052	164	10,216	3,659
Employee compensation	1,427	240	1,667	572
Interest payable				980
Due to other funds	15	5	20	3,316
Due to other governments	20		20	
Deposits and rebates		1,382	1,382	
Unearned revenue	569	2	571	
Compensated absences payable	3,201	526	3,727	1,115
Sewer revenue obligations payable	72,716		72,716	
Reported but unpaid losses				5,456
Incurred but not reported losses				8,518
Subscriptions liability				7,289
Total current liabilities	88,000	2,319	90,319	30,905
Noncurrent liabilities:				
Compensated absences payable	1,777	353	2,130	506
Contracts and notes payable	1,702		1,702	
Sewer revenue obligations payable	272,113		272,113	
Reported but unpaid losses				9,615
Incurred but not reported losses				7,518
Net pension/OPEB liability	27,146	4,664	31,810	11,242
Asset retirement obligations	7,248		7,248	
Subscriptions liability				16,851
Total noncurrent liabilities	309,986	5,017	315,003	45,732
Total liabilities	397,986	7,336	405,322	76,637
Deferred inflows of resources				
Pension/OPEB	2,200	379	2,579	912
Total deferred inflows of resources	2,200	379	2,579	912
Net position				
Net investment in capital assets	928,147	14,226	942,373	62,972
Restricted for:				
Debt service	42,529		42,529	
Capital projects	1,659		1,659	
Healthcare				40,583
Regional wastewater reclamation	21,763		21,763	
Net other postemployment benefits	1,037	178	1,215	429
Unrestricted	69,859	28,643	98,502	89,810
Total net position	\$ 1,064,994	\$ 43,047	\$ 1,108,041	\$ 193,794

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 8

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2025
 (in thousands)

	Business-type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 163,072	\$ 13,020	\$ 176,092	\$ 167,590
Other	4,925	71	4,996	9,824
Total operating revenues	<u>167,997</u>	<u>13,091</u>	<u>181,088</u>	<u>177,414</u>
Operating expenses:				
Employee compensation	33,289	6,722	40,011	14,230
Operating supplies and services	14,190	77	14,267	11,521
Utilities	8,300		8,300	
Sludge and refuse disposal	2,819		2,819	
Repairs and maintenance	12,601	123	12,724	3,606
Incurred losses				88,885
Insurance premiums				16,053
General and administrative	14,290	2,792	17,082	5,572
Consultants and professional services	15,388	382	15,770	14,137
Depreciation/amortization	55,108	769	55,877	17,712
Total operating expenses	<u>155,985</u>	<u>10,865</u>	<u>166,850</u>	<u>171,716</u>
Operating income	<u>12,012</u>	<u>2,226</u>	<u>14,238</u>	<u>5,698</u>
Nonoperating revenues (expenses):				
Intergovernmental revenue	2		2	
Investment earnings	10,043	1,325	11,368	7,758
Sewer connection fees	14,383		14,383	
Interest expense	(9,581)		(9,581)	(1,064)
Debt issuance cost	(594)		(594)	
Gain (loss) on disposal of capital assets	(536)		(536)	7
Gain on debt defeasance	300		300	
Total nonoperating revenues	<u>14,017</u>	<u>1,325</u>	<u>15,342</u>	<u>6,701</u>
Income before contributions and transfers	26,029	3,551	29,580	12,399
Capital contributions	18,754		18,754	91
Transfers in		5	5	1,068
Transfers (out)	(1,101)	(403)	(1,504)	(4,107)
Change in net position	43,682	3,153	46,835	9,451
Net position, July 1, 2024	<u>1,022,458</u>	<u>40,032</u>	<u>1,062,490</u>	<u>184,768</u>
Aggregate amount of adjustments to and restatements of beginning net position ¹	(1,146)	(138)	(1,284)	(425)
Net position, July 1, 2024, as restated	<u>1,021,312</u>	<u>39,894</u>	<u>1,061,206</u>	<u>184,343</u>
Net position, June 30, 2025	<u>\$ 1,064,994</u>	<u>\$ 43,047</u>	<u>\$ 1,108,041</u>	<u>\$ 193,794</u>

¹Due to implementation of GASB 101, *Compensated Absences*

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit A - 9

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Cash receipts from other funds for goods and services provided				\$ 167,590
Cash receipts from customers for goods and services provided	\$ 167,050	\$ 13,287	\$ 180,337	
Cash receipts from miscellaneous operations	1,072		1,072	9,490
Cash payments to suppliers for goods and services	(53,170)	(2,337)	(55,507)	(48,947)
Cash payments to other funds for goods and services	(13,746)	(1,471)	(15,217)	(5,298)
Cash payments for incurred losses				(89,113)
Cash payments to employees for services	(32,352)	(6,538)	(38,890)	(13,966)
Net cash provided by operating activities	<u>68,854</u>	<u>2,941</u>	<u>71,795</u>	<u>19,756</u>
Cash flows from noncapital financing activities:				
Cash transfers in from other funds		5	5	1,068
Cash transfers out to other funds	(1,101)	(403)	(1,504)	(4,107)
Loans with other funds	(18)	22	4	
Net cash used for noncapital financing activities	<u>(1,119)</u>	<u>(376)</u>	<u>(1,495)</u>	<u>(3,039)</u>
Cash flows from capital and related financing activities:				
Intergovernmental revenues	2		2	
Principal paid on sewer revenue obligations and loans	(82,715)		(82,715)	
Interest paid on sewer revenue obligations and loans	(16,020)		(16,020)	
Proceeds from issuance of sewer revenue obligations, including premium	67,571		67,571	
Sewer connection fees	14,321		14,321	
Proceeds from sale of capital assets	223		223	421
Purchase and construction of capital assets	(46,919)	(33)	(46,952)	(19,186)
Net cash used for capital and related financing activities	<u>(63,537)</u>	<u>(33)</u>	<u>(63,570)</u>	<u>(18,765)</u>
Cash flows from investing activities:				
Interest received on investments	10,143	1,316	11,459	7,772
Net cash provided by investing activities	<u>10,143</u>	<u>1,316</u>	<u>11,459</u>	<u>7,772</u>
Net increase in cash and cash equivalents	14,341	3,848	18,189	5,724
Cash and cash equivalents, July 1, 2024	173,113	31,307	204,420	161,606
Cash and cash equivalents, June 30, 2025	<u>\$ 187,454</u>	<u>\$ 35,155</u>	<u>\$ 222,609</u>	<u>\$ 167,330</u>

(continued)

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit A - 9.1

(continued)

Reconciliation of operating income to net cash provided by operating activities:	Business-Type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating income	\$ 12,012	\$ 2,226	\$ 14,238	\$ 5,698
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	55,108	769	55,877	17,712
Changes in assets and deferred outflows of resources:				
Decrease (increase) in assets:				
Accounts receivable	124	(13)	111	(357)
Due from other governments	1	(9)	(8)	23
Inventory and other assets	1,349		1,349	36
Prepaid expense	272	(5)	267	(1,521)
Net OPEB asset	(144)	(27)	(171)	(59)
Decrease (increase) in deferred outflows of resources:				
Pension/OPEB	(1,546)	(273)	(1,819)	(632)
Asset retirement obligations	110		110	
Changes in liabilities and deferred inflows of resources:				
Increase (decrease) in liabilities:				
Accounts payable	(1,241)	(429)	(1,670)	(1,957)
Interest payable				94
Due to other governments	11		11	(8)
Reported but unpaid losses				(806)
Incurred but not reported losses				578
Net pension/OPEB liability	599	162	761	202
Asset retirement obligations	171		171	
Other liabilities	1,520	448	1,968	545
Increase in deferred inflows of resources:				
Pension/OPEB	508	92	600	208
Net cash provided by operating activities	\$ 68,854	\$ 2,941	\$ 71,795	\$ 19,756

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2025:

Regional Wastewater Reclamation Enterprise Fund received developer-built conveyance systems with an estimated fair value of \$18,754. These contributions were recorded as an increase in capital assets and capital contributions.

Regional Wastewater Reclamation Enterprise Fund disposed of capital assets with a net book value of \$758.

Regional Wastewater Reclamation Enterprise Fund issued Sewer Revenue Obligations Series 2024 for \$62,255 to finance the capital improvement programs and refund \$17,330 outstanding balance of the Series 2014 issue.

Internal Service Funds disposed of capital assets with a net book value of \$212.

Internal Service Funds entered into subscription-based information technology arrangements and recognized subscription liabilities of \$8,452.

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2025
(in thousands)

Exhibit A - 10

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
Assets			
Cash and cash equivalents	\$ 5,051	\$ 510,317	\$ 287,173
Property tax receivable			26,713
Interest receivable		1,913	1
Due from other governments			1,941
Total assets	5,051	512,230	315,828
Net position			
Restricted for:			
Pool participants		512,230	
Individuals, organizations, and other governments	5,051		315,828
Total net position	\$ 5,051	\$ 512,230	\$ 315,828

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit A - 11

	Private-Purpose Trust Funds	Custodial Funds	
		External Investment Pool	Other
Additions:			
Contributions from pool participants		\$ 2,605,080	
Contributions from other governments			\$ 139,240
Property tax collections for other governments			1,480,124
Fines and fees collected for other governments			9,461
Investment earnings		24,407	14,785
Inmate collections			2,056
Other	\$ 8,994		36,184
Total additions	8,994	2,629,487	1,681,850
Deductions:			
Distributions to pool participants		2,576,572	
Distributions to other governments			217,176
Property tax distributions to other governments			1,476,626
Interest expense			354
Fines and fees distributions to other governments			9,429
Payments to inmates			2,046
Other	9,738		32,799
Total deductions	9,738	2,576,572	1,738,430
Net increase (decrease) in fiduciary net position	(744)	52,915	(56,580)
Net position, July 1, 2024	5,795	459,315	372,408
Net position, June 30, 2025	\$ 5,051	\$ 512,230	\$ 315,828

See accompanying notes to financial statements

(This page intentionally left blank)

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies

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

During fiscal year 2025, the County implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement requires governments to recognize a liability for certain types of compensated absences not previously required to be recorded, and to refine the measurement of existing compensated absence obligations. The County applied the requirements of this Statement retroactively by restating beginning net position as of July 1, 2024. The implementation resulted in the recognition of additional liabilities for compensated absences and a corresponding reduction in beginning net position. The impact of this implementation is disclosed in Note 2: Change in Accounting Principle.

Also, during fiscal year 2025, the County implemented GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires governments to disclose information about certain types of risks related to their financial statements, including risks associated with concentrations, constraints, and exposures. The County reviewed its operations and determined that implementation of GASB 102 did not have an impact on its financial statements and did not require additional disclosures.

A. Reporting Entity

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

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 County. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended and discretely presented component unit discussed below has a June 30 year-end.

The following describes the County's component units:

The Pima County Stadium District, a legally separate entity, was created in 1991 when the Board of Supervisors adopted a resolution to create the Stadium District to manage Kino Sports Complex. The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. The Stadium District, in conjunction with Pima County government, maintains the fiscal resources of the entire complex including facilities, grounds, personnel and the various services provided at the venue. Kino Sports Complex, which covers 330 acres, is the largest professional sports and entertainment venue of its kind in Pima County. The facility hosts youth athletics, amateur and professional sports, concerts and community events on its fields. The County Board of Supervisors serves as the Board of Directors and has operational responsibility for the District. Acting in the capacity of the Board of Directors, the Pima County Board of Supervisors is able to impose its will on the District. The Board of Directors levies the car rental surcharge rates and the recreation vehicle (RV) park tax for the District. The District is reported as a special revenue fund (blended component unit) in these financial statements. Complete financial statements for the District can be obtained from the Pima County Department of Finance and Risk Management located at 130 West Congress Street, Tucson, Arizona 85701.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

The Southwestern Fair Commission, Inc. (SFC) is a nonprofit corporation which manages and maintains the fairgrounds owned by the County and conducts an annual fair and other events at the fairgrounds. The Commission's members are appointed and can be removed at any time by the Pima County Board of Supervisors. Based on these factors, and because SFC does not provide services entirely, or almost entirely to the County, but rather to the general citizenry, SFC is reported as a separate component unit (discrete presentation) in these financial statements. Complete financial statements for SFC can be obtained from the Pima County Department of Finance and Risk Management located at 130 West Congress Street, Tucson, Arizona 85701.

Related Organization

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

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

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

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

- Charges to customers or applicants for goods, services, or privileges provided.
- Operating grants and contributions.
- 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 and insurance premiums, in which each party receives and gives up essentially equal values, are operating revenues. Other revenues, such as subsidies, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues such as connection fees, intergovernmental revenues, along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

The County reports the following major governmental funds:

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

The Other Special Revenue Fund accounts for resources specifically identified to be expended for the various other programs of the County. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

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

C. Basis of Accounting

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

D. Cash and Investments

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

E. Inventories and Prepays

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

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

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

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

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

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

F. Property Tax Calendar

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

becomes delinquent after the first business day of May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation/Amortization Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Land improvements (Reported in buildings and improvements)	All	Straight Line	20 - 30 Years
Buildings and improvements	\$100	Straight Line	10 - 50 Years
Equipment	\$5	Straight Line	4 - 25 Years
Infrastructure/Sewer conveyance systems	\$100	Straight Line	10 - 50 Years
Intangibles:			
Right-to-use subscription assets	\$1,000	Straight Line	Varies
Right-to-use lease assets	\$100	Straight Line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the County is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

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

Discretely presented component unit:

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

H. Postemployment Benefits

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

I. 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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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.

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

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

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

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

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

J. Investment Earnings

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

K. Compensated Absences

Compensated absences payable consists of annual leave and a calculated amount of sick leave earned by employees based on services already rendered, as well as other types of compensated absences that may qualify which include parental leave, jury duty leave and military leave that has commenced, to the extent such benefits accumulate and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The County utilizes the first-in, first-out (FIFO) method to determine the order in which leave balances are used and paid, whereby the earliest accrued leave is considered used first.

Employees may accumulate up to 320 hours of annual leave depending upon years of service. If an employee has accumulated annual leave in excess of 320 hours by their anniversary date, the excess hours are converted to sick leave. Upon termination of employment, all unused annual leave benefits are paid to employees. Accordingly, annual leave benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

Employees may accumulate up to 1,920 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but most employees forfeit them upon terminating employment. However, employees who have accumulated greater than 240 hours of sick leave and are eligible to retire will receive some benefits. Employees who are eligible to retire from County service into the Arizona State Retirement System, Public Safety Personnel Retirement System, or Corrections Officer Retirement Plan may request sick leave to be converted to annual leave on a predetermined conversion basis.

Under GASB 101, the County recognizes a liability for sick leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This includes the portion of estimated usage of sick leave and sick leave expected to be paid upon termination or converted to annual leave at retirement. For the current fiscal year, estimated usage of sick time was determined by using a 4-year average of sick time accrued and paid. An estimate of the sick usage and retirement payouts is accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the Fund's financial statements under Employee Compensation only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

L. Leases and Subscription-Based Information Technology Arrangements

Leases

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

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

Subscription-based information technology arrangements

The County recognizes subscription liabilities with an initial, individual value of \$1,000 or more. The County uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The County's estimated incremental borrowing rate is calculated as described above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 2: Change in Accounting Principle

During fiscal year 2025, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement requires governments to recognize a liability for certain types of compensated absences that were previously not required to be recorded, as well as to refine the measurement of existing compensated absence obligations.

The implementation of GASB 101 resulted in the recognition of additional liabilities for compensated absences payable and corresponding adjustments to beginning net position. The effect of implementation on beginning net position as of July 1, 2024, is summarized below:

	Net position June 30, 2024 as previously reported	Change in accounting principle – compensated absences	Net position July 1, 2024 as restated
Government-wide			
Governmental activities	\$ 1,679,297	\$ (11,021)	\$ 1,668,276
Business-type activities	1,062,490	(1,284)	1,061,206
Total primary government	\$ 2,741,787	\$ (12,305)	\$ 2,729,482
Proprietary funds			
Major funds:			
Regional wastewater reclamation	\$ 1,022,458	\$ (1,146)	\$ 1,021,312
Nonmajor enterprise funds	40,032	(138)	39,894
Internal service funds	184,768	(425)	184,343
Total proprietary funds	\$ 1,247,258	\$ (1,709)	\$ 1,245,549

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 3: Cash and Investments

Primary Government

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

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

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

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

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

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

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

Deposits—At June 30, 2025, the carrying amount of the County's deposits was \$148,656, and the bank balance was \$154,945.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 3: Cash and Investments (continued)

Custodial credit risk—Custodial credit risk is the risk that the County will not be able to recover its deposits if a financial institution fails. The County does not have a formal policy with respect to custodial credit risk. As of June 30, 2025, \$179 of the County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments—At June 30, 2025, the County’s investments consisted of \$590,597 invested in marketable securities and \$979,556 invested in the State Treasurer’s Investment Pools. The State Board of Investment provides oversight for the State Treasurer’s pools.

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

At June 30, 2025, credit risk for the County’s investments was as follows:

Investment type	Fair value	Standard & Poor’s/Moody’s Rating			
		Not rated	AAA/Aaa	AA/Aa	A/A
Certificates of Deposit	\$ 32,901	\$ 32,901			
Corporate bonds	54,125		\$ 5,018	\$ 13,838	\$ 35,269
Federal agency securities	235,468	10,059		225,409	
Municipal bonds	1,121	1,121			
Money market mutual fund	236,676		236,676		
State Treasurer's Investment Pool 5	587,849		587,849		
State Treasurer's Investment Pool 500	157,146			157,146	
State Treasurer's Investment Pool 7	234,561			234,561	
Total	\$ 1,539,847	\$ 44,081	\$ 829,543	\$ 630,954	\$ 35,269

Custodial credit risk—For an investment, custodial risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy with respect to custodial credit risk. Of the County’s \$1,570,153 of investments, \$320,253 consisting of the corporate bonds, municipal bonds, U.S. Treasury Notes, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association is uninsured and held by a counterparty in the County’s name in book entry form.

Concentration of credit risk—The County has no formal policy with respect to limiting the amount the Treasurer may invest in any one issuer. The County had investments at June 30, 2025, of 5% or more in Federal Farm Credit Bank and Federal Home Loan Bank. These investments were 5% and 7%, respectively, of the County’s total investments.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 3: Cash and Investments (continued)

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

As of June 30, 2025, the County had the following investments:

Investment type	Amount	Weighted average maturity (years)
State Treasurer’s Investment Pool 5	\$ 587,849	0.10
State Treasurer’s Investment Pool 500	157,146	1.66
State Treasurer’s Investment Pool 7	234,561	0.07
Certificates of Deposit	32,901	1.09
Corporate bonds	54,125	1.06
Municipal bonds	1,121	0.29
Federal Farm Credit Bank	71,105	1.34
Federal Home Loan Bank	103,837	1.54
Federal Home Loan Mortgage Corporation	50,468	1.28
Farmer MAC Domestic MTN	10,058	0.83
U.S. Treasury Notes	30,306	1.07
Money market mutual fund	236,676	0.11
	\$ 1,570,153	

Fair value measurement—The County’s investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

Investment by fair value level	Amount	Fair value measurement using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Corporate bonds	\$ 54,125	\$ 43,946	\$ 10,179
Municipal bonds	1,121		1,121
Federal Farm Credit Bank	71,105		71,105
Federal Home Loan Bank	103,837	27,000	76,837
Federal Home Loan Mortgage Corporation	50,468		50,468
Farmer MAC Domestic MTN	10,058		10,058
U.S. Treasury Notes	30,306	30,306	
Money market mutual fund	236,676	236,676	
Certificates of Deposit	32,901		32,901
Total investments by fair value level	\$ 590,597	\$ 337,928	\$ 252,669

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 3: Cash and Investments (continued)

The County also had investments of \$979,556 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

	Cash on hand	Amounts of deposits	Amounts of investments	Total
Cash, deposits, and investments:	\$ 34	\$ 148,656	\$ 1,570,153	\$ 1,718,843

	Governmental activities	Business- type activities	Private- purpose trust funds	<u>Custodial funds</u>		Total
				External investment pool	Other	
Statement of net position:						
Cash and cash equivalents	\$ 693,648	\$ 112,079	\$ 5,051	\$ 510,317	\$ 287,173	\$ 1,608,268
Restricted cash and cash equivalents	45	110,530				110,575
Total	<u>\$ 693,693</u>	<u>\$ 222,609</u>	<u>\$ 5,051</u>	<u>\$ 510,317</u>	<u>\$ 287,173</u>	<u>\$ 1,718,843</u>

County Treasurer's investment pool—Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The County Treasurer has a fiduciary responsibility to administer those and the County monies under their stewardship. The County Treasurer invests, on a pool basis, all monies not specifically invested for a fund or program. In addition, the County Treasurer determines the fair value of those pooled investments annually at June 30. The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The County Treasurer allocates interest earnings to each of the pool's participants. The County's deposits and investments are included in the County Treasurer's investment pool, except for \$34 of cash on hand, \$48,702 of deposits, and \$482,696 of investments primarily in the State Treasurer's Investment Pool. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks disclosed above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 3: Cash and Investments (continued)

The pool's assets consist of the following:

Investment type	Principal	Interest rates	Maturities	Fair value
U.S Government Obligations	30,000	0.75-3.75%	04/26-11/26	29,539
Corporate bonds	53,836	0.55-5.49%	07/25-11/28	54,125
Municipal bonds	1,105	2.66%	07/25-01/26	1,121
Federal Farm Credit Bank	70,000	3.09-4.88%	10/25-08/27	71,105
Federal Home Loan Bank	104,270	1.30-4.88%	12/25-11/27	103,837
Federal Home Loan Mortgage Corporation	50,000	3.55-4.00%	07/25-05/28	50,468
Farmer MAC Domestic MTN	10,000	3.98%	04/26	10,058
Certificates of Deposit	33,019	2.85-5.10%	07/25-01/28	32,901
Money Market Mutual Fund	201,683	VARIABLE	N/A	201,683
State Treasurer Investment Pool 5	530,706	N/A	N/A	530,706
Deposits	99,954	N/A	N/A	99,954
Interest receivable	1,914	N/A	N/A	1,914
Total assets				\$ 1,187,411

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

Statement of fiduciary net position

Assets held for:	
Internal participants	\$ 675,181
External participants	512,230
Total assets	1,187,411
Total net position	\$ 1,187,411

Statement of changes in fiduciary net position

Total additions	\$ 6,657,588
Total deductions	(6,628,662)
Net increase	28,926
Net position:	
July 1, 2024	1,158,485
June 30, 2025	\$ 1,187,411

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 4: Public-Private and Public-Public Partnerships

The County has public-private and public-public partnership agreements as the transferor of properties that provide recreational services to the public. The County has an agreement with Southern Arizona Kart Club, Inc. to operate the Pima Motorsports Park Facility as a public recreational facility, an agreement with Arizona Aerospace Foundation to operate the Titan Missile Museum as a public museum, an agreement with Old Tucson Entertainment LLC to operate Old Tucson Studios as a public recreational facility, an agreement with Mosaic Quarter Development LLC to operate the Kino South Sports and Entertainment Complex as a public recreational facility, and an agreement with MJS SFM LLC to operate the Mike Jacobs Sportspark as a public recreational facility. All properties are existing assets that are currently in use, along with assets under construction within the Mosaic Quarter Development LLC, with operator commitments to make improvements over the life of each contract. At June 30, 2025, the County recognized \$9,814 in receivables and \$9,642 in deferred inflows related to public-private and public-public partnership agreements. The County uses its estimated incremental borrowing rate to measure the receivable unless it can readily determine the interest rate implicit in the agreement. The County's estimated incremental borrowing rate is based on the future year's COPs issuance estimated interest rate.

