

PINAL COUNTY, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012



1891 Pinal County Courthouse

Pinal County endeavors to give credit to photographers. The Pinal County Historical Society provided this photo for publication. It is unknown who took the photo.

Pinal County government protects and enhances its citizens' quality of life by providing public services in an ethical, efficient, and responsible manner delivered by a motivated, skilled and courteous workforce.

Pinal County, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2012

Prepared by:

The Pinal County Finance Department

Yiannis Kalaitzidis, CPA, Finance Director

Managers

Starla Anderson, MBA

Joyceline Elliot, CPA, MBA

Todd Sayer

Accountants

Deni Byrd

Wanda Perry

Marcia Goerd

Gary Rhein

Joan Miller, CPA

Wanda Thielsen

Jacque Armstrong – Public Works

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal	vii
GFOA Certificate of Achievement	xi
Organizational Chart	xii
List of Elected and Appointed Officials	xiii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets	19
Statement of Activities.....	20

Fund Financial Statements:

Balance Sheet – Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Net Assets – Proprietary Funds.....	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Statement of Fiduciary Net Assets – Fiduciary Funds.....	29
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	30

Notes to the Financial Statements:

(1)	Summary of Significant Accounting Policies.....	31
(2)	Fund Balance Classifications of the Governmental Funds	38
(3)	Stabilization Arrangements	39
(4)	Beginning Balances Restated.....	39
(5)	Deposits and Investments.....	39
(6)	Capital Assets	42
(7)	Due from Other Governments.....	44
(8)	Short-term Debt.....	45
(9)	Long-term Liabilities.....	45
(10)	Risk Management	50
(11)	Pensions and Other Post-Employment Benefits (OPEB)	52

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents

	Page
(12) Interfund Balances and Activity	57
(13) County Treasurer’s Investment Pool	59
(14) Related Party Transactions	60
(15) Contingent Liabilities	60
(16) Subsequent Events	61
Required Supplementary Information (other than MD&A):	
Budgetary Comparison Schedule – General Fund	63
Budgetary Comparison Schedule – Road Tax Districts Fund	65
Budgetary Comparison Schedule – Public Works Highway Fund	66
Budgetary Comparison Schedule – Development Impact Fee Fund	67
Notes to Budgetary Comparison Schedules	68
Schedule of Agent Retirement Plans’ Funding Progress	69
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	72
Combining Balance Sheet – Nonmajor Special Revenue Funds	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	83
Combining Balance Sheet – Nonmajor Capital Projects Funds	93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	95
Combining Balance Sheet – Nonmajor Debt Service Funds	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	98
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Nonmajor Special Revenue Funds:	
Adult Probation	99
Air Quality	100
Animal Control	101
Attorney	102
Clerk of Courts	103
Old Courthouse Preservation	104
Courts	105
Employee Wellness	106
Health Services	107
Justice Courts	108

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents

	Page
Juvenile Probation.....	109
Local Transport Assist Grant.....	110
Library Grants.....	111
Miscellaneous Grants.....	112
Public Defender.....	113
Public Works Roadways	114
Public Works Services	115
Sheriff	116
Treasurer	117
Housing Grants	118
Flood Control District.....	119
Library District	120
Lighting Special Districts	121
Miscellaneous Fees	122
Desert Vista Sanitation District.....	123
Public Health Services District	124
Queen Creek Domestic Water Improvement District.....	125
 Capital Project Funds:	
Capital Projects Miscellaneous	126
Public Works Gantzel Road Fund	127
Kelvin Road Bridge Construction	128
Health Clinics and Courthouse.....	129
Fairgrounds Construction Capital Projects	130
 Nonmajor Debt Service Funds:	
Debt Service.....	131
 Nonmajor Enterprise Funds:	
Combining Statement of Net Assets – Nonmajor Enterprise Funds.....	132
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	133
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	134
 Trust and Agency Funds:	
Combining Statement of Fiduciary Net Assets – Investment Trust Funds	136
Combining Statement of Fiduciary Net Assets – Agency Funds	137
Combining Statement of Changes in Fiduciary Net Assets – Investment Trust Funds.....	138
Combining Statement of Changes in Assets and Liabilities – Agency Funds	139

STATISTICAL SECTION

Net Assets by Component.....	143
Changes in Net Assets	144
Fund Balances of Governmental Funds.....	146
Changes in Fund Balances of Governmental Funds	147

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Table of Contents

	Page
Assessed and Estimated Actual Value of Taxable Property	148
Taxable Assessed Value and Estimated Actual Value of Property	149
Direct Property Tax Rates.....	150
Principal Property Taxpayers.....	151
Property Tax Levies and Collections	152
Ratios of Outstanding Debt by Type	153
Legal Debt Margin Information.....	154
Pledged-Revenue Coverage.....	155
Demographic and Economic Statistics	156
Principal Employers	157
Employees by Function.....	158
Operating Indicators by Function/Program	159
Capital Asset Statistics by Function/Program.....	160

Introductory Section



PINAL • COUNTY
wide open opportunity



PINAL COUNTY
wide open opportunity

PINAL COUNTY, ARIZONA
2011-2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

LETTER OF TRANSMITTAL

February 18, 2013

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

Arizona Revised Statute (A.R.S.) § 41-1279.21 requires the Office of the Auditor General or a firm of licensed certified public accountants contracted by the Auditor General to conduct financial audits of the accounts and records of County governments. Pursuant to the statute, the Office of the Auditor General contracted with Walker & Armstrong LLP to audit the Pinal County (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified (clean) opinion that the County's basic financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the financial section of this report.

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

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

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

Pinal County Profile

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

The County encompasses approximately 5,400 square miles. The principal geographic features consist of mountains with elevations to 6,000 feet in the eastern portion and low desert valleys in the western portion of the County.

The June 30, 2012 population of the County was estimated to be 383,000. The communities of Mammoth, Oracle, San Manuel, and Kearny have traditionally been active in copper mining, smelting, milling and refining. Arizona City, Eloy, Maricopa, Picacho, Red Rock, and Stanfield have agriculture based economies. Apache Junction, Arizona City, Coolidge, Eloy, and particularly Casa Grande have diversified their economic base to include manufacturing, trade and services.

This expansion and diversification has been facilitated by their location in the major growth corridor between Phoenix and Tucson near the junction of I-10 and I-8, except for Apache Junction, which is to the east of Mesa. Most of the southern ¾ of Pinal County and a small area in Apache Junction are designated as Enterprise Zones.

The governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors is comprised of three board members (this number will increase to five board members in fiscal year 2013) that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors. The County has several elected officials including the Assessor, Clerk of the Superior Court, Constables, County Attorney, Recorder, Sheriff, Superintendent of Schools, and the Treasurer.

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

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

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

Information Useful in Assessing Pinal County's Economic Condition

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

Local economy. The major economic activities within Pinal County include mining, farming, food manufacturing and tourism. Copper mining is the chief economic activity in the eastern portion of Pinal County. BHP Copper Inc., headquartered in Tucson, has mines located in Miami and Pinto Valley (Gila County). BHP is scheduled to open three mines within the next several years in Florence, Oracle, and Copper Creek (all in Pinal County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters. The Ray mine productivity has increased by 25% compared to 2011.

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

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

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

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

Long – Term Financial Planning. The County's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Pinal County's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2011-2012.

Relevant Financial Policies. Pinal County financial policies include the following:

- **Fiscal Conservatism:** Ensure the County is in a solid financial condition at all times, current revenues will be sufficient to support current operating expenditures. The County performs monthly reviews of operating budgets for all funds regardless of funding source.
- **Flexibility:** Ensure the County is in a position to respond to changes in the economy or new service challenges without undue amounts of financial stress.
- **Adherence to the Highest Accounting and Management Practices:** Comply with the Government Finance Officer's Association (GFOA) standards for reporting and budgeting, the Governmental Accounting Standards Board (GASB) and State reporting requirements.
- **Maintain Reserve:** Fund Balance coverage for the General Fund will be maintained at a minimum of 15% of adopted General Fund expenditures.

Major Initiatives. During FY 2011-2012 Pinal County continued to invest in basic government service programs and amenities. The planning parameters were Regional Leadership, Growth, Public Safety, Healthcare, Transportation, Jobs and Economic Development, and Accountability.

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

- Focus on maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing. On June 30, 2011, Fitch affirmed Pinal County's Certificates of Participation at A+ with a stable outlook. Fitch also issued an implied unlimited tax general obligation (ULTGO) rating of AA-. Fitch comments: Strong financial management practiced underpin the AA- implied ULTGO rating, with conservative budgeting and frequent fiscal monitoring, as well as willingness to cut spending to offset revenue losses, fostering maintenance of adequate reserves. In line with maintaining a strong credit rating, the County has not issued any new debt during the current fiscal year.
- Cost containment and improving efficiencies continue to be a top priority to help ensure the

- Two new health clinics in Maricopa and San Tan Valley became operational in 2012. They are expected to improve access to vital health care, immunizations, disease prevention, nutrition, and wellness programs.
- The restoration of the 1891 Pinal County Courthouse will provide additional office space to accommodate five (5) supervisors and related administration offices. The fully restored building will include multiple community and meeting rooms, as well as a gallery to showcase historical documents reflecting the history of Pinal County and the 1891 Courthouse.
- Seeking support at state and federal level for necessary approvals for the following:
 - efforts to plan and engineer ways to reduce flooding in the Lower Santa Cruz River Watershed.
 - funding to widen Hunt Highway to reduce congestion, improve commute times and attract more businesses to the area while also reducing dust and vehicle emission in the San Tan Valley area.
 - funding to pave dirt roads to reduce the amount of particulate matter (dust & dirt) in the air.
- A Corridor Study, in conjunction with the cities of Casa Grande and Maricopa, to define and obtain environmental approvals for an east-west parkway that will connect State Route 347 (in Maricopa) to Interstate 10 (in Casa Grande). Additionally, the County completed design and property acquisition for the first phase of the Hunt Highway improvement project, which will be constructed in 2013.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pinal County for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 16th consecutive year that Pinal County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, Pinal County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Respectfully submitted,

Yiannis Kalaitzidis, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pinal County
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

PINAL COUNTY

Pinal County Voters

Elected Officials
 L. Paul Larkin, Assessor
 James P. Walsh, Attorney
 Chad Roche, Clerk of the Court
 Laura Dean-Lytle, Recorder
 Orlenda Roberts, School Superintendent
 Paul Babeu, Sheriff
 Dodie Doolittle, Treasurer
 Superior Court Justices (10)
 Adult Probation
 Juvenile Court Services
 Justices of the Peace (8)
 Constables (8)

Clerk of the Board
 Sheri Cluff

Board of Supervisors
 Pete Rios, District 1
 Clark Smithson, District 2
 David Snider, District 3

Internal Auditor
 Lori Brooks

County Manager
 Fritz A. Behring

Budget & Research
 Leo Lew

Communications & Public Affairs
 Heather Murphy

Assistant County Manager
 Manny Gonzalez

Economic Development
 Timothy Kanavel

Strategic Planning
 Kent Taylor

Assistant County Manager
 Greg Stanley

Yiannis Kalaitzidis, Interim Finance Director
 Steve Kizer, Elections Director
 Wendy Petersen, Human Resources Director
 Richard Jones, Chief Information Officer
 Tom Schryer, Public Health Director
 Reg Glos, Environmental Health Director
 Mary Wisdom, Public Defender
 Denise Keller, Library District Director
 Jennifer Kelly, Correctional Health Director
 Adeline Allen, Housing Director
 Joan Sacramento, Public Fiduciary Director

Don Gabrielson, Air Quality Director
 Steve Brown, Building Safety Director
 Jerrold Stabley, Planning & Development Director
 A.J. Blaha, Public Works Director
 Jack Flindt, Fleet Services/Risk Management Director
 Tom Celaya, Facilities Management Director
 Kaye Dickson, Animal Care & Control Director

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
County Officials

Elected Officials

Supervisor, District 1	Pete Rios
Supervisor, District 2	Clark Smithson
Supervisor, District 3	David Snider
Assessor	L. Paul Larkin
Attorney	James P. Walsh
Clerk of Superior Court	Chad A. Roche
Recorder	Laura Dean-Lytle
School Superintendent	Orlenda F. Roberts
Sheriff	Paul Babeu
Superior Court Judge, Division 1	Honorable Boyd T. Johnson
Superior Court Judge, Division 2	Honorable Gilberto V. Figueroa
Superior Court Judge, Division 3	Honorable Stephen F. McCarville
Superior Court Judge, Division 4	Honorable Janna L. Vanderpool
Superior Court Judge, Division 5	Honorable Kevin D. White
Superior Court Judge, Division 6	Honorable Joseph R. Georgini
Superior Court Judge, Division 7	Honorable Robert Carter Olson
Superior Court Judge, Division 8	Honorable Brenda E. Oldham
Superior Court Judge, Division 9	Honorable Steven J. Fuller
Superior Court Judge, Division 10	Honorable Daniel A. Washburn
Treasurer	Dodie Doolittle
Justices of the Peace (8) and Constables (8)	Various

Appointed Officials

County Manager	Fritz A. Behring
Internal Auditor	Lori Brooks
Clerk of the Board	Sheri Cluff
Assistant County Manager	Manny Gonzalez
Assistant County Manager	Greg Stanley
Interim Finance Director	Yiannis Kalaitzidis
Public Works Director	A.J. Blaha
Planning & Development Director	Jerrold Stabley
Public Defender	Mary Wisdom
Library District Director	Denise Keller
Budget Director	Leo Lew
Building Safety Director	Steve Brown
Elections Director	Steve Kizer
Facilities Management Director	Tom Celaya
Fairgrounds Director	Manny Gonzalez
Fleet Services/Risk Management Director	Jack Flindt
Human Resources Director	Wendy Petersen
Chief Information Officer	Richard Jones
Air Quality Director	Donald Gabrielson
Animal Care & Control Director	Kaye Dickson
Housing Director	Adeline Allen
Behavioral Health, Public Fiduciary Director	Joan Sacramento
Public Health Director	Thomas Schryer
Correctional Health Director	Jennifer Kelly
Environmental Health Director	Reg Glos

Page left blank intentionally

Financial Section



PINAL • COUNTY
wide open opportunity

Independent Auditors' Report

The Auditor General of the State of Arizona

Honorable Board of Supervisors of
Pinal County, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pinal County, Arizona ("Pinal County") as of and for the year ended June 30, 2012, which collectively comprise Pinal County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Pinal County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the following financial statements:

- Housing and community development fund, which represents 1.38 percent, 1.78 percent and 1.94 percent of the total assets, net assets and revenues, respectively, of the governmental activities opinion unit and .39 percent, .32 percent and .64 percent, respectively, of the total assets, fund balances/net assets and revenues and additions of the aggregate remaining fund information opinion unit;
- Employee benefit trust fund, which represents .82 percent, .62 percent and 7.37 percent of the total assets, net assets and revenues, respectively, of the governmental activities opinion unit and 2.10 percent, 1.16 percent and 2.59 percent, respectively, of the total assets, fund balances/net assets and revenues and additions of the aggregate remaining fund information opinion unit.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the housing and community development and employee benefit trust funds are based solely on the reports of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of 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, each major fund, and the aggregate remaining fund information of Pinal County as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

U.S. generally accepted accounting principles requires that the Management's Discussion and Analysis (MD&A) on pages 5 through 18, the Budgetary Comparison Schedules on pages 63 through 68, and the Schedule of Agent Retirement Plans' Funding Progress on pages 69 and 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pinal County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of Pinal County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund statements and schedules have 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 previously, and the reports of other auditors, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit, nothing came to our attention that caused us to believe that Pinal County failed to use highway user revenue fund monies received by Pinal County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by Pinal County solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

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

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, and others within Pinal County and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Phoenix, Arizona
February 18, 2013

Walter J. Armstrong LLP

Page left blank intentionally



PINAL COUNTY Management's Discussion and Analysis

As management of Pinal County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vii – x of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of fiscal year 2012 by \$468,573 (*net assets*). Of this amount, \$60,900 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$1,215 partly due to increased revenues for sales taxes, both County and State shared, road improvement taxes, and payments in lieu of taxes. Beginning net assets were restated for the reclassification of an Enterprise fund to a non-major capital projects fund as well as for the correction of prior year errors related to the Accommodation School Fund and the County's capital assets.
- As of June 30, 2012, the County's governmental funds reported combined fund balances of \$153,445, a decrease of \$25 in comparison with the prior year, as restated. Approximately 33% of the combined fund balances, or \$51,119, is available for spending at the County's discretion (*assigned & unassigned fund balance*). The County was able to maintain a near unchanged fund balance level at a time when property tax revenues were lower, through cost containment and frequent fiscal monitoring.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$43,014, or 28% of total General Fund expenditures.
- The County's total long-term liabilities as of June 30, 2012, were \$173,046. Certificates of participation, revenue bonds, and loans payable, including unamortized premiums, represent 88% of the total. The final payments on the certificates of participation are due in fiscal year 2030. The final payments on the loans payable are due in fiscal years 2019, and 2025. The final payments for the revenue bonds are due in fiscal years 2021 and 2036.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

PINAL COUNTY Management's Discussion and Analysis

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

The government-wide financial statements can be found on pages 19-20 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

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

The County uses 183 individual governmental funds to satisfy legal and operating requirements. Some of these funds are combined according to their functional basis for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road Tax Districts, Public Works Highway, and Development Impact Fee funds. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and other governmental funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. These statements can be found on pages 63-68.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary funds are maintained in two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Sheriff Inmate Services, Horizon Home Care (Home Health), Long Term Care, Fairgrounds, and Airport Economic Development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for the Employee Benefit Trust. Because the services of internal service funds predominantly benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

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

PINAL COUNTY
Management's Discussion and Analysis

The proprietary fund financial statements can be found on pages 25-28 of this report.

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

The fiduciary fund financial statements can be found on pages 29-30 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-61 of this report.

Required Supplementary Information is presented in addition to the basic financial statements and accompanying notes, concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budgetary comparison schedules previously discussed are also included in this section. Required supplementary information can be found on pages 63-70 of this report.

Combining Statements and Other Schedules referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules including statistical information can be found on pages 71-160 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. County assets exceeded liabilities by \$468,573 at the close of the most recent fiscal year. The balances for governmental activities and business-type activities capital assets were restated for fiscal year 2011 to correct prior period errors, and for the reclassification of a non-major capital projects fund. Additional information on this restatement can be found in Note 4 on page 39 of this report.

Condensed Statement of Net Assets						
June 30, 2012 and 2011						
	Governmental		Business-type		Total	
	Activities		Activities		Total	
	2012	(as restated) 2011	2012	(as restated) 2011	2012	(as restated) 2011
Current and other assets	\$ 190,976	\$ 193,971	\$ 3,289	\$ 14,123	\$ 194,265	\$ 208,094
Capital assets	463,673	459,870	1,608	5,715	465,281	465,585
Total assets	654,649	653,841	4,897	19,838	659,546	673,679
Other liabilities	17,780	17,347	147	5,445	17,927	22,792
Long-term liabilities	173,017	181,004	29	2,525	173,046	183,529
Total liabilities	190,797	198,351	176	7,970	190,973	206,321
Net assets:						
Invested in capital assets, net of related debt	311,004	306,347	1,608	3,333	312,612	309,680
Restricted net assets	94,611	91,943	450	3,426	95,061	95,369
Unrestricted net assets	58,237	57,200	2,663	5,109	60,900	62,309
Total net assets	\$ 463,852	\$ 455,490	\$ 4,721	\$ 11,868	\$ 468,573	\$ 467,358

PINAL COUNTY Management's Discussion and Analysis

A significant portion of the County's net assets (67%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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.

An additional portion of the County's net assets (20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$60,900) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's net assets increased by \$1,215 from net assets reported at June 30, 2011, as restated. The majority of this growth in net assets is due to increased sales taxes, both County and State shared, increased road improvement taxes, and operating grants and contributions related to restricted vehicle license tax received from the State of Arizona.

Current and other assets decreased 7% in total. Notable changes included a decrease in property taxes receivables, which is in line with the decreased property taxes levied in the current year. The decrease is also attributed to a reduction in receivables due from other governments which are primarily due to a payment received on an Intergovernmental Government Agreement with a municipal governmental entity, as well as a decrease in unspent bond proceeds that were used for construction projects.

The County's capital assets remained about the same decreasing by less than 1% in total. Notable changes included reductions to construction in progress due to the completion of the Sunland Gin Green Reservoir Bridge and the Geronimo Basin, as well as the completion of several County building projects, including two health clinics. Also, there was a decrease in roads, easements, and right of ways contributed to the County consistent with the reduction of major road construction experienced in recent years.

The County's long-term liabilities decreased in the current year by 6%, as the County did not issue any major new debt, while continuing to make debt service payments on existing debt.

Governmental Activities

Key elements of the change in net assets from the prior year are as follows:

- General revenue property taxes decreased \$19,324 (17%) during the year. The decrease is primarily due to decreases in property taxes levied in the current year as well as decreases in assessed property values.
- Charges for services decreased by \$3,177 (9%), primarily due to a decrease in sheriff school service fees revenue for school resource officers, cable/franchise fees, and record fees revenue. \$1,148 of the decrease was directly related to seizures under the RICO Act.
- Operating grants and contributions increased by \$565 (2%), primarily due to an increase in restricted vehicle license taxes received from the State of Arizona.
- Capital grants and contributions are higher by \$989 (4%) from the prior year primarily due to revenues received from the Federal Highway Administration related to the construction of the Schnepf Road Bridge and funding from the State of Arizona for the purchase and maintenance of aerial vehicles, specifically helicopters. These increases were offset by a decrease in the Energy Efficiency grant that was completed in the current year.
- Expenses decreased 4,281 (2%) from the prior year. This decrease is mainly attributed to the general government and education functions. General government decrease is mainly attributed to decreases in payroll related expenditures due to the allocation of employer related expenses to each applicable expenditure function, and energy efficiency grant expenses. Education decreased primarily due to a reduction in the number of funds reported as part of the County's Accommodation School Fund.

PINAL COUNTY
Management's Discussion and Analysis

Business-type activities

Business-type activities decreased the County's net assets by \$7,147.

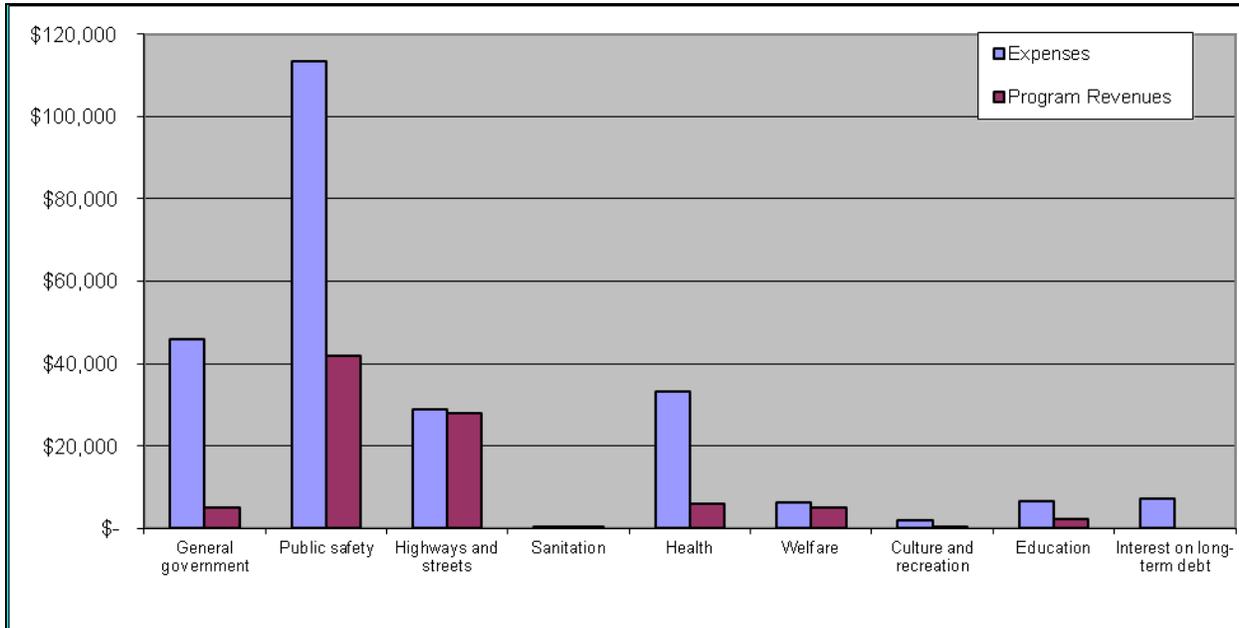
- Charges for services decreased \$51,836 (74%) and expenses decreased by 49,224 (71%) mainly due to Long Term Care Fund, Home Health Fund, and Fairgrounds Fund activities. Most operations have ceased during the year for Long Term Care and Home Health. See Note 16 on page 61 for more information on the discontinuation of these funds. The Fairgrounds Fund reflects the change in the Fairgrounds Construction Fund that has been reclassified as a non-major Capital Projects fund.

The following table summarizes the changes in net assets for governmental and business-type activities. Information on the Net Assets restatement can be found in Note 4 on page 39 of this report.

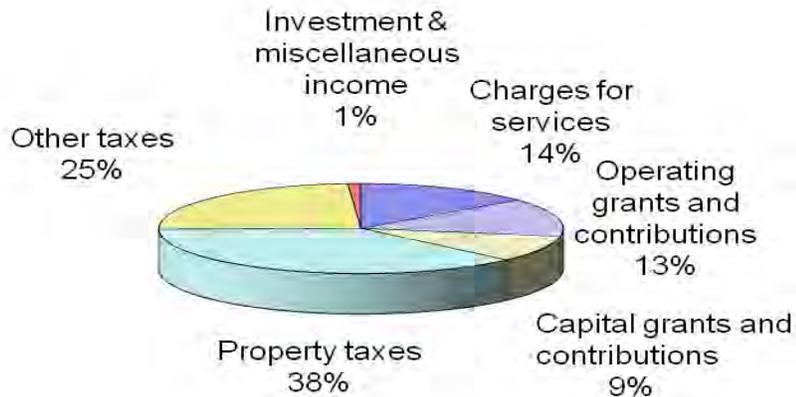
Condensed Statement of Activities Years Ended June 30, 2012 and 2011						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 33,473	\$ 36,650	\$ 18,399	\$ 70,235	\$ 51,872	\$ 106,885
Operating grants and contributions	32,172	31,607	122	705	32,294	32,312
Capital grants and contributions	23,146	22,157	-	-	23,146	22,157
General revenues:						
Property taxes	93,350	112,674	-	-	93,350	112,674
Other taxes	60,557	52,382	-	-	60,557	52,382
Investment earnings	690	995	37	137	727	1,132
Miscellaneous	2,178	2,007	964	1,055	3,142	3,062
Total revenues	245,566	258,472	19,522	72,132	265,088	330,604
Expenses						
General government	46,024	68,581	-	-	46,024	68,581
Public safety	113,497	96,425	-	-	113,497	96,425
Highways and streets	28,937	30,614	-	-	28,937	30,614
Sanitation	422	444	-	-	422	444
Health	33,182	27,702	-	-	33,182	27,702
Welfare	6,217	6,017	-	-	6,217	6,017
Culture and recreation	2,002	2,116	-	-	2,002	2,116
Education	6,733	9,027	-	-	6,733	9,027
Interest on long-term debt	7,039	7,408	-	-	7,039	7,408
Sheriff Inmate Services	-	-	742	519	742	519
Home Health	-	-	1,953	6,210	1,953	6,210
Long Term Care	-	-	16,623	61,555	16,623	61,555
Fairgrounds	-	-	85	479	85	479
Airport Economic Development	-	-	417	281	417	281
Total expenses	244,053	248,334	19,820	69,044	263,873	317,378
Increase in net assets before reassignment of debt and transfers						
	1,513	10,138	(298)	3,088	1,215	13,226
Reassignment of debt	(2,131)	-	2,131	-	-	-
Transfers	8,980	1,654	(8,980)	(1,654)	-	-
Change in net assets	8,362	11,792	(7,147)	1,434	1,215	13,226
Net assets - beginning, as restated	455,490	446,741	11,868	10,684	467,358	457,425
Net assets - ending	\$ 463,852	\$ 458,533	\$ 4,721	\$ 12,118	\$ 468,573	\$ 470,651

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

**Expenses and Program Revenues – Governmental Activities
Fiscal Year 2012**

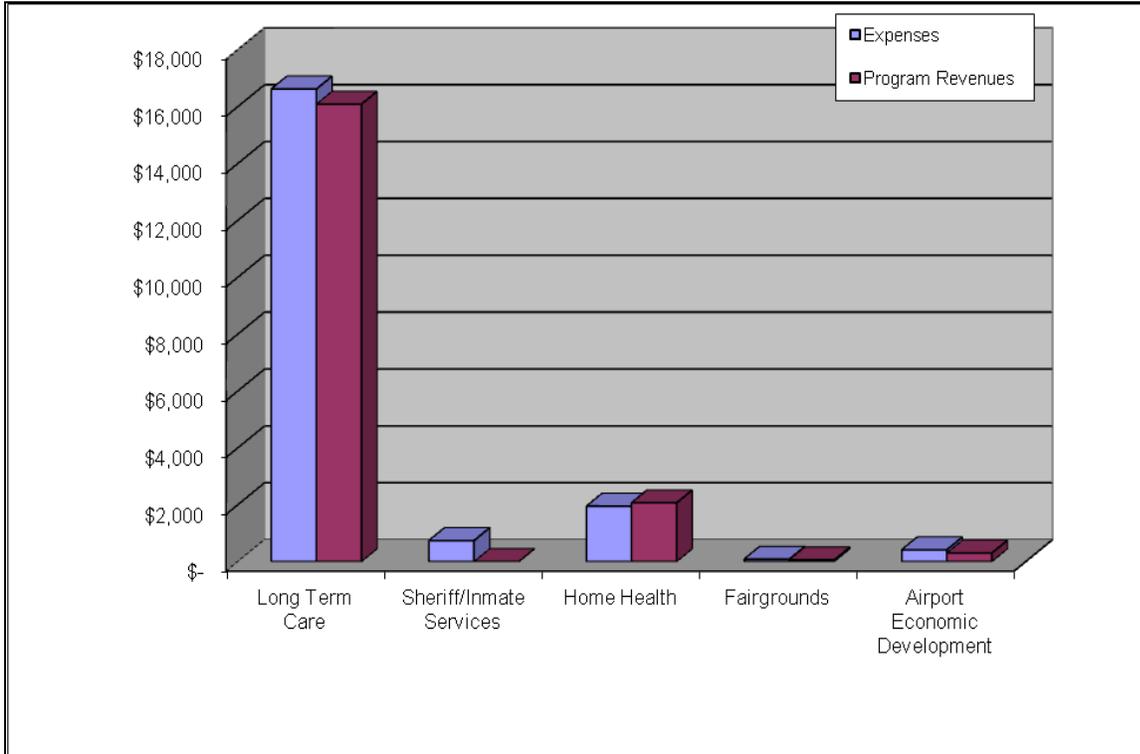


**Revenues by Source - Governmental Activities
Fiscal Year 2012**

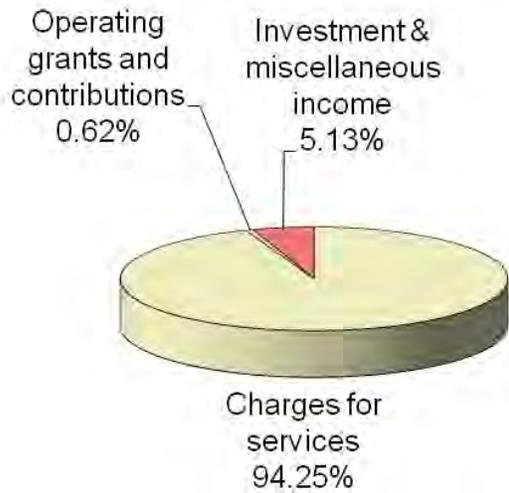


**PINAL COUNTY
Management's Discussion and Analysis**

**Expenses and Program Revenues – Business-type Activities
Fiscal Year 2012**



**Revenues by Source - Business-type Activities
Fiscal Year 2012**



PINAL COUNTY
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds

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

At June 30, 2012, the County's governmental funds reported combined fund balance of \$153,445, a decrease of \$25 in comparison with the prior year, as restated. Less than 1%, \$98 of the combined fund balance constitutes *nonspendable fund balance*, made up of prepaid items and inventories that do not represent available spendable resources. Approximately 63% of the combined fund balance, \$97,313 constitutes *restricted fund balance* which represents resources that are subject to external restrictions on how they may be used. Approximately 28% of the combined fund balance is comprised of unassigned fund balance of \$43,014 which is available for spending at the County's discretion, while amounts of \$4,915 and \$8,105 of committed and assigned fund balances, respectively have to be spent under the conditions specified by the Board of Supervisors and County Management.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$43,014 which equaled the total unassigned fund balance for all governmental funds. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures.

The total fund balance of the County's General Fund decreased during the fiscal year by \$639, as restated. Key factors included the decrease in tax revenues, rentals revenue, and investment earnings due to lower investment returns as a result of the continued challenges faced in the investment markets.

The Road Tax Districts Fund total fund balance increased during the fiscal year by \$916. This increase is mainly attributable to an increase in road improvement taxes and intergovernmental revenue related to the Mount Lemmon Realignment, Kings Ranch Road, and Attaway Road projects.

The Public Works Highway Fund total fund balance increased during the fiscal year by \$1,697. This increase is mainly attributable to an increase in auto lieu taxes and HURF revenues.

The Development Impact Fee Fund total fund balance increased during the fiscal year by \$1,234. This increase is mainly attributable to an increase in the fees paid by developers. The fund continued to provide some money through operating transfers for debt service payments of the County's Greater Arizona Development Authority 2006 loan.

Revenues for governmental funds totaled \$245,059 in fiscal year 2012, which represents a decrease of 2% from fiscal year 2011.

PINAL COUNTY
Management's Discussion and Analysis

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

Governmental Funds						
Revenues Classified by Source						
For the Years Ended June 30, 2012 and 2011						
	<u>2012</u>		<u>2011</u>		<u>Variance</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$ 115,068	46.96%	\$ 130,923	52.30%	\$ (15,855)	-12.11%
Licenses and permits	3,005	1.23%	2,758	1.10%	247	8.96%
Intergovernmental	91,928	37.51%	81,164	32.43%	10,764	13.26%
Charges for services	28,925	11.80%	27,661	11.05%	1,264	4.57%
Fines and forfeits	3,482	1.42%	4,474	1.79%	(992)	-22.17%
Investment earnings	690	0.28%	995	0.40%	(305)	-30.65%
Contributions	393	0.16%	372	0.15%	21	5.65%
Rentals	430	0.18%	524	0.21%	(94)	-17.94%
Micellaneous	1,138	0.46%	1,438	0.57%	(300)	-20.86%
Total revenues	<u>\$ 245,059</u>	<u>100.00%</u>	<u>\$ 250,309</u>	<u>100.00%</u>	<u>\$ (5,250)</u>	<u>-2.10%</u>

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

- Taxes – the decrease of \$15,855 was primarily due a decrease in property taxes revenue levied from the prior year as the primary net assessed values decreased 16% from the previous year.
- Licenses and permits – the increase of \$247 was primarily due to increases in building permits, liquor licenses, and permits for highway grading and drainage.
- Intergovernmental – the increase of \$10,764 was partly due to a \$2,000 payment received on an Intergovernmental Government Agreement with a municipal governmental entity. \$7,294 of the increase was attributable to increases in the State Shared Sales Tax and Vehicle License taxes. \$1,300 was received from the Federal Highway Administration for the Schnepf Road Bridge project. In addition, funding was received from the State of Arizona for the purchase of public safety aerial vehicles. These increases were offset by an Energy Efficiency grant completed in the current year.
- Fines and forfeits – the decrease of \$992 is primarily due to decreases in fines collected for zoning and RICO forfeitures.
- Investment earnings – the decrease of \$305 was primarily due to lower investment returns as a result of the continued challenges faced in the financial investment markets.
- Miscellaneous – the decrease of \$300 is primarily attributed to proceeds received in fiscal year 2011 related to litigation for the Schnepf Road bridge project.

PINAL COUNTY
Management's Discussion and Analysis

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

Governmental Funds Expenditures by Function For the Years Ended June 30, 2012 and 2011						
Governmental Function	2012		2011		Variance	
	Amount	Percent	Amount	Percent	Amount	Percent
General government	\$ 40,156	16.12%	\$ 66,438	25.72%	\$ (26,282)	-39.56%
Public safety	112,448	45.13%	96,791	37.47%	15,657	16.18%
Highways and streets	23,140	9.29%	24,157	9.36%	(1,017)	-4.21%
Sanitation	422	0.17%	444	0.17%	(22)	-4.95%
Health	32,945	13.22%	27,589	10.68%	5,356	19.41%
Welfare	5,902	2.37%	5,759	2.23%	143	2.48%
Culture and recreation	1,906	0.77%	2,059	0.80%	(153)	-7.43%
Education	6,733	2.70%	9,027	3.50%	(2,294)	-25.41%
Capital outlay	7,952	3.19%	7,009	2.71%	943	13.45%
Debt service:						
Principal retirement	10,240	4.11%	11,511	4.46%	(1,271)	-11.04%
Interest	7,292	2.93%	7,038	2.73%	254	3.61%
Costs of issuance	-	0.00%	440	0.17%	(440)	N/A
Miscellaneous	3	0.00%	4	0.00%	(1)	-25.00%
Total expenditures	<u>\$249,139</u>	<u>100.00%</u>	<u>\$ 258,266</u>	<u>100.00%</u>	<u>\$ (9,127)</u>	<u>-3.53%</u>

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

- General government – expenditures for General government decreased primarily due to employee related expenditures previously classified as general government which have been recorded across all expenditure functions. Decreases in supplies, utilities, and professional services, including Energy Efficiency grant expenditures also contributed to the overall reduction of general government expenditures.
- Public safety – expenditures for Public safety increased primarily due the payroll employee related expenditures that are now recorded in the function where payroll charges are expended. Indigent legal services, and contributions from the County's RICO fund to the Arizona Department of Public Safety also contributed to the increase of these expenditures.
- Health – expenditures for Health increased due to an increase in the County's contributions to the Arizona Health Care Cost Containment System (AHCCCS), and the Arizona Long Term Care System (Acute), and as the County received a reduced refund from the American Recovery and Reinvestment funding received by the state that allowed a reduction in County contributions.
- Education – expenditures for education decreased primarily due to a reduction in the number of County accounts reported as part of the County's Accommodation School Fund.
- Costs of issuance –the County did not issue new debt in the current year, thus there were no issuance costs to report.

PINAL COUNTY
Management's Discussion and Analysis

Proprietary funds

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

Unrestricted net assets of the Long Term Care Fund at the end of the year totaled \$1,897. Restricted and unrestricted net assets for the other nonmajor enterprise funds (Sheriff Inmate Services, Home Health, Fairgrounds, and Airport Economic Development) totaled \$450 and \$766, respectively. The total change in net assets was also affected by the reclassification of a component of the Fairgrounds Fund designated for construction activities to a Capital Projects fund from an Enterprise fund. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

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

Enterprise Funds Schedule of Revenues, Expenses, and Changes in Net Assets For the Year Ended June 30, 2012						
	Major Fund	Nonmajor Funds				Total
	Long- Term Care	Sheriff Inmate Services	Home Health	Fairgrounds	Airport Economic Develop- ment	
Operating revenues	\$ 16,129	\$ 858	\$ 2,072	\$ 1	\$ 303	\$ 19,363
Operating expenses	16,193	742	1,859	85	417	19,296
Operating income (loss)	(64)	116	213	(84)	(114)	67
Nonoperating revenues (expenses), net	(406)	2	(90)	61	67	(366)
Net income (loss) before contributions and transfers	(470)	118	123	(23)	(47)	(299)
Transfers, insurance reimbursement and reassignment of debt	(5,302)	-	(1,522)	20	(44)	(6,848)
Change in net assets	<u>\$ (5,772)</u>	<u>\$ 118</u>	<u>\$ (1,399)</u>	<u>\$ (3)</u>	<u>\$ (91)</u>	<u>\$ (7,147)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

- General Fund revenues were more than the final budget by \$1,816 or 1.1%, due to better than expected collections of Taxes, and Intergovernmental revenues which exceeded the budgeted amounts primarily due to an increase in County sales taxes and due to a payment received on an Intergovernmental Government Agreement with a municipal governmental entity.

General Fund expenditures were less than the budget by \$37,522 or 19.6%, due to the following reasons:

- The Assistant County Manager-Admin spent \$32,457 less than budgeted in the general government function primarily due to unspent funds, including the Board established Financial Stability Reserve, contingency funds not being used, the carryover of Information Technology projects, and general operating vacancy savings, most significantly in Information Technology.

None of the variances between the budget to actual amounts were significant enough to affect the County's ability to provide future services.

PINAL COUNTY
Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's capital assets for its governmental and business-type activities as of June 30, 2012, amounted to \$465,281 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, software, and construction in progress. Total capital assets remained consistent, while decreases in infrastructure and machinery and equipment capital assets were offset by new additions to buildings and land.

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

Governmental activities:

- Donations of capital assets of \$3,559, which included easements and right-of-ways, contributed to the net increase in the County's land capital assets, while the completion of the County's two new health clinics were the main reason for the net increase in buildings and improvements.
- The balances for governmental and business-type activities capital assets were restated for fiscal year 2011 to correct prior period errors. Additional information on this restatement can be found in Note 4 on page 39 of this report.

Governmental and Business-type Activities Capital Assets (net of accumulated depreciation) June 30, 2012 and 2011						
	Governmental Activities		Business-type Activities		Total	
	2012	2011 (as restated)	2012	2011 (as restated)	2012	2011 (as restated)
Land	\$ 182,382	\$ 180,859	\$ -	\$ -	\$ 182,382	\$ 180,859
Buildings and improvements	112,804	105,712	121	3,955	112,925	109,667
Machinery and equipment	10,035	13,208	714	825	10,749	14,033
Intangible - Software	699	209	56	285	755	494
Infrastructure	147,439	150,532	638	-	148,077	150,532
Construction in progress	10,314	9,350	79	650	10,393	10,000
Total	<u>\$ 463,673</u>	<u>\$ 459,870</u>	<u>\$ 1,608</u>	<u>\$ 5,715</u>	<u>\$ 465,281</u>	<u>\$ 465,585</u>

The County's infrastructure assets are recorded at actual cost when available or estimated historical cost when actual cost is not available, with donations being reported at estimated fair value in the government-wide financial statements as required by GASB Statement No. 34. The acquisition of new infrastructure assets is reported as Highways and Streets expenditures within the Public Works Highway, Public Works Roadways, and Flood Control Funds.

Additional information on the County's capital assets can be found in Note 6 on pages 42-44 of this report.

PINAL COUNTY
Management's Discussion and Analysis

Long-term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding of \$157,510 for governmental activities as compared to \$165,908 in the prior year. This amount was comprised of \$30,349 of bonds payable, including unamortized discount on the revenue bonds, unamortized premium on the refunding revenue bonds, less deferred amount on refunding, for the construction of two health clinics, the renovation of the County's historic courthouse and to refund a large portion of the certificates of participation, Series 2001, respectively; \$4,414 of capital leases; \$59,798 of certificates of participation, including unamortized premium; and \$62,949 of loans payable, including unamortized premium, for the Ironwood/Gantzel Road project, the animal shelter expansion project and several County building renovation projects.

At the end of the current fiscal year, operations ceased for Long Term Care. A total reduction of loans payable of \$2,347 from business-type activities included current year principal of \$251 and future principal of \$2,096, which has been reassigned to governmental activities.

At the end of the current fiscal year, operations ceased for Home Health Care. A total reduction of \$69 from business-type activities included current year principal of \$34 and future principal of \$35, which has been reassigned to governmental activities.

Long-Term Debt			
June 30, 2012 and 2011			
	Outstanding Debt		Percent
	2012	2011	Change
Governmental Activities			
Loans payable	\$ 62,949	\$ 65,538	-3.95%
Certificates of participation	59,798	62,670	-4.58%
Obligations under capital leases	4,414	6,985	-36.81%
Bonds payable	30,349	30,715	-1.19%
Total	\$ 157,510	\$ 165,908	
Business-type Activities			
Loans payable	-	2,347	-100.00%
Obligations under capital leases	-	69	-100.00%
Total	\$ -	\$ 2,416	

Additional information on the County's long-term debt can be found in Note 9 on pages 45-50 of this report.

Economic Factors and Next Year's Budgets and Rates

- The current 2012, preliminary, seasonally adjusted, unemployment rate for the State of Arizona as of September was 8.2%.¹ The national rate at the same time was at 7.8%.¹ The average unemployment rate for Pinal County as of September was 8.3%. The State of Arizona seasonally adjusted unemployment rate fell 0.90% from one year ago and the average unemployment rate for Pinal County fell 2.3% from the prior year. Job increases exist across all fields and industries, with the exception of two fields (Information and Other Services).

¹ United States Bureau of Labor Statistics, Regional and State Employment and Unemployment – September 2012.

² <http://www.workforce.az.gov> (excluding Native American Reservations)

PINAL COUNTY

Management's Discussion and Analysis

- The housing industry, which is progressively stabilizing, continues to be one of the largest factors affecting the State of Arizona. Although we expect property tax receivables to remain high, we expect revenues from permits to increase as new home construction is slightly improving.
- Rising medical costs continue to affect the County's available resources. Medical insurance costs are expected to increase next year. The County's Employee Health Benefit Trust has taken the necessary steps to ensure the Trust's viability, including an adjustment to contribution rates and employee co-pays.
- The County has projected \$28,760 of transaction privilege taxes to be received from the State of Arizona in fiscal year 2013 (an increase of about two million from fiscal year 2012).
- The County has projected that revenues from Local Sales Taxes will increase in fiscal year 2013.
- The State's continued budget difficulties have had an impact on the County. As a result, the County will be required to shift HURF revenues of \$1,388 to help the Arizona Department of Public Safety. Additional cost shifts, share of costs, reductions, and eliminations will have an impact on the County of \$1,727, with a total of \$3,115 for fiscal year 2013.

All of these factors were considered in preparing the County's budget for the fiscal year 2013. Budget preparation for fiscal year 2013 continued to be conservative. The adopted fiscal year 2013 budget is \$334,516 (down 6% from fiscal year 2012). The decrease in the adopted fiscal year 2013 budget includes a decrease in the County's workforce by 85 full time equivalents.