For the County's public-private and public-public partnership agreements the exclusive right to operate the properties is granted to the operators in accordance with permitted activities under public recreational facilities established by the County. The County maintains ownership of the properties, including any improvements made to the properties. In accordance with the public-private and public-public partnership agreements the operators are beholden to maintenance, repair, and replacement obligations.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 596,265	\$ 14,366	\$ (1,557)	\$ 609,074
Construction in progress	174,286	119,836	(232,515)	61,607
Total capital assets not being depreciated/amortized	<u>770,551</u>	<u>134,202</u>	<u>(234,072)</u>	<u>670,681</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	1,051,465	145,252	(1,856)	1,194,861
Equipment	244,910	47,203	(10,242)	281,871
Infrastructure	1,616,174	45,699	(30)	1,661,843
Intangibles:				
Software	24,687			24,687
Right-to-use subscription assets	58,484	74,528	(7,654)	125,358
Right-to-use lease assets:				
Buildings and other improvements	6,395	683	(1,535)	5,543
Total capital assets being depreciated/amortized	<u>3,002,115</u>	<u>313,365</u>	<u>(21,317)</u>	<u>3,294,163</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(482,115)	(35,476)	479	(517,112)
Equipment	(149,447)	(21,173)	9,673	(160,947)
Infrastructure	(1,026,019)	(44,303)	29	(1,070,293)
Intangibles:				
Software	(17,133)	(1,079)		(18,212)
Right-to-use subscription assets	(16,448)	(16,447)	7,654	(25,241)
Right-to-use lease assets:				
Buildings and other improvements	(2,604)	(1,042)	1,101	(2,545)
Total accumulated depreciation/amortization	<u>(1,693,766)</u>	<u>(119,520)</u>	<u>18,936</u>	<u>(1,794,350)</u>
Total capital assets being depreciated/amortized, net	<u>1,308,349</u>	<u>193,845</u>	<u>(2,381)</u>	<u>1,499,813</u>
Governmental activities capital assets, net	<u>\$ 2,078,900</u>	<u>\$ 328,047</u>	<u>\$ (236,453)</u>	<u>\$ 2,170,494</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 5: Capital Assets (continued)

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 16,622			\$ 16,622
Construction in progress	95,800	\$ 43,466	\$ (49,201)	90,065
Total capital assets not being depreciated/amortized	112,422	43,466	(49,201)	106,687
Capital assets being depreciated/amortized:				
Buildings and improvements	786,421			786,421
Equipment	190,043	2,198	(1,386)	190,855
Intangibles:				
Software	18,732		(84)	18,648
Sewage conveyance systems	1,102,076	67,812	(2,056)	1,167,832
Total capital assets being depreciated/amortized	2,097,272	70,010	(3,526)	2,163,756
Less accumulated depreciation/amortization for:				
Buildings and improvements	(371,424)	(23,822)		(395,246)
Equipment	(132,016)	(9,360)	1,256	(140,120)
Intangibles:				
Software	(12,571)	(1,019)	85	(13,505)
Sewage conveyance systems	(441,455)	(21,676)	1,418	(461,713)
Total accumulated depreciation/amortization	(957,466)	(55,877)	2,759	(1,010,584)
Total capital assets being depreciated/amortized, net	1,139,806	14,133	(767)	1,153,172
Business-type activities capital assets, net	\$ 1,252,228	\$ 57,599	\$ (49,968)	\$ 1,259,859

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 27,817
Public safety	16,378
Highway and streets	41,887
Sanitation	398
Health	2,789
Welfare	49
Culture and recreation	11,388
Education and economic opportunity	1,102
Internal service funds	17,712
Total governmental activities depreciation/amortization expense	\$ 119,520
Business-type activities:	
Development Services	\$ 1
Parking Garages	768
Regional Wastewater Reclamation Department	55,108
Total business-type activities depreciation/amortization expense	\$ 55,877

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 5: Capital Assets (continued)

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Discretely presented component unit:				
Southwestern Fair Commission (SFC):				
Capital assets not being depreciated:				
Construction in progress	\$ 45	\$ 506	\$ (551)	\$
Total capital assets not being depreciated	<u>45</u>	<u>506</u>	<u>(551)</u>	<u></u>
Capital assets being depreciated:				
Buildings and improvements	11,343	612	(339)	11,616
Equipment	<u>3,114</u>	<u>545</u>	<u>(133)</u>	<u>3,526</u>
Total capital assets being depreciated	<u>14,457</u>	<u>1,157</u>	<u>(472)</u>	<u>15,142</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,201)	(482)	317	(7,366)
Equipment	<u>(2,179)</u>	<u>(230)</u>	<u>133</u>	<u>(2,276)</u>
Total accumulated depreciation	<u>(9,380)</u>	<u>(712)</u>	<u>450</u>	<u>(9,642)</u>
Total capital assets being depreciated, net	<u>5,077</u>	<u>445</u>	<u>(22)</u>	<u>5,500</u>
SFC capital assets, net	<u>\$ 5,122</u>	<u>\$ 951</u>	<u>\$ (573)</u>	<u>\$ 5,500</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 6: Claims, Judgments and Risk Management

Self-Insurance Trust Fund (SIT Fund)

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

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

At June 30, 2025, claims liabilities for each insurable category are as follows:

Automobile liability	\$	2,313
General liability		7,014
Workers' compensation		13,280
Environmental liability		1,500
		\$ 24,107

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

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2023-24	\$ 25,643	\$ 4,345	\$ (5,053)	\$ 24,935
2024-25	\$ 24,935	\$ 7,069	\$ (7,897)	\$ 24,107

Health Benefits Trust Fund (HBT Fund)

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

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

Claim liabilities are computed using a variety of actuarial methods and techniques including the exposure approach and completion factors. Accrued actuarial liabilities for the HBT Fund at June 30, 2025, for the HDHP plans are as follows:

High-Deductible Health Plan:	
Medical	\$ 4,830
Pharmacy	<u>2,170</u>
	<u>\$ 7,000</u>

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2023-24	\$ 6,900	\$ 73,375	\$ (73,875)	\$ 6,400
2024-25	\$ 6,400	\$ 81,816	\$ (81,216)	\$ 7,000

Litigation

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

Claims and Judgments

Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2025, the County paid for claims and judgments as follows: 9 percent from the Self-Insurance Trust Fund and 91 percent from the Health Benefits Trust Fund.

Pollution Remediation

The County has estimated and reported an environmental liability of \$22 in the government-wide financial statements for governmental activities (in noncurrent liabilities) under the Arizona Water Quality Assurance Revolving Fund state statutes in Article 5, Chapter 2, of Title 49 and regulations in Chapter 16 of Title 18. Remediation efforts are currently underway at one County site: El Camino del Cerro.

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activities for the year ended June 30, 2025.

	<u>Balance July 1, 2024 (restated)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2025</u>	<u>Due within 1 year</u>
Governmental activities:					
General obligation bonds	\$ 44,590		\$ 13,630	\$ 30,960	\$ 14,160
Bonds from direct placement	3,317		158	3,159	178
Unamortized premium/discount	538		311	227	170
Total general obligation bonds	<u>48,445</u>		<u>14,099</u>	<u>34,346</u>	<u>14,508</u>
Transportation revenue bonds	51,895		6,505	45,390	6,730
Unamortized premium/discount	2,233		511	1,722	428
Total transportation revenue bonds	<u>54,128</u>		<u>7,016</u>	<u>47,112</u>	<u>7,158</u>
Certificates of participation	243,605	44,575	60,120	228,060	43,600
Unamortized premium/discount	9,233	4,107	2,409	10,931	2,200
Total certificates of participation	<u>252,838</u>	<u>48,682</u>	<u>62,529</u>	<u>238,991</u>	<u>45,800</u>
Pledged revenue obligations	269,130		22,540	246,590	23,190
Financed purchases	107	5,100	107	5,100	2,232
Leases payable	3,951	683	1,417	3,217	581
Subscriptions liability	37,316	42,527	9,279	70,564	12,367
Net pension/OPEB liabilities (Note 10)	497,921	36,844	19,116	515,649	
Reported but unpaid losses (Note 6)	15,877	1,585	2,391	15,071	5,456
Incurred but not reported losses (Note 6)	15,458	1,553	975	16,036	8,518
Landfill closure and post-closure care costs (Note 8)	11,411	83		11,494	
Pollution remediation (Note 6)	30		8	22	
Compensated absences payable*	62,545	45,981	44,484	64,042	40,477
Total governmental activities long-term liabilities	<u>\$ 1,269,157</u>	<u>\$ 183,038</u>	<u>\$ 183,961</u>	<u>\$ 1,268,234</u>	<u>\$ 160,287</u>
Business-type activities:					
Sewer revenue obligations	\$ 283,755	\$ 62,255	\$ 74,600	\$ 271,410	\$ 58,410
Obligations from direct borrowing	60,085		8,115	51,970	8,265
Unamortized premium/discount	23,093	5,910	7,554	21,449	6,041
Total revenue obligations payable	<u>366,933</u>	<u>68,165</u>	<u>90,269</u>	<u>344,829</u>	<u>72,716</u>
Net pension/OPEB liabilities (Note 10)	31,049	781	20	31,810	
Contracts and notes	1,249	1,967	1,514	1,702	
Compensated absences payable*	5,763	3,582	3,488	5,857	3,727
Asset retirement obligations	7,077	171		7,248	
Total business-type activities long-term liabilities	<u>\$ 412,071</u>	<u>\$ 74,666</u>	<u>\$ 95,291</u>	<u>\$ 391,446</u>	<u>\$ 76,443</u>

* Due to the implementation of GASB Statement No.101, *Compensated Absences*, the County's beginning liability balance was restated from fiscal year 2024.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

General Obligation Bonds, Taxable Series 2020A, Tax-Exempt Series 2023A, and Tax-Exempt Series 2024A issued by the Rocking K South Community Facilities District via direct placement are not public offerings. The district will use the proceeds of ad valorem tax levies to make the debt service payments on these direct placement bonds.

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

GENERAL OBLIGATION BONDS

Governmental Activities

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

General obligation bonds payable at June 30, 2025, consisted of the outstanding general obligation bonds presented below.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2025</u>
Series of 2012A	60,000	3.25 – 4.00%	2026-27	July 1, 2022	\$ 8,290
Series of 2013A	50,000	4.00%	2026-28	July 1, 2023	11,790
Series of 2014	10,000	3.13 – 3.38%	2026-28	July 1, 2023	2,510
Series of 2015	15,000	3.00 – 3.50%	2026-29	July 1, 2025	3,750
Series of 2016 Refunding	122,070	4.00%	2026		4,620
Subtotal					<u>30,960</u>
Series of 2020A Direct Placement	138	4.50%	2026-36		109
Series of 2023A Direct Placement	1,670	4.66%	2026-37		1,440
Series of 2024A Direct Placement	1,675	5.65%	2026-38		1,610
GO bonds outstanding					<u>34,119</u>
Plus unamortized premium/discount:					227
			Total G.O. bonds outstanding		<u>\$ 34,346</u>

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2025.

<u>Year Ending June 30,</u>	<u>GO Bonds</u>		<u>Bonds from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,160	\$ 1,164	\$ 178	\$ 163
2027	9,910	610	188	153
2028	5,905	256	194	144
2029	985	29	204	135
2030			214	124
2031-2035			1,254	443
2036-2038			927	100
Total	<u>\$ 30,960</u>	<u>\$ 2,059</u>	<u>\$ 3,159</u>	<u>\$ 1,262</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

TRANSPORTATION BONDS

Governmental Activities

(Payments made from street and highway revenues)

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

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2025</u>
Series of 2012	\$ 18,425	3.00%	2026-27	July 1, 2022	\$ 3,085
Series of 2014	16,000	3.25 – 3.38%	2026-28	July 1, 2023	4,225
Series of 2018	11,000	5.00%	2026-33	July 1, 2028	6,220
Series of 2019	25,000	4.00%	2026-33	July 1, 2028	16,785
Series of 2020	21,000	2.00%	2026-35	July 1, 2030	15,075
Transportation bonds outstanding					45,390
Plus unamortized premium/discount:					1,722
			Total transportation bonds outstanding		<u>\$ 47,112</u>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2025.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 6,730	\$ 1,516
2027	6,955	1,293
2028	5,580	1,062
2029	4,265	869
2030	4,410	721
2031-2035	17,450	1,308
Total	<u>\$ 45,390</u>	<u>\$ 6,769</u>

Pima County has pledged future street and highway revenues to repay \$45,390 in transportation revenue bonds issued between 2012 and 2020. Proceeds from the bonds provide financing for construction of various highways and streets within Pima County. The bonds are payable from transportation revenues and are payable through 2035. Total principal and interest remaining to be paid on the bonds is \$52,159. It is expected that approximately 7 percent of total future revenues will be used to pay annual principal and interest on the bonds. Prior year street and highway revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for bonds in the current year, and total current year street and highway revenues were \$8,247 and \$78,766, respectively.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

CERTIFICATES OF PARTICIPATION

Governmental Activities

(Payments made from General Fund revenues)

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

On December 19, 2024, the County issued Certificates of Participation Series 2024 in the amount of \$44,575. The County realized net proceeds of \$48,540 after selling with a premium of \$4,107 and payment of \$142 in underwriting fees and other issuance costs. The proceeds will be used to fund improvements for the San Xavier Substation for the Sheriff's Department, the Office of the Medical Examiner, Superior Court, and to refund the \$18,130 outstanding balance of the Series 2014 issue. The refunding transaction resulted in an economic gain of \$759 and reduction of debt service between the refunding debt and the refunded debt of \$759. The proceeds used for the refunding were placed in an irrevocable trust to provide for future debt service payments of the refunded debt. Accordingly, the trust account assets and liability for the refunded obligation are not included in the County's financial statements.

The following schedule details outstanding Certificates of Participation payable at June 30, 2025.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2025</u>
Series of 2016B	\$ 15,185	3.33 – 4.04%	2026-31	June 1, 2026	\$ 7,015
Series of 2019	20,940	5.00%	2026-34	December 1, 2028	14,620
Series of 2019A	12,975	5.00%	2026-34	December 1, 2029	10,420
Series of 2020B	15,720	5.00%	2026-36	December 1, 2030	12,600
Series of 2020C	50,390	1.06%	2026		10,240
Series of 2021	50,000	1.07%	2026-27		20,340
Series of 2022A	27,930	5.00%	2026-37	December 1, 2032	25,030
Series of 2022B	60,515	5.29 – 5.38%	2026-28		47,400
Series of 2023A	23,915	5.00%	2026-38	December 1, 2033	22,115
Series of 2023B	15,155	5.78 – 6.33%	2026-34		13,705
Series of 2024	44,575	5.00%	2026-35		44,575
Certificates of participation outstanding					228,060
Plus unamortized premium/discount:					10,931
				Total certificates of participation outstanding	\$ 238,991

The following schedule details debt service requirements to maturity for the County's Certificates of Participation payable at June 30, 2025.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 43,600	\$ 9,720
2027	38,750	8,232
2028	39,185	6,419
2029	15,635	5,004
2030	12,380	4,303
2031-2035	64,405	11,405
2036-2038	14,105	870
Total	\$ 228,060	\$ 45,953

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

											<u>COPS Issuance</u>		<u>Building Collateral</u>
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Adult Detention Facility		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Public Works Building and Parking Garage		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	County Office Building		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Superior Court Building		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Fleet Services Facility		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Public Service Center Office Tower and Parking Garage		
2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	2024	Justice Building		

PLEGGED REVENUE OBLIGATIONS
Governmental Activities

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

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2025</u>
Series of 2021	\$ 300,000	1.13 – 2.51%	2026-36		\$ 246,590
Pledged revenue obligations outstanding					246,590
Plus unamortized premium/discount:					
			Total pledged revenue obligations outstanding		\$ 246,590

The following schedule details pledged revenue obligations debt service requirements to maturity at June 30, 2025.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 23,190	\$ 4,776
2027	24,065	4,514
2028	24,340	4,173
2029	24,040	3,787
2030	23,585	3,362
2031-2035	108,360	9,678
2036	19,010	478
Total	\$ 246,590	\$ 30,768

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

The County has pledged future State-shared sales tax revenues, State vehicle license tax revenues, County excise tax revenues, and payments in lieu of property tax revenues to repay \$246,590 in pledged revenue obligations issued in 2021. Proceeds from the obligations were used to pay down the unfunded actuarial liabilities for the Public Safety Personnel Retirement System and the Corrections Officers Retirement Plan. The obligations are payable from the various revenues mentioned above and are payable through 2036. Total principal and interest remaining to be paid on the obligations is \$277,358. It is expected that approximately 14 percent of total future revenues will be used to pay annual principal and interest on the obligations. Prior year pledged revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for these obligations in the current year, and total current year pledged revenues were \$27,519 and \$176,819, respectively.

FINANCED PURCHASES
Governmental Activities

The County has acquired equipment under contract agreements in which \$1,100 of the total purchase price was financed. In a separate agreement the County acquired land and buildings in which \$4,000 of the total purchase was financed.

The following schedule details debt service requirements to maturity for the County's financed purchases at June 30, 2025.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,232	\$ 160
2027	2,232	80
2028	232	
2029	232	
2030	172	
Total	<u>\$ 5,100</u>	<u>\$ 240</u>

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

LEASES
Governmental Activities

The County has obtained the right to use buildings and other improvements under the provisions of various lease agreements.

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

Total intangible right-to-use lease assets:	\$ 5,543
Less: accumulated amortization	<u>(2,545)</u>
Carrying value	<u>\$ 2,998</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 581	\$ 134
2027	361	113
2028	349	96
2029	380	78
2030	413	59
2031-2035	450	178
2036-2040	191	114
2041-2045	147	86
2046-2050	199	51
2051-2053	<u>146</u>	<u>9</u>
Total	<u>\$ 3,217</u>	<u>\$ 918</u>

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
Governmental Activities

The County has obtained the right to use cloud-based software under the provisions of various subscription-based information technology arrangements.

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

Total intangible right-to-use subscription assets:	\$ 125,358
Less: accumulated amortization	<u>(25,241)</u>
Carrying value	\$ 100,117

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 12,367	\$ 3,096
2027	11,527	2,514
2028	8,016	2,034
2029	8,480	1,626
2030	3,725	1,435
2031-2035	12,783	4,983
2036-2040	<u>13,666</u>	<u>1,924</u>
Total	<u>\$ 70,564</u>	<u>\$ 17,612</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

SEWER REVENUE OBLIGATIONS

Business-Type Activities

(Payments made from user charges received in the RWR)

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

On October 23, 2024, the County issued Sewer System Revenue and Revenue Refunding Obligations, Series 2024 in the amount of \$62,255. The County realized net proceeds of \$68,007 after selling with a premium of \$5,910 and payment of \$158 in underwriting fees and other issuance costs. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement and to refund the \$17,330 outstanding balance of the Series 2014 issue. The refunding transaction resulted in an economic gain of \$747 and a reduction in debt service between the refunding debt and the refunded debt of \$909. The proceeds of the new obligations were placed in an irrevocable trust to provide for future debt service payments of refunded debt. Accordingly, the trust account assets and liability for the refunded obligation are not included in the County financial statements. The Series 2024 obligations are projected to be paid in full by the fiscal year 2034-35 from revenues received in the Regional Wastewater Reclamation Fund.

During the year ended June 30, 2025, the County defeased \$17,925 of Sewer Revenue Obligations, Series 2016 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. Accordingly, the related liabilities are not included in the County's financial statements. The County placed \$17,964 of existing cash in an irrevocable trust to provide resources for the future debt service payments of \$18,821.

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

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2025</u>
Series of 2016 Refunding	211,595	5.00%	2026		20,210
Series of 2018	38,205	5.00%	2026-33	July 1, 2028	38,205
Series of 2019	21,245	5.00%	2026-32	July 1, 2029	12,535
Series of 2020A	35,295	5.00%	2026-27		7,430
Series of 2020B	45,715	5.00%	2026-31	July 1, 2030	40,730
Series of 2022	68,225	5.00%	2026-33	July 1, 2032	55,275
Series of 2023	42,350	5.00%	2026-34	July 1, 2033	40,120
Series of 2024	62,255	5.00%	2026-35	July 1, 2034	56,905
Subtotal					271,410
Series of 2017 Direct Placement	45,000	2.77%	2026-31		21,405
Series of 2021 Direct Placement	45,000	1.27%	2026-31		30,565
Subtotal					51,970
Sewer revenue obligations outstanding					323,380
Plus unamortized premium/discount:					21,449
Total sewer revenue obligations outstanding					\$ 344,829

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

The following schedule details sewer revenue obligation debt service requirements to maturity at June 30, 2025.

<u>Year Ending June 30,</u>	<u>Sewer Obligation Debt Service</u>		<u>Obligations from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 58,410	\$ 13,571	\$ 8,265	\$ 981
2027	43,515	10,650	8,420	826
2028	31,750	8,474	8,575	668
2029	27,500	6,887	8,740	506
2030	28,740	5,512	8,900	341
2031-2035	81,495	8,905	9,070	173
Total	<u>\$ 271,410</u>	<u>\$ 53,999</u>	<u>\$ 51,970</u>	<u>\$ 3,495</u>

All sewer revenue obligations, including direct placements, were issued with a first lien on the pledge of the Regional Wastewater Reclamation Fund's net revenues and have restrictive covenants, primarily related to minimum utility rates and limitations on future bond issues. The bond covenants also require the Regional Wastewater Reclamation Fund to maintain in the Bond Reserve Account monies in amounts set by each debt issue. At June 30, 2025, the Regional Wastewater Reclamation Fund met the requirements of the debt covenants. The County is also authorized to issue for the Regional Wastewater Reclamation Fund additional parity bonds or revenue obligations if certain conditions are met, primarily that net revenues for parity bonds and pledged revenues for revenue obligations if certain conditions are met, primarily that the net revenues for parity bonds and pledged revenue for revenue obligations for the fiscal year immediately preceding issuance of the new debt exceed 120 percent of the maximum annual debt service requirements immediately after such issuance.

Pima County has pledged future user charges, net of specified operating expenses, to repay \$271,410 in sewer obligations and \$51,970 in sewer obligations from direct placement issued between 2016 and 2025. Proceeds from the obligations and direct placement provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The obligations and direct placement are payable from total customer net revenues and are payable through fiscal year 2035. It is expected that approximately 20 percent of total future customer net revenues will be used to pay annual principal and interest payments on the obligations and direct placement. Total principal and interest remaining to be paid on the obligations and direct placement are \$325,409 and \$55,465 respectively. Principal and interest paid in the current year on revenue obligations and direct placement totaled \$53,914, and principal and interest paid on the direct borrowing totaled \$9,246. Total customer net revenues in the current year were \$89,462.

ASSET RETIREMENT OBLIGATION
Business-Type Activities

Pima County's asset retirement obligation is a legally enforceable liability associated with the retirement and clean closure of a wastewater treatment facility as required by State laws and regulations. The estimates used in calculating this liability are based on actual historical clean-up costs associated with the retirement and clean closure of a recently closed wastewater treatment facility. The clean closure costs estimate is adjusted annually using an inflation factor. The estimated remaining useful lives of the associated wastewater treatment facilities range between 1 to 20 years.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 7: Long-Term Liabilities (continued)

CONTRACTS AND NOTES

Business-Type Activities

(Payments made from restricted assets in the RWR)

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

LEGAL DEBT MARGIN

County General Obligation Bonds

General obligation debt may not exceed 6 percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Pima County has received voter approval for all general obligation debt. The legal debt margin at June 30, 2025, is as follows:

Net assessed valuation		\$ 15,776,061
Debt limit (15% of net assessed valuation):		2,366,409
Less amount of debt applicable to debt limit:		
General obligation bonds outstanding	\$ 34,119	
Less general obligation bonds outstanding for the Rocking K South CFD	(3,159)	30,960
Legal debt margin available	(3,159)	\$ 2,335,449

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 8: Landfill Liabilities

Solid Waste Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require the County to place a final cover on its solid waste landfill sites when these sites stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after their closure. Although closure and post-closure care costs will not be paid until near or after the date the landfills stop accepting waste, the County records a portion of these closure and post-closure care costs as a long-term liability at fiscal year-end. The \$11,494 reported as landfill closure and post-closure care long-term liability within the governmental activities represents the cumulative amount reported to date, based on the percentage used of each landfill's total estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,725 as the remaining estimated capacities are used. These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended June 30, 2025; actual costs may change due to inflation, changes in technology, or changes in regulations.

Landfill Site	Capacity Used June 30, 2025	Estimated Remaining Service Life
Ajo	80%	22 Years
Sahuarita*	59%	23 Years
Tangerine	100%	Closed

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

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

According to State and Federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, post-closure, and corrective action when needed. The County is in compliance with these requirements. The County closed its Ina Road Landfill facility during fiscal year ended June 30, 2020. This facility is not subject to the closure and post-closure cost requirements referred to above. The County estimates that total remaining closure costs of the landfill will be \$1,620 and has currently paid \$7,602 of these closure costs. The remaining closure costs will primarily be funded with General Fund monies.

On September 29, 2022, Waste Management of Arizona, Inc. was contracted to operate the Landfill and Transfer Station operations on behalf of Pima County in an agency capacity. The closure and post closure costs remain the liability of Pima County.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 9: Interfund Transactions

A. Interfund Assets/Liabilities

Due from/Due to other funds for the year ended June 30, 2025, were as follows:

Amounts recorded as due to:

Amounts recorded as due from:	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Regional Wastewater Reclamation</u>	<u>Other Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
General			\$ 1,660	\$ 58				\$ 2,890	\$ 4,608
Capital Projects			854	237					1,091
Grants	\$ 48				\$ 41			426	515
Other Special Revenue	127	\$ 237					\$ 5		369
Other Governmental	148		56						204
Other Enterprise				5	22	\$ 15			42
Internal Service	<u>2,890</u>		<u>426</u>						<u>3,316</u>
Total	<u>\$ 3,213</u>	<u>\$ 237</u>	<u>\$ 2,996</u>	<u>\$ 300</u>	<u>\$ 63</u>	<u>\$ 15</u>	<u>\$ 5</u>	<u>\$ 3,316</u>	<u>\$ 10,145</u>

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

The due to the General Fund from the Grants Fund, represents transfers for various indirect charges. The majority of these were in either Health or Community & Workforce Development departments. The due to the Capital Projects Fund from the Grants Fund represent operating transfers for the Teatro Carmen Restoration project.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 9: Interfund Transactions (continued)

B. Interfund Transfers

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

Interfund transfers for the year ended June 30, 2025, were as follows:

Amounts recorded as transfers out:

Amounts recorded as transfers in:

	General	Capital Projects	Grants	Other Special Revenue	Other Governmental	Regional Wastewater Reclamation	Other Enterprise	Internal Service	Total
General		\$ 1,845	\$ 10,796	\$ 639	\$ 1,501	\$ 166		\$ 2,922	\$ 17,869
Capital Projects	\$ 28,764		24,642	9,060	30,778	283	\$ 40	595	94,162
Debt Service	41,855	4,428		5	38,944	520	363	265	86,380
Grants	2,299				755				3,054
Other Special Revenue	3,255	11,477			130	83		55	15,000
Other Governmental	48,530	232	144	1,955	238	49		30	51,178
Other Enterprise				5					5
Internal Service	402		426					240	1,068
Total	<u>\$ 125,105</u>	<u>\$ 17,982</u>	<u>\$ 36,008</u>	<u>\$ 11,664</u>	<u>\$ 72,346</u>	<u>\$ 1,101</u>	<u>\$ 403</u>	<u>\$ 4,107</u>	<u>\$ 268,716</u>

The following is a summary of the significant transfer activity for the fiscal year ended June 30, 2025:

The transfers out of the General Fund were made to the Other Governmental Funds, to support Transportation's Certificates of Participation debt service payments, to support Health Fund operations, and to support Stadium District Fund operations, such as subsidizing debt service obligations and ballfield maintenance costs in connection with the Kino Sports Complex.

The transfers out from the General Fund were made to the Debt Service Fund, to support Certificates of Participation debt service payments, CORP/PSPRS pension debt, and Enterprise Resource Planning allocation.

The transfers out from the General Fund were made to the Capital Projects Fund, to support Project Design & Constructions for the Pima County Regional Middle Mile Project and to support Transportation Fund pay-as-you-go payments for this year.

The transfers out of the Capital Projects Fund were made to the Other Special Revenue Fund, to support Affordable Housing, Facilities Renewal deferred maintenance, and Deferred Maintenance pay-as-you-go.

The transfers out of the Grants Fund were made to the Capital Projects Fund, to support various County infrastructure and facility upgrade projects, including the Northwest Service Center project and the CDO Levee Augmentation.

The transfers out of the Grants Fund were made to the General Fund, for the American Rescue Plan Act Interest.

The transfers out of the Other Governmental Funds were made to the Debt Service Fund, to support Certificates of Participation debt service payments.