In fiscal year 2013, the Board of Supervisors lowered the primary tax rate to 3.79 cents. Reducing the primary tax rate combined with reduced assessed valuations has resulted in property tax collections lower than those seen in fiscal year 2009.

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

Requests for Information

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

Basic Financial Statements



P I N A L • C O U N T Y
wide open opportunity

PINAL COUNTY
Statement of Net Assets
June 30, 2012

(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 143,562	\$ 3,212	\$ 146,774
Cash and investments held by trustees	8,316	-	8,316
Receivables (net):			
Property taxes	9,027	-	9,027
Accounts	2,251	78	2,329
Internal balances	1	(1)	-
Due from other governments	26,874	-	26,874
Inventories	28	-	28
Prepaid items	70	-	70
Deferred charges	382	-	382
Cash, cash equivalents and investments - restricted	465	-	465
Capital assets:			
Nondepreciable	192,696	79	192,775
Depreciable (net)	270,977	1,529	272,506
Total assets	<u>654,649</u>	<u>4,897</u>	<u>659,546</u>
Liabilities			
Accounts payable	7,659	141	7,800
Accrued payroll and employee benefits	2,268	6	2,274
Contracts payable	223	-	223
Claims payable	2,353	-	2,353
Due to other governments	17	-	17
Deposits held for others	3,579	-	3,579
Deferred revenue	525	-	525
Interest payable	1,156	-	1,156
Noncurrent liabilities:			
Due within one year	18,635	14	18,649
Due beyond one year	154,382	15	154,397
Total liabilities	<u>190,797</u>	<u>176</u>	<u>190,973</u>
Net Assets			
Invested in capital assets, net of related debt	311,004	1,608	312,612
Restricted for:			
Public safety	14,829	450	15,279
Highways and streets	50,888	-	50,888
Health	8,191	-	8,191
Culture and recreation	3,067	-	3,067
Education	2,333	-	2,333
Debt service	5,286	-	5,286
Capital projects	8,166	-	8,166
Other purposes	1,851	-	1,851
Unrestricted	58,237	2,663	60,900
Total net assets	<u>\$ 463,852</u>	<u>\$ 4,721</u>	<u>\$ 468,573</u>

PINAL COUNTY
Statement of Activities
Year Ended June 30, 2012

(Amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities							
General government	\$ 46,024	\$ 3,749	\$ 897	\$ 343	\$ (41,035)	\$ -	\$ (41,035)
Public safety	113,497	25,089	15,310	1,543	(71,555)	-	(71,555)
Highways and streets	28,937	1,708	5,745	20,576	(908)	-	(908)
Sanitation	422	10	410	-	(2)	-	(2)
Health	33,182	2,269	3,847	-	(27,066)	-	(27,066)
Welfare	6,217	504	3,819	684	(1,210)	-	(1,210)
Culture and recreation	2,002	138	23	-	(1,841)	-	(1,841)
Education	6,733	6	2,121	-	(4,606)	-	(4,606)
Interest on long-term debt	7,039	-	-	-	(7,039)	-	(7,039)
Total governmental activities	<u>244,053</u>	<u>33,473</u>	<u>32,172</u>	<u>23,146</u>	<u>(155,262)</u>	<u>-</u>	<u>(155,262)</u>
Business-type activities							
Long Term Care	16,623	16,089	-	-	-	(534)	(534)
Sheriff Inmate Services	742	-	-	-	-	(742)	(742)
Home Health	1,953	2,070	-	-	-	117	117
Fairgrounds	85	1	60	-	-	(24)	(24)
Airport Economic Development	417	239	62	-	-	(116)	(116)
Total business-type activities	<u>19,820</u>	<u>18,399</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>(1,299)</u>	<u>(1,299)</u>
Total primary government	<u>\$ 263,873</u>	<u>\$ 51,872</u>	<u>\$ 32,294</u>	<u>\$ 23,146</u>	<u>(155,262)</u>	<u>(1,299)</u>	<u>(156,561)</u>

General revenues:

Taxes:			
Property taxes, levied for general purposes	84,853	-	84,853
Property taxes, levied for educational purposes	3,334	-	3,334
Property taxes, levied for flood control	3,063	-	3,063
Property taxes, levied for library district	2,100	-	2,100
Transaction privilege taxes, levied for health district	2,471	-	2,471
General county sales tax	12,460	-	12,460
Road improvement tax	6,341	-	6,341
Share of state sales taxes	26,700	-	26,700
Unrestricted share of vehicle license tax	8,002	-	8,002
Payments in lieu of taxes	3,984	-	3,984
Franchise taxes	599	-	599
Investment earnings	690	37	727
Miscellaneous	1,739	964	2,703
Gain on disposal of capital assets	439	-	439
Reassignment of debt	(2,131)	2,131	-
Transfers	8,980	(8,980)	-
Total general revenues and transfers	<u>163,624</u>	<u>(5,848)</u>	<u>157,776</u>
Changes in net assets	8,362	(7,147)	1,215
Net assets - beginning, as restated	455,490	11,868	467,358
Net assets - ending	<u>\$ 463,852</u>	<u>\$ 4,721</u>	<u>\$ 468,573</u>

PINAL COUNTY
Balance Sheet
Governmental Funds
June 30, 2012

(Amounts expressed in thousands)

	Major Funds					Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Other Governmental Funds	
Assets						
Cash, cash equivalents and investments	\$ 36,218	\$ 14,288	\$ 8,857	\$ 12,488	\$ 66,322	\$ 138,173
Cash and investments held by trustees	-	-	-	-	8,316	8,316
Receivables (net of allowances for uncollectibles):						
Property taxes	8,423	-	-	-	604	9,027
Accounts	1,724	9	6	38	474	2,251
Due from other funds	417	-	69	-	919	1,405
Due from other governments	18,897	1,129	3,410	-	3,438	26,874
Inventories	-	-	-	-	28	28
Prepaid items	-	-	40	-	30	70
Restricted assets:						
Cash, cash equivalents and investments	-	-	50	-	415	465
Total assets	\$ 65,679	\$ 15,426	\$ 12,432	\$ 12,526	\$ 80,546	\$ 186,609
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 2,757	\$ 981	\$ 737	\$ -	\$ 3,045	\$ 7,520
Accrued payroll and employee benefits	1,701	18	157	-	392	2,268
Contracts payable	223	-	-	-	-	223
Due to other funds	705	32	42	-	625	1,404
Due to other governments	-	-	-	-	17	17
Deposits held for others	70	-	-	3,329	180	3,579
Deferred revenue	16,494	-	-	-	1,659	18,153
Total liabilities	21,950	1,031	936	3,329	5,918	33,164
Fund Balances:						
Nonspendable:						
Inventories	-	-	-	-	28	28
Prepaid items	-	-	40	-	30	70
Total nonspendable	-	-	40	-	58	98
Restricted	715	14,395	11,456	9,197	61,550	97,313
Committed	-	-	-	-	4,915	4,915
Assigned	-	-	-	-	8,105	8,105
Unassigned	43,014	-	-	-	-	43,014
Total fund balances	43,729	14,395	11,496	9,197	74,628	153,445
Total liabilities and fund balances	\$ 65,679	\$ 15,426	\$ 12,432	\$ 12,526	\$ 80,546	\$ 186,609

PINAL COUNTY
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2012

(Amounts expressed in thousands)

Total fund balances - governmental funds (page 21) **\$ 153,445**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$625,870 and the accumulated depreciation is \$162,197. 463,673

Some receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 17,628

Internal Service Funds are used by management to charge the costs of central services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets. 2,897

Some interest payable on long-term debt is not reported in the governmental funds because it is not due and payable. (1,156)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.

Loans payable	\$ (62,010)	
Premium on loans	(939)	
Certificates of participation	(58,900)	
Premium on certificates of participation	(898)	
Bonds payable	(30,075)	
Net premium on bonds	(1,162)	
Deferred amount on refunding	888	
Unamortized deferred issuance costs	382	
Obligations under capital leases	(4,414)	
Compensated absences	(14,983)	
Estimated liabilities for claims and judgments	(524)	<u>(172,635)</u>

Net assets of governmental activities (page 19) **\$ 463,852**

PINAL COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Major Funds					Total
	General Fund	Road Tax Districts Fund	Public Works Highway Fund	Development Impact Fee Fund	Other Governmental Funds	
Revenues						
Taxes	\$ 96,392	\$ 6,342	\$ -	\$ -	\$ 12,334	\$ 115,068
Licenses and permits	1,527	-	-	-	1,478	3,005
Intergovernmental	41,122	141	20,750	-	29,915	91,928
Charges for services	21,028	-	-	2,189	5,708	28,925
Fines and forfeits	1,894	-	-	-	1,588	3,482
Investment earnings	240	68	42	46	294	690
Contributions	7	13	-	-	373	393
Rentals	64	-	-	-	366	430
Miscellaneous	708	-	19	-	411	1,138
Total revenues	<u>162,982</u>	<u>6,564</u>	<u>20,811</u>	<u>2,235</u>	<u>52,467</u>	<u>245,059</u>
Expenditures						
Current:						
General government	39,146	-	-	-	1,010	40,156
Public safety	89,323	-	-	-	23,125	112,448
Highways and streets	12	4,131	15,678	1	3,318	23,140
Sanitation	102	-	-	-	320	422
Health	22,990	-	-	-	9,955	32,945
Welfare	944	-	-	-	4,958	5,902
Culture and recreation	48	-	-	-	1,858	1,906
Education	896	-	-	-	5,837	6,733
Debt service:						
Principal retirement	-	500	856	-	8,884	10,240
Interest	-	12	104	-	7,176	7,292
Miscellaneous	-	-	-	-	3	3
Capital outlay	-	-	-	-	7,952	7,952
Total expenditures	<u>153,461</u>	<u>4,643</u>	<u>16,638</u>	<u>1</u>	<u>74,396</u>	<u>249,139</u>
Excess (deficiency) of revenues over expenditures	<u>9,521</u>	<u>1,921</u>	<u>4,173</u>	<u>2,234</u>	<u>(21,929)</u>	<u>(4,080)</u>
Other financing sources (uses):						
Transfers in	4,901	-	100	-	25,452	30,453
Transfers out	(13,880)	(1,005)	(2,586)	(1,000)	(7,013)	(25,484)
Proceeds from sale of capital assets	93	-	6	-	242	341
Insurance reimbursement	70	-	4	-	13	87
Total other financing sources (uses)	<u>(8,816)</u>	<u>(1,005)</u>	<u>(2,476)</u>	<u>(1,000)</u>	<u>18,694</u>	<u>5,397</u>
Net change in fund balances	705	916	1,697	1,234	(3,235)	1,317
Fund balances - beginning, as restated	44,368	13,479	9,799	7,963	77,861	153,470
Changes in nonspendable resources:						
Increase (decrease) in prepaid items	(1,344)	-	-	-	2	(1,342)
Fund balances - ending	<u>\$ 43,729</u>	<u>\$ 14,395</u>	<u>\$ 11,496</u>	<u>\$ 9,197</u>	<u>\$ 74,628</u>	<u>\$ 153,445</u>

PINAL COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2012
(Amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 23) \$ 1,317

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

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

Expenditures for general capital assets, infrastructure, and other related capital assets	\$ 13,039	
Less: current year depreciation	(16,817)	(3,778)

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

Gain on sale of capital assets	439	
Insurance reimbursement for capital assets	(87)	
Proceeds from the sale of capital assets	(341)	11

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

Donations of capital assets	3,559	
Capital assets transferred from business-type activities, net	4,011	
Change in deferred revenue for operating grants & contributions	(1,880)	
Change in deferred revenue for charges for services	(1,768)	
Change in deferred revenue for miscellaneous revenue	601	
Change in deferred revenue for property taxes	(444)	4,079

Some expenses 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	(290)	
Change in estimated liabilities for claims and judgments	(121)	
Change in reservation of prepaid items balances	(1,342)	
Amortization of COPS premium	87	
Amortization of loan premium	141	
Amortization of bond premium	230	
Amortization of bond discount	(7)	
Amortization of amount on refunding	(162)	
Amortization of issuance costs	(29)	
Accrued interest	(7)	(1,500)

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

Reassignment of debt	(2,131)	
Principal repayments and accruals:		
Bonds payable	305	
Certificates of participation	2,785	
Loans payable	4,544	
Obligations under capital leases	2,606	8,109

Internal service funds are used by the County to charge the costs of central services. The net income of the internal service funds is reported with governmental activities in the Statement of Activities.

124

Change in net assets of governmental activities (page 20) \$ 8,362

PINAL COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2012

(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 1,836	\$ 1,376	\$ 3,212	\$ 5,389
Receivables (net):				
Accounts receivable (net)	<u>77</u>	<u>1</u>	<u>78</u>	<u>-</u>
Total current assets	<u>1,913</u>	<u>1,377</u>	<u>3,290</u>	<u>5,389</u>
Noncurrent assets:				
Construction in progress	-	79	79	-
Buildings and improvements	-	163	163	-
Machinery and equipment	-	1,094	1,094	-
Infrastructure	-	656	656	-
Intangible - software	942	-	942	-
Less accumulated depreciation	<u>(886)</u>	<u>(440)</u>	<u>(1,326)</u>	<u>-</u>
Net capital assets	<u>56</u>	<u>1,552</u>	<u>1,608</u>	<u>-</u>
Total noncurrent assets	<u>56</u>	<u>1,552</u>	<u>1,608</u>	<u>-</u>
Total assets	<u>1,969</u>	<u>2,929</u>	<u>4,898</u>	<u>5,389</u>
Liabilities				
Current liabilities:				
Accounts payable	16	125	141	139
Accrued payroll and employee benefits	-	6	6	-
Claims payable	-	-	-	2,353
Due to other funds	-	1	1	-
Compensated absences	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Total current liabilities	<u>16</u>	<u>146</u>	<u>162</u>	<u>2,492</u>
Noncurrent liabilities:				
Compensated absences	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
Total liabilities	<u>16</u>	<u>161</u>	<u>177</u>	<u>2,492</u>
Net Assets				
Invested in capital assets, net of related debt	56	1,552	1,608	-
Restricted for:				
Public safety	-	450	450	-
Unrestricted	<u>1,897</u>	<u>766</u>	<u>2,663</u>	<u>2,897</u>
Total net assets	<u>\$ 1,953</u>	<u>\$ 2,768</u>	<u>\$ 4,721</u>	<u>\$ 2,897</u>

PINAL COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Operating revenues				
Charges for services	\$ 16,089	\$ 2,071	\$ 18,160	\$ 18,109
License and permits	-	10	10	-
Rentals	-	229	229	-
Miscellaneous	40	924	964	-
Total operating revenues	<u>16,129</u>	<u>3,234</u>	<u>19,363</u>	<u>18,109</u>
Operating expenses				
Long-term health care	14,433	-	14,433	-
Claims	-	-	-	16,067
Personal services	1,418	2,187	3,605	-
Supplies	61	300	361	-
Depreciation	137	146	283	-
Insurance	16	17	33	1,417
Repairs and maintenance	7	31	38	-
Communication	14	24	38	-
Professional services	84	345	429	524
Public utility service	4	18	22	-
Miscellaneous	19	35	54	-
Total operating expenses	<u>16,193</u>	<u>3,103</u>	<u>19,296</u>	<u>18,008</u>
Operating income (loss)	<u>(64)</u>	<u>131</u>	<u>67</u>	<u>101</u>
Nonoperating revenues (expenses)				
Intergovernmental	-	122	122	-
Investment earnings	25	12	37	23
Insurance reimbursement	-	1	1	-
Interest expense	(72)	(2)	(74)	-
Premium tax	(359)	-	(359)	-
Loss on disposal of capital assets	-	(92)	(92)	-
Total nonoperating revenues (expenses)	<u>(406)</u>	<u>41</u>	<u>(365)</u>	<u>23</u>
Net income (loss) before transfers and reassignment of debt	<u>(470)</u>	<u>172</u>	<u>(298)</u>	<u>124</u>
Transfers in	-	22	22	-
Transfers out	(7,398)	(1,604)	(9,002)	-
Reassignment of debt	<u>2,096</u>	<u>35</u>	<u>2,131</u>	<u>-</u>
Changes in net assets	<u>(5,772)</u>	<u>(1,375)</u>	<u>(7,147)</u>	<u>124</u>
Net assets - beginning, as restated	<u>7,725</u>	<u>4,143</u>	<u>11,868</u>	<u>2,773</u>
Net assets - ending	<u>\$ 1,953</u>	<u>\$ 2,768</u>	<u>\$ 4,721</u>	<u>\$ 2,897</u>

PINAL COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Fund
	Long Term Care Fund	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from customers	\$ 17,828	\$ 2,858	\$ 20,686	\$ -
Receipts from employee contributions	-	-	-	18,109
Other receipts from operations	40	1,163	1,203	-
Payments to suppliers	(19,821)	(722)	(20,543)	(1,942)
Payments to employees	(1,418)	(2,420)	(3,838)	-
Payments for claims	-	-	-	(16,151)
Net cash provided by (used for) operating activities	<u>(3,371)</u>	<u>879</u>	<u>(2,492)</u>	<u>16</u>
Cash flows from noncapital financing activities				
Receipts from federal and local agencies	-	122	122	-
Cash transfers from other funds	-	22	22	-
Cash transfers to other funds	(3,410)	(1,581)	(4,991)	-
Other receipts	-	1	1	-
Premium tax payments	(359)	-	(359)	-
Net cash used for noncapital financing activities	<u>(3,769)</u>	<u>(1,436)</u>	<u>(5,205)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Payments for capital leases	-	(34)	(34)	-
Payments on loans	(251)	-	(251)	-
Purchases of capital assets	-	(280)	(280)	-
Interest paid on loans	(72)	-	(72)	-
Interest paid on capital leases	-	(2)	(2)	-
Net cash used for capital and related financing activities	<u>(323)</u>	<u>(316)</u>	<u>(639)</u>	<u>-</u>
Cash flows from investing activities				
Investment earnings received	25	12	37	23
Net cash provided by investing activities	<u>25</u>	<u>12</u>	<u>37</u>	<u>23</u>
Net increase (decrease) in cash and cash equivalents	(7,438)	(861)	(8,299)	39
Cash and cash equivalents - beginning, as restated*	9,274	2,237	11,511	5,350
Cash and cash equivalents - ending	<u>\$ 1,836</u>	<u>\$ 1,376</u>	<u>\$ 3,212</u>	<u>\$ 5,389</u>

(Continued)

*Beginning cash balances were restated for Fairgrounds for the Fairgrounds Construction Fund that was reclassified as a non-major capital projects fund, as of July 1, 2011.

PINAL COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2012
(Concluded)
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Fund</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (64)	\$ 131	\$ 67	\$ 101
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	137	146	283	-
Changes in assets and liabilities:				
Decrease in assets:				
Accounts receivable	1,739	771	2,510	-
Due from other funds	-	42	42	-
Prepaid items	43	-	43	-
Increase (decrease) in liabilities:				
Accounts payable	(284)	92	(192)	(1)
Accrued payroll and employee benefits	-	(153)	(153)	-
Claims payable	(4,942)	-	(4,942)	(84)
Due to other funds	-	(44)	(44)	-
Deferred revenue	-	(26)	(26)	-
Compensated absences	-	(80)	(80)	-
Total adjustments and changes	<u>(3,307)</u>	<u>748</u>	<u>(2,559)</u>	<u>(85)</u>
Net cash provided by (used for) operating activities	<u>\$ (3,371)</u>	<u>\$ 879</u>	<u>\$ (2,492)</u>	<u>\$ 16</u>

Non-cash Capital and Related Financing Activities:

Long Term Care transferred capital assets with an original cost of \$5,104 and a net book value of \$3,988 to the County's general government.

Home Health transferred capital assets with an original cost of \$116 and a net book value of \$20 to the County's general government.

Fairgrounds transferred capital assets with an original cost of \$451 and a net book value of \$3 to the County's general government.

PINAL COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash, cash equivalents and investments	\$ 167,946	\$ 6,602
Interest receivable	89	-
Total assets	168,035	\$ 6,602
Liabilities		
Deposits held for others	-	\$ 6,602
Total liabilities	-	\$ 6,602
Net Assets		
Held in trust for investment trust participants	\$ 168,035	

PINAL COUNTY
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions by participants	\$ 624,483
Investment earnings	1,032
Total additions	625,515
Deductions	
Distributions to participants	638,334
Total deductions	638,334
Change in net assets	(12,819)
Net assets - beginning	180,854
Net assets - ending	\$ 168,035

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Pinal County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as board of directors	Blended	Not available
Pinal County Library District	Provides and maintains library services for County's residents; the County's Board of Supervisors serves as board of directors	Blended	Not available
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; the County's Board of Supervisors serves as board of directors	Blended	Not available
Desert Vista Sanitary District	Operates and maintains sanitation services in areas outside local city jurisdictions; the County's Board of Supervisors serves as board of directors	Blended	Not available
Queen Creek Domestic Water Improvement District	Formed to construct a domestic water system; the County's Board of Supervisors serves as board of directors	Blended	Not available

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Pinal County Municipal Property Corporation (MPC)	Formed to finance the construction of the Apache Junction County Complex, Superior Court Judicial Facility, and the Sheriff's Administration Facility; the County's Board of Supervisors serves as board of directors	Blended	Not available
Central Arizona Public Facility Corporation	Formed to finance the construction of the Pinal County adult detention center	Blended	Not available
Pinal County Employee Benefit Trust	Created to provide and administer a partially self-insured employee benefits trust	Blended	Pinal County Employee Benefit Trust PO Box 827 Florence, AZ 85132
Public Health Services District	Provides and maintains health services for County's residents; the County's Board of Supervisors serves as board of directors	Blended	Not available

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

The Pinal County Employee Benefit Trust was created to provide benefits for County employees, elected officials, and eligible dependents. The Trustees are appointed by the Pinal County Board of Supervisors and may be removed by the Board of Supervisors at any time for cause or no cause. Based on these factors, the Pinal County Employee Benefit Trust is reported as a blended component unit in the accompanying financial statements.

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Related Organization

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

B. Basis of Presentation

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

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. 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; and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes levied or imposed by the County, 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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

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

The County reports the following major governmental funds:

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

The Road Tax Districts Fund—accounts for monies from the Pinal County Transportation Excise Tax which is used to provide continued funding for the construction, reconstruction, maintenance, repair, and roadside development of county roads, streets and bridges.

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

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

The County reports the following major enterprise fund:

The Long Term Care Fund—accounts for health services to elderly and physically disabled clients enrolled in the State's AHCCCS (Arizona Health Care Cost Containment System) Long-Term Care program.

The County reports the following fund types:

The internal service fund—accounts for the County's participation in the Pinal County Employee Benefit Trust for providing health insurance and other benefits to eligible County employees, elected officials and their respective eligible dependents.

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

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

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus, with the exception of agency funds, and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred,

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

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 net assets available to finance the program. The County applies grant resources to such programs before using general revenues.

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

The County's business-type activities and enterprise funds follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

D. Cash and Investments

For purposes of its statements of cash flows, the County considers only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

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

E. Inventories

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

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

F. Property Tax Calendar

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

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

G. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

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

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

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

H. Investment Earnings

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

I. Compensated Absences

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

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

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

J. Fund Balance Classifications

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

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

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

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

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

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Note 2 - Fund Balance Classifications of the Governmental Funds

The fund balance categories and classifications for governmental funds as of June 30, 2012, were as follows:

	<u>Major Funds</u>					<u>Total</u>
	<u>General Fund</u>	<u>Road Tax Districts Fund</u>	<u>Public Works Highway Fund</u>	<u>Development Impact Fee Fund</u>	<u>Other Governmental Funds</u>	
Fund balances:						
Nonspendable	\$ -	\$ -	\$ 40	\$ -	\$ 58	\$ 98
Restricted for:						
Public safety	-	-	-	2,557	11,848	14,405
Highways and streets	-	14,395	11,456	5,855	18,970	50,676
Sanitation	-	-	-	-	427	427
Health	-	-	-	-	6,872	6,872
Welfare	-	-	-	-	638	638
Culture and recreation	-	-	-	785	2,159	2,944
Education	-	-	-	-	2,206	2,206
Debt service	-	-	-	-	5,286	5,286
Capital projects:						
Bridge construction	-	-	-	-	4,752	4,752
Building construction and renovation	-	-	-	-	2,857	2,857
Highways and streets capital projects	-	-	-	-	1,638	1,638
Other capital projects	-	-	-	-	3,378	3,378
Other purposes	715	-	-	-	519	1,234
Total restricted	<u>715</u>	<u>14,395</u>	<u>11,456</u>	<u>9,197</u>	<u>61,550</u>	<u>97,313</u>
Committed to:						
Landfill oversight	-	-	-	-	69	69
Health	-	-	-	-	78	78
Drug diversion program	-	-	-	-	95	95
Prosecution cost recovery	-	-	-	-	513	513
Judicial enhancements	-	-	-	-	4,160	4,160
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,915</u>	<u>4,915</u>
Assigned to:						
Public safety	-	-	-	-	37	37
Welfare	-	-	-	-	64	64
Other capital projects	-	-	-	-	3,825	3,825
Debt service	-	-	-	-	4,179	4,179
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,105</u>	<u>8,105</u>
Unassigned	43,014	-	-	-	-	43,014
Total fund balances	<u>\$ 43,729</u>	<u>\$ 14,395</u>	<u>\$ 11,496</u>	<u>\$ 9,197</u>	<u>\$ 74,628</u>	<u>\$ 153,445</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Note 3 - Stabilization Arrangements

The Board of Supervisors established by resolution that the County General Fund maintain an unassigned fund balance of 15% of the adopted General Fund expenditures to serve as a contingency and financial protection for unforeseeable future economic circumstances. Any changes to the reserve must be approved by the Board of Supervisors in a public meeting. For the year ended June 30, 2012, the balance was \$28,647.

Note 4 – Beginning Balances Restated

Net assets on the government-wide Statement of Activities and fund balances and net assets on the Statements of Revenues, Expenses, and Changes in Fund Balances/Net Assets for the Fairgrounds Construction Fund, that was reclassified as a non-major capital projects fund, as of July 1, 2011, have been restated. Adjustments for prior year errors have been made for the reclassification from machinery and equipment to intangible assets for Long Term Care for software. Other error adjustments have been made on the government-wide Statement of Activities and governmental funds for prior year errors in the Accommodation School, a non-major special revenue fund, and various adjustments in buildings and improvements and machinery and equipment for prior year errors. The reconciliation below summarizes the changes.

	Governmental Activities	Enterprise Funds/ Business-Type Activities	Governmental Funds
Net assets/fund balances as of June 30, 2011, as previously reported	\$ 458,533	\$ 12,118	\$ 155,570
Restatements for fund changes:			
Fairgrounds Construction Fund:			
Beginning balance	237	(237)	237
Restatement due to errors:			
Accommodation School	(2,337)		(2,337)
Capital assets, net of accumulated depreciation	(943)	(13)	
Net assets/fund balances as of July 1, 2011, as restated	<u>\$ 455,490</u>	<u>\$ 11,868</u>	<u>\$ 153,470</u>

Note 5 – Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds and notes; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States; 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.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Corporate bonds, debentures, and notes must be rated within the top three ratings by a nationally recognized rating agency.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

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

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.

Deposits—At June 30, 2012, the carrying amount of the County's deposits was \$68,710 and the bank balance was \$96,170. It is the County's investment policy to collateralize all deposits by at least 101 percent of the deposits not covered by depository insurance.

Investments—The County's investments at June 30, 2012, were as follows:

Investment Type	Amount
U.S. Treasury securities	\$ 15,042
U.S. agency securities	151,648
State Treasurer's Investment Pools	5,369
Repurchase agreements	86,500
School Bond Investment	803
CDs	1,993
	<hr/>
	\$ 261,355

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Credit Risk—The County credit risk policy states that the County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by limiting investments to those of the highest credit quality, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the County Treasurer will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized. At June 30, 2012, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating agency	Amount
U. S. Treasury securities	Aaa	Moody's	\$ 15,042
U.S. agency securities	Aaa	Moody's	151,648
State Treasurer's Investment Pool 7	Unrated	Not Applicable	5,369
Repurchase agreements (implicitly guaranteed)	Unrated	Not Applicable	86,500
School Bond Investment	Unrated	Not Applicable	803
CDs	Unrated	Not Applicable	1,993
			<u>\$ 261,355</u>

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The County policy states that the County Treasurer will conform with Arizona Revised Statutes, which currently does not address custodial credit risk for investments. At June 30, 2012, the County had \$86,500 of repurchase agreements (implicitly guaranteed), \$151,648 of U.S. agency securities, \$15,042 of U.S. Treasury securities, \$803 in a School Bond Investment, and \$1,993 Certificates of Deposits that were uninsured and held by the counterparty not in the County's name.

Concentration of credit risk—The County's investment policy states that the County Treasurer will diversify its investments by security type and institution when practical and feasible to do so. The County Treasurer will limit investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury Securities), and will invest in securities with varying maturities. The County had investments at June 30, 2012, of 5 percent or more in the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation. These investments were 26.8 percent, 23.5 percent, and 5.8 percent, respectively, of the County's total investments.

Interest rate risk—The County's investment policy states that the County Treasurer will minimize risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter term securities. At June 30, 2012, the County had the following investments in debt securities.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Investment Type	Investment Maturities		
	Amount	Less than	
	1 Year	1-5 Years	
U.S. Treasury securities	\$ 15,042	\$ 15,042	\$ -
U.S. agency securities	151,648	61,486	90,162
State Treasurer's Investment Pool 7	5,369	5,369	-
Repurchase agreements (implicitly guaranteed)	86,500	86,500	-
School Bond Investment	803	-	803
CDs	1,993	50	1,943
	<u>\$261,355</u>	<u>\$ 168,447</u>	<u>\$ 92,908</u>

At June 30, 2012, \$43,724 of the County's investments were invested in U.S. agency step-up securities which are considered to be highly sensitive to interest rate changes. These securities can be called by the issuer on certain specified dates. If the security is not called, the interest rate is increased by a specified amount. Prevailing interest rates may go up faster than the increase in the coupon interest rate.

Foreign currency risk—The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments.

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

Cash, deposits, and investments:	
Cash on hand	\$ 38
Amount of deposits	68,710
Amount of investments	<u>261,355</u>
Total	<u>\$330,103</u>

	Governmental Activities	Business-Type Activities	Investment Trust Funds	Agency Funds	Total
Statement of Net Assets:					
Cash, cash equivalents and investments	\$ 144,027	\$3,212	\$167,946	\$6,602	\$321,787
Cash and investments held by trustees	8,316	-	-	-	8,316
Total	<u>\$152,343</u>	<u>\$ 3,212</u>	<u>\$167,946</u>	<u>\$6,602</u>	<u>\$330,103</u>

Note 6 – Capital Assets

The July 1, 2011, balances for governmental and business-type activities capital assets were restated for transfers of assets and to correct prior period errors. Additional information on these restatements can be found in Note 4 on page 39 of this report. Capital asset activity for the year ended June 30, 2012 was as follows:

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

	Balance July, 1, 2011 (as restated)	Increases	Decreases	Balance June 30, 2012
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 180,859	\$ 1,544	\$ 21	\$ 182,382
Construction in progress	9,350	10,103	9,139	10,314
Total capital assets not being depreciated	<u>190,209</u>	<u>11,647</u>	<u>9,160</u>	<u>192,696</u>
Capital assets being depreciated:				
Buildings & improvements	151,204	13,107	86	164,225
Machinery & equipment	62,459	2,920	1,626	63,753
Intangible - software	258	516	-	774
Infrastructure	200,927	3,495	-	204,422
Total capital assets being depreciated	<u>414,848</u>	<u>20,038</u>	<u>1,712</u>	<u>433,174</u>
Less accumulated depreciation for:				
Buildings & improvements	45,492	5,972	43	51,421
Machinery & equipment	49,251	5,891	1,424	53,718
Intangible - software	49	26	-	75
Infrastructure	50,395	6,588	-	56,983
Total accumulated depreciation	<u>145,187</u>	<u>18,477</u>	<u>1,467</u>	<u>162,197</u>
Total capital assets being depreciated, net	<u>269,661</u>	<u>1,561</u>	<u>245</u>	<u>270,977</u>
Governmental activities capital assets, net	<u>\$ 459,870</u>	<u>\$ 13,208</u>	<u>\$ 9,405</u>	<u>\$ 463,673</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 650	\$ 85	\$ 656	\$ 79
Total capital assets not being depreciated	<u>650</u>	<u>85</u>	<u>656</u>	<u>79</u>
Capital assets being depreciated:				
Buildings & improvements	5,143	-	4,980	163
Machinery & equipment	1,676	195	777	1,094
Intangible - software	1,068	-	126	942
Infrastructure	-	656	-	656
Total capital assets being depreciated	<u>7,887</u>	<u>851</u>	<u>5,883</u>	<u>2,855</u>
Less accumulated depreciation for:				
Buildings & improvements	1,188	5	1,151	42
Machinery & equipment	851	123	594	380
Intangible - software	783	137	34	886
Infrastructure	-	18	-	18
Total accumulated depreciation	<u>2,822</u>	<u>283</u>	<u>1,779</u>	<u>1,326</u>
Total capital assets being depreciated, net	<u>5,065</u>	<u>568</u>	<u>4,104</u>	<u>1,529</u>
Business-type activities capital assets, net	<u>\$ 5,715</u>	<u>\$ 653</u>	<u>\$ 4,760</u>	<u>\$ 1,608</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 6,632
Public safety	2,924
Highways and streets	8,240
Health	264
Welfare	312
Culture and recreation	105
	18,477
Total governmental activities depreciation expense	\$ 18,477
Business-type activities:	
Long Term Care	\$ 137
Sheriff Inmate Services	97
Home Health	-
Fairgrounds	-
Airport Economic Development	49
	49
Total business-type activities depreciation expense	\$ 283

Pinal County was engaged in multiple construction projects as of June 30, 2012. The projects included street construction, the rehabilitation and renovation of the 1891 courthouse, the construction of the Kelvin Road Bridge, the Pinal County East-West Corridor project, and the maintenance of existing streets. At June 30, 2012, the County had remaining contractual commitments of \$2,758, of which, \$1,268 was for the 1891 courthouse rehabilitation and renovation, \$103 for the construction of Kelvin Bridge, and \$795 was for the Pinal County East-West Corridor project. Amounts spent-to-date were \$4,717, \$78, and \$247, respectively.

Note 7 – Due from Other Governments

Amounts due from other governments at June 30, 2012, of \$18,897 reported in the governmental funds General Fund balance sheet included \$8,686 for an Intergovernmental Agreement with the City of Apache Junction. The Intergovernmental Agreement was entered into by the County to share costs with the City of Apache Junction in the re-construction, re-design and improvement of Ironwood Drive within the corporate limits of the City of Apache Junction. During the year, a payment was received on this receivable of \$2,000 in accordance with an amendment to the original Intergovernmental Agreement. The amendment specified an extension of the date of the first scheduled payment and the amount of future payments. This receivable is not expected to be collected within one year since under the terms of the amended Intergovernmental Agreement, payments are scheduled to commence in 2023. Accordingly, the amount has been deferred in the General Fund balance sheet. The remaining outstanding amounts are primarily due from other state and federal agencies for taxes and other outstanding contractual obligations.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Note 8 – Short-term Debt

The County maintains a revolving line of credit with Wells Fargo to meet its short-term cash needs. At June 30, 2012, the County had an outstanding balance of \$0. Advances on the line of credit are payable on demand. The credit line is secured by the County's general taxing authority and other non-restricted revenues.

	<u>July 1, 2011</u> <u>Balance</u>	<u>Draws</u>	<u>Repayments</u>	<u>June 30, 2012</u> <u>Balance</u>
Line of credit	\$0	\$3,043	\$3,043	\$0

Note 9 – Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2012:

	<u>Balance</u> <u>July 1,</u> <u>2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2012</u>	<u>Due</u> <u>within</u> <u>one</u> <u>year</u>
Governmental activities:					
Loans payable	\$ 64,458	\$ 2,096	\$ 4,544	\$ 62,010	\$ 4,455
Premium on loans	1,080	-	141	939	-
Certificates of participation	61,685	-	2,785	58,900	2,095
Premium on COPS	985	-	87	898	-
Bonds payable	30,380	-	305	30,075	1,855
Premium/(original issue discount) on bonds	1,385	-	223	1,162	-
Less: deferred amount on refunding	(1,050)	-	(162)	(888)	-
Obligations under capital leases	6,985	35	2,606	4,414	2,340
Compensated absences	14,693	7,814	7,524	14,983	7,628
Estimated liabilities for claims and judgments	403	779	658	524	262
Total governmental activities long-term liabilities	<u>\$ 181,004</u>	<u>\$ 10,724</u>	<u>\$ 18,711</u>	<u>\$ 173,017</u>	<u>\$18,635</u>
Business-type activities:					
Loans payable	\$ 2,347	\$ -	\$ 2,347	\$ -	\$ -
Obligations under capital leases	69	-	69	-	-
Compensated absences	109	17	97	29	14
Total business-type activities long-term liabilities	<u>\$ 2,525</u>	<u>\$ 17</u>	<u>\$ 2,513</u>	<u>\$ 29</u>	<u>\$ 14</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

The Greater Arizona Development Authority Loans

On April 1, 2006, Pinal County entered into a loan agreement for \$63,220 with the Greater Arizona Development Authority (GADA) to provide funds for the construction and improvement of certain highways and streets. Interest is payable on November 15 and May 15 of each year and commenced on November 15, 2006, and is calculated based on the principal amount of the loan outstanding during such period.

On April 1, 2008, Pinal County entered into a loan agreement for \$4,495 with the GADA to provide funds to construct an animal shelter facility expansion and a long term care facility expansion. This loan was originally issued for both governmental and business-type activities. However, with the closure of Long Term Care during the year ended June 30, 2012, the remaining principal of \$2,096 has been reassigned as an addition to governmental activities and a reduction from business-type activities. The total reduction of \$2,347 for loans payable under Business-Type activities also includes payments of \$251 paid during the year ended June 30, 2012. Interest will be payable on January 1 and July 1 of each year commencing January 1, 2009, and is calculated based on the principal amount of the loan outstanding during such period.

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

The County has pledged a portion of future State Shared Revenues to repay the loans obtained from GADA, issued in fiscal year 2006 and 2008, and a portion of State Shared Revenues and Excise Taxes Revenues to repay the GADA loan issued in fiscal year 2009. Total principal and interest payments remaining on the loans is \$81,744 payable through May 2025. State shared revenues have averaged \$22.2 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$26,700 and \$12,460, respectively. In the current year, principal and interest payments were \$4,295 and \$2,959, respectively.

The Greater Arizona Development Authority loans outstanding at June 30, 2012 were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Governmental activity - The Greater Arizona Development Authority Loan 2006-1	\$ 63,220	2013 - 2025	4.25%- 5.0%	\$ 48,880
Governmental activity - The Greater Arizona Development Authority Loan 2008 A, as restated	\$ 4,495	2013- 2019	4.0%- 5.0%	3,360
Governmental activity - The Greater Arizona Development Authority Loan 2009 A	\$ 12,795	2013- 2019	2.5%- 4.0%	9,770
				<u>\$ 62,010</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

The following schedule details debt service requirements to maturity for the County's loans payable at June 30, 2012:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 4,455	\$ 2,800
2014	4,635	2,630
2015	4,835	2,428
2016	5,045	2,213
2017	5,280	1,984
2018-2022	23,595	6,385
2023-2025	14,165	1,294
Total	<u>\$ 62,010</u>	<u>\$ 19,734</u>

Certificates of Participation

On December 1, 2004, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$71,615. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates were used by the County as the primary source of funding for constructing and equipping an adult detention facility expansion including improvement to an existing adult detention facility, a sheriff's training facility and firing range, and a new juvenile detention facility. The certificates, which are callable after December 1, 2014, have interest rates ranging from 3.625 to 5.25 percent, payable semiannually on June 1 and December 1 of each year through 2030.

Certificates outstanding at June 30, 2012 were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Pinal County Municipal Property Corporation 2004	\$ 71,615	2013-2030	3.625% to 5.25%	<u>\$ 58,900</u>

The following schedule details debt service requirements to maturity for the County's certificates of participation payable at June 30, 2012:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,095	\$ 2,880
2014	2,185	2,787
2015	2,295	2,675
2016	2,420	2,555
2017	2,530	2,440
2018-2022	14,600	10,260
2023-2027	18,920	5,943
2028-2030	13,855	1,062
Total	<u>\$ 58,900</u>	<u>\$ 30,602</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Pledged Revenue Bonds Payable, Series 2010

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

Pledged Revenue Refunding Bonds Payable, Series 2010

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

The County has pledged a portion of the Pinal County General Excise Tax Revenues and a portion of the State Shared Revenues to repay both of the Series 2010 bond issuances. Total principal and interest payments remaining on the bonds are \$40,673 payable through August 2035. State shared revenues have averaged \$22.2 million per year over the last 5 years, whereas, Excise Taxes Revenues have averaged \$13.6 million per year over the last 5 years. For the current year, state shared sales and excise revenues recognized by the County were \$26,700 and \$12,460, respectively. In the current year, the principal and interest payments were \$305 and \$1,158 respectively.

Bonds outstanding at June 30, 2012, were as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Pledged Revenue Obligations, Series 2010	\$ 12,000	2013-2036	3.0% to 4.5%	\$ 11,695
Pledged Revenue Refunding Obligations, Series 2010	\$ 18,380	2013-2021	2.5% to 5.0%	18,380
				<u>\$ 30,075</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2012:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,855	\$ 1,130
2014	2,180	1,078
2015	2,255	1,016
2016	2,315	947
2017	2,390	877
2018-2022	11,015	2,822
2023-2027	2,355	1,501
2028-2032	2,885	966
2033-2036	2,825	261
Total	<u>\$ 30,075</u>	<u>\$ 10,598</u>

Capital leases

The County has acquired buildings, heavy machinery, and other machinery and equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

One of the capital leases was originally issued for both governmental and business-type activities. However, since County operations for the Home Health Fund ceased during the year ended June 30, 2012, the remaining business-type lease payment of \$35 was reassigned to governmental activities and is included as an addition to governmental activities and a reduction from business-type activities for the obligations under capital leases. The total \$69 reduction for obligations under capital leases for business-type activities also includes \$34 for capital lease payments paid during the year ended June 30, 2012.

At June 30, 2012, the assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Buildings and improvements	\$ 195
Machinery and equipment	11,701
Subtotal	11,896
Less: accumulated depreciation	7,808
Carrying value	<u>\$ 4,088</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2012:

Year Ending June 30	Governmental Activities
2013	\$ 2,511
2014	1,594
2015	179
2016	439
Total minimum lease payments	4,723
Less amount representing interest	309
Present value of net minimum lease payments	\$ 4,414

Landfill closure and postclosure care costs

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

Compensated absences and claims and judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2012, the County paid for governmental-type activity compensated absences as follows: 76 percent from the General Fund, 10 percent from the Public Works Highway Fund, and 14 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

Note 10 – Risk Management

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$10 per occurrence for property claims and \$50 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

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

Pursuant to A.R.S. §11-981, the County has established the Pinal County Employee Benefit Trust, which covers medical, dental, vision, short-term disability, employee life and accidental disability, and dependent life claims. The County is responsible for paying a premium to the Trust for the costs incurred by the Trust for insurance premiums and an estimate of risk that are retained. The premiums are periodically adjusted for the difference between actual costs incurred by the Trust and the premiums paid by the County.

The liability for medical, dental, vision, and short-term disability claims of the Trust totaling \$2,353 at June 30, 2012 is the estimated ultimate cost of settling claims that have been reported but unpaid and incurred but not reported. This estimate is based on an actuarial estimate. Changes in the Trust's claims payable for the year ended June 30, 2011 and 2012 were as follows:

	2011	2012
Claims payable, beginning of year	\$ 1,877	\$ 2,437
Current-year claims and changes in estimate	17,374	16,067
Claim payments	(16,814)	(16,151)
Claims payable, end of year	\$ 2,437	\$ 2,353

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

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Note 11 – Pensions and Other Post-Employment Benefits (OPEB)

Plan Descriptions—The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan (EORP) is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute, and the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

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

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

The *Corrections Officer Retirement Plan (CORP)* administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers certain state, county, and local correction officers; dispatchers; and probation, surveillance, and juvenile detention officers as well as the *Administrative Office of the Courts (CORP-AOC)*. The CORP is governed by The Board of Trustees of PSPRS and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

ASRS

3300 N. Central Ave.
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or (800) 621-3778

PSPRS and CORP

3010 E. Camelback Rd., Suite 200
Phoenix, AZ 85016-4416
(602) 255-5575

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

Cost-sharing plans—For the year ended June 30, 2012 active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 percent long-term disability) of the members' annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

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

Year ended June 30,	<u>ASRS</u> <u>Retirement Fund</u>	<u>Health Benefit</u> <u>Supplement Fund</u>	<u>Long-Term</u> <u>Disability Fund</u>
2012	\$ 6,208	\$ 396	\$ 151
2011	6,832	447	190
2010	6,366	504	305

Agent plans—For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 8.65 percent of the members' annual covered payroll and the County was required to contribute 18.70 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 1.21 percent of covered payroll. Active CORP members (adult detention officers) were required by statute to contribute 8.41 percent of the members' annual covered payroll and the County was required to contribute 5.84 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.70 percent of covered payroll. Active CORP-AOC members were required by statute to contribute 8.41 percent of the members' annual covered payroll and the County was required to contribute 13.13 percent. The aggregate of the members' and the County's contribution is greater by an immaterial amount than the actuarially required contributions due to the County's minimum contribution rate set by statute. The health insurance premium portion of the contribution rate was actuarially set at 1.43 percent of covered payroll. Active CORP members (dispatchers) were required by statute to contribute 7.96 percent of the members' annual covered payroll and the County was required to contribute 5.00 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at .45 percent of covered payroll.