The transfers out from the Other Governmental Funds were made to Capital Projects Fund, to support the construction related activity in connection with projects for the Flood Control District and to support various projects for the County Free Library.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits

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

At June 30, 2025, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of net position and Statement of activities	Governmental activities	Business-type activities	Total
Net OPEB assets	\$ 20,526	\$ 1,215	\$ 21,741
Net pension and OPEB liabilities	515,649	31,810	547,459
Deferred outflows of resources related to pensions and OPEB	124,128	6,035	130,163
Deferred inflows of resources related to pensions and OPEB	34,153	2,579	36,732
Pension and OPEB expense	76,472	2,746	79,218

The County’s accrued payroll and employee benefits includes \$2,718 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2025. Also, the County reported \$60,027 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

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

A. Arizona State Retirement System

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

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

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. 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, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.12 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.05 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.14 percent for retirement of the annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill.

The County's total contributions to the pension plan for the year ended June 30, 2025, was \$36,307.

During fiscal year 2025, the County paid for ASRS pension contributions as follows: 63 percent from the General Fund, 17 percent from major funds, and 20 percent from other funds.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Liability—At June 30, 2025, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

ASRS	Net pension liability
Pension	\$ 349,049

The net liability was measured as of June 30, 2024. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The County's proportions measured as of June 30, 2024, and the change from its proportions measured as of June 30, 2023, were:

ASRS	Proportion June 30, 2024	Increase from June 30, 2023
Pension	2.18%	0.08

Expense—For the year ended June 30, 2025, the County recognized the following pension expense.

ASRS	Pension expense
Pension	\$ 32,779

Deferred outflows/inflows of resources—At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 19,484	
Net difference between projected and actual earnings on pension plan investments		\$ 22,291
Changes in proportion and differences between county contributions and proportionate share of contributions	9,062	881
County contributions subsequent to the measurement date	36,307	
Total	<u>\$ 64,853</u>	<u>\$ 23,172</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

Year ending June 30	Pension
2026	\$ (6,259)
2027	21,366
2028	(5,642)
2029	(4,091)

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

ASRS	
Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

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

ASRS	Target	Long-term expected
Asset class	allocation	geometric real rate
		of return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	(0.45)%
Total	<u>100%</u>	

Discount rate—At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 534,465	\$ 349,049	\$ 194,521

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

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

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

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

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

*With actuarially reduced benefits

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

Employees covered by benefit terms—At June 30, 2025, the following employees were covered by the agent plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	508	274
Inactive employees entitled to but not yet receiving benefits	191	184
Active employees	430	199
Total	1,129	657

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member - pension	County - pension
PSPRS Sheriff	7.65%	34.72%
CORP Detention	8.41%	12.56%
CORP AOC	8.41% or 8.38%	39.15%

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

	Pension
PSPRS Sheriff	24.29%
CORP Detention	8.61%
CORP AOC	36.72%

The County’s contributions to the plans for the year ended June 30, 2025, were:

	Pension
PSPRS Sheriff	\$ 12,147
CORP Detention	3,720
CORP AOC	6,292

During fiscal year 2025, the County paid for PSPRS and CORP pension contributions as follows: 82 percent from the General Fund and 18 percent from other major funds.

Liability—At June 30, 2025, the County reported the following liabilities:

	Net pension liability
PSPRS Sheriff	\$ 71,359
CORP Detention	24,218
CORP AOC (County’s proportionate share)	49,248

The net pension liabilities were measured as of June 30, 2024, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

PSPRS and CORP - Pension	
Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25%
Price Inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP	Target allocation	Long-term expected geometric real rate of return
Asset class		
U.S. public equity	24%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash – Mellon	<u>2%</u>	0.89%
Total	<u>100%</u>	

Discount rate—At June 30, 2024, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Changes in the net pension liability

PSPRS – Sheriff

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2024	\$ 508,831	\$ 419,256	\$ 89,575
Changes for the year:			
Service cost	6,443		6,443
Interest on the total liability	36,041		36,041
Differences between expected and actual experience in the measurement of the liability	5,089		5,089
Changes of assumptions or other inputs			
Contributions—employer		21,334	(21,334)
Contributions—employee		2,326	(2,326)
Net investment income		42,362	(42,362)
Benefit payments, including refunds of employee contributions	(29,414)	(29,414)	
Administrative expense		(238)	238
Other changes		5	(5)
Net changes	18,159	36,375	(18,216)
Balances at June 30, 2025	\$ 526,990	\$ 455,631	\$ 71,359

CORP – Detention

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2024	\$ 171,628	\$ 150,815	\$ 20,813
Changes for the year:			
Service cost	1,659		1,659
Interest on the total liability	12,130		12,130
Differences between expected and actual experience in the measurement of the liability	7,795		7,795
Changes of assumptions or other inputs			
Contributions—employer		1,969	(1,969)
Contributions—employee		1,230	(1,230)
Net investment income		15,147	(15,147)
Benefit payments, including refunds of employee contributions	(9,620)	(9,620)	
Administrative expense		(163)	163
Other changes		(4)	4
Net changes	11,964	8,559	3,405
Balances at June 30, 2025	\$ 183,592	\$ 159,374	\$ 24,218

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2024. The County's proportion measured as of June 30, 2024, and the change from its proportions measured as of June 30, 2023, were:

CORP AOC	Proportion June 30, 2024	Increase from June 30, 2023
Pension	11.41%	0.67

Sensitivity of the County's net pension liability to changes in the discount rate—The following table presents the County's net pension liabilities calculated using the discount rate of 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
PSPRS Sheriff			
Net pension liability	\$ 137,651	\$ 71,359	\$ 16,872
CORP Detention			
Net pension liability	\$ 49,602	\$ 24,218	\$ 3,640
CORP AOC			
County's proportionate share of the net pension liability	\$ 67,592	\$ 49,248	\$ 34,288

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, 2025, the County recognized the following pension expense:

	Pension expense
PSPRS Sheriff	\$ 18,505
CORP Detention	7,251
CORP AOC (County's proportionate share)	5,239

Pension deferred outflows/inflows of resources—At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS – Sheriff	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 19,602	\$ 437
Changes of assumptions or other inputs	2,013	
Net difference between projected and actual earnings on pension plan investments		1,553
County contributions subsequent to the measurement date	12,147	
Total	\$ 33,762	\$ 1,990

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

CORP – Detention	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 7,670	\$ 1,746
Changes of assumptions or other inputs	414	
Net difference between projected and actual earnings on pension plan investments		882
County contributions subsequent to the measurement date	3,720	
Total	\$ 11,804	\$ 2,628

CORP – AOC	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 3,234	\$ 251
Changes of assumptions or other inputs	633	
Net difference between projected and actual earnings on pension plan investments		1,047
Changes in proportion and differences between county contributions and proportionate share of contributions	2,319	385
County contributions subsequent to the measurement date	6,292	
Total	\$ 12,478	\$ 1,683

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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	PSPRS Sheriff	CORP Detention	CORP AOC
2026	\$ 5,597	\$ 2,921	\$ 327
2027	12,965	4,501	2,714
2028	2,523	(1,061)	915
2029	(1,460)	(905)	547
	\$ 19,625	\$ 5,456	\$ 4,503

C. Elected Officials Retirement Plan

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

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

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2025, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 70.44 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 58.32 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, in addition to the County’s required contributions to ASRS. In addition, statute required the County to contribute 52.62 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill.

The County’s contributions to the pension plan for the year ended June 30, 2025, were \$4,825.

During fiscal year 2025, the County paid for EORP pension contributions as follows: 98 percent from the General Fund and 2 percent from other major funds.

Liability—At June 30, 2025, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$ 53,014
State’s proportionate share of the EORP net pension liability associated with the County	3,658
Total	\$ 56,672

The net pension liability was measured as of June 30, 2024, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

The County’s proportion of the net pension liability was based on the County’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2024. The County’s proportion measured as of June 30, 2024, and the change from its proportion measured as of June 30, 2023, were:

EORP	<u>Proportion</u> <u>June 30, 2024</u>	<u>Decrease from</u> <u>June 30, 2023</u>
Pension	8.87%	4.20

Expense—For the year ended June 30, 2025, the County recognized pension expense for EORP of \$16,541 and revenue of \$1,482 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Deferred outflows/inflows of resources—At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		\$ 559
Changes in proportion and differences between county contributions and proportionate share of contributions		
County contributions subsequent to the measurement date	\$ 4,825	
Total	\$ 4,825	\$ 559

The amounts reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

Year ending June 30	Pension
2026	\$ (514)
2027	423
2028	(259)
2029	(209)

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

EORP	
Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25%
Price inflation	2.5%
Cost of living adjustment	1.85%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The long-term expected rate of return on EORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP	Target	Long-term expected geometric real
Asset class	allocation	rate of return
U.S. public equity	24%	3.62%
International public equity	16%	4.47%
Global private equity	27%	7.05%
Core bonds	6%	2.44%
Private credit	20%	6.24%
Diversifying strategies	5%	3.15%
Cash - Mellon	<u>2%</u>	0.89%
Total	<u>100%</u>	

Discount rates—At June 30, 2024, the discount rate used to measure the EORP total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

EORP	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
County’s proportionate share of the net pension liability	\$ 61,641	\$ 53,014	\$ 45,605

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 11: Construction and Other Significant Commitments

At June 30, 2025, Pima County had the following major contractual commitments:

Detainee and Crisis Systems – The Detainee and Crisis Systems had contractual commitments related to service contracts of \$49,585. Funding for these expenditures will be provided from general fund and grant revenues. Amounts previously liquidated for these contracts total \$35,727.

Community & Workforce Development – The Community & Workforce Development Department had contractual commitments related to service contracts of \$11,548. Funding for these expenditures will be provided from reimbursements on intergovernmental grant awards, including federal and state entities. Amounts previously liquidated for these contracts total \$19,249.

Facilities Management – The Facilities Management Department had construction contractual commitments of \$25,049 and other contractual commitments related to service contracts of \$1,870. Funding for these expenditures will be provided from Certificates of Participation, general fund and building rental revenues. Amounts previously liquidated for these contracts total \$23,571 and \$173, respectively.

County Free Library – The County Free Library had construction contractual commitments of \$9,782 and other contractual commitments related to service contracts of \$1,330. Funding for these expenditures will be primarily from tax levy revenues. Amounts previously liquidated for these contracts total \$2,201 and \$253, respectively.

Health – The Health Department had contractual commitments related to service contracts of \$6,058. Funding for these expenditures will be provided from general fund and grant revenues. Amounts previously liquidated for these contracts total \$3,663.

Conservation Land and Resources – The Conservation Land and Resources Department had construction contractual commitments of \$8,630 and other contractual commitments related to service contracts of \$263. Funding for these expenditures will be primarily from Certificates of Participation and the general fund. Amounts previously liquidated for these contracts total \$2,238 and \$150, respectively.

Regional Flood Control – The Regional Flood Control District had construction contractual commitments of \$8,001 and other contractual commitments related to service contracts of \$1,665. Funding for these expenditures will be primarily from tax levy revenues. Amounts previously liquidated for these contracts total \$9,491 and \$249, respectively.

Regional Wastewater Reclamation – The Regional Wastewater Reclamation enterprise fund had construction contractual commitments of \$65,926 and other contractual commitments related to service contracts of \$11,400. Funding for these expenses will be primarily from Sewer Revenue Obligations and sewer user fees. Amounts previously liquidated for these contracts total \$8,464 and \$1,385, respectively.

Transportation – The Transportation Department had construction contractual commitments of \$9,415 and other contractual commitments related to service contracts of \$11,911. Funding for these expenditures will be primarily provided from Transportation Revenue bonds, impact fees, federal grants, and state Highway User Tax Revenue. Amounts previously liquidated for these contracts total \$6,045 and \$1,468, respectively.

Subscription-based Information Technology Arrangements – The County had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2025, for fleet management software and case management software. At June 30, 2025, the County had made payments of \$2,986 to the vendors and had remaining contractual commitments with vendors of \$6,831, including the subscription liabilities that will be recognized at the commencement of the subscription terms.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 12: Fund Balance Classifications of the Governmental Funds

The table below details the fund balance categories and classifications:

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental	Total
Fund Balance:							
Nonspendable:							
Inventory						\$ 1,583	\$ 1,583
Prepaid expenditures	\$ 2,851			\$ 54	\$ 269	673	3,847
Permanent fund principal						45	45
Total nonspendable	<u>2,851</u>			<u>54</u>	<u>269</u>	<u>2,301</u>	<u>5,475</u>
Restricted for:							
Community and economic development					34	401	435
Flood Control District		\$ 2,382				9,146	11,528
Health						7,181	7,181
Judicial activities					19,774		19,774
Law enforcement					7,847	4,827	12,674
Library District		17,242				44,874	62,116
Pima animal care					3,222		3,222
Sanitation						1,827	1,827
School reserve						4,279	4,279
Streets and highways		52,808				18,504	71,312
Other purposes					30,330		30,330
Total restricted		<u>72,432</u>			<u>61,207</u>	<u>91,039</u>	<u>224,678</u>
Committed to:							
Law enforcement	20,020						20,020
Parks and recreation					1,902		1,902
School Reserve						1,084	1,084
Other purposes	102,024						102,024
Total committed	<u>122,044</u>				<u>1,902</u>	<u>1,084</u>	<u>125,030</u>
Assigned to:							
Community and economic development					14,837		14,837
Debt service reserve			\$ 4,264				4,264
Health						3,219	3,219
Judicial activities					362		362
Law enforcement	338						338
Municipal facilities		9,981			12,225		22,206
Parks and recreation	2				8,465		8,467
School reserve						3,720	3,720
Sports promotion (Stadium)		1,667				1,642	3,309
Other purposes		30,017			1,046		31,063
Total assigned	<u>340</u>	<u>41,665</u>	<u>4,264</u>		<u>36,935</u>	<u>8,581</u>	<u>91,785</u>
Unassigned:	<u>57,926</u>			<u>(30,106)</u>			<u>27,820</u>
Total fund balances (deficit)	<u>\$ 183,161</u>	<u>\$ 114,097</u>	<u>\$ 4,264</u>	<u>\$ (30,052)</u>	<u>\$ 100,313</u>	<u>\$ 103,005</u>	<u>\$ 474,788</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 13: Receivables

Accounts receivable as of fiscal year-end for the County’s individual major funds and nonmajor funds in the aggregate are shown as follows.

As part of a nationwide legal settlement with opioid manufacturers aimed at mitigating the harm caused by the opioid epidemic, the County has been awarded settlement funds. These funds are expected to be received over the next 3 to 15 years from various settlement payors. During the current fiscal year, 10 settlements have been received with no settlements finalized that have a receivables balance. Consequently, the County has recorded a settlement receivable, net of uncollectible amounts of \$6,657, representing the anticipated remaining payments to be received.

	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Total</u>
Accounts receivable:						
General	\$ 2,596	\$ 155	\$ 1,051	\$ 874	\$ 1,742	\$ 6,418
Settlements				88,716		88,716
Total accounts receivable	<u>\$ 2,596</u>	<u>\$ 155</u>	<u>\$ 1,051</u>	<u>\$ 89,590</u>	<u>\$ 1,742</u>	<u>\$ 95,134</u>

Note 14: Due from Other Governments

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Federal government:								
Grants and contributions	\$ 175		\$ 1	\$ 17,902	\$ 3	\$ 32		\$ 18,113
State of Arizona:								
Taxes and shared revenues	33,741				319	7,281		41,341
Grants and contributions				9,414		527		9,941
Cities:								
Reimbursement for services	714	\$ 742		137	15	22	\$ 12	1,642
Other governments:								
Reimbursement for services	49	4		88		6	2	149
Total due from other governments fund based statements	<u>\$ 34,679</u>	<u>\$ 746</u>	<u>\$ 1</u>	<u>\$ 27,541</u>	<u>\$ 337</u>	<u>\$ 7,868</u>	<u>\$ 14</u>	<u>\$ 71,186</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2025
(in thousands)

Note 15: Subsequent Events

Sewer System Revenue Obligations—On July 17, 2025, the County defeased \$20,210 of the Series 2016 Sewer System Revenue Obligations using available cash of the Regional Wastewater Reclamation Fund to reduce the debt service costs.

On October 23, 2025, the County issued Sewer System Revenue and Revenue Refunding Obligations Series 2025 in the amount of \$45,815. The proceeds are to be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund’s Capital Improvement Program. The Series 2025 obligations are scheduled to be paid in full with sewer system revenues by fiscal year 2035-2036.

Certificates of Participation—On October 28, 2025, the County issued Certificates of Participation, Series 2025 in the amount of \$35,910. The proceeds are to be used for improvements to the Superior Court and the Public Works Building, along with the new building for the Main Library. The Series 2025 Certificates of Participation will be repaid within fourteen years using General Fund revenues and contributions from multiple County departments.

Settlements—Under the One Arizona Opioid Settlement Memorandum of Understanding (One Arizona Plan) related to national opioid settlements, Pima County is allocated a portion of settlement monies as the cases are settled. The Arizona Attorney General’s Office handles the settlements for all parties in the One Arizona Plan. The Purdue/Sackler Settlement is being renegotiated with uncertain projections and is currently pending, therefore, it was not included in next year’s revenue estimates. Five settlements have occurred since June 30, 2025, and the County will recognize approximately \$4.6 million in revenues in fiscal year 2026.

Project Blue—Prior to fiscal year-end, the Board of Supervisors approved an acquisition agreement with Humphrey’s Peak Properties, LLC, for the sale of approximately 290 acres of real property for the development of a data center project known as Project Blue. The land sale was closed subsequent to fiscal year-end on December 24, 2025, in the amount of \$27,256.

(This page intentionally left blank)



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



REQUIRED SUPPLEMENTARY INFORMATION

Other Than Management's Discussion & Analysis

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 464,112	\$ 464,112	\$ 463,591	\$ (521)
Licenses and permits	3,873	3,873	3,362	(511)
Intergovernmental	235,865	235,865	247,899	12,034
Charges for services	39,814	39,814	43,021	3,207
Fines and forfeits	2,939	2,939	2,759	(180)
Investment earnings	5,060	5,060	8,255	3,195
Miscellaneous	5,158	5,158	10,887	5,729
Total revenues	756,821	756,821	779,774	22,953
Expenditures:				
General government				
Analytics & Data Governance				
Assessor	13,747	13,747	13,688	59
Board of Supervisors	3,052	3,052	2,966	86
Clerk of the Board	1,991	1,991	1,846	145
Clerk of the Superior Court	13,822	13,822	13,020	802
Communications	3,622	3,622	3,596	26
Constables	1,689	1,689	1,734	(45)
County Administrator	4,128	4,128	3,759	369
County Attorney	28,616	28,616	26,563	2,053
Elections	7,664	7,664	6,256	1,408
Facilities Management	23,033	23,033	22,198	835
Finance	16,585	16,585	15,025	1,560
Finance Non Departmental	106,229	106,229	11,740	94,489
Grants Management & Innovation	5,205	5,205	4,116	1,089
Human Resources	6,763	6,763	5,581	1,182
Information Technology	25,553	25,553	23,184	2,369
Justice Courts	9,865	9,865	9,703	162
Justice Services	882	882	837	45
Juvenile Courts	22,995	22,995	22,675	320
Office of Sustainability & Conservation			4	(4)
Procurement	3,330	3,330	3,314	16
Public Defense Services	39,910	39,910	41,421	(1,511)
Public Works	4,157	4,157	3,595	562
Recorder	9,499	9,499	8,886	613
Superior Court	48,752	48,752	48,256	496
Superior Court Mandated Services	1,848	1,848	2,475	(627)
Treasurer	3,113	3,113	2,924	189
Public safety				
Sheriff	170,622	170,622	172,207	(1,585)
Office of Emergency Management & Homeland Security	933	933	768	165
Sanitation				
Environmental Quality	1,695	1,695	1,500	195
Health				
Medical Examiner	6,381	6,381	6,689	(308)
Pima Animal Care Center	12,511	12,511	11,577	934
Welfare				
Finance	20,043	20,043	15,000	5,043
Detainee Crisis Systems	37,208	37,208	31,144	6,064
County Administrator	80,000	80,000	80,000	
Culture and recreation				
Conservation Lands & Resources	7,006	7,006	6,712	294
Parks & Recreation	17,860	17,860	17,002	858
Education and economic opportunity				
Community & Workforce Development	9,642	9,642	10,008	(366)
Economic Development	2,235	2,235	1,638	597
Office of Digital Inclusion	103	103	42	61
School Superintendent	2,989	2,989	3,312	(323)
Debt service				
Principal			6,472	(6,472)
Interest			1,945	(1,945)
Total expenditures	775,278	775,278	665,378	109,900
Excess (deficiency) of revenues over (under) expenditures	(18,457)	(18,457)	114,396	132,853
Other financing sources (uses):				
Lease agreements			683	683
Subscription-based information technology agreements			31,595	31,595
Proceeds from sale of capital assets			(26)	(26)
Transfers in	17,455	17,455	17,869	414
Transfers (out)	(124,333)	(124,333)	(125,105)	(772)
Total other financing uses	(106,878)	(106,878)	(74,984)	31,894
Net change in fund balances	(125,335)	(125,335)	39,412	164,747
Fund balances, July 1, 2024	125,335	125,335	176,027	50,692
Fund balances, June 30, 2025			\$ 215,439	\$ 215,439

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – Grants Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 226,252	\$ 226,252	\$ 111,256	\$ (114,996)
Investment earnings	23	23	2,248	2,225
Miscellaneous	1,905	1,905	950	(955)
Total revenues	228,180	228,180	114,454	(113,726)
Expenditures:				
General government				
Communications	3	3		3
County Attorney	5,865	5,865	2,850	3,015
Elections			218	(218)
Facilities Management	553	553		553
Finance Non Departmental	60,000	60,000	159	59,841
Grants Management & Innovation	50,979	50,979	35,174	15,805
Justice Courts	291	291	127	164
Justice Services	761	761	592	169
Juvenile Courts	1,253	1,253	854	399
Office of Sustainability & Conservation			106	(106)
Public Defense Services	2,519	2,519	1,936	583
Public Works	1,750	1,750	1,701	49
Recorder			192	(192)
Superior Court	1,248	1,248	888	360
Public safety				
Flood Control	354	354	336	18
Sheriff	4,006	4,006	7,185	(3,179)
Office of Emergency Management & Homeland Security	1,195	1,195	984	211
Highways and streets				
Transportation	805	805	438	367
Health				
Environmental Quality	1,433	1,433	1,077	356
Health	22,352	22,352	21,334	1,018
Pima Animal Care Center	81	81	75	6
Welfare				
Detainee Crisis Systems	1,798	1,798	1,747	51
Culture and recreation				
Conservation Lands & Resources	237	237	227	10
Parks & Recreation	574	574		574
Education and economic opportunity				
Community & Workforce Development	34,274	34,274	19,633	14,641
Office of Digital Inclusion			25	(25)
School Superintendent	1,261	1,261	315	946
Total expenditures	193,592	193,592	98,173	95,419
Excess of revenues over expenditures	34,588	34,588	16,281	(18,307)
Other financing sources (uses):				
Transfers in	4,411	4,411	3,054	(1,357)
Transfers (out)	(60,978)	(60,978)	(36,008)	24,970
Total other financing uses	(56,567)	(56,567)	(32,954)	23,613
Net change in fund balances	(21,979)	(21,979)	(16,673)	5,306
Fund balances (deficit), July 1, 2024	(7,356)	(7,356)	(13,379)	(6,023)
Fund balances (deficit), June 30, 2025	\$ (29,335)	\$ (29,335)	\$ (30,052)	\$ (717)

PIMA COUNTY, ARIZONA

Exhibit B - 1

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – Other Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 8	\$ 8	\$ 1	\$ (7)
Intergovernmental	28,027	28,027	26,305	(1,722)
Charges for services	10,276	10,276	13,194	2,918
Fines and forfeits	3,183	3,183	9,971	6,788
Investment earnings	1,231	1,231	3,889	2,658
Miscellaneous	7,909	7,909	7,916	7
Total revenues	<u>50,634</u>	<u>50,634</u>	<u>61,276</u>	<u>10,642</u>
Expenditures:				
General government				
Clerk of the Superior Court	1,521	1,521	1,085	436
County Attorney	10,633	10,633	3,724	6,909
Facilities Management	7,485	7,485	6,904	581
Finance	227	227		227
Finance Non Departmental	36,000	36,000		36,000
Justice Courts	1,601	1,601	1,564	37
Juvenile Courts	7,015	7,015	5,411	1,604
Public Defense Services	1,228	1,228	69	1,159
Public Works	2,010	2,010	725	1,285
Recorder	1,705	1,705	1,715	(10)
Superior Court	19,357	19,357	19,253	104
Treasurer	225	225	1	224
Public safety				
Sheriff	7,256	7,256	5,410	1,846
Health				
Medical Examiner	65	65	22	43
Pima Animal Care Center	1,276	1,276	1,434	(158)
Culture and recreation				
Conservation Lands & Resources	2,915	2,915	1,549	1,366
Parks & Recreation	5,604	5,604	2,985	2,619
Education and economic opportunity				
Community & Workforce Development	12,428	12,428	6,560	5,868
Economic Development	2,119	2,119	1,819	300
Debt service				
Principal	174	174	301	(127)
Interest	10	10	26	(16)
Total expenditures	<u>120,854</u>	<u>120,854</u>	<u>60,557</u>	<u>60,297</u>
Excess (deficiency) of revenues over (under) expenditures	(70,220)	(70,220)	719	70,939
Other financing sources (uses):				
Financed purchases			1,100	1,100
Proceeds from sale of capital assets			(195)	(195)
Transfers in	12,232	12,232	15,000	2,768
Transfers (out)	(13,752)	(13,752)	(11,664)	2,088
Total other financing sources (uses)	<u>(1,520)</u>	<u>(1,520)</u>	<u>4,241</u>	<u>5,761</u>
Net change in fund balances	(71,740)	(71,740)	4,960	76,700
Fund balances, July 1, 2024	<u>60,966</u>	<u>60,966</u>	<u>95,353</u>	<u>34,387</u>
Fund balances (deficit), June 30, 2025	<u>(10,774)</u>	<u>(10,774)</u>	<u>\$ 100,313</u>	<u>\$ 111,087</u>

Notes to Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
June 30, 2025
(in thousands)

Note 1: Budgeting and Budgetary Control

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

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

Note 2: Budgetary basis of accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the present value of net minimum lease payments unbudgeted item reported as lease agreements, and the present value of net minimum subscription-based information technology arrangements payments unbudgeted item reported as subscription-based information technology arrangements.

	<u>General Fund</u>
Excess of revenues over expenditures	
from the statement of revenues, expenditures, and changes in fund balances	\$ 82,118
Present value of net minimum lease payments	683
Present value of net minimum subscription-based information technology arrangements payments	31,595
Excess of revenues over expenditures from the budgetary comparison schedules	<u>\$ 114,396</u>

Note 3: Expenditures in Excess of Appropriations

For the year ended June 30, 2025, expenditures for the following departments in the General, Grants Fund, and Other Special Revenue Fund exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Function/Department	Excess
General government:	
Constables - General Fund	\$ 45
Elections - Grants Fund	218
Office of Sustainability & Conservation - General Fund	4
Office of Sustainability & Conservation - Grants Fund	106
Public Defense Services - General Fund	1,511
Recorder - Grants Fund	192
Recorder - Other Special Revenue Fund	10
Superior Court Mandated Services - General Fund	627
Total general government	<u>2,713</u>
Public safety:	
Sheriff - General Fund	1,585
Sheriff - Grants Fund	3,179
Total public safety	<u>4,764</u>
Health:	
Medical Examiner - General Fund	308
Pima Animal Care Center - Other Special Revenue Fund	158
Total health	<u>466</u>
Education and economic opportunity:	
Community & Workforce Development - General Fund	366
Office of Digital Inclusion - Grants Fund	25
School Superintendent - General Fund	323
Total education and economic opportunity	<u>714</u>
Debt service:	
Principal - General Fund	6,472
Principal - Other Special Revenue Fund	127
Interest - General Fund	1,945
Interest - Other Special Revenue Fund	16
Total debt service	<u>8,560</u>

The excess expenditures listed above were funded by greater than anticipated revenues and unspent appropriations.

For the Public Defense Services - General Fund, the excess is due to costs associated with implementing and maintaining the new case management system, leading to an overrun of \$1,511.

For the Superior Court Mandated Services - General Fund, the excess is due to an increase in interpreter charges, leading to an overrun of \$627.

For the Public Safety - General Fund, the excess is due to a 7.5% salary increase for correction officers, leading to an overrun of \$1,585.

For the Public Safety - Grants Fund, the excess is due to purchases for the Wireless Integrated Network Radio Replacement Project, leading to an overrun of \$3,179.

PIMA COUNTY, ARIZONA

Exhibit B - 2

Schedule of the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 June 30, 2025
 (in thousands)

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Arizona State Retirement System										
County's proportion of the net pension liability	2.18%	2.10%	2.11%	2.16%	2.26%	2.28%	2.36%	2.41%	2.44%	2.51%
County's proportionate share of the net pension liability	\$ 349,049	\$ 339,267	\$ 345,381	\$ 283,562	\$ 390,909	\$ 332,203	\$ 328,958	\$ 375,197	\$ 393,174	\$ 391,629
County's covered payroll	\$ 305,177	\$ 274,077	\$ 251,930	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570
County's proportionate share of the net pension liability as a percentage of its covered payroll	114.38%	123.79%	137.09%	116.97%	158.68%	137.75%	140.62%	159.40%	172.35%	169.12%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%
Corrections Officer Retirement Plan — Administrative Office of the Courts										
	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
County's proportion of the net pension liability	11.41%	10.74%	10.77%	10.96%	10.89%	11.44%	11.51%	11.95%	12.42%	12.45%
County's proportionate share of the net pension liability	\$ 49,248	\$ 48,532	\$ 48,071	\$ 40,691	\$ 52,009	\$ 48,276	\$ 41,436	\$ 47,929	\$ 35,046	\$ 30,274
County's covered payroll	\$ 15,680	\$ 13,600	\$ 12,746	\$ 13,074	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857
County's proportionate share of the net pension liability as a percentage of its covered payroll	314.08%	356.85%	377.15%	311.24%	396.20%	358.40%	310.48%	357.68%	256.17%	218.47%
Plan fiduciary net position as a percentage of the total pension liability	63.12%	59.28%	57.52%	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%
Elected Officials Retirement Plan										
	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
County's proportion of the net pension liability	8.87%	4.67%	8.79%	8.95%	9.10%	9.06%	10.24%	7.42%	7.90%	7.55%
County's proportionate share of the net pension liability	\$ 53,014	\$ 29,293	\$ 59,357	\$ 54,444	\$ 61,427	\$ 60,051	\$ 64,495	\$ 90,478	\$ 74,615	\$ 59,037
State's proportionate share of the net pension liability associated with the County	3,658	32,751	5,779	5,472	5,838	5,644	11,051	29,292	15,406	18,405
Total	\$ 56,672	\$ 62,044	\$ 65,136	\$ 59,916	\$ 67,265	\$ 65,695	\$ 75,546	\$ 119,770	\$ 90,021	\$ 77,442
County's covered payroll	\$ 8,268	\$ 7,309	\$ 7,091	\$ 7,038	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391
County's proportionate share of the net pension liability as a percentage of its covered payroll	641.19%	400.78%	837.08%	773.57%	847.04%	828.75%	923.47%	1283.38%	1127.63%	923.75%
Plan fiduciary net position as a percentage of the total pension liability	42.22%	38.63%	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for Arizona State Retirement System, Corrections Officer Retirement Plan – Administrative Office of the Courts, Elected Officials Retirement Plan reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2025
(in thousands)

Exhibit B - 2

Public Safety Personnel Retirement System — Sheriff

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Total pension liability	\$ 6,443	\$ 5,770	\$ 5,816	\$ 5,941	\$ 6,136	\$ 5,936	\$ 6,125	\$ 8,078	\$ 6,068	\$ 6,421
Service cost										
Interest on the total pension liability	36,041	33,667	32,522	31,792	30,453	28,842	27,905	26,186	25,444	24,997
Changes of benefit terms								4,033	9,540	
Differences between expected and actual experience in the measurement of the pension liability	5,089	21,947	5,908	(2,186)	6,619	6,709	(2,730)	(1,177)	(7,713)	(4,579)
Changes of assumptions or other inputs			5,033			8,572		12,797	12,356	
Benefit payments, including refunds of employee contributions	(29,414)	(28,764)	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)
Net change in total pension liability	18,159	32,620	23,768	10,211	19,191	28,392	9,943	29,283	22,968	7,630
Total pension liability - beginning	508,831	476,211	452,443	442,232	423,041	394,649	384,706	355,423	332,455	324,825
Total pension liability - ending (a)	<u>\$ 526,990</u>	<u>\$ 508,831</u>	<u>\$ 476,211</u>	<u>\$ 452,443</u>	<u>\$ 442,232</u>	<u>\$ 423,041</u>	<u>\$ 394,649</u>	<u>\$ 384,706</u>	<u>\$ 355,423</u>	<u>\$ 332,455</u>
Plan fiduciary net position										
Contributions - employer	\$ 21,334	\$ 8,568	\$ 208,293	\$ 45,560	\$ 22,601	\$ 20,232	\$ 18,847	\$ 16,871	\$ 15,122	\$ 11,490
Contributions - employee	2,326	2,375	2,283	1,829	1,848	1,741	2,787	3,900	3,877	3,505
Net investment income	42,362	30,656	(17,085)	47,807	2,144	8,618	10,343	16,189	808	5,053
Benefit payments, including refunds of employee contributions	(29,414)	(28,764)	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)
Hall/Parker settlement							(4,953)			
Administrative expense	(238)	(188)	(306)	(227)	(175)	(151)	(158)	(144)	(117)	(124)
Other changes	5			44	21	(57)	(223)	(238)	(397)	(148)
Net change in plan fiduciary net position	36,375	12,647	167,674	69,677	2,422	8,716	5,286	15,944	(3,434)	567
Plan fiduciary net position - beginning	419,256	406,609	238,935	169,258	166,836	158,120	152,923	136,979	140,413	139,846
Plan fiduciary net position - ending (b)	<u>\$ 455,631</u>	<u>\$ 419,256</u>	<u>\$ 406,609</u>	<u>\$ 238,935</u>	<u>\$ 169,258</u>	<u>\$ 166,836</u>	<u>\$ 158,209</u>	<u>\$ 152,923</u>	<u>\$ 136,979</u>	<u>\$ 140,413</u>
County's net pension liability - ending (a) - (b)	\$ 71,359	\$ 89,575	\$ 69,602	\$ 213,508	\$ 272,974	\$ 256,205	\$ 236,440	\$ 231,783	\$ 218,444	\$ 192,042
Plan fiduciary net position as a percentage of the total pension liability	86.46%	82.40%	85.38%	52.81%	38.27%	39.44%	40.09%	39.75%	38.54%	42.24%
Covered payroll	\$ 36,836	\$ 34,821	\$ 30,607	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515
County's net pension liability as a percentage of covered payroll	193.72%	257.24%	227.41%	735.55%	902.18%	857.96%	808.04%	720.81%	718.94%	609.37%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for the Public Safety Personnel Retirement System – Sheriff reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2025
(in thousands)

Exhibit B - 2

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Corrections Officer Retirement Plan — Detention										
Total pension liability										
Service cost	\$ 1,659	\$ 1,744	\$ 2,371	\$ 2,794	\$ 3,003	\$ 3,271	\$ 3,359	\$ 3,235	\$ 2,893	\$ 2,798
Interest on the total pension liability	12,130	11,334	11,357	11,272	10,471	9,502	9,683	8,091	7,911	7,751
Changes of benefit terms							(7,525)	15,675	181	
Differences between expected and actual experience in the measurement of the pension liability	7,795	7,420	(3,784)	(3,999)	5,157	5,306	(2,679)	(1,044)	(1,930)	(2,557)
Changes of assumptions or other inputs			1,655			4,261		3,566	4,125	
Benefit payments, including refunds of employee contributions	(9,620)	(9,080)	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)
Net change in total pension liability	11,964	11,418	2,407	2,296	11,522	15,350	(3,903)	23,034	7,167	2,004
Total pension liability - beginning	171,628	160,210	157,803	155,507	143,985	128,635	132,538	109,504	102,337	100,333
Total pension liability - ending (a)	\$ 183,592	\$ 171,628	\$ 160,210	\$ 157,803	\$ 155,507	\$ 143,985	\$ 128,635	\$ 132,538	\$ 109,504	\$ 102,337
Plan fiduciary net position										
Contributions - employer	\$ 1,969	\$ 1,235	\$ 65,098	\$ 14,666	\$ 7,119	\$ 6,721	\$ 5,167	\$ 4,871	\$ 4,634	\$ 3,441
Contributions - employee	1,230	1,289	1,316	1,585	1,708	1,692	1,771	1,814	1,730	1,737
Net investment income	15,147	11,079	(5,786)	18,869	1,777	3,302	3,970	5,953	302	1,765
Benefit payments, including refunds of employee contributions	(9,620)	(9,080)	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)
Administrative expense	(163)	(148)	(104)	(87)	(68)	(60)	(61)	(52)	(43)	(44)
Other changes	(4)		(31)	(63)	(15)		(76)	(38)	(38)	(69)
Net change in plan fiduciary net position	8,559	4,375	51,301	27,199	3,412	4,665	4,030	6,059	572	842
Plan fiduciary net position - beginning	150,815	146,440	95,139	67,940	64,528	59,863	55,833	49,774	49,202	48,360
Plan fiduciary net position - ending (b)	\$ 159,374	\$ 150,815	\$ 146,440	\$ 95,139	\$ 67,940	\$ 64,528	\$ 59,863	\$ 55,833	\$ 49,774	\$ 49,202
County's net pension liability - ending (a) - (b)	\$ 24,218	\$ 20,813	\$ 13,770	\$ 62,664	\$ 87,567	\$ 79,457	\$ 68,772	\$ 76,705	\$ 59,730	\$ 53,135
Plan fiduciary net position as a percentage of the total pension liability	86.81%	87.87%	91.41%	60.29%	43.69%	44.82%	46.54%	42.13%	45.45%	48.08%
Covered payroll	\$ 26,534	\$ 20,275	\$ 19,978	\$ 21,989	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816
County's net pension liability as a percentage of covered payroll	91.27%	102.65%	68.93%	284.98%	376.57%	372.30%	331.62%	355.55%	294.77%	255.26%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for the Corrections Officer Retirement Plan – Detention reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of County Pension Contributions
June 30, 2025
(in thousands)

Exhibit B - 2

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 36,307	\$ 36,708	\$ 32,630	\$ 30,252	\$ 28,261	\$ 28,242	\$ 26,908	\$ 25,552	\$ 25,320	\$ 24,752
County's contributions in relation to the statutorily required contribution	36,307	36,708	32,630	30,252	28,261	28,242	26,908	25,552	25,320	24,752
County's contribution deficiency (excess)										
County's covered payroll	\$ 301,247	\$ 305,177	\$ 274,077	\$ 251,930	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129
County's contributions as a percentage of covered payroll	12.05%	12.03%	11.91%	12.01%	11.66%	11.46%	11.16%	10.92%	10.76%	10.85%

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 6,292	\$ 6,303	\$ 5,075	\$ 4,554	\$ 4,372	\$ 3,993	\$ 4,258	\$ 3,003	\$ 2,691	\$ 2,613
County's contributions in relation to the statutorily required contribution	6,292	6,303	5,075	4,554	4,372	3,993	4,258	3,003	2,691	2,613
County's contribution deficiency (excess)										
County's covered payroll	\$ 15,707	\$ 15,680	\$ 13,600	\$ 12,746	\$ 13,074	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681
County's contributions as a percentage of covered payroll	40.06%	40.20%	37.32%	35.73%	33.44%	30.42%	31.61%	22.50%	20.08%	19.10%

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 4,825	\$ 5,913	\$ 4,811	\$ 4,045	\$ 4,520	\$ 4,218	\$ 4,168	\$ 1,508	\$ 1,566	\$ 1,555
County's contributions in relation to the statutorily required contribution	4,825	5,913	4,811	4,045	4,520	4,218	3,204	460	1,566	1,555
County's contribution deficiency (excess)							\$ 964	\$ 1,048		
County's covered payroll	\$ 7,897	\$ 8,268	\$ 7,309	\$ 7,091	\$ 7,038	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617
County's contributions as a percentage of covered payroll	61.10%	71.52%	65.82%	57.04%	64.22%	58.16%	44.22%	6.59%	22.21%	23.50%

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 12,147	\$ 10,488	\$ 7,737	\$ 22,431	\$ 21,673	\$ 21,439	\$ 18,766	\$ 18,771	\$ 16,861	\$ 15,119
County's contributions in relation to the actuarially required contribution	12,147	20,488	7,737	207,563	44,478	21,439	18,766	14,407	16,861	15,119
County's contribution deficiency (excess)		(10,000)		\$ (185,132)	\$ (22,805)			\$ 4,364		
County's covered payroll	\$ 34,343	\$ 36,836	\$ 34,821	\$ 30,607	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384
County's contributions as a percentage of covered payroll	35.37%	55.62%	22.22%	678.16%	153.23%	70.86%	62.84%	49.24%	52.44%	49.76%

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,720	\$ 2,563	\$ 1,575	\$ 7,676	\$ 7,676	\$ 7,261	\$ 6,515	\$ 5,155	\$ 4,872	\$ 4,618
County's contributions in relation to the actuarially required contribution	3,720	2,563	1,575	65,353	14,872	7,261	6,515	5,155	4,872	4,618
County's contribution deficiency (excess)				\$ (57,677)	\$ (7,196)					
County's covered payroll	\$ 28,390	\$ 26,534	\$ 20,275	\$ 19,978	\$ 21,989	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263
County's contributions as a percentage of covered payroll	13.10%	9.66%	7.77%	327.12%	67.63%	31.22%	30.53%	24.86%	22.58%	22.79%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for Arizona State Retirement System, Corrections Officer Retirement Plan – Administrative Office of the Courts, Elected Officials Retirement Plan, Public Safety Personnel Retirement System – Sheriff, and Corrections Officer Retirement Plan – Detention reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2025
(in thousands)

Exhibit B - 2

Note 1: Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: Level percent-of-pay, closed. PSPRS members with initial membership on or after July 1, 2017: Level dollar closed.
Remaining amortization period as of the 2023 actuarial valuation	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 15 years. PSPRS members with initial membership on or after July 1, 2017: 10 years.
Asset valuation method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 7-year smoothed market value; 80% / 120% market corridor. PSPRS members with initial membership on or after July 1, 2017: 5-year smoothed market value; 80% / 120% market corridor.
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 – 6.25% for PSPRS and CORP. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2025
(in thousands)

Exhibit B - 2

Note 2: Factors that affect trends

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

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



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Governmental Funds

OTHER GOVERNMENTAL FUNDS (NONMAJOR)

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

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

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

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

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

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

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

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

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

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

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

PIMA COUNTY, ARIZONA
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
Assets					
Cash and cash equivalents	\$ 15,985	\$ 4,810	\$ 9,795	\$ 4,950	\$ 9,687
Property taxes receivable (net)			529		
Interest receivable	50	16	29	20	
Due from other funds	21	34	1		
Due from other governments	6,493	241	3	13	527
Accounts receivable	824	248	32		36
Leases receivable	177			90	
Inventory	1,458			125	
Prepaid expenditures	21	38	70	112	25
Loans receivable	567				
Restricted cash equivalents					
Total assets	<u>\$ 25,596</u>	<u>\$ 5,387</u>	<u>\$ 10,459</u>	<u>\$ 5,310</u>	<u>\$ 10,275</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 3,020	\$ 477	\$ 463	\$ 13	\$ 1,068
Employee compensation	665	582	375	53	44
Contract retentions	508				
Due to other funds	21	41			
Deposits and rebates			2		
Unearned revenue	72		1	103	55
Total liabilities	<u>4,286</u>	<u>1,100</u>	<u>841</u>	<u>169</u>	<u>1,167</u>
Deferred inflows of resources					
Unavailable revenue - intergovernmental	567	241			
Unavailable revenue - property taxes			375		
Unavailable revenue - other	589	23	27		
Deferred inflows related to leases and public-private partnerships	171			77	
Total deferred inflows of resources	<u>1,327</u>	<u>264</u>	<u>402</u>	<u>77</u>	
Total liabilities and deferred inflows of resources	<u>5,613</u>	<u>1,364</u>	<u>1,243</u>	<u>246</u>	<u>1,167</u>
Fund balances					
Nonspendable	1,479	38	70	237	25
Restricted	18,504	3,985	9,146	4,827	4,279
Committed					1,084
Assigned					3,720
Total fund balances	<u>19,983</u>	<u>4,023</u>	<u>9,216</u>	<u>5,064</u>	<u>9,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,596</u>	<u>\$ 5,387</u>	<u>\$ 10,459</u>	<u>\$ 5,310</u>	<u>\$ 10,275</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
\$ 6,399	\$ 1,494	\$ 47,233	\$ 1,890	\$ 238	\$ 168	\$ 102,649
		969		1	12	1,511
25	5	124	13	2		284
			148			204
17	328	27	219			7,868
119		375	108			1,742
						267
						1,583
		390	7	10		673
		46				613
		45				45
<u>\$ 6,560</u>	<u>\$ 1,827</u>	<u>\$ 49,209</u>	<u>\$ 2,385</u>	<u>\$ 251</u>	<u>\$ 180</u>	<u>\$ 117,439</u>
\$ 16		\$ 1,922	\$ 323		\$ 10	\$ 7,312
117		1,010	174			3,020
						508
1						63
						2
		2	59			292
<u>134</u>		<u>2,934</u>	<u>556</u>		<u>10</u>	<u>11,197</u>
		229	99			1,136
		691		1	9	1,076
11		46	81			777
						248
<u>11</u>		<u>966</u>	<u>180</u>	<u>1</u>	<u>9</u>	<u>3,237</u>
<u>145</u>		<u>3,900</u>	<u>736</u>	<u>1</u>	<u>19</u>	<u>14,434</u>
		435	7	10		2,301
3,196	1,827	44,874		240	161	91,039
						1,084
<u>3,219</u>			<u>1,642</u>			<u>8,581</u>
<u>6,415</u>	<u>1,827</u>	<u>45,309</u>	<u>1,649</u>	<u>250</u>	<u>161</u>	<u>103,005</u>
<u>\$ 6,560</u>	<u>\$ 1,827</u>	<u>\$ 49,209</u>	<u>\$ 2,385</u>	<u>\$ 251</u>	<u>\$ 180</u>	<u>\$ 117,439</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
Revenues:					
Property taxes	\$ 1		\$ 33,281		
Licenses and permits	587	\$ 3,150	6		
Intergovernmental	78,937	929	9		\$ 17,125
Charges for services	131	3,782	586	\$ 4,061	784
Fines and forfeits	6		1		
Investment earnings	546	142	491	175	320
Miscellaneous	7,450	52	132	121	
Total revenues	<u>87,658</u>	<u>8,055</u>	<u>34,506</u>	<u>4,357</u>	<u>18,229</u>
Expenditures:					
Current:					
General government					
Public safety			17,225	3,514	
Highways and streets	69,530				
Sanitation					
Health		22,333			
Culture and recreation					
Education and economic opportunity					14,023
Debt service:					
Principal		67			
Interest		1			
Miscellaneous					
Capital outlay					
Total expenditures	<u>69,530</u>	<u>22,401</u>	<u>17,225</u>	<u>3,514</u>	<u>14,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,128</u>	<u>(14,346)</u>	<u>17,281</u>	<u>843</u>	<u>4,206</u>
Other financing sources (uses):					
Subscription-based information technology agreements	1,096				
Proceeds from sale of capital assets	1,101				
Transfers in	25,207	17,024	3		37
Transfers (out)	(36,128)	(2,326)	(17,412)	(6)	
Total other financing sources (uses)	<u>(8,724)</u>	<u>14,698</u>	<u>(17,409)</u>	<u>(6)</u>	<u>37</u>
Net change in fund balances	9,404	352	(128)	837	4,243
Fund balances, July 1, 2024	10,579	3,671	9,344	4,227	4,840
Changes in nonspendable resources:					
Change in prepaids					25
Fund balances, June 30, 2025	<u>\$ 19,983</u>	<u>\$ 4,023</u>	<u>\$ 9,216</u>	<u>\$ 5,064</u>	<u>\$ 9,108</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
		\$ 61,909		\$ 437	\$ 350	\$ 95,978
\$ 2,445		229	\$ 1,380			6,188
	\$ 1,470	355	1,893			100,079
67						11,592
236	58	1,983	132	10	7	74
6		694	66	5		4,100
<u>2,754</u>	<u>1,528</u>	<u>65,170</u>	<u>3,471</u>	<u>452</u>	<u>357</u>	<u>226,537</u>
					301	301
						20,739
						69,530
	1,333					1,333
2,828		47,273	8,433			25,161
				5		55,706
						14,028
		63		158		288
		25		181		207
				1		1
<u>2,828</u>	<u>1,333</u>	<u>47,361</u>	<u>8,433</u>	<u>345</u>	<u>301</u>	<u>187,294</u>
<u>(74)</u>	<u>195</u>	<u>17,809</u>	<u>(4,962)</u>	<u>107</u>	<u>56</u>	<u>39,243</u>
						1,096
			6			1,107
375	232		8,300			51,178
(20)		(10,710)	(5,696)		(48)	(72,346)
<u>355</u>	<u>232</u>	<u>(10,710)</u>	<u>2,610</u>		<u>(48)</u>	<u>(18,965)</u>
281	427	7,099	(2,352)	107	8	20,278
6,134	1,400	38,210	4,001	143	153	82,702
						25
<u>\$ 6,415</u>	<u>\$ 1,827</u>	<u>\$ 45,309</u>	<u>\$ 1,649</u>	<u>\$ 250</u>	<u>\$ 161</u>	<u>\$ 103,005</u>

(This page intentionally left blank)



2025

**Annual Comprehensive
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Schedule of Revenues, Expenditures
and Changes in Fund Balance

Budget and Actual – Other Governmental Funds

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 3,530	\$ 393	\$ (3,137)
Charges for services	10,400	13,436	3,036
Investment earnings	1,308	6,445	5,137
Miscellaneous		469	469
Total revenues	<u>15,238</u>	<u>20,743</u>	<u>5,505</u>
Expenditures:			
Capital outlay	146,552	116,769	29,783
Total expenditures	<u>146,552</u>	<u>116,769</u>	<u>29,783</u>
Deficiency of revenues under expenditures	<u>(131,314)</u>	<u>(96,026)</u>	<u>35,288</u>
Other financing sources (uses):			
Financed purchases		4,000	4,000
Premium on bonds		2,875	2,875
Face amount of long-term debt issued	40,000	27,125	(12,875)
Transfers in	116,055	94,162	(21,893)
Transfers (out)	(17,258)	(17,982)	(724)
Total other financing sources	<u>138,797</u>	<u>110,180</u>	<u>(28,617)</u>
Net change in fund balances	7,483	14,154	6,671
Fund balances, July 1, 2024	<u>52,303</u>	<u>99,943</u>	<u>47,640</u>
Fund balances, June 30, 2025	<u>\$ 59,786</u>	<u>\$ 114,097</u>	<u>\$ 54,311</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 4