Actuarial methods and assumptions – Except for the contribution requirements which were established by state statute, the contribution requirements for the year ended June 30, 2012, were established by the June 30, 2010 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

Projections of benefits are based on 1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for PSPRS, CORP and CORP-AOC (Adult Detention Officers, Dispatchers and Administrative Office of the Courts) and the actuarial methods and assumptions used to establish the fiscal year 2012 contribution requirements for these, are as follows:

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Actuarial valuation date	June 30, 2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent-of-pay closed
Remaining amortization period	26 years for underfunded actuarial accrued liability, 20 years for overfunded
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50% - 8.50%
Payroll growth	5.50%
Cost-of-living adjustments	None

Annual Pension/OPEB Cost—The County's pension/OPEB cost for the agent plans for the year ended June 30, 2012, and related information follows:

<u>Plan</u>	<u>Annual pension/OPEB cost</u>	<u>Contributions made</u>
PSPRS		
Pension	\$ 2,261	\$ 2,261
Health Insurance	156	156
CORP		
Adult Detention Officers		
Pension	677	677
Health Insurance	92	92
AOC		
Pension	644	644
Health Insurance	79	79
Dispatchers		
Pension	38	38
Health Insurance	4	4

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

Trend Information—Annual pension cost information for the current and two preceding years follows for each of the agent plans.

<u>Plan</u>	<u>Year Ended June 30</u>	<u>Annual Pension/OPEB Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension/OPEB Obligation</u>
PSPRS				
Pension	2012	\$ 2,261	100%	-
Health insurance	2012	156	100%	-
Pension	2011	2,154	100%	-
Health insurance	2011	154	100%	-
Pension	2010	2,202	100%	-
Health insurance	2010	70	100%	-
CORP				
Adult Detention Officers				
Pension	2012	677	100%	-
Health insurance	2012	92	100%	-
Pension	2011	640	100%	-
Health insurance	2011	82	100%	-
Pension	2010	866	100%	-
Health insurance	2010	48	100%	-
AOC*				
Pension	2012	644	100%	-
Health Insurance	2012	79	100%	-
Pension	2011	597	100%	-
Health Insurance	2011	77	100%	-
Pension	2010	350	100%	-
Health Insurance	2010	7	100%	-
Dispatchers				
Pension	2012	38	100%	-
Health insurance	2012	4	100%	-
Pension	2011	44	100%	-
Health insurance	2011	4	100%	-
Pension	2010	71	100%	-
Health insurance	2010	3	100%	-

Funded Status—The funded status of the plans as of June 30, 2012 along with the actuarial assumptions and methods used in those valuations follow. Additionally, the required schedule of funding progress, presented in the required supplementary information section following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

	Actuarial value of plan assets	Actuarial accrued liability	Unfunded actuarial accrued liability (funding excess)	Funded ratio	Annual covered payroll	Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll
	(a)	(b)	(b) - (a)	(a) / (b)	(c)	(b) - (a) / (c)
PSPRS						
Pension	\$42,235	\$62,898	\$20,663	67.15%	\$12,760	161.94%
Health						
Insurance	-	1,755	1,755	0.00%	12,760	13.75%
CORP						
<u>Adult Detention Officers</u>						
Pension	21,767	26,786	5,019	81.26%	13,102	38.31%
Health						
Insurance	-	1,027	1,027	0.00%	13,102	7.84%
<u>AOC*</u>						
Pension	N/A	N/A	N/A	N/A	N/A	N/A
Health						
Insurance	N/A	N/A	N/A	N/A	N/A	N/A
<u>Dispatchers</u>						
Pension	1,418	2,023	605	70.09%	862	70.19%
Health						
Insurance	-	61	61	0.00%	862	7.08%

*The funded status information for CORP-AOC is only reported for the plan as a whole and, therefore, actuarial information for the County, as a participating government, is not available.

The actuarial methods and assumptions used are the same for all plans and related benefits, and for the most recent valuation date, are as follows:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.00% - 9.00%
Includes inflation at	5.00%
Cost-of-living adjustments	None

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Note 12 – Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2012 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Public Works Highways	\$ 29
	Other Governmental Funds	388
		417
Public Works Highway Fund	General Fund	10
	Road Tax District Fund	30
	Other Governmental Funds	28
	Other Enterprise Funds	1
		69
Other Governmental Funds	General Fund	695
	Public Works Highway Fund	13
	Road Tax District	2
	Other Governmental Funds	209
		919
Total		\$ 1,405

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2012, and are expected to be repaid within one year from the date of the financial statements.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012
(Amounts expressed in thousands)

Interfund transfers—Interfund transfers for the year ended June 30, 2012, were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$13,858
	Other Enterprise Funds	22
		<u>13,880</u>
Road Tax Districts Fund	Public Works Highway Fund	100
	Other Governmental Funds	905
		<u>1,005</u>
Public Works Highway Fund	General Fund	1,990
	Other Governmental Funds	596
		<u>2,586</u>
Development Impact Fee Fund	Other Governmental Funds	1,000
		<u>1,000</u>
Other Governmental Funds	General Fund	1,420
	Other Governmental Funds	5,593
		<u>7,013</u>
Long Term Care Fund	General Fund	954
	Other Governmental Funds	2,456
		<u>3,410</u>
Other Enterprise Funds	General Fund	537
	Other Governmental Funds	1,044
		<u>1,581</u>
Total transfers in		<u>30,475</u>
Transfers of capital assets:		
Long Term Care Fund	Governmental Activities	3,988
Other Enterprise Funds	Governmental Activities	<u>23</u>
Total Transfers out		<u>\$34,486</u>

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds to pay for capital outlay. There were interfund transfers from the Long Term Care Fund and Home Health Care Fund, an Other Enterprise Fund, to a governmental fund, for the transfer of future principal and interest debt payments totaling \$2,456 and \$36, respectively. In addition, there were interfund transfers from the Long Term Care Fund to the General Fund totaling \$954 to cover overhead costs and support general fund operations. All other significant interfund transfers were routine and consistent with the activities of the fund making the transfer.

Note 13 – County Treasurer’s Investment Pool

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

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

The Treasurer allocates interest earnings to each of the pool’s participants. However, for the County’s monies in the pool the Board of Supervisors authorized \$215 of interest earned in certain other funds to be transferred to the General Fund.

Substantially, all deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$38 in cash on hand, \$4,557 in deposits, \$5,369 of investments in the State Treasurer’s Investment Pool, and \$50 in Certificates of Deposit. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks exclusive of the investments just described above. See Note 5 for disclosure of the County’s deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Amount
Repurchase Agreements (implicitly guaranteed)	\$ 86,500	0.016%	Daily	\$ 86,500
U.S. agency securities	151,605	0.2% -5.270%	8/12 - 6/17	151,648
U.S. Treasury securities	15,030	0.625%-0.75%	12/12-3/13	15,042
School Bond Investment	803	1.51%	5/17	803
CDs	1,992	.6%-1.85%	5/14-5/17	1,943

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

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

Statement of Net Assets

Assets	\$ 320,460
Liabilities	-
Net Assets	<u>\$ 320,460</u>

Net assets held in trust for:

Internal participants	\$ 152,818
External participants	<u>167,642</u>
Total net assets held in trust	<u>\$ 320,460</u>

Statement of Changes in Net Assets

Total additions	\$ 973,057
Total deductions	<u>(985,057)</u>
Net decrease	<u>(12,000)</u>
Net assets held in trust:	
July 1, 2011	<u>332,460</u>
June 30, 2012	<u>\$ 320,460</u>

Note 14 – Related Party Transactions

During the year ended June 30, 2012, the Pinal County Long Term Care Plan (Plan), a major proprietary fund, transferred money for future debt payments totaling \$2,456 to a governmental fund for a loan for a building that formerly housed the Plan.

During the year ended June 30, 2012, Home Health, a non-major proprietary fund, transferred money for future debt payments totaling \$36 to a governmental fund for a capital lease for software.

Remaining principal payments for the Plan and Home Health of \$2,096 and \$35, respectively, are recorded as reassignment of debt on the Statement of Revenues, Expenses, and Changes in Fund Net Assets.

The Plan contracted with Pinal County for certain other services. During the year, the Plan paid the County \$954 for legal, finance, and other administrative services.

Note 15 – Contingent Liabilities

Developer Claims

In previous years, the County entered into agreements with developers for projects located within County boundaries which contained provisions to extend the agreements. The County did not extend the agreements.

PINAL COUNTY
Notes to the Financial Statements
June 30, 2012

(Amounts expressed in thousands)

As a result, certain developers filed suit claiming breach of contract and other related claims against the County. Subsequent to year-end, a summary judgment was granted to six developers whose claims for damages could total between \$150 and \$24,700, of which \$7,000 relates to future fee payments. The County is currently appealing the judgment, and has complied with court orders to separate all money paid by any of these developers. In addition, several developers have filed claims and/or suits claiming damages that could total approximately \$17,750.

The County's legal counsel is unable to assess the likelihood of an unfavorable outcome or the amount of potential loss that will be incurred as a result of this litigation. As a result, no provision for losses related to this matter has been reported in the County's financial statements.

Note 16 – Subsequent Events

During the year ended June 30, 2012, most operations ceased for Pinal County Long Term Care Health Plan (Plan). The Plan's main revenue stemmed from an AHCCCS contract that expired and was not renewed. Remaining activities are limited to processing outstanding claims. It is anticipated that all activities will cease by September 30 of 2012. The Plan did not incur significant expenses subsequent to year-end.

Also, operations ceased for the Horizon Home Health Care department during the same year, as its primary client and main funding source was the Plan.

The County expects all remaining funds from both of these activities to be transferred and assigned for use on future capital projects.

Page left blank intentionally

Required Supplementary Information



PINAL • COUNTY
wide open opportunity

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 94,829	\$ 94,829	\$ 96,392	\$ 1,563
Licenses and permits	1,413	1,413	1,527	114
Intergovernmental	37,695	40,071	41,122	1,051
Charges for services	21,624	21,699	21,028	(671)
Fines and forfeits	1,768	1,768	1,894	126
Investment earnings	1,000	1,000	240	(760)
Contributions	-	-	7	7
Rentals	146	146	64	(82)
Miscellaneous	240	240	708	468
Total revenues	158,715	161,166	162,982	1,816
Expenditures				
General Government				
Assessor	3,368	3,403	3,243	160
Assistant County Manager-Admin	53,626	51,973	19,516	32,457
Assistant County Manager-Development	12,348	12,440	11,337	1,103
Assistant County Manager-Health	371	373	211	162
Board of Supervisors	1,106	1,130	1,055	75
County Manager	1,252	1,261	1,134	127
Recorder	1,516	1,525	1,380	145
Treasurer	1,481	1,458	1,270	188
Total General Government	75,068	73,563	39,146	34,417
Public Safety				
Assistant County Manager-Admin	6,357	6,433	5,626	807
Assistant County Manager-Development	10	112	104	8
Attorney	8,682	9,012	8,835	177
Clerk of Superior Court	4,660	4,710	4,453	257
Courts	22,341	21,943	21,537	406
Sheriff	46,890	48,768	48,768	0
Total Public Safety	88,940	90,978	89,323	1,655
Highways and streets				
Assistant County Manager-Development	-	12	12	-
Total Highways and streets	-	12	12	-
Sanitation				
Assistant County Manager-Development	212	216	102	114
Total Sanitation	212	216	102	114

(Continued)

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2012
(Concluded)
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Health				
Assistant County Manager-Admin	\$ 23,958	\$ 24,239	\$ 22,990	\$ 1,249
Total Health	<u>23,958</u>	<u>24,239</u>	<u>22,990</u>	<u>1,249</u>
Welfare				
Assistant County Manager-Admin	979	989	944	45
Total Welfare	<u>979</u>	<u>989</u>	<u>944</u>	<u>45</u>
Culture and Recreation				
Assistant County Manager-Development	67	86	48	38
Total Culture and Recreation	<u>67</u>	<u>86</u>	<u>48</u>	<u>38</u>
Education				
School Superintendent	895	900	896	4
Total Education	<u>895</u>	<u>900</u>	<u>896</u>	<u>4</u>
Total general fund expenditures	<u>190,119</u>	<u>190,983</u>	<u>153,461</u>	<u>37,522</u>
Excess (deficiency) of revenues over expenditures	<u>(31,404)</u>	<u>(29,817)</u>	<u>9,521</u>	<u>39,338</u>
Other financing sources (uses):				
Transfers in	4,571	4,952	4,901	(51)
Transfers out	(12,832)	(14,800)	(13,880)	920
Proceeds from sale of capital assets	65	65	93	28
Insurance reimbursement	-	-	70	70
Total other financing sources (uses)	<u>(8,196)</u>	<u>(9,783)</u>	<u>(8,816)</u>	<u>967</u>
Net change in fund balances	<u>(39,600)</u>	<u>(39,600)</u>	<u>705</u>	<u>40,305</u>
Fund balances - beginning	39,600	39,600	44,368	4,768
Changes in nonspendable resources:				
Decrease in prepaid items	-	-	(1,344)	(1,344)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,729</u>	<u>\$ 43,729</u>

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Road Tax Districts Fund
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 4,254	\$ 6,342	\$ 2,088
Intergovernmental	487	141	(346)
Investment earnings	125	68	(57)
Contributions	-	13	13
Total revenues	<u>4,866</u>	<u>6,564</u>	<u>1,698</u>
Expenditures:			
Current:			
Highways and streets	9,455	4,131	5,324
Debt service:			
Principal retirement	500	500	-
Interest	12	12	-
Total expenditures	<u>9,967</u>	<u>4,643</u>	<u>5,324</u>
Excess (deficiency) of revenues over expenditures	<u>(5,101)</u>	<u>1,921</u>	<u>7,022</u>
Other financing uses:			
Transfers out	<u>(1,175)</u>	<u>(1,005)</u>	<u>170</u>
Total other financing uses	<u>(1,175)</u>	<u>(1,005)</u>	<u>170</u>
Net change in fund balances	(6,276)	916	7,192
Fund balances - beginning	<u>6,276</u>	<u>13,479</u>	<u>7,203</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 14,395</u>	<u>\$ 14,395</u>

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Highway Fund
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 17,280	\$ 17,280	\$ 20,750	\$ 3,470
Investment earnings	70	70	42	(28)
Miscellaneous	2,800	2,800	19	(2,781)
Total revenues	<u>20,150</u>	<u>20,150</u>	<u>20,811</u>	<u>661</u>
Expenditures:				
Current:				
Highways and streets	19,048	18,998	15,678	3,320
Principal retirement	856	856	856	-
Interest	104	104	104	-
Total expenditures	<u>20,008</u>	<u>19,958</u>	<u>16,638</u>	<u>3,320</u>
Excess of revenues over expenditures	<u>142</u>	<u>192</u>	<u>4,173</u>	<u>3,981</u>
Other financing sources (uses):				
Transfers in	225	225	100	(125)
Transfers out	(2,536)	(2,586)	(2,586)	-
Proceeds from sale of capital assets	-	-	6	6
Insurance reimbursement	-	-	4	4
Total other financing sources (uses)	<u>(2,311)</u>	<u>(2,361)</u>	<u>(2,476)</u>	<u>(115)</u>
Net change in fund balances	<u>(2,169)</u>	<u>(2,169)</u>	<u>1,697</u>	<u>3,866</u>
Fund balances - beginning	<u>2,169</u>	<u>2,169</u>	<u>9,799</u>	<u>7,630</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,496</u>	<u>\$ 11,496</u>

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Development Impact Fee Fund
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,406	\$ 2,189	\$ 783
Investment earnings	-	46	46
Total revenues	<u>1,406</u>	<u>2,235</u>	<u>829</u>
Expenditures:			
Current:			
Public safety	322	-	322
Highways and streets	1,462	1	1,461
Culture and recreation	73	-	73
Total expenditures	<u>1,857</u>	<u>1</u>	<u>1,856</u>
Excess (deficiency) of revenues over expenditures	<u>(451)</u>	<u>2,234</u>	<u>2,685</u>
Other financing uses:			
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Total other financing uses	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balances	(1,451)	1,234	2,685
Fund balances - beginning	1,451	7,963	6,512
Fund balances - ending	<u>\$ -</u>	<u>\$ 9,197</u>	<u>\$ 9,197</u>

Pinal County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2012
(Amounts expressed in thousands)

Note 1 – Budgetary Basis of Accounting

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.

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

PINAL COUNTY
Required Supplementary Information
Schedule of Agent Retirement Plans' Funding Progress
June 30, 2012
(Amounts expressed in thousands)

Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
Pension						
6/30/2012	\$42,235	\$62,898	(\$20,663)	67.15%	\$12,760	161.94%
6/30/2011	\$39,417	\$57,339	(\$17,922)	68.74%	\$13,463	133.12%
6/30/2010	\$35,678	\$50,444	(\$14,766)	70.73%	\$13,289	111.11%
Health Insurance						
6/30/2012	\$0	\$1,755	(\$1,755)	0.00%	\$12,760	13.75%
6/30/2011	\$0	\$1,903	(\$1,903)	0.00%	\$13,463	14.14%
6/30/2010	\$0	\$1,472	(\$1,472)	0.00%	\$13,289	11.08%

PINAL COUNTY
Required Supplementary Information
Schedule of Agent Retirement Plans' Funding Progress
June 30, 2012

(Amounts expressed in thousands)

Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
<u>Adult Detention Officers</u>						
Pension						
6/30/2012	\$21,767	\$26,786	(\$5,019)	81.26%	\$13,102	38.31%
6/30/2011	\$19,479	\$22,041	(\$2,562)	88.38%	\$13,021	19.68%
6/30/2010	\$16,456	\$16,452	\$4	100.02%	\$13,374	0.00%
Health						
Insurance						
6/30/2012	\$0	\$1,027	(\$1,027)	0.00%	\$13,102	7.84%
6/30/2011	\$0	\$1,019	(\$1,019)	0.00%	\$13,021	7.83%
6/30/2010	\$0	\$648	(\$648)	0.00%	\$13,374	4.85%
<u>AOC*</u>						
Pension						
6/30/2012	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
Health						
Insurance						
6/30/2012	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2011	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2010	N/A	N/A	N/A	N/A	N/A	N/A
<u>Dispatchers</u>						
Pension						
6/30/2012	\$1,418	\$2,023	(\$605)	70.09%	\$862	70.19%
6/30/2011	\$1,360	\$1,703	(\$343)	79.86%	\$968	35.43%
6/30/2010	\$1,182	\$1,333	(\$151)	88.67%	\$1,056	14.30%
Health						
Insurance						
6/30/2012	\$0	\$61	(\$61)	0.00%	\$862	7.08%
6/30/2011	\$0	\$56	(\$56)	0.00%	\$968	5.79%
6/30/2010	\$0	\$31	(\$31)	0.00%	\$1,056	2.94%

*The funding progress information for CORP-AOC is only reported for the plan as a whole and, therefore, actuarial information for the County as a participating government is not available.

Combining Statements and Individual Schedules



PINAL • COUNTY
wide open opportunity

PINAL COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets				
Cash, cash equivalents and investments	\$ 48,167	\$ 13,667	\$ 4,488	\$ 66,322
Cash and investments held by trustees	-	3,339	4,977	8,316
Receivables (net):				
Property taxes	604	-	-	604
Accounts	468	6	-	474
Due from other funds	495	424	-	919
Due from other governments	3,438	-	-	3,438
Inventories	28	-	-	28
Prepaid items	30	-	-	30
Restricted assets:				
Cash and cash equivalents	415	-	-	415
Total assets	\$ 53,645	\$ 17,436	\$ 9,465	\$ 80,546
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,092	\$ 953	\$ -	\$ 3,045
Accrued payroll and employee benefits	392	-	-	392
Due to other funds	595	30	-	625
Due to other governments	17	-	-	17
Deposits held for others	177	3	-	180
Deferred revenue	1,659	-	-	1,659
Total liabilities	4,932	986	-	5,918
Fund Balances:				
Nonspendable:				
Inventories	28	-	-	28
Prepaid items	30	-	-	30
Total nonspendable	58	-	-	58
Restricted	43,639	12,625	5,286	61,550
Committed	4,915	-	-	4,915
Assigned	101	3,825	4,179	8,105
Total fund balances	48,713	16,450	9,465	74,628
Total liabilities and fund balances	\$ 53,645	\$ 17,436	\$ 9,465	\$ 80,546

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues				
Taxes	\$ 12,334	\$ -	\$ -	\$ 12,334
Licenses and permits	1,478	-	-	1,478
Intergovernmental	29,860	55	-	29,915
Charges for services	5,708	-	-	5,708
Fines and forfeits	1,588	-	-	1,588
Investment earnings	233	57	4	294
Contributions	371	2	-	373
Rentals	366	-	-	366
Miscellaneous	400	11	-	411
Total revenues	<u>52,338</u>	<u>125</u>	<u>4</u>	<u>52,467</u>
Expenditures				
Current:				
General government	1,010	-	-	1,010
Public safety	23,125	-	-	23,125
Highways and streets	3,318	-	-	3,318
Sanitation	320	-	-	320
Health	9,955	-	-	9,955
Welfare	4,958	-	-	4,958
Culture and recreation	1,858	-	-	1,858
Education	5,837	-	-	5,837
Debt Service:				
Principal retirement	-	-	8,884	8,884
Interest	-	-	7,176	7,176
Other	-	-	3	3
Capital outlay	-	7,952	-	7,952
Total expenditures	<u>50,381</u>	<u>7,952</u>	<u>16,063</u>	<u>74,396</u>
Excess (deficiency) of revenues over expenditures	<u>1,957</u>	<u>(7,827)</u>	<u>(16,059)</u>	<u>(21,929)</u>
Other financing sources (uses):				
Insurance reimbursements	13	-	-	13
Transfers in	2,624	2,301	20,527	25,452
Transfers out	(3,813)	(3,200)	-	(7,013)
Proceeds from the sale of capital assets	242	-	-	242
Total other financing sources (uses)	<u>(934)</u>	<u>(899)</u>	<u>20,527</u>	<u>18,694</u>
Net change in fund balances	1,023	(8,726)	4,468	(3,235)
Fund balances - beginning, as restated	47,688	25,176	4,997	77,861
Changes in nonspendable resources:				
Increase in prepaid items	2	-	-	2
Fund balances - ending	<u>\$ 48,713</u>	<u>\$ 16,450</u>	<u>\$ 9,465</u>	<u>\$ 74,628</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Adult Probation	Air Quality
Assets		
Cash, cash equivalents and investments	\$ 584	\$ 907
Receivables (net):		
Property taxes	-	-
Accounts	62	1
Due from other funds	50	-
Due from other governments	16	-
Inventories	-	-
Prepaid items	-	-
Restricted assets:		
Cash and cash equivalents - restricted	-	-
Total assets	\$ 712	\$ 908
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 53	\$ 5
Accrued payroll and employee benefits	50	19
Due to other funds	50	-
Due to other governments	-	-
Deposits held for others	-	-
Deferred revenue	10	-
Total liabilities	163	24
Fund Balances:		
Nonspendable:		
Inventories	-	-
Prepaid items	-	-
Total nonspendable	-	-
Restricted	549	884
Committed	-	-
Assigned	-	-
Total fund balances	549	884
Total liabilities and fund balances	\$ 712	\$ 908

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
Assets			
Cash, cash equivalents and investments	\$ 2,259	\$ 4,660	\$ 2,652
Receivables (net):			
Property taxes	80	-	-
Accounts	2	4	45
Due from other funds	1	111	-
Due from other governments	-	548	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 2,342	\$ 5,323	\$ 2,697
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 170	\$ 47	\$ -
Accrued payroll and employee benefits	19	54	1
Due to other funds	-	60	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	66	177	-
Total liabilities	255	338	1
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	2,009	4,377	954
Committed	78	608	1,742
Assigned	-	-	-
Total fund balances	2,087	4,985	2,696
Total liabilities and fund balances	\$ 2,342	\$ 5,323	\$ 2,697

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Old Courthouse Preservation	Courts	Employee Wellness
Assets			
Cash, cash equivalents and investments	\$ -	\$ 3,105	\$ 50
Receivables (net):			
Property taxes	-	-	-
Accounts	-	60	-
Due from other funds	-	201	-
Due from other governments	-	71	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 3,437</u>	<u>\$ 50</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 15	\$ -
Accrued payroll and employee benefits	-	24	-
Due to other funds	-	279	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	25	-
Total liabilities	<u>-</u>	<u>343</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	-	2,479	50
Committed	-	615	-
Assigned	-	-	-
Total fund balances	<u>-</u>	<u>3,094</u>	<u>50</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,437</u>	<u>\$ 50</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Health Services	Justice Courts	Juvenile Probation
Assets			
Cash, cash equivalents and investments	\$ 303	\$ 2,809	\$ 884
Receivables (net):			
Property taxes	-	-	-
Accounts	-	109	13
Due from other funds	-	-	49
Due from other governments	-	103	21
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 303</u>	<u>\$ 3,021</u>	<u>\$ 967</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 9	\$ 35
Accrued payroll and employee benefits	-	2	39
Due to other funds	-	1	43
Due to other governments	-	-	17
Deposits held for others	-	-	-
Deferred revenue	-	-	6
Total liabilities	<u>-</u>	<u>12</u>	<u>140</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	303	1,206	827
Committed	-	1,803	-
Assigned	-	-	-
Total fund balances	<u>303</u>	<u>3,009</u>	<u>827</u>
Total liabilities and fund balances	<u>\$ 303</u>	<u>\$ 3,021</u>	<u>\$ 967</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Local Transport Assist Grant	Library Grants	Miscellaneous Grants
Assets			
Cash, cash equivalents and investments	\$ 375	\$ 3	\$ 110
Receivables (net):			
Property taxes	-	-	-
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	264
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	\$ 375	\$ 3	\$ 374
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 4	\$ -	\$ 155
Accrued payroll and employee benefits	2	-	-
Due to other funds	1	-	1
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	323	-	202
Total liabilities	330	-	358
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	-	-	-
Restricted	45	3	16
Committed	-	-	-
Assigned	-	-	-
Total fund balances	45	3	16
Total liabilities and fund balances	\$ 375	\$ 3	\$ 374

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	<u>Public Defender</u>	<u>Public Works Roadways</u>	<u>Public Works Services</u>
Assets			
Cash, cash equivalents and investments	\$ 134	\$ 4,937	\$ 804
Receivables (net):			
Property taxes	-	-	-
Accounts	-	3	-
Due from other funds	-	31	-
Due from other governments	8	-	143
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 142</u>	<u>\$ 4,971</u>	<u>\$ 947</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 38	\$ 2
Accrued payroll and employee benefits	1	6	8
Due to other funds	-	1	16
Due to other governments	-	-	-
Deposits held for others	-	84	-
Deferred revenue	-	-	-
Total liabilities	<u>1</u>	<u>129</u>	<u>26</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	141	4,842	921
Committed	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>141</u>	<u>4,842</u>	<u>921</u>
Total liabilities and fund balances	<u>\$ 142</u>	<u>\$ 4,971</u>	<u>\$ 947</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Assets			
Cash, cash equivalents and investments	\$ 1,182	\$ 127	\$ 316
Receivables (net):			
Property taxes	-	-	-
Accounts	3	-	132
Due from other funds	2	-	-
Due from other governments	1,185	-	27
Inventories	-	-	28
Prepaid items	-	-	30
Restricted assets:			
Cash and cash equivalents - restricted	-	-	415
Total assets	\$ 2,372	\$ 127	\$ 948
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,206	\$ -	\$ 55
Accrued payroll and employee benefits	28	-	40
Due to other funds	85	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	93
Deferred revenue	202	-	-
Total liabilities	1,521	-	188
Fund Balances:			
Nonspendable:			
Inventories	-	-	28
Prepaid items	-	-	30
Total nonspendable	-	-	58
Restricted	814	127	638
Committed	-	-	-
Assigned	37	-	64
Total fund balances	851	127	760
Total liabilities and fund balances	\$ 2,372	\$ 127	\$ 948

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Flood Control District	Library District	Lighting Special Districts
Assets			
Cash, cash equivalents and investments	\$ 14,174	\$ 2,156	\$ 3
Receivables (net):			
Property taxes	201	146	4
Accounts	9	2	-
Due from other funds	2	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 14,386</u>	<u>\$ 2,304</u>	<u>\$ 7</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 72	\$ 14	\$ 2
Accrued payroll and employee benefits	6	11	-
Due to other funds	13	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	168	123	3
Total liabilities	<u>259</u>	<u>148</u>	<u>5</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	14,127	2,156	2
Committed	-	-	-
Assigned	-	-	-
Total fund balances	<u>14,127</u>	<u>2,156</u>	<u>2</u>
Total liabilities and fund balances	<u>\$ 14,386</u>	<u>\$ 2,304</u>	<u>\$ 7</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Public Health Services District
Assets			
Cash, cash equivalents and investments	\$ 408	\$ 23	\$ 2,925
Receivables (net):			
Property taxes	-	13	-
Accounts	21	-	2
Due from other funds	1	-	47
Due from other governments	-	-	1,052
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents - restricted	-	-	-
Total assets	<u>\$ 430</u>	<u>\$ 36</u>	<u>\$ 4,026</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 2	\$ 22	\$ 108
Accrued payroll and employee benefits	5	-	77
Due to other funds	-	-	45
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	12	215
Total liabilities	<u>7</u>	<u>34</u>	<u>445</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Total nonspendable	<u>-</u>	<u>-</u>	<u>-</u>
Restricted	354	2	3,581
Committed	69	-	-
Assigned	-	-	-
Total fund balances	<u>423</u>	<u>2</u>	<u>3,581</u>
Total liabilities and fund balances	<u>\$ 430</u>	<u>\$ 36</u>	<u>\$ 4,026</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012
(Amounts expressed in thousands)

	Queen Creek Domestic Water Imprvmt District	Accom- modation School	Total
Assets			
Cash, cash equivalents and investments	\$ 25	\$ 2,252	\$ 48,167
Receivables (net):			
Property taxes	1	159	604
Accounts	-	-	468
Due from other funds	-	-	495
Due from other governments	-	-	3,438
Inventories	-	-	28
Prepaid items	-	-	30
Restricted assets:			
Cash and cash equivalents - restricted	-	-	415
Total assets	<u>\$ 26</u>	<u>\$ 2,411</u>	<u>\$ 53,645</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 78	\$ 2,092
Accrued payroll and employee benefits	-	-	392
Due to other funds	-	-	595
Due to other governments	-	-	17
Deposits held for others	-	-	177
Deferred revenue	-	127	1,659
Total liabilities	<u>-</u>	<u>205</u>	<u>4,932</u>
Fund Balances:			
Nonspendable:			
Inventories	-	-	28
Prepaid items	-	-	30
Total nonspendable	<u>-</u>	<u>-</u>	<u>58</u>
Restricted	26	2,206	43,639
Committed	-	-	4,915
Assigned	-	-	101
Total fund balances	<u>26</u>	<u>2,206</u>	<u>48,713</u>
Total liabilities and fund balances	<u>\$ 26</u>	<u>\$ 2,411</u>	<u>\$ 53,645</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Adult Probation	Air Quality
	<u> </u>	<u> </u>
Revenues		
Taxes	\$ -	\$ -
Licenses and permits	-	1,133
Intergovernmental	2,878	59
Charges for services	776	-
Fines and forfeits	-	-
Investment earnings	3	-
Contributions	-	-
Rentals	-	-
Miscellaneous	-	-
	<u> </u>	<u> </u>
Total revenues	<u>3,657</u>	<u>1,192</u>
Expenditures		
Current:		
General government	-	-
Public safety	3,347	-
Highways and streets	-	-
Sanitation	-	-
Health	-	1,215
Welfare	-	-
Culture and recreation	-	-
Education	-	-
	<u> </u>	<u> </u>
Total expenditures	<u>3,347</u>	<u>1,215</u>
Excess (deficiency) of revenues over expenditures	<u>310</u>	<u>(23)</u>
Other financing sources (uses):		
Insurance reimbursement	-	-
Transfers in	-	-
Transfers out	(4)	(86)
Proceeds from the sale of capital assets	-	2
	<u> </u>	<u> </u>
Total other financing sources (uses)	<u>(4)</u>	<u>(84)</u>
Net change in fund balances	306	(107)
 Fund balances - beginning, as restated	 243	 991
 Changes in nonspendable resources:		
Increase in prepaid items	-	-
	<u> </u>	<u> </u>
Fund balances - ending	<u>\$ 549</u>	<u>\$ 884</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Animal Control	Attorney	Clerk of Courts
Revenues			
Taxes	\$ 1,308	\$ -	\$ -
Licenses and permits	214	-	-
Intergovernmental	42	2,680	-
Charges for services	251	115	580
Fines and forfeits	15	1,378	-
Investment earnings	11	27	11
Contributions	40	37	-
Rentals	-	-	-
Miscellaneous	-	30	2
Total revenues	<u>1,881</u>	<u>4,267</u>	<u>593</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	5,766	204
Highways and streets	-	-	-
Sanitation	-	-	-
Health	1,875	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,875</u>	<u>5,766</u>	<u>204</u>
Excess (deficiency) of revenues over expenditures	<u>6</u>	<u>(1,499)</u>	<u>389</u>
Other financing sources (uses):			
Insurance reimbursement	-	13	-
Transfers in	-	425	-
Transfers out	(10)	(90)	(159)
Proceeds from the sale of capital assets	2	222	-
Total other financing sources (uses)	<u>(8)</u>	<u>570</u>	<u>(159)</u>
Net change in fund balances	(2)	(929)	230
Fund balances - beginning, as restated	2,089	5,914	2,466
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ 2,087</u>	<u>\$ 4,985</u>	<u>\$ 2,696</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Old Courthouse Preservation	Courts	Employee Wellness
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	683	-
Charges for services	-	638	-
Fines and forfeits	-	-	-
Investment earnings	-	13	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	5	53
	<u>-</u>	<u>1,339</u>	<u>53</u>
Total revenues			
Expenditures			
Current:			
General government	-	-	-
Public safety	-	1,790	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	13
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
	<u>-</u>	<u>1,790</u>	<u>13</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(451)</u>	<u>40</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	-	532	-
Transfers out	(113)	-	-
Proceeds from the sale of capital assets	-	-	-
	<u>(113)</u>	<u>532</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balances	(113)	81	40
Fund balances - beginning, as restated	113	3,013	10
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,094</u>	<u>\$ 50</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Health Services	Justice Courts	Juvenile Probation
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	114	-	2,300
Charges for services	-	1,046	221
Fines and forfeits	-	-	-
Investment earnings	2	12	5
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	1
Total revenues	<u>116</u>	<u>1,058</u>	<u>2,527</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	405	2,461
Highways and streets	-	-	-
Sanitation	-	-	-
Health	79	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>79</u>	<u>405</u>	<u>2,461</u>
Excess (deficiency) of revenues over expenditures	<u>37</u>	<u>653</u>	<u>66</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	-	-	8
Transfers out	(184)	(315)	-
Proceeds from the sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(184)</u>	<u>(315)</u>	<u>8</u>
Net change in fund balances	(147)	338	74
Fund balances - beginning, as restated	450	2,671	753
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ 303</u>	<u>\$ 3,009</u>	<u>\$ 827</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Local Transport Assist Grant	Library Grants	Miscellaneous Grants
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	165	23	704
Charges for services	3	-	-
Fines and forfeits	-	-	-
Investment earnings	2	-	2
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	170	23	706
Expenditures			
Current:			
General government	-	-	433
Public safety	-	-	43
Highways and streets	-	-	-
Sanitation	-	-	-
Health	173	-	-
Welfare	-	-	-
Culture and recreation	-	24	-
Education	-	-	-
Total expenditures	173	24	476
Excess (deficiency) of revenues over expenditures	(3)	(1)	230
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	-	2	-
Transfers out	-	-	(66)
Proceeds from the sale of capital assets	3	-	-
Total other financing sources (uses)	3	2	(66)
Net change in fund balances	-	1	164
Fund balances - beginning, as restated	45	2	(148)
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	\$ 45	\$ 3	\$ 16

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Public Defender	Public Works Roadways	Public Works Services
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	118	-
Intergovernmental	30	333	743
Charges for services	-	148	10
Fines and forfeits	-	-	-
Investment earnings	1	24	2
Contributions	-	191	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>31</u>	<u>814</u>	<u>755</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	164	-	345
Highways and streets	-	745	-
Sanitation	-	-	276
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>164</u>	<u>745</u>	<u>621</u>
Excess (deficiency) of revenues over expenditures	<u>(133)</u>	<u>69</u>	<u>134</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	94	-	299
Transfers out	-	(2)	-
Proceeds from the sale of capital assets	-	-	-
Total other financing sources (uses)	<u>94</u>	<u>(2)</u>	<u>299</u>
Net change in fund balances	(39)	67	433
Fund balances - beginning, as restated	180	4,775	488
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ 141</u>	<u>\$ 4,842</u>	<u>\$ 921</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	7,387	-	4,563
Charges for services	835	70	-
Fines and forfeits	195	-	-
Investment earnings	6	-	-
Contributions	-	-	-
Rentals	-	-	353
Miscellaneous	5	-	54
Total revenues	<u>8,428</u>	<u>70</u>	<u>4,970</u>
Expenditures			
Current:			
General government	-	32	-
Public safety	8,600	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	4,958
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>8,600</u>	<u>32</u>	<u>4,958</u>
Excess (deficiency) of revenues over expenditures	<u>(172)</u>	<u>38</u>	<u>12</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	57	-	-
Transfers out	(53)	-	-
Proceeds from the sale of capital assets	13	-	-
Total other financing sources (uses)	<u>17</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(155)	38	12
Fund balances - beginning, as restated	1,006	89	746
Changes in nonspendable resources:			
Increase in prepaid items	-	-	2
Fund balances - ending	<u>\$ 851</u>	<u>\$ 127</u>	<u>\$ 760</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Flood Control District	Library District	Lighting Special Districts
Revenues			
Taxes	\$ 3,142	\$ 2,141	\$ 18
Licenses and permits	13	-	-
Intergovernmental	1,335	67	-
Charges for services	6	-	-
Fines and forfeits	-	-	-
Investment earnings	68	12	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	73	-
Total revenues	<u>4,564</u>	<u>2,293</u>	<u>18</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	2,556	-	17
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	1,834	-
Education	-	-	-
Total expenditures	<u>2,556</u>	<u>1,834</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	<u>2,008</u>	<u>459</u>	<u>1</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	-	-	-
Transfers out	(148)	(566)	-
Proceeds from the sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(148)</u>	<u>(566)</u>	<u>-</u>
Net change in fund balances	1,860	(107)	1
Fund balances - beginning, as restated	12,267	2,263	1
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ 14,127</u>	<u>\$ 2,156</u>	<u>\$ 2</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Public Health Services District
Revenues			
Taxes	\$ -	\$ 29	\$ 2,471
Licenses and permits	-	-	-
Intergovernmental	-	-	3,544
Charges for services	699	-	304
Fines and forfeits	-	-	-
Investment earnings	5	-	13
Contributions	-	-	95
Rentals	13	-	-
Miscellaneous	12	-	3
Total revenues	<u>729</u>	<u>29</u>	<u>6,430</u>
Expenditures			
Current:			
General government	545	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	44	-
Health	-	-	6,600
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>545</u>	<u>44</u>	<u>6,600</u>
Excess (deficiency) of revenues over expenditures	<u>184</u>	<u>(15)</u>	<u>(170)</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	-
Transfers in	-	-	1,207
Transfers out	(1,227)	-	(790)
Proceeds from the sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(1,227)</u>	<u>-</u>	<u>417</u>
Net change in fund balances	(1,043)	(15)	247
Fund balances - beginning, as restated	1,466	17	3,334
Changes in nonspendable resources:			
Increase in prepaid items	-	-	-
Fund balances - ending	<u>\$ 423</u>	<u>\$ 2</u>	<u>\$ 3,581</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2012
(Amounts Expressed in thousands)

	Queen Creek Domestic Water Imprvmnt District	Accom- modation School	Total
Revenues			
Taxes	\$ 11	3,214	\$ 12,334
Licenses and permits	-	-	1,478
Intergovernmental	-	2,210	29,860
Charges for services	-	6	5,708
Fines and forfeits	-	-	1,588
Investment earnings	-	14	233
Contributions	-	8	371
Rentals	-	-	366
Miscellaneous	-	162	400
Total revenues	<u>11</u>	<u>5,614</u>	<u>52,338</u>
Expenditures			
Current:			
General government	-	-	1,010
Public safety	-	-	23,125
Highways and streets	-	-	3,318
Sanitation	-	-	320
Health	-	-	9,955
Welfare	-	-	4,958
Culture and recreation	-	-	1,858
Education	-	5,837	5,837
Total expenditures	<u>-</u>	<u>5,837</u>	<u>50,381</u>
Excess (deficiency) of revenues over expenditures	<u>11</u>	<u>(223)</u>	<u>1,957</u>
Other financing sources (uses):			
Insurance reimbursement	-	-	13
Transfers in	-	-	2,624
Transfers out	-	-	(3,813)
Proceeds from the sale of capital assets	-	-	242
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(934)</u>
Net change in fund balances	11	(223)	1,023
Fund balances - beginning, as restated	15	2,429	47,688
Changes in nonspendable resources:			
Increase in prepaid items	-	-	2
Fund balances - ending	<u>\$ 26</u>	<u>\$ 2,206</u>	<u>\$ 48,713</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2012
(Amounts expressed in thousands)

	<u>Capital Projects Miscellaneous</u>	<u>Public Works Gantzel Road Fund</u>	<u>Kelvin Road Bridge Construction</u>
Assets			
Cash, cash equivalents and investments	\$ 5,199	\$ 1,656	\$ 4,753
Cash and investments held by trustees	-	-	-
Receivables (net):			
Accounts	-	1	4
Due from other funds	422	2	-
Total assets	<u>\$ 5,621</u>	<u>\$ 1,659</u>	<u>\$ 4,757</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 465	\$ -	\$ 5
Due to other funds	12	18	-
Deposits held for others	-	3	-
Total liabilities	<u>477</u>	<u>21</u>	<u>5</u>
Fund Balances:			
Restricted	3,378	1,638	4,752
Assigned	1,766	-	-
Total fund balances	<u>5,144</u>	<u>1,638</u>	<u>4,752</u>
Total liabilities and fund balances	<u>\$ 5,621</u>	<u>\$ 1,659</u>	<u>\$ 4,757</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2012
(Amounts expressed in thousands)

	<u>Health Clinics and Courthouse Capital Projects</u>	<u>Fairgrounds Construction Capital Projects</u>	<u>Total</u>
Assets			
Cash, cash equivalents and investments	\$ 1,832	\$ 227	\$ 13,667
Cash and investments held by trustees	3,339	-	3,339
Receivables (net):			
Accounts	1	-	6
Due from other funds	-	-	424
Total assets	<u>\$ 5,172</u>	<u>\$ 227</u>	<u>\$ 17,436</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 483	\$ -	\$ 953
Due to other funds	-	-	30
Deposits held for others	-	-	3
Total liabilities	<u>483</u>	<u>-</u>	<u>986</u>
Fund Balances:			
Restricted	2,857	-	12,625
Assigned	1,832	227	3,825
Total fund balances	<u>4,689</u>	<u>227</u>	<u>16,450</u>
Total liabilities and fund balances	<u>\$ 5,172</u>	<u>\$ 227</u>	<u>\$ 17,436</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Capital Projects Miscellaneous	Public Works Gantzel Road Fund	Kelvin Road Bridge Construction
Revenues			
Intergovernmental	\$ -	\$ -	\$ 20
Investment earnings	-	20	24
Contributions	-	2	-
Miscellaneous	5	-	-
Total revenues	<u>5</u>	<u>22</u>	<u>44</u>
Expenditures			
Capital outlay	<u>797</u>	<u>10</u>	<u>82</u>
Total expenditures	<u>797</u>	<u>10</u>	<u>82</u>
Excess (deficiency) of revenues over expenditures	<u>(792)</u>	<u>12</u>	<u>(38)</u>
Other financing sources (uses):			
Transfers in	2,188	-	-
Transfers out	<u>-</u>	<u>(3,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,188</u>	<u>(3,200)</u>	<u>-</u>
Net change in fund balances	1,396	(3,188)	(38)
Fund balances - beginning, as restated	<u>3,748</u>	<u>4,826</u>	<u>4,790</u>
Fund balances - ending	<u><u>\$ 5,144</u></u>	<u><u>\$ 1,638</u></u>	<u><u>\$ 4,752</u></u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	<u>Health Clinics and Courthouse Capital Projects</u>	<u>Fairgrounds Construction Capital Projects</u>	<u>Total</u>
Revenues			
Intergovernmental	\$ 35	\$ -	\$ 55
Investment earnings	12	1	57
Contributions	-	-	2
Miscellaneous	6	-	11
Total revenues	53	1	125
Expenditures			
Capital outlay	7,052	11	7,952
Total expenditures	7,052	11	7,952
Excess (deficiency) of revenues over expenditures	(6,999)	(10)	(7,827)
Other financing sources (uses):			
Transfers in	113	-	2,301
Transfers out	-	-	(3,200)
Total other financing sources (uses)	113	-	(899)
Net change in fund balances	(6,886)	(10)	(8,726)
Fund balances - beginning, as restated	11,575	237	25,176
Fund balances - ending	\$ 4,689	\$ 227	\$ 16,450

PINAL COUNTY
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2012

(Amounts expressed in thousands)

	Debt Service	Total
Assets		
Cash, cash equivalents and investments	\$ 4,488	\$ 4,488
Cash and investments held by trustees	4,977	4,977
Total assets	\$ 9,465	\$ 9,465
Fund Balance		
Liabilities:		
Loan payable	\$ -	\$ -
Interest payable	-	-
Total liabilities	-	-
Fund Balance:		
Restricted	5,286	5,286
Assigned	4,179	4,179
Total fund balance	9,465	9,465
Total liabilities and fund balances	\$ 9,465	\$ 9,465

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Debt Service	Total
Revenues		
Investment earnings	\$ 4	\$ 4
Total revenues	4	4
Expenditures		
Debt Service:		
Principal retirement	8,884	8,884
Interest	7,176	7,176
Miscellaneous	3	3
Total expenditures	16,063	16,063
Deficiency of revenues over expenditures	(16,059)	(16,059)
Other financing sources:		
Transfers in	20,527	20,527
Total other financing sources	20,527	20,527
Net change in fund balances	4,468	4,468
Fund balances - beginning	4,997	4,997
Fund balances - ending	\$ 9,465	\$ 9,465

PINAL COUNTY
Special Revenue Funds - Adult Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