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 14,145	\$ 14,112	\$ (33)
Intergovernmental	9	1	(8)
Investment earnings	113	820	707
Total revenues	<u>14,267</u>	<u>14,933</u>	<u>666</u>
Expenditures:			
Debt service:			
Principal	84,665	84,665	
Interest	19,164	18,714	450
Miscellaneous	22	573	(551)
Total expenditures	<u>103,851</u>	<u>103,952</u>	<u>(101)</u>
Deficiency of revenues under expenditures	<u>(89,584)</u>	<u>(89,019)</u>	<u>565</u>
Other financing sources (uses):			
Premium on long-term debt		1,232	1,232
Issuance of refunding debt		17,450	17,450
Payments to escrow agent		(18,179)	(18,179)
Transfers in	87,615	86,380	(1,235)
Total other financing sources	<u>87,615</u>	<u>86,883</u>	<u>(732)</u>
Net change in fund balances	(1,969)	(2,136)	(167)
Fund balances, July 1, 2024	<u>5,313</u>	<u>6,400</u>	<u>1,087</u>
Fund balances, June 30, 2025	<u>\$ 3,344</u>	<u>\$ 4,264</u>	<u>\$ 920</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Transportation - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes		\$ 1	1
Licenses and permits	\$ 880	587	(293)
Intergovernmental	78,107	78,937	830
Charges for services	135	131	(4)
Fines and forfeits		6	6
Investment earnings	133	546	413
Miscellaneous	369	7,450	7,081
Total revenues	<u>79,624</u>	<u>87,658</u>	<u>8,034</u>
Expenditures:			
Highways and streets	71,978	69,530	2,448
Total expenditures	<u>71,978</u>	<u>69,530</u>	<u>2,448</u>
Excess of revenues over expenditures	<u>7,646</u>	<u>18,128</u>	<u>10,482</u>
Other financing sources (uses):			
Subscription-based information technology agreements		1,096	1,096
Proceeds from sale of capital assets		1,101	1,101
Transfers in	25,156	25,207	51
Transfers (out)	(36,847)	(36,128)	719
Total other financing uses	<u>(11,691)</u>	<u>(8,724)</u>	<u>2,967</u>
Net change in fund balances	(4,045)	9,404	13,449
Fund balances, July 1, 2024	<u>4,348</u>	<u>10,579</u>	<u>6,231</u>
Fund balances, June 30, 2025	<u>\$ 303</u>	<u>\$ 19,983</u>	<u>\$ 19,680</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Health - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 6

	Budget	Actual	Variance
Revenues:			
Licenses and permits	\$ 2,850	\$ 3,150	\$ 300
Intergovernmental	675	929	254
Charges for services	2,847	3,782	935
Investment earnings	36	142	106
Miscellaneous	18	52	34
Total revenues	<u>6,426</u>	<u>8,055</u>	<u>1,629</u>
Expenditures:			
Health	27,488	22,333	5,155
Debt service:			
Principal		67	(67)
Interest		1	(1)
Total expenditures	<u>27,488</u>	<u>22,401</u>	<u>5,087</u>
Deficiency of revenues under expenditures	<u>(21,062)</u>	<u>(14,346)</u>	<u>6,716</u>
Other financing sources (uses):			
Transfers in	21,800	17,024	(4,776)
Transfers (out)	<u>(2,624)</u>	<u>(2,326)</u>	298
Total other financing sources	<u>19,176</u>	<u>14,698</u>	<u>(4,478)</u>
Net change in fund balances	(1,886)	352	2,238
Fund balances, July 1, 2024	<u>606</u>	<u>3,671</u>	<u>3,065</u>
Fund balances (deficit), June 30, 2025	<u>\$ (1,280)</u>	<u>\$ 4,023</u>	<u>\$ 5,303</u>

PIMA COUNTY, ARIZONA

Exhibit C - 7

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Regional Flood Control District - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 33,347	\$ 33,281	\$ (66)
Licenses and permits	6	6	
Intergovernmental	25	9	(16)
Charges for services	795	586	(209)
Fines and forfeits		1	1
Investment earnings	346	491	145
Miscellaneous	97	132	35
Total revenues	<u>34,616</u>	<u>34,506</u>	<u>(110)</u>
Expenditures:			
Public safety	<u>17,848</u>	<u>17,225</u>	<u>623</u>
Total expenditures	<u>17,848</u>	<u>17,225</u>	<u>623</u>
Excess of revenues over expenditures	<u>16,768</u>	<u>17,281</u>	<u>513</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	34		(34)
Transfers in	6	3	(3)
Transfers (out)	<u>(17,433)</u>	<u>(17,412)</u>	<u>21</u>
Total other financing uses	<u>(17,393)</u>	<u>(17,409)</u>	<u>(16)</u>
Net change in fund balances	(625)	(128)	497
Fund balances, July 1, 2024	<u>9,754</u>	<u>9,344</u>	<u>(410)</u>
Fund balances, June 30, 2025	<u>\$ 9,129</u>	<u>\$ 9,216</u>	<u>\$ 87</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Wireless Integrated Network - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Charges for services	\$ 4,011	\$ 4,061	\$ 50
Investment earnings	157	175	18
Miscellaneous	94	121	27
Total revenues	<u>4,262</u>	<u>4,357</u>	<u>95</u>
Expenditures:			
Public safety	<u>3,630</u>	<u>3,514</u>	<u>116</u>
Total expenditures	<u>3,630</u>	<u>3,514</u>	<u>116</u>
Excess of revenues over expenditures	<u>632</u>	<u>843</u>	<u>211</u>
Other financing uses:			
Transfers (out)	<u>(6)</u>	<u>(6)</u>	
Total other financing uses	<u>(6)</u>	<u>(6)</u>	
Net change in fund balances	626	837	211
Fund balances, July 1, 2024	<u>3,443</u>	<u>4,227</u>	<u>784</u>
Fund balances, June 30, 2025	<u>\$ 4,069</u>	<u>\$ 5,064</u>	<u>\$ 995</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
School Reserve - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 9

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,664	\$ 17,125	\$ 15,461
Charges for services		784	784
Investment earnings		320	320
Miscellaneous	100		(100)
Total revenues	1,764	18,229	16,465
Expenditures:			
Education and economic opportunity	537	14,023	(13,486)
Total expenditures	537	14,023	(13,486)
Excess of revenues over expenditures	1,227	4,206	2,979
Other financing sources:			
Transfers in	35	37	2
Total other financing sources	35	37	2
Net change in fund balances	1,262	4,243	2,981
Fund balances, July 1, 2024	2,383	4,840	2,457
Changes in nonspendable resources:			
Change in prepaids		25	25
Fund balances, June 30, 2025	\$ 3,645	\$ 9,108	\$ 5,463

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Environmental Quality - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 10

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses and permits	\$ 2,458	\$ 2,445	\$ (13)
Fines and forfeits		67	67
Investment earnings	215	236	21
Miscellaneous	6	6	
Total revenues	<u>2,679</u>	<u>2,754</u>	<u>75</u>
Expenditures:			
Health	3,524	2,828	696
Total expenditures	<u>3,524</u>	<u>2,828</u>	<u>696</u>
Deficiency of revenues under expenditures	<u>(845)</u>	<u>(74)</u>	<u>771</u>
Other financing sources (uses):			
Transfers in	547	375	(172)
Transfers (out)	(20)	(20)	
Total other financing sources	<u>527</u>	<u>355</u>	<u>(172)</u>
Net change in fund balances	(318)	281	599
Fund balances, July 1, 2024	<u>5,962</u>	<u>6,134</u>	<u>172</u>
Fund balances, June 30, 2025	<u>\$ 5,644</u>	<u>\$ 6,415</u>	<u>\$ 771</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Waste Tire - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 11

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,485	\$ 1,470	\$ (15)
Investment earnings	78	58	(20)
Total revenues	<u>1,563</u>	<u>1,528</u>	<u>(35)</u>
Expenditures:			
Sanitation	<u>1,477</u>	<u>1,333</u>	<u>144</u>
Total expenditures	<u>1,477</u>	<u>1,333</u>	<u>144</u>
Excess of revenues over expenditures	<u>86</u>	<u>195</u>	<u>109</u>
Other financing sources:			
Transfers in	<u></u>	<u>232</u>	<u>232</u>
Total other financing sources	<u></u>	<u>232</u>	<u>232</u>
Net change in fund balances	86	427	341
Fund balances, July 1, 2024	<u>1,210</u>	<u>1,400</u>	<u>190</u>
Fund balances, June 30, 2025	<u>\$ 1,296</u>	<u>\$ 1,827</u>	<u>\$ 531</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Library District - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 12

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 61,951	\$ 61,909	\$ (42)
Intergovernmental	2,627	229	(2,398)
Charges for services	530	355	(175)
Investment earnings	1,518	1,983	465
Miscellaneous	421	694	273
Total revenues	<u>67,047</u>	<u>65,170</u>	<u>(1,877)</u>
Expenditures:			
Culture and recreation	51,495	47,273	4,222
Debt service:			
Principal		63	(63)
Interest		25	(25)
Total expenditures	<u>51,495</u>	<u>47,361</u>	<u>4,134</u>
Excess of revenues over expenditures	<u>15,552</u>	<u>17,809</u>	<u>2,257</u>
Other financing uses:			
Transfers (out)	<u>(10,710)</u>	<u>(10,710)</u>	
Total other financing uses	<u>(10,710)</u>	<u>(10,710)</u>	
Net change in fund balances	4,842	7,099	2,257
Fund balances, July 1, 2024	<u>36,996</u>	<u>38,210</u>	<u>1,214</u>
Fund balances, June 30, 2025	<u>\$ 41,838</u>	<u>\$ 45,309</u>	<u>\$ 3,471</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Stadium District - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 13

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,400	\$ 1,380	\$ (20)
Charges for services	2,333	1,893	(440)
Investment earnings	181	132	(49)
Miscellaneous	39	66	27
Total revenues	<u>3,953</u>	<u>3,471</u>	<u>(482)</u>
Expenditures:			
Culture and recreation	<u>10,154</u>	<u>8,433</u>	<u>1,721</u>
Total expenditures	<u>10,154</u>	<u>8,433</u>	<u>1,721</u>
Deficiency of revenues under expenditures	<u>(6,201)</u>	<u>(4,962)</u>	<u>1,239</u>
Other financing sources (uses):			
Proceeds from sale of capital assets		6	6
Transfers in	8,558	8,300	(258)
Transfers (out)	<u>(5,696)</u>	<u>(5,696)</u>	
Total other financing sources	<u>2,862</u>	<u>2,610</u>	<u>(252)</u>
Net change in fund balances	(3,339)	(2,352)	987
Fund balances, July 1, 2024	<u>4,448</u>	<u>4,001</u>	<u>(447)</u>
Fund balances, June 30, 2025	<u>\$ 1,109</u>	<u>\$ 1,649</u>	<u>\$ 540</u>

PIMA COUNTY, ARIZONA

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Community Facilities Districts - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 432	\$ 437	\$ 5
Investment earnings	2	10	8
Miscellaneous		5	5
Total revenues	<u>434</u>	<u>452</u>	<u>18</u>
Expenditures:			
Education and economic opportunity	2,556	5	2,551
Debt service:			
Principal	93	158	(65)
Interest	76	181	(105)
Miscellaneous	1	1	
Total expenditures	<u>2,726</u>	<u>345</u>	<u>2,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,292)</u>	<u>107</u>	<u>2,399</u>
Other financing sources:			
Face amount of long-term debt issued	<u>4,000</u>		<u>(4,000)</u>
Total other financing sources	<u>4,000</u>		<u>(4,000)</u>
Net change in fund balances	1,708	107	(1,601)
Fund balances, July 1, 2024	<u>1,325</u>	<u>143</u>	<u>(1,182)</u>
Fund balances, June 30, 2025	<u>\$ 3,033</u>	<u>\$ 250</u>	<u>\$ (2,783)</u>

PIMA COUNTY, ARIZONA

Exhibit C - 15

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Improvement & Other Districts - Special Revenue Fund
For the Year Ended June 30, 2025
(in thousands)

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 337	\$ 350	\$ 13
Investment earnings		7	7
Total revenues	<u>337</u>	<u>357</u>	<u>20</u>
Expenditures:			
General government	372	301	71
Total expenditures	<u>372</u>	<u>301</u>	<u>71</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35)</u>	<u>56</u>	<u>91</u>
Other financing uses:			
Transfers (out)	(35)	(48)	(13)
Total other financing uses	<u>(35)</u>	<u>(48)</u>	<u>(13)</u>
Net change in fund balances	(70)	8	78
Fund balances, July 1, 2024	<u>124</u>	<u>153</u>	<u>29</u>
Fund balances, June 30, 2025	<u>\$ 54</u>	<u>\$ 161</u>	<u>\$ 107</u>

(This page intentionally left blank)



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Enterprise Funds

OTHER (NONMAJOR) ENTERPRISE FUNDS

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

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

PIMA COUNTY, ARIZONA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025
(in thousands)

Exhibit C - 16

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 34,201	\$ 954	\$ 35,155
Interest receivable	119	2	121
Due from other funds	37	5	42
Due from other governments		10	10
Accounts receivable	70	33	103
Prepaid expense	42		42
Total current assets	<u>34,469</u>	<u>1,004</u>	<u>35,473</u>
Noncurrent assets:			
Net OPEB asset	166	12	178
Capital assets:			
Land		1,769	1,769
Buildings and improvements		27,608	27,608
Equipment	8	2,260	2,268
Less accumulated depreciation	(8)	(17,411)	(17,411)
Total capital assets (net)	<u>166</u>	<u>14,226</u>	<u>14,226</u>
Total noncurrent assets	<u>166</u>	<u>14,238</u>	<u>14,404</u>
Total assets	<u>34,635</u>	<u>15,242</u>	<u>49,877</u>
Deferred outflows of resources			
Pension/OPEB	825	60	885
Total deferred outflows of resources	<u>825</u>	<u>60</u>	<u>885</u>
Liabilities			
Current liabilities:			
Accounts payable	79	85	164
Employee compensation	222	18	240
Due to other funds		5	5
Deposits and rebates	1,382		1,382
Unearned revenue		2	2
Compensated absences payable	498	28	526
Total current liabilities	<u>2,181</u>	<u>138</u>	<u>2,319</u>
Noncurrent liabilities:			
Compensated absences payable	337	16	353
Net pension/OPEB liability	4,351	313	4,664
Total noncurrent liabilities	<u>4,688</u>	<u>329</u>	<u>5,017</u>
Total liabilities	<u>6,869</u>	<u>467</u>	<u>7,336</u>
Deferred inflows of resources			
Pension/OPEB	353	26	379
Total deferred inflows of resources	<u>353</u>	<u>26</u>	<u>379</u>
Net position			
Net investment in capital assets		14,226	14,226
Restricted for net other postemployment benefits	166	12	178
Unrestricted	28,072	571	28,643
Total net position	<u>\$ 28,238</u>	<u>\$ 14,809</u>	<u>\$ 43,047</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 17

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 10,316	\$ 2,704	\$ 13,020
Other	52	19	71
Total operating revenues	<u>10,368</u>	<u>2,723</u>	<u>13,091</u>
Operating expenses:			
Employee compensation	6,230	492	6,722
Operating supplies and services	24	53	77
Repairs and maintenance	4	119	123
General and administrative	1,650	1,142	2,792
Consultants and professional services	357	25	382
Depreciation	1	768	769
Total operating expenses	<u>8,266</u>	<u>2,599</u>	<u>10,865</u>
Operating income	<u>2,102</u>	<u>124</u>	<u>2,226</u>
Nonoperating revenues:			
Investment earnings	1,301	24	1,325
Total nonoperating revenues	<u>1,301</u>	<u>24</u>	<u>1,325</u>
Income before transfers	3,403	148	3,551
Transfers in		5	5
Transfers (out)	<u>(64)</u>	<u>(339)</u>	<u>(403)</u>
Change in net position	3,339	(186)	3,153
Net position, July 1, 2024	<u>25,030</u>	<u>15,002</u>	<u>40,032</u>
Aggregate amount of adjustments to and restatements of beginning net position ¹	(131)	(7)	(138)
Net position, July 1, 2024, as restated	<u>24,899</u>	<u>14,995</u>	<u>39,894</u>
Net position, June 30, 2025	<u>\$ 28,238</u>	<u>\$ 14,809</u>	<u>\$ 43,047</u>

¹Due to implementation of GASB 101, *Compensated Absences*

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 18

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash receipts from customers for goods and services provided	\$ 10,591	\$ 2,696	\$ 13,287
Cash payments to suppliers for goods and services	(852)	(1,485)	(2,337)
Cash payments to other funds for goods and services	(1,312)	(159)	(1,471)
Cash payments to employees for services	(6,068)	(470)	(6,538)
Net cash provided by operating activities	<u>2,359</u>	<u>582</u>	<u>2,941</u>
Cash flows from noncapital financing activities:			
Cash transfers in from other funds		5	5
Cash transfers out to other funds	(64)	(339)	(403)
Loans with other funds	22		22
Net cash used for noncapital financing activities	<u>(42)</u>	<u>(334)</u>	<u>(376)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets		(33)	(33)
Net cash used for capital and related financing activities		<u>(33)</u>	<u>(33)</u>
Cash flows from investing activities:			
Interest received on investments	1,291	25	1,316
Net cash provided by investing activities	<u>1,291</u>	<u>25</u>	<u>1,316</u>
Net increase in cash and cash equivalents	3,608	240	3,848
Cash and cash equivalents, July 1, 2024	<u>30,593</u>	<u>714</u>	<u>31,307</u>
Cash and cash equivalents, June 30, 2025	<u>\$ 34,201</u>	<u>\$ 954</u>	<u>\$ 35,155</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 18.1

(continued)

Reconciliation of operating income to net cash provided by operating activities:	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
	\$ 2,102	\$ 124	\$ 2,226
Operating income			
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1	768	769
Changes in assets and deferred outflows of resources:			
Decrease (increase) in assets:			
Accounts receivable	3	(16)	(13)
Due from other governments		(9)	(9)
Prepaid expense	(12)	7	(5)
Net OPEB asset	(25)	(2)	(27)
Decrease in deferred outflows of resources:			
Pension/OPEB	(255)	(18)	(273)
Changes in liabilities and deferred inflows of resources:			
Increase (decrease) in liabilities:			
Accounts payable	(117)	(312)	(429)
Net pension/OPEB liability	153	9	162
Other liabilities	424	24	448
Increase in deferred inflows of resources:			
Pension/OPEB	85	7	92
Net cash provided by operating activities	\$ 2,359	\$ 582	\$ 2,941



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

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

PIMA COUNTY, ARIZONA
Combining Statements of Net Position
Internal Service Funds
June 30, 2025
(in thousands)

Exhibit C - 19

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 83,536	\$ 6,868	\$ 46,743	\$ 30,183	\$ 167,330
Interest receivable	40	28	82	119	269
Due from other funds				3,316	3,316
Due from other governments				14	14
Accounts receivable	29	266	2,601	28	2,924
Inventory		896		229	1,125
Prepaid expense	1,061	42	92	4,517	5,712
Total current assets	<u>84,666</u>	<u>8,100</u>	<u>49,518</u>	<u>38,406</u>	<u>180,690</u>
Noncurrent assets:					
Net OPEB asset	41	122	33	233	429
Capital assets:					
Land	459				459
Buildings and improvements		23,356			23,356
Equipment	71	81,544		21,208	102,823
Intangibles		186		36,557	36,743
Less accumulated depreciation/amortization	(71)	(51,283)		(24,085)	(75,439)
Construction in progress		150			150
Total capital assets (net)	<u>459</u>	<u>53,953</u>	<u>\$0</u>	<u>33,680</u>	<u>88,092</u>
Total noncurrent assets	<u>500</u>	<u>54,075</u>	<u>33</u>	<u>33,913</u>	<u>88,521</u>
Total assets	<u>85,166</u>	<u>62,175</u>	<u>49,551</u>	<u>72,319</u>	<u>269,211</u>
Deferred outflows of resources					
Pension/OPEB	204	607	165	1,156	2,132
Total deferred outflows of resources	<u>204</u>	<u>607</u>	<u>165</u>	<u>1,156</u>	<u>2,132</u>
Liabilities					
Current liabilities:					
Accounts payable	1,462	775	976	446	3,659
Employee compensation	55	178	48	291	572
Interest payable				980	980
Due to other funds				3,316	3,316
Compensated absences payable	130	311	84	590	1,115
Reported but unpaid losses	4,348		1,108		5,456
Incurred but not reported losses	2,696		5,822		8,518
Subscriptions liability				7,289	7,289
Total current liabilities	<u>8,691</u>	<u>1,264</u>	<u>8,038</u>	<u>12,912</u>	<u>30,905</u>
Noncurrent liabilities:					
Compensated absences payable	8	123	51	324	506
Reported but unpaid losses	9,604		11		9,615
Incurred but not reported losses	7,459		59		7,518
Net pension/OPEB liability	1,079	3,202	870	6,091	11,242
Subscriptions liability				16,851	16,851
Total noncurrent liabilities	<u>18,150</u>	<u>3,325</u>	<u>991</u>	<u>23,266</u>	<u>45,732</u>
Total liabilities	<u>26,841</u>	<u>4,589</u>	<u>9,029</u>	<u>36,178</u>	<u>76,637</u>
Deferred inflows of resources					
Pension/OPEB	88	259	71	494	912
Total deferred inflows of resources	<u>88</u>	<u>259</u>	<u>71</u>	<u>494</u>	<u>912</u>
Net position					
Net investment in capital assets	459	53,953		8,560	62,972
Restricted for:					
Healthcare			40,583		40,583
Net other postemployment benefits	41	122	33	233	429
Unrestricted	57,941	3,859		28,010	89,810
Total net position	<u>\$ 58,441</u>	<u>\$ 57,934</u>	<u>\$ 40,616</u>	<u>\$ 36,803</u>	<u>\$ 193,794</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 20

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 17,121	\$ 21,436	\$ 94,724	\$ 34,309	\$ 167,590
Other	319	93	9,215	197	9,824
Total operating revenues	<u>17,440</u>	<u>21,529</u>	<u>103,939</u>	<u>34,506</u>	<u>177,414</u>
Operating expenses:					
Employee compensation	2,288	3,900	959	7,083	14,230
Operating supplies and services	262	6,242	2	5,015	11,521
Repairs and maintenance	86	1,483		2,037	3,606
Incurred losses	7,069		81,816		88,885
Insurance premiums	8,091	1,247	6,670	45	16,053
General and administrative	862	2,272	642	1,796	5,572
Consultants and professional services	1,794	198	3,905	8,240	14,137
Depreciation/amortization		8,174		9,538	17,712
Total operating expenses	<u>20,452</u>	<u>23,516</u>	<u>93,994</u>	<u>33,754</u>	<u>171,716</u>
Operating income (loss)	<u>(3,012)</u>	<u>(1,987)</u>	<u>9,945</u>	<u>752</u>	<u>5,698</u>
Nonoperating revenues (expenses):					
Investment earnings	4,390	304	1,893	1,171	7,758
Interest expense				(1,064)	(1,064)
Gain (loss) on disposal of capital assets		209		(202)	7
Total nonoperating revenues (expenses)	<u>4,390</u>	<u>513</u>	<u>1,893</u>	<u>(95)</u>	<u>6,701</u>
Income (loss) before contributions and transfers	1,378	(1,474)	11,838	657	12,399
Capital contributions		91			91
Transfers in		240		828	1,068
Transfers (out)	(382)	(42)	(210)	(3,473)	(4,107)
Change in net position	996	(1,185)	11,628	(1,988)	9,451
Net position, July 1, 2024	<u>57,497</u>	<u>59,235</u>	<u>29,005</u>	<u>39,031</u>	<u>184,768</u>
Aggregate amount of adjustments to and restatements of beginning net position ¹	(52)	(116)	(17)	(240)	(425)
Net position, July 1, 2024, as restated	<u>57,445</u>	<u>59,119</u>	<u>28,988</u>	<u>38,791</u>	<u>184,343</u>
Net position, June 30, 2025	<u>\$ 58,441</u>	<u>\$ 57,934</u>	<u>\$ 40,616</u>	<u>\$ 36,803</u>	<u>\$ 193,794</u>

¹Due to implementation of GASB 101, *Compensated Absences*

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 21

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Cash flows from operating activities:					
Cash receipts from other funds for goods and services provided	\$ 17,121	\$ 21,436	\$ 94,724	\$ 34,309	\$ 167,590
Cash receipts from miscellaneous operations	290	154	8,839	207	9,490
Cash payments to suppliers for goods and services	(10,291)	(9,909)	(10,213)	(18,534)	(48,947)
Cash payments to other funds for goods and services	(810)	(2,591)	(590)	(1,307)	(5,298)
Cash payments for incurred losses	(7,897)		(81,216)		(89,113)
Cash payments to employees for services	(2,279)	(3,805)	(920)	(6,962)	(13,966)
Net cash provided by (used for) operating activities	<u>(3,866)</u>	<u>5,285</u>	<u>10,624</u>	<u>7,713</u>	<u>19,756</u>
Cash flows from noncapital financing activities:					
Cash transfers in from other funds		240		828	1,068
Cash transfers out to other funds	(382)	(42)	(210)	(3,473)	(4,107)
Net cash provided by (used for) noncapital financing activities	<u>(382)</u>	<u>198</u>	<u>(210)</u>	<u>(2,645)</u>	<u>(3,039)</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		421			421
Purchase of capital assets		(8,205)		(10,981)	(19,186)
Net cash used for capital and related financing activities		<u>(7,784)</u>		<u>(10,981)</u>	<u>(18,765)</u>
Cash flows from investing activities:					
Interest received on investments	4,390	313	1,870	1,199	7,772
Net cash provided by investing activities	<u>4,390</u>	<u>313</u>	<u>1,870</u>	<u>1,199</u>	<u>7,772</u>
Net increase (decrease) in cash and cash equivalents	142	(1,988)	12,284	(4,714)	5,724
Cash and cash equivalents, July 1, 2024	<u>83,394</u>	<u>8,856</u>	<u>34,459</u>	<u>34,897</u>	<u>161,606</u>
Cash and cash equivalents, June 30, 2025	<u>\$ 83,536</u>	<u>\$ 6,868</u>	<u>\$ 46,743</u>	<u>\$ 30,183</u>	<u>\$ 167,330</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 21.1

(continued)

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
	\$	\$	\$	\$	\$
Operating income (loss)	(3,012)	(1,987)	9,945	752	5,698
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization		8,174		9,538	17,712
Changes in assets and deferred outflows of resources:					
Decrease (increase) in assets:					
Accounts receivable	(29)	61	(376)	(13)	(357)
Due from other governments				23	23
Inventory and other assets		26		10	36
Prepaid expense	(75)	(2)	(2)	(1,442)	(1,521)
Net OPEB asset	(5)	(15)	(5)	(34)	(59)
Decrease in deferred outflows of resources:					
Pension/OPEB	(56)	(174)	(50)	(352)	(632)
Changes in liabilities and deferred inflows of resources:					
Increase (decrease) in liabilities:					
Accounts payable	69	(1,074)	418	(1,370)	(1,957)
Interest payable				94	94
Due to other governments		(8)			(8)
Reported but unpaid losses	(965)		159		(806)
Incurred but not reported losses	137		441		578
Net pension/OPEB liability	(5)	19	23	165	202
Other liabilities	56	209	54	226	545
Increase in deferred inflows of resources:					
Pension/OPEB	19	56	17	116	208
Net cash provided by (used for) operating activities	\$ (3,866)	\$ 5,285	\$ 10,624	\$ 7,713	\$ 19,756

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2025:

Fleet Services Fund disposed of capital assets with a net book value of \$212.

Other Internal Service Fund entered into subscription-based information technology arrangements and recognized subscription liabilities of \$8,452.



2025

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Fiduciary Funds

FIDUCIARY FUNDS

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

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

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2025
(in thousands)

Exhibit C - 22

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Assets			
Cash and cash equivalents	\$ 2,969	\$ 2,082	\$ 5,051
Total assets	2,969	2,082	5,051
Net position			
Restricted for			
Individuals, organizations, and other governments	2,969	2,082	5,051
Total net position	\$ 2,969	\$ 2,082	\$ 5,051

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2025
(in thousands)

Exhibit C - 23

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Additions:			
Other	\$ 8,546	\$ 448	\$ 8,994
Total additions	8,546	448	8,994
Deductions:			
Other	9,112	626	9,738
Total deductions	9,112	626	9,738
Decrease in fiduciary net position	(566)	(178)	(744)
Net position held in trust, July 1, 2024	3,535	2,260	5,795
Net position held in trust, June 30, 2025	\$ 2,969	\$ 2,082	\$ 5,051

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025
(in thousands)

	External Investment Pool					Other		
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Assets								
Cash and cash equivalents	\$ 430,017	\$ 71,749	\$ 8,551	\$ 510,317	\$ 9,932	\$ 267,590	\$ 9,651	\$ 287,173
Property tax receivable					26,713			26,713
Interest receivable	1,592	291	30	1,913	1			1
Due from other governments					1,941			1,941
Total assets	<u>431,609</u>	<u>72,040</u>	<u>8,581</u>	<u>512,230</u>	<u>38,587</u>	<u>267,590</u>	<u>9,651</u>	<u>315,828</u>
Net position								
Restricted for:								
Pool participants	431,609	72,040	8,581	512,230				
Individuals, organizations, and other governments					38,587	267,590	9,651	315,828
Total net position	<u>\$ 431,609</u>	<u>\$ 72,040</u>	<u>\$ 8,581</u>	<u>\$ 512,230</u>	<u>\$ 38,587</u>	<u>\$ 267,590</u>	<u>\$ 9,651</u>	<u>\$ 315,828</u>

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025
(in thousands)

	External Investment Pool				Other			
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Additions:								
Contributions from pool participants	\$ 2,417,838	\$ 163,427	\$ 23,815	\$ 2,605,080		\$ 139,240		\$ 139,240
Contributions from other governments					\$ 1,480,124			1,480,124
Property tax collections for other governments					9,461			9,461
Fines and fees collected for other governments						14,785		14,785
Investment earnings	21,058	2,898	451	24,407				
Inmate collections							\$ 2,056	2,056
Other					462		35,722	36,184
Total additions	2,438,896	166,325	24,266	2,629,487	1,490,047	154,025	37,778	1,681,850
Deductions:								
Distributions to pool participants	2,391,114	159,946	25,512	2,576,572		217,176		217,176
Distributions to other governments					1,476,626			1,476,626
Property tax distributions to other governments					354			354
Interest expense					9,429			9,429
Fines and fees distributed to other governments							2,046	2,046
Payments to inmates							32,412	32,799
Other					387		34,458	1,738,430
Total deductions	2,391,114	159,946	25,512	2,576,572	1,486,796	217,176	34,458	1,738,430
Net increase (decrease) in fiduciary net position	47,782	6,379	(1,246)	52,915	3,251	(63,151)	3,320	(56,580)
Net position, July 1, 2024	383,827	65,661	9,827	459,315	35,336	330,741	6,331	372,408
Net position, June 30, 2025	\$ 431,609	\$ 72,040	\$ 8,581	\$ 512,230	\$ 38,587	\$ 267,590	\$ 9,651	\$ 315,828



INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

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

STATISTICAL SECTION

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

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 1,376,761	\$ 1,429,607	\$ 1,452,111	\$ 1,517,465	\$ 1,582,181	\$ 1,616,368	\$ 1,633,005	\$ 1,632,054	\$ 1,707,493	\$ 1,783,447
Restricted for:										
Facilities, justice, library, community development, and tax stabilization	58,269	66,828	68,636	63,501	102,881	117,584	119,378	172,972	254,251	271,814
Highways and streets	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927	12,039	21,118
Capital projects	62,386	76,278	80,619	34,549	34,384	8,134	28,642	25,272	49,187	58,181
Healthcare	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900	29,460	41,239
Net other postemployment benefits		(503,936)	(530,353)	(435,876)	(456,402)	(417,783)	(363,483)	(365,926)	17,576	20,526
Unrestricted (deficit)	<u>(494,395)</u>	<u>\$ 1,114,879</u>	<u>\$ 1,143,410</u>	<u>\$ 1,232,521</u>	<u>\$ 1,308,315</u>	<u>\$ 1,369,635</u>	<u>\$ 1,444,545</u>	<u>\$ 1,481,199</u>	<u>\$ 1,679,297</u>	<u>\$ 1,796,983</u>
Total governmental activities net position	\$ 1,045,632	\$ 1,114,879	\$ 1,143,410	\$ 1,232,521	\$ 1,308,315	\$ 1,369,635	\$ 1,444,545	\$ 1,481,199	\$ 1,679,297	\$ 1,796,983
Business-type activities										
Net investment in capital assets	\$ 636,369	\$ 654,168	\$ 686,418	\$ 717,994	\$ 740,667	\$ 789,501	\$ 826,451	\$ 857,533	\$ 891,664	\$ 942,373
Restricted for:										
Debt service	36,666	38,247	40,271	41,762	36,905	31,100	32,398	35,112	37,599	42,529
Capital projects	3,440	1,667	2,267	6,447	5,963	7,447	10,528	6,868	10,528	1,659
Regional wastewater reclamation	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294	24,466	21,763
Net other postemployment benefits										
Unrestricted	<u>88,906</u>	<u>75,231</u>	<u>56,307</u>	<u>55,035</u>	<u>70,486</u>	<u>64,998</u>	<u>70,761</u>	<u>83,499</u>	<u>107,742</u>	<u>98,502</u>
Total business-type activities net position	\$ 784,604	\$ 788,981	\$ 804,614	\$ 840,396	\$ 873,601	\$ 913,129	\$ 961,866	\$ 1,006,306	\$ 1,062,490	\$ 1,108,041
Primary government										
Net investment in capital assets	\$ 2,013,130	\$ 2,083,775	\$ 2,138,529	\$ 2,235,459	\$ 2,322,848	\$ 2,405,869	\$ 2,459,456	\$ 2,489,587	\$ 2,599,157	\$ 2,725,820
Restricted for:										
Facilities, justice, library, community development, and tax stabilization	58,269	66,828	68,636	63,103	102,881	117,584	119,378	172,972	254,251	271,814
Highways and streets	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927	12,039	21,118
Debt service	36,666	38,247	40,271	41,762	36,905	31,100	32,398	35,112	37,599	42,529
Capital projects	65,826	77,945	82,886	40,996	40,347	15,581	39,170	32,140	49,187	59,840
Regional wastewater reclamation	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294	24,466	21,763
Healthcare	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900	29,460	41,239
Net other postemployment benefits		(428,705)	(474,046)	(380,443)	(385,916)	(352,785)	(292,722)	(282,427)	(282,967)	(300,840)
Unrestricted (deficit)	<u>(405,489)</u>	<u>\$ 1,903,860</u>	<u>\$ 1,948,024</u>	<u>\$ 2,072,917</u>	<u>\$ 2,181,916</u>	<u>\$ 2,282,764</u>	<u>\$ 2,406,411</u>	<u>\$ 2,487,505</u>	<u>\$ 2,741,787</u>	<u>\$ 2,905,024</u>
Total primary government net position	\$ 1,830,236	\$ 1,903,860	\$ 1,948,024	\$ 2,072,917	\$ 2,181,916	\$ 2,282,764	\$ 2,406,411	\$ 2,487,505	\$ 2,741,787	\$ 2,905,024

Note:
 Due to the implementation of GASB Statement No. 101, *Compensated Absences*, in fiscal year 2025, net position for the year ended June 30, 2024 was restated, however this change is not reflected in this schedule.
 Due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, in fiscal year 2019, net position for the year ended June 30, 2018 was restated, however this change is not reflected in this schedule.
 Due to the implementation of GASB Statement No. 82, *Pension Issues*, in fiscal year 2016, net position for the year ended June 30, 2015 was restated, however this change is not reflected in this schedule.
 Due to the One Arizona Opioid Settlement Memorandum of Understanding (One Arizona Plan) related to national opioid settlements, fiscal year 2022 was restated, however this change was not reflected in this schedule.
 In fiscal year 2024, a new category was added to the restricted net position for both governmental and business-type activities to reflect the portion related to net pension/OPPEB assets.

Source:
 Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 267,658	\$ 260,251	\$ 279,678	\$ 254,241	\$ 329,566	\$ 360,851	\$ 343,493	\$ 394,954	\$ 399,737	\$ 455,141
Public safety	201,759	214,648	214,460	199,402	197,857	215,376	204,946	224,987	243,311	235,826
Highways and streets	102,461	86,886	110,159	111,826	118,956	136,405	198,621	180,833	109,617	110,063
Sanitation	3,089	5,195	2,683	2,798	4,052	3,295	4,453	9,834	3,446	2,040
Health	38,386	39,454	38,186	39,658	43,389	79,676	60,822	62,601	65,711	29,377
Welfare	88,515	90,013	94,567	95,737	102,033	103,038	100,505	114,851	118,828	127,937
Culture and recreation	65,770	68,350	65,827	62,513	70,275	70,153	69,944	84,999	87,339	93,163
Education and economic opportunity	35,833	36,658	43,492	42,810	39,420	49,623	65,797	88,979	71,525	57,436
Amortization-unallocated	(6,862)	(9,348)	(7,806)	(6,551)	(6,909)	(6,870)				
Interest on long-term debt	27,464	27,066	23,049	21,650	20,146	20,861	14,876	17,253	19,343	20,181
Total governmental activities	<u>824,073</u>	<u>819,173</u>	<u>864,295</u>	<u>824,084</u>	<u>918,785</u>	<u>1,032,408</u>	<u>1,063,457</u>	<u>1,179,291</u>	<u>1,118,857</u>	<u>1,131,164</u>
Business-type activities:										
Regional Wastewater Reclamation	155,566	155,257	148,405	149,576	151,893	153,265	153,613	155,405	164,710	166,396
Development Services	6,691	6,091	5,523	6,187	6,528	6,370	6,443	6,918	7,950	8,266
Parking Garages	2,350	2,840	2,821	2,963	2,649	2,481	2,619	2,847	2,829	2,599
Total business-type activities	<u>164,607</u>	<u>164,188</u>	<u>156,749</u>	<u>158,726</u>	<u>161,070</u>	<u>162,116</u>	<u>162,675</u>	<u>165,170</u>	<u>175,489</u>	<u>177,261</u>
Total primary government	<u>\$ 988,680</u>	<u>\$ 983,361</u>	<u>\$ 1,021,044</u>	<u>\$ 982,810</u>	<u>\$ 1,079,855</u>	<u>\$ 1,194,524</u>	<u>\$ 1,226,132</u>	<u>\$ 1,344,461</u>	<u>\$ 1,294,346</u>	<u>\$ 1,308,425</u>
Program revenues										
Governmental activities:										
Charges for services	\$ 27,149	\$ 28,331	\$ 27,713	\$ 26,789	\$ 28,754	\$ 33,606	\$ 32,414	\$ 28,284	\$ 97,485	\$ 39,529
General government	12,733	13,657	13,737	13,975	14,665	18,297	14,171	14,287	14,177	16,204
Public safety	5,263	6,696	8,356	7,908	9,236	12,432	13,006	10,080	14,834	14,205
Highways and streets	13,437	13,831	13,727	14,576	14,614	15,154	16,097	10,527	11,532	11,762
Health	50			252	289	122	51	91	153	95
Welfare	2,855	3,876	3,266	3,702	6,907	2,201	3,721	4,416	4,397	4,535
Culture and recreation	545	593	581	577	514	419	565	544	673	1,024
Education and economic opportunity	127,536	130,049	131,222	131,487	175,720	237,401	234,010	274,746	276,996	203,944
Operating grants and contributions	45,579	37,502	26,842	30,361	40,077	35,772	56,606	19,472	44,954	73,641
Capital grants and contributions										
Subtotal governmental activities program revenues	<u>\$ 235,147</u>	<u>\$ 234,535</u>	<u>\$ 225,444</u>	<u>\$ 229,627</u>	<u>\$ 290,776</u>	<u>\$ 355,404</u>	<u>\$ 370,641</u>	<u>\$ 362,447</u>	<u>\$ 465,201</u>	<u>\$ 364,939</u>

(continued)

Source: Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program revenues										
Business-type activities:										
Charges for services										
Regional Wastewater Reclamation	\$ 167,856	\$ 170,255	\$ 176,108	\$ 180,118	\$ 176,208	\$ 179,727	\$ 181,732	\$ 179,498	\$ 184,438	\$ 181,308
Development Services	6,212	8,076	8,791	8,859	10,396	13,947	14,010	10,170	11,413	10,316
Parking Garages	2,209	2,399	2,524	2,605	2,355	1,985	2,321	2,197	2,385	2,704
Operating grants and contributions	35									
Capital grants and contributions	7,297	5,119	7,354	10,968	8,531	13,743	14,661	14,039	25,771	18,756
Total business-type activities program revenues	183,609	185,849	194,777	202,550	197,490	209,402	212,724	205,904	224,007	213,084
Total primary government program revenues	\$ 418,756	\$ 420,384	\$ 420,221	\$ 432,177	\$ 488,266	\$ 564,806	\$ 583,365	\$ 689,208	\$ 689,208	\$ 578,023
Net (expense) revenue										
Governmental activities	(588,926)	(584,638)	(638,851)	(594,457)	(628,009)	(677,004)	(692,816)	(816,844)	(653,656)	(766,225)
Business-type activities	19,002	21,661	38,028	43,824	36,420	47,286	50,049	40,734	48,518	35,823
Total governmental activities net expense	(\$69,924)	(\$62,977)	(600,823)	(550,633)	(591,589)	(629,718)	(642,767)	(776,110)	(605,138)	(730,402)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 444,194	\$ 453,004	\$ 476,365	\$ 463,547	\$ 482,079	\$ 485,886	\$ 500,619	\$ 508,823	\$ 528,867	\$ 568,743
Hotel/motel taxes	6,620	6,885	6,569	7,192	5,539	5,816	8,876	15,065	10,412	10,519
Other taxes levied for sports facilities and tourism	1,614	1,590	1,612	1,544	1,270	954	1,162	1,245	1,286	1,388
Shared sales tax	107,966	111,922	118,702	124,999	131,125	152,512	171,839	181,133	187,032	192,135
Shared vehicle licenses	26,302	27,761	28,933	30,282	30,747	35,296	33,485	34,623	35,192	37,837
Unrestricted grants and contributions	4,199	4,550	4,733	4,877	5,890	4,892	7,289	4,796	5,458	5,588
Interest and penalties on delinquent taxes	5,590	6,504	5,157	5,286	5,286	5,886	5,247	5,074	6,430	5,355
Investment earnings	3,268	3,297	5,549	12,328	11,927	3,812	(665)	24,108	37,041	33,516
Miscellaneous	15,712	17,731	18,381	21,320	22,019	33,832	38,421	29,863	35,419	38,352
Transfers	(20,190)	20,146	25,393	11,855	7,921	9,438	1,453	4,990	4,617	1,499
Total governmental activities	595,275	653,390	691,394	683,568	703,803	738,324	767,726	809,720	851,754	894,932
Business-type activities:										
Investment earnings	1,291	1,512	2,228	4,224	4,045	1,110	(530)	6,758	11,112	11,368
Miscellaneous	678	1,350	763	1,038	661	570	671	1,938	1,171	1,143
Transfers	20,190	(20,146)	(25,393)	(11,855)	(7,921)	(9,438)	(1,453)	(4,990)	(4,617)	(1,499)
Total business-type activities	22,159	(17,284)	(22,402)	(6,593)	(3,215)	(7,758)	(1,312)	3,706	7,666	11,012
Total primary government	\$ 617,434	\$ 636,106	\$ 668,992	\$ 676,975	\$ 700,588	\$ 730,566	\$ 766,414	\$ 813,426	\$ 859,420	\$ 905,944
Change in net position:										
Governmental activities	6,349	68,752	52,543	89,111	75,794	61,320	74,910	(7,124)	198,098	128,707
Business-type activities	41,161	4,377	15,626	37,231	33,205	39,528	48,737	44,440	56,184	46,835
Total primary government	\$ 47,510	\$ 73,129	\$ 68,169	\$ 126,342	\$ 108,999	\$ 100,848	\$ 123,647	\$ 37,316	\$ 254,282	\$ 175,542

Source:
 Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 2,931	\$ 4,318	\$ 4,566	\$ 7,287	\$ 7,487	\$ 5,659	\$ 2,292	\$ 3,724	\$ 3,758	\$ 2,851
Committed						10,000	25,000	117,864	126,819	122,044
Assigned	201	80	101	121	135	163	160	256	348	340
Unassigned	77,550	97,638	108,825	101,990	97,974	418,030	174,757	74,272	45,102	57,926
Total General Fund	<u>\$ 80,682</u>	<u>\$ 102,036</u>	<u>\$ 113,492</u>	<u>\$ 109,398</u>	<u>\$ 105,596</u>	<u>\$ 433,852</u>	<u>\$ 202,209</u>	<u>\$ 196,116</u>	<u>\$ 176,027</u>	<u>\$ 183,161</u>
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special Revenue Funds										
Nonspendable	\$ 2,323	\$ 2,496	\$ 2,676	\$ 2,540	\$ 2,400	\$ 2,928	\$ 2,662	\$ 2,916	\$ 2,484	\$ 2,301
Restricted	57,141	62,263	90,924	77,122	80,990	108,368	98,730	58,380	70,081	91,039
Committed	6,962	2,821	1,972	3,993	18,422	17,803	17,826		508	1,084
Assigned	3,289	9,421	4,747	9,836	14,558	15,992	11,758	7,602	9,629	8,581
Unassigned	(9,097)	(7,006)	(7,690)	(4,370)		(279)	(6,219)			
Capital Projects Funds										
Restricted	104,274	96,228	136,889	78,107	72,010	66,658	49,051	52,833	64,749	72,432
Committed	1,508									
Assigned	195	209	9,492	41,234	45,776	21,957	44,073	50,811	35,194	41,665
Debt Service: Assigned	6,656	3,127	5,004	6,845	5,143	4,466	1,538	2,079	6,400	4,264
Grants Fund										
Nonspendable				180	29	29	243	626	455	54
Unassigned				(2,346)		(27,598)	(25,057)	(17,391)	(13,834)	(30,106)
Other Special Revenue Fund										
Nonspendable								\$176	\$198	269
Restricted								42,458	57,370	61,207
Committed								2,883	3,209	1,902
Assigned								20,058	34,576	36,935
Total other governmental funds	<u>\$ 173,251</u>	<u>\$ 169,559</u>	<u>\$ 244,014</u>	<u>\$ 215,307</u>	<u>\$ 237,133</u>	<u>\$ 210,324</u>	<u>\$ 194,605</u>	<u>\$ 223,431</u>	<u>\$ 271,019</u>	<u>\$ 291,627</u>

Note: The Grants Fund met GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, major fund criteria in fiscal year 2020. The Other Special Revenue Fund met GASB Statement 34, major fund criteria in fiscal year 2023. In prior fiscal years, they were reported under Special Revenue Funds.

Source: Pima County Department of Finance & Risk Management

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 450,054	\$ 460,312	\$ 481,222	\$ 469,605	\$ 486,074	\$ 491,028	\$ 502,370	\$ 512,667	\$ 544,513	\$ 573,681
Licenses and permits	8,824	9,305	9,906	10,261	9,856	11,126	9,941	9,711	9,739	9,551
Intergovernmental	314,918	308,555	302,668	326,678	364,610	435,628	481,572	523,097	531,008	485,933
Charges for services	62,258	66,882	63,917	61,171	68,435	75,339	76,232	72,647	81,346	81,243
Fines and forfeits	8,420	8,110	7,526	7,004	6,062	7,022	7,535	9,288	22,049	12,804
Investment earnings	1,812	2,257	4,022	7,564	7,417	3,074	1,622	20,500	29,058	25,757
Miscellaneous	16,835	17,908	19,941	20,980	21,272	25,543	44,764	30,218	32,749	28,748
Total revenues	863,121	873,299	889,202	903,263	963,726	1,048,760	1,124,036	1,178,128	1,250,462	1,217,717
Expenditures										
General government	255,639	258,350	257,511	269,391	318,476	347,492	337,570	399,181	405,813	417,189
Public safety	169,292	174,105	172,696	173,195	158,046	210,390	435,338	208,766	209,071	207,629
Highways and streets	45,625	41,523	42,038	39,953	63,254	89,690	130,298	122,605	60,433	69,968
Sanitation	2,237	2,343	2,314	2,405	2,511	2,239	2,414	2,422	2,794	2,833
Health	38,390	39,263	39,182	42,909	42,141	77,417	63,194	61,139	63,877	67,369
Welfare	88,436	89,915	94,594	95,907	102,043	103,029	100,550	114,894	118,803	127,891
Culture and recreation	58,710	64,725	62,070	64,003	64,731	65,820	72,247	76,616	78,264	84,181
Education and economic opportunity	35,121	35,872	40,102	42,345	38,583	48,026	66,554	88,182	70,964	57,380
Debt service:										
Principal	86,957	101,579	97,574	129,912	90,018	102,692	90,454	85,395	89,241	91,726
Interest	26,279	23,920	20,244	18,730	17,630	16,526	18,767	18,963	20,542	20,892
Miscellaneous	488	1,376	729	620	622	2,805	247	898	567	574
Capital outlay	70,473	73,922	78,370	118,275	118,016	94,003	108,296	98,716	143,532	116,769
Total expenditures	877,647	906,893	907,424	997,645	1,016,071	1,160,129	1,425,929	1,277,777	1,263,901	1,264,401
Deficiency of revenues under expenditures	(14,526)	(33,594)	(18,222)	(94,382)	(52,345)	(111,369)	(301,893)	(99,649)	(13,439)	(46,684)
Other financing sources (uses):										
Financed purchases	149	1,700		170	679				1,349	5,100
Premium on bonds	2,552	17,661	2,621	6,709	5,588	5,603		2,309		4,107
Issuance of refunding debt	9,640	150,385								17,450
Payments to escrow agent	(11,010)	(166,816)								(18,179)
Face amount of long-term debt	34,295	25,680	73,660	45,940	56,020	387,248	50,000	90,115	40,745	27,125
Lease agreements							3,451	726	148	683
Subscription-based information technology agreements								24,146	1,758	32,691
Proceeds from sale of capital assets	89	246	566	1,676	268	5	470	1,021	247,737	886
Transfers in	114,358	110,044	121,810	169,544	170,977	191,771	227,287	252,102	247,737	267,643
Transfers (out)	(132,865)	(87,640)	(94,524)	(162,458)	(163,167)	(171,810)	(226,675)	(248,037)	(250,798)	(263,105)
Total other financing sources	17,208	51,260	104,133	61,581	70,365	412,817	54,533	122,382	40,939	74,401
Change in reserves - net					4	(1)	(2)		(1)	25
Net change in fund balances	\$ 2,682	\$ 17,666	\$ 85,911	\$ (32,801)	\$ 18,024	\$ 301,447	\$ (247,362)	\$ 22,733	\$ 27,499	\$ 27,742
Debt service as a percentage of noncapital expenditures	13.41%	14.94%	13.74%	16.11%	11.55%	11.10%	8.08%	8.68%	9.69%	10.09%

Source:
 Pima County Department of Finance & Risk Management

(This page intentionally left blank)

STATISTICAL SECTION

REVENUE CAPACITY:

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

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

Tax Year	Commercial Property		Residential Property		Vacant Land		Other		Taxable Assessed Value		Total Direct Tax Rate		Estimated Limited Value		Assessed Value as a Percentage of Limited Value	
	Property		Property		Land				Value		Tax Rate		Value		Value	of Limited Value
2016	2,246,501		5,172,564		345,099		52,536		7,816,700		5.8852		78,911,345		9.91%	
2017	2,323,580		5,374,744		321,022		55,611		8,074,958		6.0243		80,459,900		10.04%	
2018	2,316,227		5,634,554		323,278		59,834		8,333,893		5.6525		82,745,384		10.07%	
2019	2,408,207		5,948,604		311,735		61,418		8,729,964		5.6014		86,441,657		10.10%	
2020	2,462,342		6,311,194		304,548		62,341		9,140,425		5.3524		90,656,154		10.08%	
2021	2,650,189		6,667,859		309,971		68,132		9,696,151		5.2346		95,585,663		10.14%	
2022	2,737,633		7,008,385		312,905		73,701		10,132,624		5.1036		100,257,796		10.11%	
2023	2,812,753		7,448,243		312,228		73,670		10,646,894		5.1424		106,146,379		10.03%	
2024	2,909,747		7,962,191		307,083		75,490		11,254,511		5.1413		112,786,493		9.98%	
2025	2,903,228		8,506,070		323,725		75,488		11,808,511		5.2311		120,255,509		9.82%	

Notes:

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

Source:
Pima County Department of Finance & Risk Management

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

Tax Year	County Direct Rates														
	County Primary	County Secondary	Flood Control District ¹	County Library District	Fire District Assistance	Total	Overlapping Rates						Quail Creek Community Facilities District	Gladden Farms Phase II Community Facilities District	Saguaro Springs Community Facilities District
	Central AZ Water Conservation District	Flowing Wells Irrigation District ²	Silverbell Irrigation District ³	Cortaro-Marana Irrigation District ⁴	Mobile Home Relocation District ⁵	Gladden Farms Community Facilities District	Vanderbilt Farms Community Facilities District ⁶	Quail Creek Community Facilities District	Gladden Farms Phase II Community Facilities District	Saguaro Springs Community Facilities District					
2016	4.2896	0.7000	0.3335	0.5153	0.0468	5.8852	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	0.3000	0.3000	0.3000
2017	4.4596	0.7000	0.3135	0.5053	0.0459	6.0243	0.1400	19.3500	3.0000	75.0000	0.0000	2.8000	0.3000	0.3000	0.3000
2018	4.0696	0.6900	0.3335	0.5153	0.0441	5.6525	0.1400	19.3500	3.0000	78.0000	0.0000	2.4400	0.3000	0.3000	2.8000
2019	3.9996	0.6900	0.3335	0.5353	0.0430	5.6014	0.1400	19.3500	3.0000	79.5000	0.0000	2.8000	0.3000	2.8000	2.8000
2020	3.9220	0.5200	0.3335	0.5353	0.0416	5.3524	0.1400	19.3500	3.0000	80.2500	0.0000	2.8000	2.8000	2.8000	2.8000
2021	3.8764	0.4500	0.3335	0.5353	0.0394	5.2346	0.1400	19.3500	3.0000	84.0000	0.0000	2.8000	2.8000	2.8000	2.8000
2022	3.8764	0.3200	0.3235	0.5453	0.0384	5.1036	0.1400	21.2900	3.2508	91.5000	0.0000	2.8000	2.8000	2.8000	2.8000
2023	4.0102	0.2200	0.3253	0.5493	0.0376	5.1424	0.1400	21.2900	3.2508	93.0000	0.0000	2.8000	2.8000	2.8000	2.8000
2024	4.0990	0.1250	0.3271	0.5537	0.0365	5.1413	0.1400	22.3500	3.2508	93.0000	0.0000	2.8000	2.8000	2.8000	2.8000
2025	4.1943	0.1150	0.3289	0.5579	0.0350	5.2311	0.1400	22.3500	3.2508	93.0000	0.0000	2.5500	2.8000	2.8000	2.8000

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

¹The Pima County Flood Control District tax levy applies only to real property.
²Irrigation Districts' tax rates shown are levied on a per acre basis.
³Mobile Home Relocation levy applies only to unsecured mobile homes.
⁴Vanderbilt Farms Community Facilities District was dissolved in fiscal year 2020.