ADULT PROBATION	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,820	\$ 3,010	\$ 2,878	\$ (132)
Charges for services	555	555	776	221
Investment earnings	-	-	3	3
Total revenues	<u>3,375</u>	<u>3,565</u>	<u>3,657</u>	<u>92</u>
Expenditures				
Current:				
Public safety	<u>3,461</u>	<u>3,647</u>	<u>3,347</u>	<u>300</u>
Total expenditures	<u>3,461</u>	<u>3,647</u>	<u>3,347</u>	<u>300</u>
Excess (deficiency) of revenues over expenditures	<u>(86)</u>	<u>(82)</u>	<u>310</u>	<u>392</u>
Other financing sources (uses):				
Transfers in	485	485	-	(485)
Transfers out	<u>(485)</u>	<u>(489)</u>	<u>(4)</u>	<u>485</u>
Total other financing sources (uses)	<u>-</u>	<u>(4)</u>	<u>(4)</u>	<u>-</u>
Net change in fund balances	(86)	(86)	306	392
Fund balances, beginning	86	86	243	157
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 549</u>

PINAL COUNTY
Special Revenue Funds - Air Quality
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

AIR QUALITY	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 1,092	\$ 1,092	\$ 1,133	\$ 41
Intergovernmental	62	62	59	(3)
Total revenues	<u>1,154</u>	<u>1,154</u>	<u>1,192</u>	<u>38</u>
Expenditures				
Current:				
Health	1,361	1,359	1,215	144
Total expenditures	<u>1,361</u>	<u>1,359</u>	<u>1,215</u>	<u>144</u>
Deficiency of revenues over expenditures	<u>(207)</u>	<u>(205)</u>	<u>(23)</u>	<u>182</u>
Other financing sources (uses):				
Transfers Out	(84)	(86)	(86)	-
Proceeds from sale of capital assets	-	-	2	2
Total other financing sources (uses)	<u>(84)</u>	<u>(86)</u>	<u>(84)</u>	<u>2</u>
Net change in fund balances	<u>(291)</u>	<u>(291)</u>	<u>(107)</u>	<u>184</u>
Fund balances, beginning	291	291	991	700
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 884</u>	<u>\$ 884</u>

PINAL COUNTY
Special Revenue Funds - Animal Control
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

ANIMAL CONTROL	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,290	\$ 1,290	\$ 1,308	\$ 18
Licenses and permits	153	153	214	61
Intergovernmental	-	-	42	42
Charges for services	158	131	251	120
Fines and forfeits	60	87	15	(72)
Investment earnings	-	-	11	11
Contributions	21	21	40	19
Total revenues	<u>1,682</u>	<u>1,682</u>	<u>1,881</u>	<u>199</u>
Expenditures				
Current:				
Health	1,912	1,912	1,875	37
Total expenditures	<u>1,912</u>	<u>1,912</u>	<u>1,875</u>	<u>37</u>
Excess (deficiency) of revenues over expenditures	<u>(230)</u>	<u>(230)</u>	<u>6</u>	<u>236</u>
Other financing sources (uses):				
Transfers out	(10)	(10)	(10)	-
Proceeds from the sale of capital assets	-	-	2	2
Total other financing sources (uses)	<u>(10)</u>	<u>(10)</u>	<u>(8)</u>	<u>2</u>
Net change in fund balances	<u>(240)</u>	<u>(240)</u>	<u>(2)</u>	<u>238</u>
Fund balances, beginning	240	240	2,089	1,849
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,087</u>	<u>\$ 2,087</u>

PINAL COUNTY
Special Revenue Funds - Attorney
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

ATTORNEY	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,909	\$ 2,928	\$ 2,680	\$ (248)
Charges for services	57	57	115	58
Fines and forfeits	1,358	2,428	1,378	(1,050)
Investment earnings	21	21	27	6
Contributions	-	-	37	37
Miscellaneous	18	18	30	12
Total revenues	<u>4,363</u>	<u>5,452</u>	<u>4,267</u>	<u>(1,185)</u>
Expenditures				
Current:				
Public safety	5,032	6,066	5,766	300
Total expenditures	<u>5,032</u>	<u>6,066</u>	<u>5,766</u>	<u>300</u>
Deficiency of revenues over expenditures	<u>(669)</u>	<u>(614)</u>	<u>(1,499)</u>	<u>(885)</u>
Other financing sources (uses):				
Insurance Reimbursement	-	-	13	13
Transfers in	618	607	425	(182)
Transfers out	(219)	(293)	(90)	203
Proceeds from the sale of capital assets	20	20	222	202
Total other financing sources (uses)	<u>419</u>	<u>334</u>	<u>570</u>	<u>236</u>
Net change in fund balances	<u>(250)</u>	<u>(280)</u>	<u>(929)</u>	<u>(649)</u>
Fund balances, beginning	250	280	5,914	5,634
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,985</u>	<u>\$ 4,985</u>

PINAL COUNTY
Special Revenue Funds - Clerk of Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

CLERK OF COURTS	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 467	\$ 472	\$ 580	\$ 108
Investment earnings	9	9	11	2
Miscellaneous	-	-	2	2
Total revenues	<u>476</u>	<u>481</u>	<u>593</u>	<u>112</u>
Expenditures				
Current:				
Public safety	<u>321</u>	<u>394</u>	<u>204</u>	<u>190</u>
Total expenditures	<u>321</u>	<u>394</u>	<u>204</u>	<u>190</u>
Excess of revenues over expenditures	<u>155</u>	<u>87</u>	<u>389</u>	<u>302</u>
Other financing uses:				
Transfers out	<u>(155)</u>	<u>(160)</u>	<u>(159)</u>	<u>1</u>
Total other financing uses	<u>(155)</u>	<u>(160)</u>	<u>(159)</u>	<u>1</u>
Net change in fund balances	-	(73)	230	303
Fund balances, beginning	-	73	2,466	2,393
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,696</u>	<u>\$ 2,696</u>

PINAL COUNTY
Special Revenue Funds - Old Courthouse Preservation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

OLD COURTHOUSE PRESERVATION	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Contributions	\$ 8	\$ 8	\$ -	\$ (8)
Total revenues	<u>8</u>	<u>8</u>	<u>-</u>	<u>(8)</u>
Expenditures				
Current:				
General government	<u>72</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total expenditures	<u>72</u>	<u>3</u>	<u>-</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>(64)</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>(113)</u>	<u>(113)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(113)</u>	<u>(113)</u>	<u>-</u>
Net change in fund balances	<u>(64)</u>	<u>(108)</u>	<u>(113)</u>	<u>(5)</u>
Fund balances, beginning	<u>64</u>	<u>108</u>	<u>113</u>	<u>5</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PINAL COUNTY
Special Revenue Funds - Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

COURTS	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 821	\$ 821	\$ 683	\$ (138)
Charges for services	564	564	638	74
Investment earnings	12	12	13	1
Miscellaneous	9	9	5	(4)
Total revenues	<u>1,406</u>	<u>1,406</u>	<u>1,339</u>	<u>(67)</u>
Expenditures				
Current:				
Public safety	<u>4,047</u>	<u>4,031</u>	<u>1,790</u>	<u>2,241</u>
Total expenditures	<u>4,047</u>	<u>4,031</u>	<u>1,790</u>	<u>2,241</u>
Deficiency of revenues over expenditures	<u>(2,641)</u>	<u>(2,625)</u>	<u>(451)</u>	<u>2,174</u>
Other financing sources (uses):				
Transfers in	672	661	532	(129)
Transfers out	<u>(25)</u>	<u>(11)</u>	<u>-</u>	<u>11</u>
Total other financing sources (uses)	<u>647</u>	<u>650</u>	<u>532</u>	<u>(118)</u>
Net change in fund balances	<u>(1,994)</u>	<u>(1,975)</u>	<u>81</u>	<u>2,056</u>
Fund balances, beginning	<u>1,994</u>	<u>1,975</u>	<u>3,013</u>	<u>1,038</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,094</u></u>	<u><u>\$ 3,094</u></u>

PINAL COUNTY
Special Revenue Funds - Employee Wellness
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

EMPLOYEE WELLNESS	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous	\$ 9	\$ 13	\$ 53	\$ 40
Total revenues	9	13	53	40
Expenditures				
Current:				
Health	9	13	13	-
Total expenditures	9	13	13	-
Excess of revenues over expenditures	-	-	40	40
Net change in fund balances	-	-	40	40
Fund balances, beginning	-	-	10	10
Fund balances, ending	\$ -	\$ -	\$ 50	\$ 50

PINAL COUNTY
Special Revenue Funds - Health Services
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

HEALTH SERVICES	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 76	\$ 76	\$ 114	\$ 38
Investment earnings	-	-	2	2
Total revenues	<u>76</u>	<u>76</u>	<u>116</u>	<u>40</u>
Expenditures				
Current:				
Health	<u>217</u>	<u>207</u>	<u>79</u>	<u>128</u>
Total expenditures	<u>217</u>	<u>207</u>	<u>79</u>	<u>128</u>
Excess (deficiency) of revenues over expenditures	<u>(141)</u>	<u>(131)</u>	<u>37</u>	<u>168</u>
Other financing sources (uses):				
Transfers in	79	79	-	(79)
Transfers out	<u> </u>	<u>(186)</u>	<u>(184)</u>	<u>2</u>
Total other financing sources (uses)	<u>79</u>	<u>(107)</u>	<u>(184)</u>	<u>(77)</u>
Net change in fund balances	<u>(62)</u>	<u>(238)</u>	<u>(147)</u>	<u>91</u>
Fund balances, beginning	<u>62</u>	<u>238</u>	<u>450</u>	<u>212</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ 303</u>

PINAL COUNTY
Special Revenue Funds - Justice Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

JUSTICE COURTS	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 867	\$ 942	\$ 1,046	\$ 104
Investment earnings	-	-	12	12
Miscellaneous	222	147	-	(147)
Total revenues	<u>1,089</u>	<u>1,089</u>	<u>1,058</u>	<u>(31)</u>
Expenditures				
Current:				
Public safety	968	968	405	563
Total expenditures	<u>968</u>	<u>968</u>	<u>405</u>	<u>563</u>
Excess of revenues over expenditures	<u>121</u>	<u>121</u>	<u>653</u>	<u>532</u>
Other financing uses:				
Transfers out	(379)	(379)	(315)	64
Total other financing uses	<u>(379)</u>	<u>(379)</u>	<u>(315)</u>	<u>64</u>
Net change in fund balances	<u>(258)</u>	<u>(258)</u>	<u>338</u>	<u>596</u>
Fund balances, beginning	258	258	2,671	2,413
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,009</u>	<u>\$ 3,009</u>

PINAL COUNTY
Special Revenue Funds - Juvenile Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

JUVENILE PROBATION	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 2,560	\$ 2,595	\$ 2,300	\$ (295)
Charges for services	102	102	221	119
Investment earnings	-	-	5	5
Contributions	4	4	-	(4)
Miscellaneous	-	-	1	1
Total revenues	<u>2,666</u>	<u>2,701</u>	<u>2,527</u>	<u>(174)</u>
Expenditures				
Current:				
Public safety	3,370	3,406	2,461	945
Total expenditures	<u>3,370</u>	<u>3,406</u>	<u>2,461</u>	<u>945</u>
Excess (deficiency) of revenues over expenditures	<u>(704)</u>	<u>(705)</u>	<u>66</u>	<u>771</u>
Other financing sources:				
Transfers in	8	9	8	(1)
Total other financing sources	<u>8</u>	<u>9</u>	<u>8</u>	<u>(1)</u>
Net change in fund balances	<u>(696)</u>	<u>(696)</u>	<u>74</u>	<u>770</u>
Fund balances, beginning	696	696	753	57
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 827</u>	<u>\$ 827</u>

PINAL COUNTY
Special Revenue Funds - Local Transport Assist Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

LOCAL TRANSPORT ASSIST GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 165	\$ 165
Charges for services	3	3	-
Investment earnings	2	2	-
Total revenues	<u>5</u>	<u>170</u>	<u>165</u>
Expenditures			
Current:			
Health	<u>176</u>	<u>173</u>	<u>3</u>
Total expenditures	<u>176</u>	<u>173</u>	<u>3</u>
Deficiency of revenues over expenditures	<u>(171)</u>	<u>(3)</u>	<u>168</u>
Other financing sources:			
Proceeds from the sale of capital assets	<u>-</u>	<u>3</u>	<u>3</u>
Total other financing sources	<u>-</u>	<u>3</u>	<u>3</u>
Net change in fund balances	<u>(171)</u>	<u>-</u>	<u>171</u>
Fund balances, beginning	<u>171</u>	<u>45</u>	<u>(126)</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ 45</u>

PINAL COUNTY
Special Revenue Funds - Library Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

LIBRARY GRANTS	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 23	\$ 23	\$ 23	\$ -
Total revenues	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
Expenditures				
Current:				
Culture and recreation	24	25	24	1
Total expenditures	<u>24</u>	<u>25</u>	<u>24</u>	<u>1</u>
Deficiency of revenues over expenditures	<u>(1)</u>	<u>(2)</u>	<u>(1)</u>	<u>1</u>
Other financing sources:				
Transfers in	1	2	2	-
Total other financing sources	<u>1</u>	<u>2</u>	<u>2</u>	<u>-</u>
Net change in fund balance	-	-	1	1
Fund balances, beginning	-	-	2	2
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

PINAL COUNTY
Special Revenue Funds - Miscellaneous Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

MISCELLANEOUS GRANTS	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,261	\$ 1,284	\$ 704	\$ (580)
Investment earnings	-	-	2	2
Total revenues	<u>1,261</u>	<u>1,284</u>	<u>706</u>	<u>(578)</u>
Expenditures				
Current:				
General government	1,341	1,455	433	1,022
Public safety	217	60	43	17
Total expenditures	<u>1,558</u>	<u>1,515</u>	<u>476</u>	<u>1,039</u>
Excess (deficiency) of revenues over expenditures	<u>(297)</u>	<u>(231)</u>	<u>230</u>	<u>461</u>
Other financing uses:				
Transfers out	-	(66)	(66)	-
Total other financing uses	<u>-</u>	<u>(66)</u>	<u>(66)</u>	<u>-</u>
Net change in fund balances	<u>(297)</u>	<u>(297)</u>	<u>164</u>	<u>461</u>
Fund balances, beginning	<u>297</u>	<u>297</u>	<u>(148)</u>	<u>(445)</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ 16</u></u>

PINAL COUNTY
Special Revenue Funds - Public Defender
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

PUBLIC DEFENDER	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 12	\$ 45	\$ 30	\$ (15)
Investment earnings	-	-	1	1
Total revenues	<u>12</u>	<u>45</u>	<u>31</u>	<u>(14)</u>
Expenditures				
Current:				
Public safety	<u>168</u>	<u>169</u>	<u>164</u>	<u>5</u>
Total expenditures	<u>168</u>	<u>169</u>	<u>164</u>	<u>5</u>
Deficiency of revenues over expenditures	<u>(156)</u>	<u>(124)</u>	<u>(133)</u>	<u>(9)</u>
Other financing sources:				
Transfers in	<u>108</u>	<u>109</u>	<u>94</u>	<u>(15)</u>
Total other financing sources	<u>108</u>	<u>109</u>	<u>94</u>	<u>(15)</u>
Net change in fund balances	<u>(48)</u>	<u>(15)</u>	<u>(39)</u>	<u>(24)</u>
Fund balances, beginning	<u>48</u>	<u>15</u>	<u>180</u>	<u>165</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141</u>	<u>\$ 141</u>

PINAL COUNTY
Special Revenue Funds - Public Works Roadways
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

<u>PUBLIC WORKS ROADWAYS</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 125	\$ 125	\$ 118	\$ (7)
Intergovernmental	-	-	333	333
Charges for services	508	508	148	(360)
Investment earnings	25	25	24	(1)
Contributions	-	-	191	191
Total revenues	<u>658</u>	<u>658</u>	<u>814</u>	<u>156</u>
Expenditures				
Current:				
Highways and streets	<u>1,966</u>	<u>1,964</u>	<u>745</u>	<u>1,219</u>
Total expenditures	<u>1,966</u>	<u>1,964</u>	<u>745</u>	<u>1,219</u>
Excess (deficiency) of revenues over expenditures	<u>(1,308)</u>	<u>(1,306)</u>	<u>69</u>	<u>1,375</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>
Net change in fund balances	<u>(1,308)</u>	<u>(1,308)</u>	<u>67</u>	<u>1,375</u>
Fund balances, beginning	<u>1,308</u>	<u>1,308</u>	<u>4,775</u>	<u>3,467</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,842</u>	<u>\$ 4,842</u>

PINAL COUNTY
Special Revenue Funds - Public Works Services
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

PUBLIC WORKS SERVICES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 635	\$ 743	\$ 108
Charges for services	4	10	6
Investment earnings	3	2	(1)
Total revenues	642	755	113
Expenditures			
Current:			
Public safety	574	345	229
Sanitation	367	276	91
Total expenditures	941	621	320
Excess (deficiency) of revenues over expenditures	(299)	134	433
Other financing sources:			
Transfers in	299	299	-
Total other financing sources	299	299	-
Net change in fund balances	-	433	433
Fund balances, beginning	-	488	488
Fund balances, ending	\$ -	\$ 921	\$ 921

PINAL COUNTY
Special Revenue Funds - Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

SHERIFF	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,382	\$ 9,618	\$ 7,387	\$ (2,231)
Charges for services	5,587	938	835	(103)
Fines and forfeits	85	391	195	(196)
Investment earnings	14	15	6	(9)
Miscellaneous	-	-	5	5
Total revenues	<u>9,068</u>	<u>10,962</u>	<u>8,428</u>	<u>(2,534)</u>
Expenditures				
Current:				
Public safety	9,090	11,218	8,600	2,618
Total expenditures	<u>9,090</u>	<u>11,218</u>	<u>8,600</u>	<u>2,618</u>
Deficiency of revenues over expenditures	<u>(22)</u>	<u>(256)</u>	<u>(172)</u>	<u>84</u>
Other financing sources (uses):				
Transfers in	144	112	57	(55)
Transfers out	(122)	(109)	(53)	56
Proceeds from the sale of capital assets	-	200	13	(187)
Total other financing sources (uses)	<u>22</u>	<u>203</u>	<u>17</u>	<u>(186)</u>
Net change in fund balances	-	(53)	(155)	(102)
Fund balances, beginning	-	53	1,006	953
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 851</u>	<u>\$ 851</u>

PINAL COUNTY
Special Revenue Funds - Treasurer
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

TREASURER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 30	\$ 70	\$ 40
Total revenues	<u>30</u>	<u>70</u>	<u>40</u>
Expenditures			
Current:			
General government	35	32	3
Total expenditures	<u>35</u>	<u>32</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	<u>(5)</u>	<u>38</u>	<u>43</u>
Fund balances, beginning	5	89	84
Fund balances, ending	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 127</u>

PINAL COUNTY
Special Revenue Funds - Housing Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

HOUSING GRANTS	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 3,688	\$ 3,791	\$ 4,563	\$ 772
Rentals	-	-	353	353
Miscellaneous	1,056	1,121	54	(1,067)
Total revenues	<u>4,744</u>	<u>4,912</u>	<u>4,970</u>	<u>58</u>
Expenditures				
Current:				
Welfare	4,770	4,938	4,958	(20)
Total expenditures	<u>4,770</u>	<u>4,938</u>	<u>4,958</u>	<u>(20)</u>
Excess (deficiency) of revenues over expenditures	<u>(26)</u>	<u>(26)</u>	<u>12</u>	<u>38</u>
Other financing sources:				
Transfers in	25	25	-	(25)
Total other financing sources	<u>25</u>	<u>25</u>	<u>-</u>	<u>(25)</u>
Net change in fund balance	(1)	(1)	12	13
Fund balances, beginning	<u>1</u>	<u>1</u>	<u>746</u>	<u>745</u>
Changes in nonspendable resources:				
Increase in prepaid items	-	-	2	2
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760</u>	<u>\$ 760</u>

PINAL COUNTY
Special Revenue Funds - Flood Control District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

FLOOD CONTROL DISTRICT	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 3,100	\$ 3,100	\$ 3,142	\$ 42
Licenses and permits	-	-	13	13
Intergovernmental	-	-	1,335	1,335
Charges for services	-	-	6	6
Investment earnings	40	40	68	28
Total revenues	<u>3,140</u>	<u>3,140</u>	<u>4,564</u>	<u>1,424</u>
Expenditures				
Current:				
Highways and streets	7,625	6,136	2,556	3,580
Total expenditures	<u>7,625</u>	<u>6,136</u>	<u>2,556</u>	<u>3,580</u>
Excess (deficiency) of revenues over expenditures	<u>(4,485)</u>	<u>(2,996)</u>	<u>2,008</u>	<u>5,004</u>
Other financing uses:				
Transfers out	(173)	(173)	(148)	25
Total other financing uses	<u>(173)</u>	<u>(173)</u>	<u>(148)</u>	<u>25</u>
Net change in fund balances	(4,658)	(3,169)	1,860	5,029
Fund balances, beginning	4,658	3,169	12,267	9,098
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,127</u>	<u>\$ 14,127</u>

PINAL COUNTY
Special Revenue Funds - Library District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

LIBRARY DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 2,109	\$ 2,141	\$ 32
Intergovernmental	26	67	41
Investment earnings	24	12	(12)
Miscellaneous	63	73	10
Total revenues	<u>2,222</u>	<u>2,293</u>	<u>71</u>
Expenditures			
Current:			
Culture and recreation	<u>2,156</u>	<u>1,834</u>	<u>322</u>
Total expenditures	<u>2,156</u>	<u>1,834</u>	<u>322</u>
Excess of revenues over expenditures	<u>66</u>	<u>459</u>	<u>393</u>
Other financing uses:			
Transfers out	<u>(566)</u>	<u>(566)</u>	<u>-</u>
Total other financing uses	<u>(566)</u>	<u>(566)</u>	<u>-</u>
Net change in fund balances	<u>(500)</u>	<u>(107)</u>	<u>393</u>
Fund balances, beginning	500	2,263	1,763
Fund balances, ending	<u>\$ -</u>	<u>\$ 2,156</u>	<u>\$ 2,156</u>

PINAL COUNTY
Special Revenue Funds - Lighting Special Districts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

LIGHTING SPECIAL DISTRICTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 18	\$ 18	\$ -
Total revenues	<u>18</u>	<u>18</u>	<u>-</u>
Expenditures			
Current:			
Highway and streets	<u>22</u>	<u>17</u>	<u>5</u>
Total expenditures	<u>22</u>	<u>17</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	<u>(4)</u>	<u>1</u>	<u>5</u>
Net change in fund balance	(4)	1	5
Fund balances, beginning	<u>4</u>	<u>1</u>	<u>(3)</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>

PINAL COUNTY
Special Revenue Funds - Miscellaneous Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

MISCELLANEOUS FEES	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 1,081	\$ 1,081	\$ 699	\$ (382)
Investment Earnings	-	-	5	5
Rentals	-	-	13	13
Miscellaneous	10	10	12	2
Total revenues	<u>1,091</u>	<u>1,091</u>	<u>729</u>	<u>(362)</u>
Expenditures				
Current:				
General government	1,069	752	545	207
Total expenditures	<u>1,069</u>	<u>752</u>	<u>545</u>	<u>207</u>
Excess of revenues over expenditures	<u>22</u>	<u>339</u>	<u>184</u>	<u>(155)</u>
Other financing uses:				
Transfers out	(385)	(1,235)	(1,227)	8
Total other financing uses	<u>(385)</u>	<u>(1,235)</u>	<u>(1,227)</u>	<u>8</u>
Net change in fund balances	(363)	(896)	(1,043)	(147)
Fund balances, beginning	363	896	1,466	570
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423</u>	<u>\$ 423</u>

PINAL COUNTY
Special Revenue Funds - Desert Vista Sanitation District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