Source:
 Pima County Department of Finance & Risk Management

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

School District	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tucson Unified (#1)	7.1258	6.9218	6.5554	6.3328	6.1243	6.1032	5.9173	5.5372	5.7053	5.5926
Marana Unified (#6)	6.3871	6.2334	6.0840	5.8650	5.7594	5.9491	5.4689	5.6906	5.5504	5.4768
Flowing Wells Unified (#8)	6.8971	6.7539	6.8860	6.8539	6.6839	6.4855	6.5638	6.2262	6.4926	6.3461
Amphitheater Unified (#10)	5.4917	5.6311	5.4919	5.4507	5.4522	5.1034	5.1627	5.0082	4.8271	4.6722
Sunnyside Unified (#12)	5.5498	5.7009	5.6636	5.3009	5.1530	4.6605	4.3087	4.2858	6.6228	6.6213
Tanque Verde Unified (#13)	5.2329	5.7574	5.4150	5.3974	5.2384	5.2731	5.0445	4.9680	4.7742	4.6751
Ajo Unified (#15)	4.7673	4.7107	4.5585	4.3771	4.2246	4.1276	4.0710	3.9341	3.7488	3.6577
Catalina Foothills Unified (#16)	5.9893	5.6661	5.4212	4.9943	5.5878	5.1980	5.0599	4.9318	4.7555	4.6535
Vail Elementary (#20)	7.0523	7.2630	7.1643	7.4759	7.1640	7.1497	6.8087	6.8116	6.3777	6.3364
Sahuarita Unified (#30)	7.3670	9.0399	8.4240	7.8712	7.4213	7.3042	7.1594	6.7020	6.3160	6.2519
San Fernando Elementary (#35)	4.4826	4.5003	4.3145	2.3087	1.9243	1.9959	1.9510	2.0313	2.8885	4.3535
Empire Elementary (#37)	2.4363	5.4021	6.4884	3.7643	2.4307	3.6087	3.4754	3.3344	3.2168	3.1025
Continental Elementary (#39)	2.4626	2.4991	2.5037	2.3785	2.3249	2.2488	2.1400	2.4825	1.6155	1.9795
Redington Elementary (#44)	8.9614	8.6853	8.6853	7.3742	7.3742	7.3742	7.3742	8.2011	7.7497	1.5606
Altar Valley Elementary (#51)	5.9857	5.7738	5.9852	5.5805	5.6522	6.7208	5.1139	5.2321	5.1939	5.0007
Unorganized ¹	2.0793	2.0234	1.9679	1.8954	1.8371	1.7694	1.7133	1.6549	1.5930	1.5606

Notes:

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

Source:

Pima County Department of Finance & Risk Management

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

Taxpayer	2016			2017			2018			2019			2020		
	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 188,366	1	2.2%	\$ 215,359	1	2.5%	\$ 217,657	1	2.4%	\$ 217,567	1	2.3%	\$ 228,198	1	2.2%
Southwest Gas Corporation	36,696	4	0.4%	75,306	3	0.9%	85,118	2	0.9%	92,375	2	1.0%	102,442	2	1.0%
Phelps Dodge Corporation - Sierrita Mine	81,988	2	1.0%	84,212	2	1.0%	70,987	3	0.8%	71,722	3	0.7%	89,998	3	0.9%
HSL Properties															
ASARCO, LLC - Mission Mine	42,290	3	0.5%	43,258	4	0.5%	40,280	4	0.4%	36,335	4	0.4%	42,110	4	0.4%
Sierrita Gas Pipeline, LLC				30,769	7	0.4%	29,920	7	0.3%	28,751	7	0.3%	32,825	7	0.3%
Raytheon													26,237	8	0.3%
Northwest Hospital, LLC	16,858	8	0.2%	31,995	6	0.4%	32,521	6	0.4%	33,047	6	0.3%	33,729	6	0.3%
Amazon															
SMSI Tucson Holdings, LLC	17,471	7	0.2%	23,629	8	0.3%	29,729	8	0.3%	25,005	8	0.3%	26,006	9	0.3%
Qwest Corporation	33,114	5	0.4%	35,990	5	0.4%	34,964	5	0.4%	35,335	5	0.4%	33,754	5	0.3%
Wal-Mart Stores, Inc.	18,211	6	0.2%	21,809	10	0.3%	22,472	10	0.2%	23,020	10	0.2%			
DND Neffson, Co. (Tucson Mall)	15,668	9	0.2%	22,561	9	0.3%	22,667	9	0.3%	23,150	9	0.2%	23,377	10	0.2%
DDR Tucson Spectrum II, LLC	12,499	10	0.1%												
Total Top Ten	\$ 463,161		5.4%	\$ 584,888		7.0%	\$ 586,315		6.4%	\$ 586,307		6.4%	\$ 638,676		6.2%

Notes:
¹Secondary Assessed Valuation for Tax Year

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

\$ 8,262,665
\$ 8,508,990
\$ 9,030,169
\$ 9,645,865
\$ 10,226,395

(continued)

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

(continued)

Taxpayer	2021			2022			2023			2024			2025		
	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 240,775	1	2.2%	\$ 273,438	1	2.4%	\$ 295,764	1	2.3%	\$ 311,493	1	2.0%	\$ 328,066	1	2.0%
Southwest Gas Corporation	119,687	2	1.1%	136,933	2	1.2%	156,447	2	1.2%	158,584	2	1.0%	148,662	2	0.9%
Phelps Dodge Corporation - Sierrita Mine	101,453	3	0.9%	86,436	3	0.8%	115,867	3	0.9%	120,473	3	0.8%	129,643	3	0.8%
HSL Properties										76,815	4	0.5%	85,541	4	0.5%
ASARCO, LLC - Mission Mine	38,540	5	0.4%	34,044	5	0.3%	36,216	7	0.3%	45,218	6	0.3%	54,036	5	0.3%
Sierrita Gas Pipeline, LLC	40,427	4	0.4%	46,647	4	0.4%	51,554	4	0.4%	50,894	5	0.3%	46,560	6	0.3%
Raytheon	32,155	6	0.3%	34,026	6	0.3%	36,848	6	0.3%	38,352	8	0.2%	41,939	7	0.3%
Northwest Hospital, LLC	31,175	7	0.3%	33,149	7	0.3%	36,958	5	0.3%	42,000	7	0.3%	41,563	8	0.3%
Amazon							25,916	9	0.2%	30,956	9	0.2%	33,896	9	0.2%
SMSJ Tucson Holdings, LLC	24,579	9	0.2%	25,946	9	0.2%	27,134	8	0.2%	26,973	10	0.2%	28,000	10	0.2%
Qwest Corporation	30,935	8	0.3%	28,283	8	0.2%	25,729	10	0.2%						
Wal-Mart Stores, Inc.				24,973	10	0.2%									
DND Neffson, Co. (Tucson Mall)	23,978	10	0.2%												
DDR Tucson Spectrum II, LLC															
Total Top Ten	\$ 683,704		6.3%	\$ 723,875		6.3%	\$ 808,433		6.3%	\$ 901,758		5.8%	\$ 937,906		5.8%

Notes: ¹Secondary Assessed Valuation for Tax Year \$ 10,836,343 \$ 11,355,659 \$ 13,137,117 \$ 15,776,061 \$ 16,337,468

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

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

Fiscal Year	Primary Property Tax Levy and Secondary Property Tax Levy for Debt Service		Secondary Property Tax Levy for Flood Control and Library District ^{3,4,5}		Original Real Property Tax Levy		Tax Roll Corrections		Real Property Tax Levy (Adjusted)		End of Tax Fiscal Year ¹		Collected to June 30, 2025 ¹		Delinquent Taxes Receivable ²
	Amount	Percent of Original	Amount	Percent of Original	Amount	Percent of Original	Amount	Percent of Original	Amount	Percent of Original	Amount	Percent of Adjusted Levy	Amount	Percent of Adjusted Levy	
2015-16	374,101	59.448	433,549	96.58%	433,549	96.58%	418,716	96.58%	433,549	96.58%	418,716	96.58%	432,361	99.73%	1,188
2016-17	378,249	62,645	440,894	97.67%	440,894	97.67%	430,628	97.67%	440,894	97.67%	430,628	97.67%	439,481	99.68%	1,413
2017-18	382,611	81,772	464,383	97.73%	464,383	97.73%	453,822	97.73%	464,383	97.73%	453,822	97.73%	463,265	99.76%	1,118
2018-19	383,920	67,031	450,951	97.83%	450,951	97.83%	441,154	97.83%	450,951	97.83%	441,154	97.83%	444,508	98.57%	6,443
2019-20	397,391	72,146	469,537	97.65%	469,537	97.65%	458,509	97.65%	469,537	97.65%	458,509	97.65%	458,509	97.65%	11,028
2020-21	396,965	76,329	473,294	97.68%	473,294	97.68%	462,317	97.68%	473,294	97.68%	462,317	97.68%	462,317	97.68%	10,977
2021-22	408,140	80,602	488,742	97.32%	488,742	97.32%	475,664	97.32%	488,742	97.32%	475,664	97.32%	475,664	97.32%	13,078
2022-23	411,794	83,960	495,754	97.01%	495,754	97.01%	480,909	97.01%	495,754	97.01%	480,909	97.01%	480,909	97.01%	14,845
2023-24	435,277	88,867	524,144	98.05%	524,144	98.05%	513,932	98.05%	524,144	98.05%	513,932	98.05%	513,932	98.36%	8,593
2024-25	460,478	95,335	555,813	97.90%	555,813	97.90%	544,122	97.90%	554,498	97.90%	544,122	97.90%	544,122	98.13%	10,376

Note:

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

² Represents the difference between the adjusted levy and collected to June 30, 2025.

³ Fiscal Year 2017-18 includes Transportation road property.

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

⁵ Fiscal Year 2019-20 includes Community Facilities Districts.

Source:

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

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

Fiscal Year	Net Assessed Value	Limited and Full Cash Value ¹	Ratio of Net Assessed to Full Cash Value
2015-16 Primary	7,620,361	76,489,654	9.96%
2015-16 Secondary	7,906,190	79,550,159	9.94%
2016-17 Primary	7,816,700	78,911,345	9.91%
2016-17 Secondary	8,262,665	83,520,548	9.89%
2017-18 Primary	8,074,958	80,459,900	10.04%
2017-18 Secondary	8,508,990	84,772,588	10.04%
2018-19 Primary	8,333,893	82,745,384	10.07%
2018-19 Secondary	9,030,169	89,027,208	10.14%
2019-20 Primary	8,729,964	86,441,657	10.10%
2019-20 Secondary	9,645,865	95,293,696	10.12%
2020-21 Primary	9,140,425	90,656,154	10.08%
2020-21 Secondary	10,226,395	101,016,359	10.12%
2021-22 Primary	9,696,151	95,585,663	10.14%
2021-22 Secondary	10,836,343	106,405,925	10.18%
2022-23 Primary	10,132,624	100,257,796	10.11%
2022-23 Secondary	11,355,659	111,988,323	10.14%
2023-24 Primary	10,646,894	106,146,379	10.03%
2023-24 Secondary	13,137,117	130,775,723	10.05%
2024-25 Primary	11,254,511	112,786,493	9.98%
2024-25 Secondary	15,776,061	158,644,166	9.94%

Notes:

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

Source:

Pima County Department of Finance & Risk Management

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

Jurisdiction	FY 2024-25 (Tax Year 2024)		FY 2025-26 (Tax Year 2025)	
	Valuation	Rate	Valuation	Rate
<u>State of Arizona</u>	\$ 11,254,511	0.0000	\$ 11,808,511	0.0000
<u>Pima County</u>				
General Fund - Primary	11,254,511	4.0990	11,808,511	4.1943
Debt Service - Secondary	11,254,511	0.1250	11,808,511	0.1150
Free Library - Secondary	11,254,511	0.5537	11,808,511	0.5579
Total County - Primary	11,254,511	4.0990	11,808,511	4.1943
Total County - Secondary		0.6787		0.6729
Grand Total		<u>4.7777</u>		<u>4.8672</u>
<u>Education Assistance</u>	11,254,511	0.0000	11,808,511	0.0000
<u>Flood Control District - Secondary</u>	10,248,198	0.3271	10,826,985	0.3289
<u>Fire District Assistance - Secondary</u>	11,254,511	0.0365	11,808,511	0.0350
<u>Pima Community College District</u>				
Primary	11,254,511	1.2530	11,808,511	1.2176
Total		<u>1.2530</u>		<u>1.2176</u>
<u>Central Arizona Water Conservation District</u>				
Secondary	11,254,511	0.1400	11,808,511	0.1400
<u>Cities & Towns</u>				
City of Tucson				
Primary	4,542,971	0.4311	4,710,466	0.4453
Secondary	4,542,971	0.6034	4,710,466	0.5510
Total		<u>1.0345</u>		<u>0.9963</u>
City of South Tucson				
Primary	28,226	0.2192	29,456	0.2193
Total		<u>0.2192</u>		<u>0.2193</u>
<u>School Districts</u>				
Unorganized - Primary	19,968	1.5930	21,066	1.5606
Tucson Unified (District #1)				
Primary	4,274,794	3.4252	4,418,956	3.3701
Secondary	4,274,794	2.2801	4,418,956	2.2225
Total		<u>5.7053</u>		<u>5.5926</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

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

(continued)

Jurisdiction	FY 2024-25 (Tax Year 2024)		FY 2025-26 (Tax Year 2025)	
	Valuation	Rate	Valuation	Rate
Marana Unified (District #6)				
Primary	\$ 1,293,504	3.3477	\$ 1,400,107	3.2742
Secondary	1,293,504	2.2027	1,400,107	2.2026
Total		<u>5.5504</u>		<u>5.4768</u>
Flowing Wells Unified (District #8)				
Primary	240,553	3.2282	249,755	3.1667
Secondary	240,553	3.2644	249,755	3.1794
Total		<u>6.4926</u>		<u>6.3461</u>
Amphitheater Unified (District #10)				
Primary	1,968,042	3.3402	2,057,623	3.2973
Secondary	1,968,042	1.4869	2,057,623	1.3749
Total		<u>4.8271</u>		<u>4.6722</u>
Sunnyside Unified (District #12)				
Primary	615,677	3.4122	645,432	3.2551
Secondary	615,677	3.2106	645,432	3.3662
Total		<u>6.6228</u>		<u>6.6213</u>
Tanque Verde Unified (District #13)				
Primary	242,714	3.2566	255,381	3.1924
Secondary	242,714	1.5176	255,381	1.4827
Total		<u>4.7742</u>		<u>4.6751</u>
Ajo Unified (District #15)				
Primary	19,478	3.7488	19,968	3.6577
Total		<u>3.7488</u>		<u>3.6577</u>
Catalina Foothills Unified (District #16)				
Primary	750,403	3.2193	785,872	3.1410
Secondary	750,403	1.5362	785,872	1.5125
Total		<u>4.7555</u>		<u>4.6535</u>
Vail Elementary (District #20)				
Primary	812,920	3.4074	886,862	3.4987
Secondary	812,920	2.9703	886,862	2.8377
Total		<u>6.3777</u>		<u>6.3364</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

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

(continued)

Jurisdiction	FY 2024-25 (Tax Year 2024)		FY 2025-26 (Tax Year 2025)	
	Valuation	Rate	Valuation	Rate
Sahuarita Unified (District #30)				
Primary	\$ 460,343	3.3763	\$ 485,821	3.6168
Secondary	460,343	2.9397	485,821	2.6351
Total		<u>6.3160</u>		<u>6.2519</u>
San Fernando Elementary (District #35)				
Primary	11,292	2.8885	10,608	4.3535
Total		<u>2.8885</u>		<u>4.3535</u>
Empire Elementary (District #37)				
Primary	8,017	3.2168	8,443	3.1025
Total		<u>3.2168</u>		<u>3.1025</u>
Continental Elementary (District #39)				
Primary	475,965	1.2350	501,788	1.5708
Secondary	475,965	0.3805	501,788	0.4087
Total		<u>1.6155</u>		<u>1.9795</u>
Baboquivari Unified School (District #40)				
Primary	2,132	0.0000	2,053	0.0000
Total		<u>0.0000</u>		<u>0.0000</u>
Redington Elementary (District #44)				
Primary	1,571	7.7497	1,586	1.5606
Total		<u>7.7497</u>		<u>1.5606</u>
Altar Valley Elementary (District #51)				
Primary	57,139	4.3420	57,189	4.1913
Secondary	57,139	0.8519	57,189	0.8094
Total		<u>5.1939</u>		<u>5.0007</u>

Source:

Pima County Department of Finance & Risk Management

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

Fiscal Year	Hotel Excise Tax ¹	Car Rental Surcharges ²	Recreational Vehicle Tax ^{3,4}
2015-16	6,534	1,468	146
2016-17	6,958	1,446	161
2017-18	6,345	1,530	71
2018-19	7,196	1,507	
2019-20	5,750	1,361	
2020-21	5,354	925	
2021-22	8,919	1,164	
2022-23	14,702	1,330	
2023-24	10,891	1,198	
2024-25	10,898	1,380	

Notes:

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

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

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

⁴ Recreational vehicle taxes expired on December 31, 2017.

Source:

Pima County Department of Finance & Risk Management

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

Fiscal Year	Amount	Highway User Revenue	Vehicle License Tax
2015-16	56,006	42,543	13,463
2016-17	59,443	45,356	14,087
2017-18	61,552	46,553	14,999
2018-19	65,564	49,718	15,846
2019-20	64,812	48,759	16,053
2020-21	70,647	52,118	18,529
2021-22	73,691	55,522	18,169
2022-23	74,822	55,834	18,988
2023-24	77,323	57,608	19,715
2024-25	78,766	58,110	20,656

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEBT CAPACITY:

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

Certain schedules, for example, financed purchases, are provided to comply with debt disclosure requirements.

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

Fiscal Year	Governmental activities					Business-type activities						
	General Obligation Bonds	Transportation Revenue Bonds	Certificates of Participation	Capital Leases	Financed Purchases	Leases	Subscriptions	Sewer Revenue Bonds	Sewer Revenue Obligations	Regional Wastewater Loans Payable	Contracts and Notes	Total Primary Government
2015-16	\$ 350,135	\$ 103,961	\$ 179,054	136	\$ 8,733			\$ 104,153	\$ 481,027	\$ 16,563	\$ 1,577	\$ 1,245,339
2016-17	336,954	89,689	141,194	88	3,597			20,535	574,486	4,630	1,564	1,172,737
2017-18	288,182	85,508	166,617	38	2,078			2,863	565,708	3,555	763	1,115,312
2018-19	236,572	96,916	124,567		724				526,031	2,998	887	988,695
2019-20	181,428	80,899	161,063		749				496,944		2,120	923,203
2020-21	138,191	88,258	180,417		562				468,671		2,236	878,335
2021-22	95,961	73,731	196,338		384	2,757			433,310		2,883	805,364
2022-23	67,656	64,012	247,299		247	2,517	23,262		396,864		4,052	805,909
2023-24	48,445	54,128	252,838		107	3,951	37,316		366,933		1,249	764,967
2024-25	34,346	47,112	238,991		5,100	3,217	70,564		344,829		1,702	745,861

Fiscal Year	Total Primary Government	Personal Income ¹	Percentage of Personal Income	Population at July 1 ¹	Debt per Capita
2015-16	\$ 1,245,339	\$ 40,359,300	3.09%	1,016,743	\$ 1,225
2016-17	1,172,737	41,349,550	2.84%	1,025,044	1,144
2017-18	1,115,312	43,223,000	2.58%	1,033,781	1,079
2018-19	988,695	46,497,700	2.13%	1,042,475	948
2019-20	923,203	49,961,000	1.85%	1,050,906	878
2020-21	878,335	55,047,000	1.60%	1,059,218	829
2021-22	805,364	55,396,200	1.45%	1,067,441	754
2022-23	805,909	59,539,400	1.35%	1,079,998	746
2023-24	764,967	63,810,800	1.20%	1,087,948	703
2024-25	745,861	68,062,100	1.10%	1,095,834	681

Notes:
 Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.
¹Personal income and population statistics are based on calendar year. Prior years' statistics updated based on current data.
²Debt per Capita is shown in actual dollars and not in thousands.

Source:
 Pima County Department of Finance & Risk Management
 UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA

Exhibit D - 14

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

Fiscal Year	General Obligation Bond Debt	Debt Service Funds Available for		Net General Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value		Population at July 1 ¹	Net General Bond Debt per Capita ²
		Principal	\$			Value	%		
2015-16	\$ 350,135	\$ 5,606	\$ 344,529	\$ 7,906,190	4.36%	1,016,743	\$ 339		
2016-17	336,954	2,793	334,161	8,262,665	4.04%	1,025,044	326		
2017-18	288,182	2,911	285,271	8,508,990	3.35%	1,033,781	276		
2018-19	236,572	2,639	233,933	9,030,169	2.59%	1,042,475	224		
2019-20	181,428	2,545	178,883	9,645,865	1.85%	1,050,906	170		
2020-21	138,191	3,038	135,153	10,226,395	1.32%	1,059,218	128		
2021-22	95,961		95,961	10,836,343	0.89%	1,067,441	90		
2022-23	67,656		67,656	11,355,659	0.60%	1,079,998	63		
2023-24	48,445		48,445	13,137,117	0.37%	1,087,948	45		
2024-25	34,346		34,346	15,776,061	0.22%	1,095,834	31		

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

¹Population statistics are based on calendar year. Prior years' statistics updated to reflect current data.

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

Source:

Pima County Department of Finance & Risk Management

UA Economic and Business Research Center, Eller College of Management

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

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value		Population at July 1 ¹	Debt per Capita ²
			Value	Value		
2015-16	\$ 1,445,104	\$ 7,906,190	18.28%		1,016,743	\$ 1,421
2016-17	1,393,757	8,262,665	16.87%		1,025,044	1,360
2017-18	1,337,556	8,508,990	15.72%		1,033,781	1,294
2018-19	1,325,724	9,030,169	14.68%		1,042,475	1,272
2019-20	1,250,116	9,645,865	12.96%		1,050,906	1,190
2020-21	1,194,283	10,226,395	11.68%		1,059,218	1,128
2021-22	1,037,063 ³	10,836,343	9.57% ³		1,067,441	972 ³
2022-23	1,057,562	11,355,659	9.31%		1,079,998	979
2023-24	1,201,318	13,137,117	9.14%		1,087,948	1,104
2024-25	1,198,312	15,776,061	7.60%		1,095,834	1,094

Notes:

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

¹Population statistics are based on calendar year.

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

³Updated from the FY 2021-22 ACFR, the previous presentation included all debts for the City of Tucson, not solely those repaid through property taxes.

Source:

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

PIMA COUNTY, ARIZONA
 Computation of Direct and Overlapping
 Governmental Activities Debt Outstanding
 At June 30, 2025
 (in thousands)

Exhibit D - 15

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping</u>
Debt repaid with property tax:		
School Districts	\$ 713,638	\$ 713,638
Pima Community College	384	384
City of Tucson	84,960	<u>84,960</u>
Total overlapping		<u>\$ 798,982</u>
Debt repaid with property tax		
Direct:		
Pima County*	\$ 34,346	<u>\$ 34,346</u>
Total direct repaid with property tax		<u>\$ 34,346</u>
Other Debt:		
Certificates of participation	\$ 238,991	\$ 238,991
Financed purchases	5,100	5,100
Leases	3,217	3,217
Subscriptions	70,564	70,564
Transportation bonds	47,112	<u>47,112</u>
Total other debt		<u>\$ 364,984</u>
Total direct		<u>\$ 399,330</u>
Total direct and overlapping debt		<u><u>\$ 1,198,312</u></u>

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and is responsible for the repayment of debt of each overlapping government.

*Excludes improvement districts.

Source:

Pima County Department of Finance & Risk Management
 City of Tucson Finance Department
 Pima Community College District Finance Office

PIMA COUNTY, ARIZONA
 Legal Debt Margin
 Last Ten Fiscal Years
 (dollar amounts in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Full Cash Net Assessed Value	\$ 7,906,190	\$ 8,262,665	\$ 8,508,990	\$ 9,030,169	\$ 9,645,865	\$ 10,226,395	10,836,343	\$ 11,355,659	\$ 13,137,117	\$ 15,776,061
Legal Debt Margin										
Debt limit (15% of assessed value)	1,185,929	1,239,400	1,276,349	1,354,525	1,446,880	1,533,959	1,625,451	1,703,349	1,970,568	2,366,409
Debt applicable to limit:										
General obligation bonds	344,620	321,285	275,990	227,335	174,910	134,103	93,615	66,534	47,907	34,119
Less: Net assets reserved for repayment of general obligation debt	(5,606)	(2,793)	(2,911)	(2,639)	(2,545)	(3,038)	-	(1,729)	(3,317)	(3,159)
Total net debt applicable to the limit	339,014	318,492	273,079	224,696	172,365	131,065	93,615	64,805	44,590	30,960
Legal debt margin	\$ 846,915	\$ 920,908	\$ 1,003,270	\$ 1,129,829	\$ 1,274,515	\$ 1,402,894	1,531,836	\$ 1,638,544	\$ 1,925,978	\$ 2,335,449
Total net debt applicable to the limit as a percentage of debt limit.	28.59%	25.70%	21.40%	16.59%	11.91%	8.54%	5.76%	3.80%	2.26%	1.31%

Please see Note 7 to the Financial Statements, page 74 for additional details on calculation of the legal debt margin for the current year.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage
Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Sewer User Revenues ¹	Less: Operating Expense ²	Available Net Revenue	Plus:		Pledged Revenues ³	Debt Service ⁵		Coverage Ratio ^{4,5}
				Ending cash Balances of Prior Fiscal Year (unrestricted)	Interest		Principal	Total	
2015-16	\$ 169,730	\$ 83,423	\$ 86,307	\$ 110,741	\$ 40,320	\$ 197,048	\$ 28,529	\$ 68,849	2.86
2016-17	173,058	80,165	92,893	110,451	47,951	203,344	26,621	74,572	2.73
2017-18	178,933	79,208	99,725	89,316	44,434	189,041	25,371	69,805	2.71
2018-19	185,142	78,957	106,185	78,192	45,142	184,377	24,395	69,537	2.65
2019-20	180,593	81,357	99,236	66,724	39,200	165,960	22,364	61,564	2.70
2020-21	181,281	80,276	101,005	82,883	43,855	183,888	22,181	66,036	2.78
2021-22	181,862	84,410	97,452	73,230	48,825	170,682	19,791	68,616	2.49
2022-23	187,433	90,070	97,363	72,908	47,920	170,271	17,176	65,096	2.62
2023-24	195,379	96,796	98,583	83,464	48,215	182,047	16,729	64,944	2.80
2024-25	192,425	102,963	89,462	86,599	47,460	176,061	14,900	62,360	2.82

Notes:

- ¹Includes sewer connection fees.
- ²Excludes grants, depreciation, interest expense and amortization.
- ³Pledged revenues defined by BOS Resolution 2010-50.
- ⁴Sewer revenue debt rate covenants require minimum coverage of 120%.
- ⁵Debt service requirements include principal and interest payable during the Bond Fiscal Year. Per the bond resolution, Bond Fiscal Year is defined as 7/2/20XX to 7/1/20XX.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Transportation Revenue Bonds - Pledged Revenue Bond Coverage
Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Transportation Revenue	Operating Expense	Available Net Revenue	Debt Service ¹		Coverage Ratio
				Principal	Interest	
2015-16	\$ 57,976	\$ 39,798	\$ 18,178	\$ 14,585	\$ 4,146	0.97
2016-17	61,217	40,780	20,437	15,105	3,598	1.09
2017-18	63,604	41,801	21,803	14,820	3,354	1.20
2018-19	68,366	39,925	28,441	14,405	3,686	1.57
2019-20	68,088	63,234	4,854	12,755	3,016	0.31
2020-21	73,408	89,673	(16,265)	13,465	2,856	(1.00)
2021-22	75,814	130,298	(54,484)	9,025	2,265	(4.83)
2022-23	77,192	122,448	(45,256)	9,280	2,012	(4.01)
2023-24	80,023	60,406	19,617	6,505	1,742	2.38
2024-25	87,658	69,530	18,128	6,730	1,516	2.20

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

Operating expenditures do not include interest, depreciation or amortization.

¹Debt Service requirements include principal and interest payable in the 12 months following each fiscal year.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Historic Pledged Revenue Collections
(dollar amounts in thousands)

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
County Excise Revenues	\$ 17,296	\$ 16,922	\$ 20,220	\$ 23,392	\$ 20,802	\$ 17,847	\$ 20,052	\$ 19,363
Gross State Shared Sales Tax Revenues ^(a)	115,777	127,899	131,541	151,796	169,855	181,581	184,320	193,015
Less: ALTCS contribution ^(b)	(43,631)	(43,333)	(46,805)	(47,416)	(44,073)	(54,351)	(56,397)	(62,976)
Less: AHCCCS contribution ^(c)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)
Net State Shared Sales Tax Revenue ^(d)	57,194	69,614	69,784	89,428	110,830	112,278	112,971	115,087
Vehicle License Tax Revenues ^(d)	28,933	30,282	30,747	35,296	33,484	34,624	35,192	37,837
PILT revenues	3,682	3,615	3,795	3,788	3,874	4,120	4,397	4,532
Total Pledged Revenues	\$ 107,105	\$ 120,433	\$ 124,546	\$ 151,904	\$ 168,990	\$ 168,869	\$ 172,612	\$ 176,819

Notes:

- ^(a) Does not include amounts allocated from the Education Tax described under "State Shared Revenues" above.
- ^(b) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from monies otherwise payable to the County in accordance with the State's distribution of the State Shared Sales Tax Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Sales Tax Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other monies payable to the County from any available State funding source.
- ^(c) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues determined by statutory formula for the administrative costs of implementing certain provisions of the Arizona Health Care Cost Containment System ("AHCCCS"). If the County does not make required contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Sales Tax Revenues.
- ^(d) The distribution of State Shared Sales Tax Revenues and Vehicle License Tax Revenues is subject to change by the State Legislature, and the distribution of PILT Revenues is subject to change by the federal government.

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Financed Purchases
Scheduled Payments
(dollar amounts in thousands)

Exhibit D - 18

Function/Department	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Clerk of Superior Court - Equipment	\$ 73	\$ 51	\$ 38	\$ 55	\$ 57	\$ 45	\$ 137	\$ 140	\$ 107	\$ 232
Superior Court - Equipment					130					
Sheriff - Equipment	160									
Conservation Lands & Resources - Land	2,722	3,289	1,565	567						2,000
County Administration - Culture & Recreation	<u>\$ 2,955</u>	<u>\$ 3,340</u>	<u>\$ 1,603</u>	<u>\$ 622</u>	<u>\$ 187</u>	<u>\$ 178</u>	<u>\$ 137</u>	<u>\$ 140</u>	<u>\$ 107</u>	<u>\$ 2,232</u>

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years
(dollar amounts in thousands)

Exhibit D - 19

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures*	Ratio of Debt Service To General Expenditures
2015-16	\$ 83,765	\$ 25,515	\$ 109,280	\$ 807,174	13.5%
2016-17	94,695	23,354	118,049	832,971	14.2%
2017-18	96,005	20,133	116,138	829,054	14.0%
2018-19	128,350	18,674	147,024	879,370	16.7%
2019-20	89,365	17,620	106,985	898,055	11.9%
2020-21	102,505	16,504	119,009	1,066,126	11.2%
2021-22	89,575	18,628	108,203	1,317,633	8.2%
2022-23	81,720	18,425	100,145	1,179,061	8.5%
2023-24	83,430	19,428	102,858	1,120,369	9.2%
2024-25	84,665	18,714	103,379	1,147,632	9.0%

*Includes General, Special Revenue and Debt Service Funds, while excluding Capital Projects Fund.

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC INFORMATION:

The dual objectives of the demographic and economic information are to assist users in understanding certain aspects of the environment in which a government operates and to provide information that facilitates the comparisons of financial statement data over time and across governments.

Information of this type can help readers assess a government's condition by providing information about community expansion, average age increases or decreases and changes in personal income and unemployment. This type of data is important to readers in assessing economic condition.

PIMA COUNTY, ARIZONA
Demographic and Economic Statistics
Last Ten Years

Exhibit D - 20

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2016	1,016,743	40,359,300	39,695	5.0%
2017	1,025,044	41,349,550	40,339	4.5%
2018	1,033,781	43,223,000	41,811	4.3%
2019	1,042,475	46,497,700	44,603	4.7%
2020	1,050,906	49,961,000	47,541	8.0%
2021	1,059,218	55,047,000	51,969	6.9%
2022	1,067,441	55,396,200	51,896	3.5%
2023	1,079,998	59,539,400	55,129	3.5%
2024	1,087,948	63,810,800	58,652	3.3%
2025	1,095,834	68,062,100	62,110	4.0%

Sources:

Arizona Department of Administration, Office of Employment & Population Statistics
 UA Economic and Business Research Center, Eller College of Management
 Bureau of Labor Statistics

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

Employer	2016			2017			2018			2019			2020		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	11,251	1	2.4%	10,846	1	2.3%	12,531	1	2.6%	16,217	1	3.2%	12,517	2	2.5%
Raytheon	9,600	2	2.1%	10,300	2	2.2%	11,471	3	2.4%	11,295	2	2.3%	12,606	1	2.6%
Banner Healthcare - UMC	6,272	7	1.3%	7,688	5	1.6%	6,476	6	1.3%	6,499	7	1.3%	7,500	3	1.5%
Tucson Unified School District	6,770	6	1.4%	7,688	5	1.6%	6,879	5	1.4%	6,872	5	1.4%	6,872	6	1.4%
Pima County Government	7,023	5	1.5%	6,076	9	1.3%	5,921	7	1.2%	7,697	3	1.5%	6,937	5	1.4%
Tucson Medical Center							4,051	10	0.8%	3,987	10	0.8%	4,482	9	0.9%
Davis-Monthan AFB	8,406	4	1.8%	9,100	3	1.9%	11,769	2	2.4%	7,211	4	1.5%	7,211	4	1.5%
State of Arizona	8,580	3	1.8%	8,807	4	1.8%	8,585	4	1.8%	6,654	6	1.3%	6,538	7	1.3%
City of Tucson							4,093	9	0.8%	4,093	9	0.8%	4,025	10	0.8%
Wal-Mart Stores, Inc.	5,500	10	1.2%	7,450	6	1.6%	4,341	8	0.9%	4,414	8	0.9%	4,564	8	0.9%
U.S. Customs & Border Protection	5,739	8	1.2%	6,500	7	1.4%									
UA Healthcare Network				6,099	8	1.3%									
Freeport-McMoran Inc	5,530	9	1.2%	5,463	10	1.1%									
Total	74,671		16.0%	78,329		16.4%	76,117		15.8%	74,939		15.0%	73,252		14.8%
Total Work Force			467,438			477,017		481,835				500,018			494,119

Sources:
Pima Association of Governments (PAG) - 2025
UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

Employer	2021			2022			2023			2024			2025		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	12,517	2	2.5%	14,160	1	2.9%	16,407	1	3.3%	19,866	1	4.0%	16,717	1	3.4%
Raytheon	13,305	1	2.7%	13,201	2	2.7%	13,381	2	2.7%	14,039	2	2.8%	14,033	2	2.8%
Banner Healthcare - UMC	7,703	3	1.5%	7,831	3	1.6%	7,691	4	1.6%	7,964	4	1.6%	8,427	3	1.7%
Tucson Unified School District	6,532	6	1.3%	7,703	4	1.6%	8,125	3	1.6%	8,125	3	1.6%	8,125	4	1.6%
Pima County Government	7,412	5	1.5%	7,412	5	1.5%	7,295	5	1.5%	7,295	5	1.5%	7,295	5	1.5%
Tucson Medical Center	4,453	9	0.9%	4,530	9	0.9%	6,724	6	1.4%	5,278	8	1.1%	5,919	6	1.2%
Davis-Monthan AFB	7,648	4	1.5%	6,532	6	1.4%	6,157	7	1.2%	6,157	6	1.2%	5,426	7	1.1%
State of Arizona	4,817	7	1.0%	5,488	7	1.1%	5,609	8	1.1%	5,526	7	1.1%	4,770	8	1.0%
City of Tucson	4,356	10	0.9%	4,453	10	0.9%	4,624	9	0.9%	4,916	9	1.0%	4,394	9	0.9%
Wal-Mart Stores, Inc.	4,773	8	1.0%	4,676	8	1.0%	4,337	10	0.9%	4,301	10	0.9%	4,318	10	0.9%
U.S. Customs & Border Protection															
UA Healthcare Network															
Freepoint-McMoran Inc.															
Total	73,516		14.8%	75,986		15.7%	80,350		16.2%	83,467		16.7%	79,424		16.0%
Total County Work Force	497,659			483,045			495,789			500,578			497,303		

Sources:
Pima Association of Governments (PAG) - 2025
UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA
 Population and Employment
 Last Ten Calendar Years

Year	Population	Civilian Labor Force	Total Unemployment Rate	EMPLOYMENT					
				Mining	Construction	Manufacturing	Transportation & Utilities	Financial Activities	
2016	1,016,743	476,578	5.0%	2,200	14,300	23,500	60,700	19,600	
2017	1,025,044	477,017	4.6%	1,600	14,900	23,600	59,300	17,600	
2018	1,033,781	481,835	4.3%	1,700	16,700	24,600	61,100	17,700	
2019	1,042,475	496,584	4.7%	1,900	17,500	26,300	59,300	18,300	
2020	1,050,906	501,343	8.0%	1,900	18,000	27,200	62,600	16,900	
2021	1,059,218	498,822	6.9%	1,900	18,400	27,500	68,000	18,000	
2022	1,067,441	486,565	3.5%	1,800	18,000	28,300	70,200	18,400	
2023	1,079,998	496,484	3.5%	2,100	19,700	29,000	69,000	19,700	
2024	1,087,948	499,222	3.3%	2,600	20,900	28,900	70,700	18,600	
2025	1,095,834	497,303	4.0%	2,800	20,400	27,800	68,800	17,600	

Notes:

All Employment data presented is not seasonally adjusted. Labor Force, Unemployment and Sector Employment for 2025 represent the average through July.

Sources:

UA Economic and Business Research Center, Eller College of Management
 Office of Economic Opportunity (for population data only)

PIMA COUNTY, ARIZONA
Transportation and Real Estate
Last Ten Fiscal Years

Fiscal Year	Transportation				Real Estate		
	Aircraft Movements	No. of Air Passengers	Bus Ridership	Riders Per Mile	Residential Bldg. Permits	Units Sold	Sales Volume (In thousands)
2016	139,555	3,228,389	15,743,501	1.84	2,428	13,795	3,313,078
2017	132,867	3,413,451	16,388,315	1.71	2,466	15,172	3,488,123
2018	131,169	3,551,159	15,205,419	1.55	4,495	15,416	3,823,877
2019	131,416	3,783,535	14,262,758	1.73	4,404	15,468	4,042,995
2020	122,631	2,283,777	12,346,810	1.50	4,313	15,582	4,959,200
2021	140,182	2,257,581	10,894,760	1.38	4,958	17,856	5,839,650
2022	137,373	3,317,494	13,042,145	1.73	6,075	16,956	7,025,600
2023	155,654	3,653,233	14,615,275	1.99	5,714	12,394	7,614,742
2024	129,316	3,869,422	15,792,573	2.16	5,255	13,625	5,534,300
2025	128,025	3,909,735	16,597,658	2.28	5,250	15,946	5,807,548

Note:

Tucson International Airport follows the Federal fiscal calendar.
 Beginning with calendar year 2020, Tucson Association of Realtors report the Sales Volume under Median Sales Prices. Prior to fiscal year 2020, the sales volume was based on monthly actual sales data.

Sources:

- UA Economic and Business Research Center, Eller College of Management
- Tucson Airport Authority
- Pima Association of Governments
- Tucson Association of Realtors, Multiple Listing Service, Inc.

PIMA COUNTY, ARIZONA
Economic Indicators by Calendar Year
Last Ten Years
(dollar amounts in thousands)

Exhibit D - 24

Fiscal Year	Retail Sales ¹	No. of Dwelling Units Awarded ²	Change in Real Estate Sales Volume	Commercial Bank Deposits
2016	\$ 8,443,626	2,428	14%	\$ 14,654,142
2017	8,558,572	2,466	5%	15,226,977
2018	8,851,127	4,495	9%	15,716,917
2019	9,319,711	4,404	5%	15,573,516
2020	9,826,576	4,313	5%	18,684,759
2021	10,176,236	4,958	30%	20,558,194
2022	11,961,070	6,075	16%	22,954,811
2023	12,539,187	5,714	19%	20,394,339
2024	12,919,955	5,255	-27%	19,192,934
2025	12,968,835	5,250	5%	18,635,170

Notes:

¹Beginning in FY 2016, Retail Sales are reported separately and reflect sales only. Prior methodologies included Food, Gasoline, and Restaurant & Bar categories, which are no longer included.

²The number of dwelling units awarded includes both single-family and multi-family unit structures.

Sources:

UA Economic and Business Research Center, Eller College of Management
Tucson Association of Realtors, Multiple Listing Service, Inc.
Federal Deposit Insurance Corporation

PIMA COUNTY, ARIZONA
 Population Statistics
 June 30, 2025

Exhibit D - 25

ESTIMATED POPULATION BY AGE

<u>Age Group</u>	<u>Population</u>
0-4	52,511
5-9	57,482
10-14	62,756
15-19	76,520
20-24	93,547
25-29	76,474
30-34	65,391
35-39	61,476
40-44	64,373
45-49	60,256
50-54	58,958
55-59	57,873
60-64	65,425
65-69	68,004
70-74	62,377
75+	112,411
Total	<u>1,095,834</u>

POPULATION PROJECTIONS

<u>Year</u>	<u>Projected Population</u>
2026	1,102,227
2031	1,136,634
2041	1,200,928
2051	1,255,136

Source:
 Arizona Department of Administration,
 Office of Employment & Population Statistics

PIMA COUNTY, ARIZONA
Average Annual Jail Population
Last Ten Fiscal Years

Exhibit D - 26

<u>Fiscal Year</u>	<u>Average Jail Population</u>
2016	1,862
2017	1,863
2018	1,868
2019	1,853
2020	1,781
2021	1,531
2022	1,681
2023	1,776
2024	1,731
2025	1,658

Source:

Pima County Sheriff's Department, Corrections Bureau

STATISTICAL SECTION

OPERATING INFORMATION:

The objective of the operating information is to provide contextual information about a government's operations and resources to assist users in using financial information to understand and assess a government's economic condition. Two types of information are considered important:

1. Basic information about infrastructure assets, utilities, and public works; in essence, the capital resources at the government's disposal. Examples include miles of streets and sewers and wastewater treatment volume.
2. Descriptive service information, which would help to evaluate the size of the government. This would include types of services, the related demand and volume, and the non-financial resources employed to provide the services.

PIMA COUNTY, ARIZONA

Employees by Function
Last Ten Fiscal Years

Exhibit D - 27

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government	2,753	3,164	3,011	3,213	2,931	3,086	3,213	4,093	5,333	2,606
Public safety	1,418	1,431	1,335	1,443	1,400	1,410	1,464	1,784	2,042	1,406
Highways and streets	253	262	229	214	175	177	271	217	223	157
Sanitation	32	35	35	44	35	35	35	53	69	33
Health	322	237	223	225	235	346	245	509	444	430
Welfare	9	22	15	17	22	24	22	22	37	34
Culture and recreation	453	526	447	493	458	486	536	823	896	577
Education and economic opportunity	116	136	130	139	141	134	138	33	193	146
Total governmental activities	5,356	5,813	5,425	5,788	5,397	5,698	5,924	7,512	9,237	5,389
Business-type activities:										
Regional Wastewater Reclamation	406	474	433	455	372	397	477	488	562	342
Development Services	52	67	58	44	44	51	68	70	90	52
Parking Garages	4	4	5	3	3	7	4	6	7	14
Total business-type activities	462	545	496	502	419	455	549	564	659	408
Total	5,818	6,358	5,921	6,290	5,816	6,153	6,473	8,076	9,896	5,797

PIMA COUNTY, ARIZONA
Operating Indicators by Program
Last Ten Fiscal Years

Exhibit D - 28

Program:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sheriff										
Physical arrests	21,627	16,134	15,944	12,821	11,894	9,712	9,847	12,804	11,818	11,392
Traffic violations/citations										
Criminal	9,026	7,508	7,468	4,551	3,971	3,481	2,888	3,432	2,884	3,607
Civil	24,855	23,725	27,346	24,316	19,950	17,659	15,068	16,726	16,220	18,180
Total violations/citations	33,881	31,233	34,814	28,867	23,921	21,140	17,956	20,158	19,104	21,787
Regional Wastewater Reclamation										
Average daily sewage treated (MGD) ¹	59.5	59.0	57.0	57.5	58.0	56.9	58.7	59.3	58.3	60.1
New connections	1,986	2,887	2,411	2,798	2,992	3,666	2,921	2,055	3,585	2,596
Long-term storage credits (acre feet)										
<i>Estimated value of LTSCs. CAP rates</i>							N/A	N/A	N/A	N/A
<i>Estimated value of LTSCs. CAGR rates</i>										
Culture and Recreation										
Soccer attendance	40,804	76,437	93,144	102,204	122,312	54,928	321,049	116,166	102,067	122,078
Parks and Recreation										
Athletic field permits issued ²	267	276	648	4,885	599	599	599	599	599	479
Community center admissions	303,293	302,821	282,616	275,936	182,937	68,076	179,027	189,417	293,350	244,086
Volunteer hours	10,512	11,094	9,483	8,616	8,277	76,611	8,927	11,058	9,121	9,183
Library District										
Volumes in collection ³	1,237,281	1,167,135	1,230,771	1,947,628	1,194,147	1,116,211	1,136,388	1,168,559	1,068,480	1,606,642
Total volumes borrowed	6,131,049	4,808,467	5,592,306	6,068,832	5,408,548	3,881,675	4,220,116	4,729,103	5,329,784	5,406,643
Number of cardholders	385,945	374,293	383,777	349,999	343,406	320,486	272,600	300,649	278,252	308,126
Capital Projects										
Land	\$ 4,230,852	\$ 2,062,882	\$ 1,299,047	\$ 5,472,097	\$ 348,655	\$ 1,251,708	\$ 3,977,003	\$ 3,614,809	\$ 5,949,517	\$ 6,512,441
Buildings	6,367,369	17,107,423	24,749,318	14,780,541	9,461,317	30,193,194	18,900,842	270,348	6,901,957	82,857,685
Improvements	25,101,285	9,964,116	10,124,651	7,119,819	35,157,824	8,871,339	6,255,954	4,185,372	3,263,364	61,581,147
Infrastructure	58,338,363	19,323,191	61,677,576	20,196,789	13,120,104	47,010,744	7,935,065	53,594,274	6,482,555	10,290,615
Total completed	\$ 94,037,869	\$ 48,457,612	\$ 97,850,592	\$ 47,569,246	\$ 58,087,900	\$ 87,326,985	\$ 37,068,864	\$ 61,664,803	\$ 22,597,393	\$ 161,241,888

Notes:

¹MGD: Millions of Gallons per Day.

²Prior to fiscal year 2019, the permit tracking system grouped multiple fields on one long-term permit for each league/organization team. New system creates a permit for each field.

³Volumes include physical and digital copies.

PIMA COUNTY, ARIZONA
Capital Assets & Infrastructure by Program
Last Ten Fiscal Years

Exhibit D - 29

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Program:										
Sheriff										
Stations	7	7	7	7	7	7	8	8	8	8
Zone offices	2	2	2	2	2	2	2	2	3	3
Patrol units	362	344	354	365	383	362	394	395	416	449
Transportation (streets and highways)										
Streets (miles) ¹	1,870	1,866	1,891	1,904	1,907	1,926	1,926	1,946	1,950	1,966
Pothole repair	\$ 2,340,060	\$ 2,505,042	\$ 3,159,973	\$ 2,790,674	\$ 2,162,890	\$ 2,162,630	\$ 1,427,886	\$ 1,368,658	\$ 1,057,820	\$ 1,307,255
Flood Control										
Bank protection (miles)	200	201	202	204	102	207	207	120	203	206
Flood plain / drainage way (acres) ²	26,000	26,832	31,738	32,468	31,095	31,690	32,115	32,503	32,586	32,855
Parks and Recreation										
Urban parks (acres)	3,736	5,825	5,831	5,831	5,835	5,835	5,835	5,835	5,835	5,835
Playgrounds	37	38	41	41	41	42	42	42	42	44
Baseball/softball diamonds	94	94	71	71	71	104	104	104	104	104
Soccer/football fields	24	24	34	34	34	34	34	34	34	36
Community centers	11	11	11	11	11	11	11	11	11	11
Swimming pools / Splashpads	10	10	11	11	11	11	11	11	11	11
Regional Wastewater Reclamation										
Sanitary sewers (miles)	3,470	3,487	3,500	3,500	3,500	3,542	3,564	3,571	3,595	3,602
Treatment capacity (MGD) ³	95.04	92.00	95.00	95.00	95.00	94.74	94.74	94.74	94.72	94.72
Libraries										
County	27	27	27	27	27	27	27	27	27	27
Open Space Acquisitions										
Properties added	3	1								
Acres	676	95								
Cumulative acreage	61,690	61,785	61,785	61,785	61,785	61,785	61,785	61,785	61,785	61,785
Total properties	109	110	110	110	110	110	110	110	110	110

Notes:

¹ Annexation by other jurisdictions resulted in a decrease of Transportation (Streets and Highways).

² Regional Flood Control District maintained acreage only.

³ MMGD: Millions of Gallons per Day.

(This page intentionally left blank)



PIMA COUNTY

Board of Supervisors

Rex Scott, *Chair*, District 1
Jennifer Allen, *Vice Chair*, District 3
Dr. Matt Heinz, District 2
Steve Christy, District 4
Andrés Cano, District 5

Pima County Administrator

Jan Leshner