DESERT VISTA SANITATION DISTRICT	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 36	\$ 25	\$ 29	\$ 4
Total revenues	<u>36</u>	<u>25</u>	<u>29</u>	<u>4</u>
Expenditures				
Current:				
Sanitation	<u>66</u>	<u>66</u>	<u>44</u>	<u>22</u>
Total expenditures	<u>66</u>	<u>66</u>	<u>44</u>	<u>22</u>
Deficiency of revenues over expenditures	<u>(30)</u>	<u>(41)</u>	<u>(15)</u>	<u>26</u>
Net change in fund balance	(30)	(41)	(15)	26
Fund balances, beginning	30	41	17	(24)
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

PINAL COUNTY
Special Revenue Funds - Public Health Services District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

PUBLIC HEALTH SERVICES DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 2,512	\$ 2,471	\$ (41)
Intergovernmental	4,211	3,544	(667)
Charges for services	179	304	125
Investment earnings	11	13	2
Contributions	112	95	(17)
Miscellaneous	-	3	3
Total revenues	<u>7,025</u>	<u>6,430</u>	<u>(595)</u>
Expenditures			
Current:			
Health	<u>8,305</u>	<u>6,600</u>	<u>1,705</u>
Total expenditures	<u>8,305</u>	<u>6,600</u>	<u>1,705</u>
Deficiency of revenues over expenditures	<u>(1,280)</u>	<u>(170)</u>	<u>1,110</u>
Other financing sources (uses):			
Transfers in	1,360	1,207	(153)
Transfers out	<u>(943)</u>	<u>(790)</u>	<u>153</u>
Total other financing sources (uses)	<u>417</u>	<u>417</u>	<u>-</u>
Net change in fund balances	(863)	247	1,110
Fund balances, beginning	863	3,334	2,471
Fund balances, ending	<u>\$ -</u>	<u>\$ 3,581</u>	<u>\$ 3,581</u>

PINAL COUNTY
Special Revenue Funds - Queen Creek
Domestic Water Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

QUEEN CREEK DOMESTIC WATER IMPROVEMENT DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 10	\$ 11	\$ 1
Total revenues	<u>10</u>	<u>11</u>	<u>1</u>
Expenditures			
Current:			
General government	<u>42</u>	-	<u>42</u>
Total expenditures	<u>42</u>	<u>-</u>	<u>42</u>
Excess (deficiency) of revenues over expenditures	<u>(32)</u>	<u>11</u>	<u>43</u>
Net change in fund balance	(32)	11	43
Fund balances, beginning	<u>32</u>	<u>15</u>	<u>(17)</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</u>

PINAL COUNTY
Capital Projects Miscellaneous
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

CAPITAL PROJECTS MISCELLANEOUS	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$ -	\$ 127	\$ 5	\$ (122)
Total revenues	<u>-</u>	<u>127</u>	<u>5</u>	<u>(122)</u>
Expenditures				
Capital outlay	<u>3,856</u>	<u>5,884</u>	<u>797</u>	<u>5,087</u>
Total expenditures	<u>3,856</u>	<u>5,884</u>	<u>797</u>	<u>5,087</u>
Deficiency of revenues over expenditures	<u>(3,856)</u>	<u>(5,757)</u>	<u>(792)</u>	<u>4,965</u>
Other financing sources:				
Transfers in	<u>356</u>	<u>2,257</u>	<u>2,188</u>	<u>(69)</u>
Total other financing sources	<u>356</u>	<u>2,257</u>	<u>2,188</u>	<u>(69)</u>
Net change in fund balances	<u>(3,500)</u>	<u>(3,500)</u>	<u>1,396</u>	<u>4,896</u>
Fund balances, beginning	<u>3,500</u>	<u>3,500</u>	<u>3,748</u>	<u>248</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,144</u>	<u>\$ 5,144</u>

PINAL COUNTY
Capital Projects - Public Works Gantzel Road Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

PUBLIC WORKS GANTZEL ROAD FUND	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	\$ -	\$ 20	\$ 20
Contributions	-	2	2
Total revenues	<u>-</u>	<u>22</u>	<u>22</u>
Expenditures			
Current:			
Capital outlay	1,505	10	1,495
Total expenditures	<u>1,505</u>	<u>10</u>	<u>1,495</u>
Excess (deficiency) of revenues over expenditures	<u>(1,505)</u>	<u>12</u>	<u>1,517</u>
Other financing uses:			
Transfers out	(3,200)	(3,200)	-
Total other financing uses	<u>(3,200)</u>	<u>(3,200)</u>	<u>-</u>
Net change in fund balances	(4,705)	(3,188)	1,517
Fund balances, beginning	4,705	4,826	121
Fund balances, ending	<u>\$ -</u>	<u>\$ 1,638</u>	<u>\$ 1,638</u>

PINAL COUNTY
Capital Projects - Kelvin Road Bridge Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

KELVIN ROAD BRIDGE CONSTRUCTION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 20	\$ 20
Investment Earnings	30	24	(6)
Total revenues	<u>30</u>	<u>44</u>	<u>14</u>
Expenditures			
Capital outlay	3,000	82	2,918
Total expenditures	<u>3,000</u>	<u>82</u>	<u>2,918</u>
Deficiency of revenues over expenditures	<u>(2,970)</u>	<u>(38)</u>	<u>2,932</u>
Net change in fund balances	(2,970)	(38)	2,932
Fund balances, beginning	<u>2,970</u>	<u>4,790</u>	<u>1,820</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 4,752</u>	<u>\$ 4,752</u>

PINAL COUNTY
Capital Projects - Health Clinics and Courthouse
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

HEALTH CLINICS AND COURTHOUSE	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 35	\$ 35
Investment Earnings	-	-	12	12
Miscellaneous	-	-	6	6
Total revenues	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
Expenditures				
Capital outlay	11,787	11,675	7,052	4,623
Total expenditures	<u>11,787</u>	<u>11,675</u>	<u>7,052</u>	<u>4,623</u>
Deficiency of revenues over expenditures	<u>(11,787)</u>	<u>(11,675)</u>	<u>(6,999)</u>	<u>4,676</u>
Other financing sources:				
Transfers in	-	113	113	-
Total other financing sources	<u>-</u>	<u>113</u>	<u>113</u>	<u>-</u>
Net change in fund balances	<u>(11,787)</u>	<u>(11,562)</u>	<u>(6,886)</u>	<u>4,676</u>
Fund balances, beginning	11,787	11,562	11,575	13
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,689</u>	<u>\$ 4,689</u>

PINAL COUNTY
Fairgrounds Construction Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

FAIRGROUNDS CONSTRUCTION CAPITAL PROJECTS	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Investment Earnings	\$ -	\$ -	\$ 1	\$ 1
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Expenditures				
Capital outlay	\$ -	\$ 237	\$ 11	\$ 226
Total expenditures	<u>-</u>	<u>237</u>	<u>11</u>	<u>226</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>(237)</u>	<u>(10)</u>	<u>227</u>
Net change in fund balances	-	(237)	(10)	227
Fund balances, beginning, as restated	-	237	237	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227</u>	<u>\$ 227</u>

PINAL COUNTY
Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2012
(Amounts expressed in thousands)

DEBT SERVICE	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Total revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Expenditures				
Debt Service				
Principal retirement	12,327	12,328	8,884	3,444
Interest	7,176	7,176	7,176	-
Miscellaneous	-	2,005	3	2,002
Total expenditures	<u>19,503</u>	<u>21,509</u>	<u>16,063</u>	<u>5,446</u>
Deficiency of revenues over expenditures	<u>(19,503)</u>	<u>(21,509)</u>	<u>(16,059)</u>	<u>5,450</u>
Other financing sources:				
Transfers in	19,503	21,504	20,527	(977)
Total other financing sources	<u>19,503</u>	<u>21,504</u>	<u>20,527</u>	<u>(977)</u>
Net change in fund balances	-	(5)	4,468	4,473
Fund balances, beginning	-	5	4,997	4,992
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,465</u>	<u>\$ 9,465</u>

PINAL COUNTY
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2012

(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Airport Economic Development	Total
Assets					
Current assets:					
Cash, cash equivalents and investments	\$ 524	\$ 34	\$ -	\$ 818	\$ 1,376
Receivables (net):					
Accounts receivable (net)	-	-	-	1	1
Total current assets	<u>524</u>	<u>34</u>	<u>-</u>	<u>819</u>	<u>1,377</u>
Noncurrent assets:					
Capital assets:					
Construction in progress	-	-	-	79	79
Buildings and improvements	-	-	-	163	163
Machinery and equipment	657	-	-	437	1,094
Infrastructure	-	-	-	656	656
Less accumulated depreciation	(157)	-	-	(283)	(440)
Total noncurrent assets	<u>500</u>	<u>-</u>	<u>-</u>	<u>1,052</u>	<u>1,552</u>
Total assets	<u>1,024</u>	<u>34</u>	<u>-</u>	<u>1,871</u>	<u>2,929</u>
Liabilities					
Current liabilities:					
Accounts payable	56	34	-	35	125
Accrued payroll and employee benefits	4	-	-	2	6
Due to other funds	-	-	-	1	1
Compensated absences	7	-	-	7	14
Total current liabilities	<u>67</u>	<u>34</u>	<u>-</u>	<u>45</u>	<u>146</u>
Noncurrent liabilities:					
Compensated absences	7	-	-	8	15
Total noncurrent liabilities	<u>7</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>15</u>
Total liabilities	<u>74</u>	<u>34</u>	<u>-</u>	<u>53</u>	<u>161</u>
Net Assets					
Invested in capital assets, net of related debt	500	-	-	1,052	1,552
Restricted for public safety	450	-	-	-	450
Unrestricted	-	-	-	766	766
Total net assets	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 2,768</u>

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Airport Economic Development	Total
Operating revenues					
Charges for services	\$ -	\$ 2,070	\$ 1	\$ -	\$ 2,071
License and permits	-	-	-	10	10
Rentals	-	-	-	229	229
Miscellaneous	858	2	-	64	924
Total operating revenues	<u>858</u>	<u>2,072</u>	<u>1</u>	<u>303</u>	<u>3,234</u>
Operating expenses					
Personal services	220	1,767	15	185	2,187
Supplies	238	8	1	53	300
Depreciation	97	-	-	49	146
Insurance	-	17	-	-	17
Repairs and maintenance	20	7	-	4	31
Communication	21	3	-	-	24
Professional services	135	44	61	105	345
Public utility service	-	-	8	10	18
Miscellaneous	11	13	-	11	35
Total operating expenditures	<u>742</u>	<u>1,859</u>	<u>85</u>	<u>417</u>	<u>3,103</u>
Operating income (loss)	<u>116</u>	<u>213</u>	<u>(84)</u>	<u>(114)</u>	<u>131</u>
Nonoperating revenues					
Intergovernmental	-	-	60	62	122
Investment earnings	2	4	1	5	12
Insurance reimbursement	-	-	1	-	1
Interest expense	-	(2)	-	-	(2)
Loss on disposal of capital assets	-	(92)	-	-	(92)
Total nonoperating revenues	<u>2</u>	<u>(90)</u>	<u>62</u>	<u>67</u>	<u>41</u>
Net income (loss) before transfers and reassignment of debt	118	123	(22)	(47)	172
Transfers in	-	-	22	-	22
Transfers out	-	(1,557)	(3)	(44)	(1,604)
Reassignment of debt	-	35	-	-	35
Changes in net assets	<u>118</u>	<u>(1,399)</u>	<u>(3)</u>	<u>(91)</u>	<u>(1,375)</u>
Net assets - beginning, as restated	832	1,399	3	1,909	4,143
Net assets - ending	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,818</u>	<u>\$ 2,768</u>

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair- gounds	Airport Economic Develop- ment	Total
Cash flows from operating activities					
Receipts from customers	\$ -	\$ 2,812	\$ 46	\$ -	\$ 2,858
Other receipts from operations	858	2	-	303	1,163
Payments to suppliers	(371)	(79)	(117)	(155)	(722)
Payments to employees	(213)	(2,010)	(18)	(179)	(2,420)
Net cash provided by (used for) operating activities	<u>274</u>	<u>725</u>	<u>(89)</u>	<u>(31)</u>	<u>879</u>
Cash flows from noncapital financing activities					
Receipts from federal and local agencies	-	-	60	62	122
Cash transfers from other funds	-	-	22	-	22
Cash transfers to other funds	-	(1,537)	-	(44)	(1,581)
Other receipts	-	-	1	-	1
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>(1,537)</u>	<u>83</u>	<u>18</u>	<u>(1,436)</u>
Cash flows from capital and related financing activities					
Payments for capital leases	-	(34)	-	-	(34)
Purchases of capital assets	(195)	-	-	(85)	(280)
Interest paid on capital leases	-	(2)	-	-	(2)
Net cash used for capital and related financing activities	<u>(195)</u>	<u>(36)</u>	<u>-</u>	<u>(85)</u>	<u>(316)</u>
Cash flows from investing activities					
Investment earnings received	<u>2</u>	<u>4</u>	<u>1</u>	<u>5</u>	<u>12</u>
Net cash provided by investing activities	<u>2</u>	<u>4</u>	<u>1</u>	<u>5</u>	<u>12</u>
Net increase (decrease) in cash and cash equivalents	81	(844)	(5)	(93)	(861)
Cash and cash equivalents - beginning, as restated	<u>443</u>	<u>878</u>	<u>5</u>	<u>911</u>	<u>2,237</u>
Cash and cash equivalents - ending	<u>\$ 524</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 818</u>	<u>\$ 1,376</u>

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2012
(Concluded)
(Amounts expressed in thousands)

	<u>Sheriff Inmate Services</u>	<u>Home Health</u>	<u>Fair- grounds</u>	<u>Airport Economic Develop- ment</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 116	\$ 213	\$ (84)	\$ (114)	\$ 131
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	97	-	-	49	146
Changes in assets and liabilities:					
Decrease in assets:					
Accounts receivable	-	768	3	-	771
Due from other funds	-	-	42	-	42
Increase (decrease) in liabilities:					
Accounts payable	54	13	(3)	28	92
Accrued payroll and employee benefits	1	(151)	(3)	-	(153)
Due to other funds	-	-	(44)	-	(44)
Deferred revenue	-	(26)	-	-	(26)
Compensated absences	6	(92)	-	6	(80)
Total adjustments	<u>158</u>	<u>512</u>	<u>(5)</u>	<u>83</u>	<u>748</u>
Net cash provided by (used for) operating activities	<u>\$ 274</u>	<u>\$ 725</u>	<u>\$ (89)</u>	<u>\$ (31)</u>	<u>\$ 879</u>

Non-cash Capital and Related Financing Activities:

Home Health transferred capital assets with an original cost of \$116 and a net book value of \$20 to the County's general government.

Fairgrounds transferred capital assets with an original cost of \$451 and a net book value of \$3 to the County's general government.

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2012

(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Assets			
Cash, cash equivalents and investments	\$ 167,553	\$ 393	\$ 167,946
Interest receivable	89	-	89
Total assets	167,642	393	168,035
Liabilities			
Deposits held for others	-	-	-
Total liabilities	-	-	-
Net Assets			
Held in trust for investment participants	\$ 167,642	\$ 393	\$ 168,035

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2012

(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
Assets			
Cash, cash equivalents and investments	\$ 724	\$ 5,878	\$ 6,602
Liabilities			
Deposits held for others	\$ 724	\$ 5,878	\$ 6,602

PINAL COUNTY
Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Additions			
Contributions by participants	\$ 624,482	\$ 1	\$ 624,483
Investment earnings	1,032	-	1,032
Total additions	<u>625,514</u>	<u>1</u>	<u>625,515</u>
Deductions			
Distributions to participants	638,334		638,334
Total distributions	<u>638,334</u>	<u>-</u>	<u>638,334</u>
Change in net assets	(12,820)	1	(12,819)
Net assets - beginning	180,462	392	180,854
Net assets - ending	<u>\$ 167,642</u>	<u>\$ 393</u>	<u>\$ 168,035</u>

PINAL COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2012
(Amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
Special Purpose:				
Assets				
Cash, cash equivalents and investments	<u>\$ 856</u>	<u>\$ 1,906</u>	<u>\$ 2,038</u>	<u>\$ 724</u>
Liabilities				
Deposits held for others	<u>\$ 856</u>	<u>\$ 1,906</u>	<u>\$ 2,038</u>	<u>\$ 724</u>
Other Agency:				
Assets				
Cash, cash equivalents and investments	<u>\$ 3,995</u>	<u>\$ 62,144</u>	<u>\$ 60,261</u>	<u>\$ 5,878</u>
Liabilities				
Deposits held for others	<u>\$ 3,995</u>	<u>\$ 62,144</u>	<u>\$ 60,261</u>	<u>\$ 5,878</u>
Total - All Agency Funds				
Assets				
Cash, cash equivalents and investments	<u>\$ 4,851</u>	<u>\$ 64,050</u>	<u>\$ 62,299</u>	<u>\$ 6,602</u>
Liabilities				
Deposits held for others	<u>\$ 4,851</u>	<u>\$ 64,050</u>	<u>\$ 62,299</u>	<u>\$ 6,602</u>

Page left blank intentionally

Statistical Section



PINAL • COUNTY
wide open opportunity

STATISTICAL SECTION

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

Financial Trends – Schedules on pages 143 thru 147

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

Revenue Capacity – Schedules on pages 148 thru 152

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

Debt Capacity – Schedules on pages 153 thru 155

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

Demographic and Economic Information – Schedules on pages 156 thru 157

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

Operating Information – Schedule on page 158 thru 160

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

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

Page left blank intentionally

PINAL COUNTY
Net Assets by Component
Last Ten Fiscal Years

(Accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities		(as restated)	(as restated)	(as restated)						
Invested in capital assets, net of related debt	\$ 311,004	\$ 306,347	\$ 300,467	\$ 281,244	\$ 232,081	\$ 207,480	\$ 180,340	\$ 44,832	\$ 41,578	\$ 33,615
Restricted	94,611	91,943	101,343	105,962	106,422	102,515	67,584	39,872	28,679	20,917
Unrestricted	58,237	57,200	44,931	30,402	33,673	38,378	36,054	31,359	20,408	6,195
Total governmental activities net assets	<u>\$ 463,852</u>	<u>\$ 455,490</u>	<u>\$ 446,741</u>	<u>\$ 417,608</u>	<u>\$ 372,176</u>	<u>\$ 348,373</u>	<u>\$ 283,978</u>	<u>\$ 116,063</u>	<u>\$ 90,665</u>	<u>\$ 60,727</u>
Business-type Activities										
Invested in capital assets, net of related debt	\$ 1,608	\$ 3,333	\$ 2,341	\$ 2,331	\$ 2,538	\$ 2,787	\$ 2,379	\$ 949	\$ 442	\$ 93
Restricted	450	3,426	3,745	2,846	2,836	2,576	255	1,651	2,150	2,208
Unrestricted	2,663	5,109	4,598	6,005	2,973	1,263	1,196	965	1,579	1,262
Total business-type activities net assets	<u>\$ 4,721</u>	<u>\$ 11,868</u>	<u>\$ 10,684</u>	<u>\$ 11,182</u>	<u>\$ 8,347</u>	<u>\$ 6,626</u>	<u>\$ 3,830</u>	<u>\$ 3,565</u>	<u>\$ 4,171</u>	<u>\$ 3,563</u>
Net Assets										
Invested in capital assets, net of related debt	\$ 312,612	\$ 309,680	\$ 302,808	\$ 283,575	\$ 234,619	\$ 210,267	\$ 182,719	\$ 45,781	\$ 42,020	\$ 33,708
Restricted	95,061	95,369	105,088	108,808	109,258	105,091	67,839	41,523	30,829	23,125
Unrestricted	60,900	62,309	49,529	36,407	36,646	39,641	37,250	32,324	21,987	7,457
Total net assets	<u>\$ 468,573</u>	<u>\$ 467,358</u>	<u>\$ 457,425</u>	<u>\$ 428,790</u>	<u>\$ 380,523</u>	<u>\$ 354,999</u>	<u>\$ 287,808</u>	<u>\$ 119,628</u>	<u>\$ 94,836</u>	<u>\$ 64,290</u>

Note: FY2011 Net Asset amounts were restated to correct prior period errors and for the reclassification of a non-major capital projects fund. See Note 4, page 39 for details.

PINAL COUNTY
Changes in Net Assets
Last Ten Fiscal Years

(Accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities										
General government	\$ 46,024	\$ 68,581	\$ 67,143	\$ 83,213	\$ 77,216	\$ 54,818	\$ 56,542	\$ 48,091	\$ 44,020	\$ 36,822
Public safety	113,497	96,425	93,431	89,530	83,808	73,643	60,481	46,396	37,958	37,732
Highways and streets	28,937	30,614	30,514	40,651	36,697	32,702	25,978	18,206	14,590	13,398
Sanitation	422	444	707	693	927	719	645	640	854	673
Health	33,182	27,702	24,496	28,741	30,530	27,321	24,982	22,846	20,202	19,574
Welfare	6,217	6,017	5,683	5,218	5,576	5,064	4,670	5,207	4,836	4,880
Culture and recreation	2,002	2,116	1,819	2,189	1,354	881	860	714	613	552
Education	6,733	9,027	8,487	9,901	10,371	10,861	8,379	7,571	7,235	6,327
Interest on long-term debt	7,039	7,408	7,968	8,065	7,622	8,738	5,134	141	183	221
Total governmental activities expenses	<u>244,053</u>	<u>248,334</u>	<u>240,248</u>	<u>268,201</u>	<u>254,101</u>	<u>214,747</u>	<u>187,671</u>	<u>149,812</u>	<u>130,491</u>	<u>120,179</u>
Business-type activities										
Long Term Care	16,623	61,555	61,404	58,721	53,090	45,116	45,629	40,597	35,611	32,570
Sheriff Inmate Services	742	519	633	408	311	214	182	176	151	130
Home Health	1,953	6,210	5,117	5,309	4,578	4,177	4,438	3,920	3,565	2,961
Fairgrounds	85	479	520	643	892	737	692	651	586	556
Adult Day Care	-	-	-	-	153	32	37	28	29	-
Airport Economic Development (1)	417	281	-	-	-	-	-	-	-	-
Total business-type activities	<u>19,820</u>	<u>69,044</u>	<u>67,674</u>	<u>65,081</u>	<u>59,024</u>	<u>50,276</u>	<u>50,978</u>	<u>45,372</u>	<u>39,942</u>	<u>36,217</u>
Total primary government expenses	<u>\$ 263,873</u>	<u>\$ 317,378</u>	<u>\$ 307,922</u>	<u>\$ 333,282</u>	<u>\$ 313,125</u>	<u>\$ 265,023</u>	<u>\$ 238,649</u>	<u>\$ 195,184</u>	<u>\$ 170,433</u>	<u>\$ 156,396</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 3,749	\$ 4,963	\$ 5,211	\$ 5,844	\$ 8,898	\$ 12,723	\$ 17,708	\$ 16,125	\$ 12,109	\$ 8,066
Public Safety	25,089	26,923	22,596	22,649	21,401	14,318	9,846	9,481	7,115	7,783
Other activities	4,635	4,764	6,480	9,213	14,507	12,249	6,833	5,493	5,151	3,505
Operating grants and contributions	32,172	31,607	34,514	39,364	36,359	37,422	34,611	39,071	40,233	36,668
Capital grants and contributions	23,146	22,157	25,501	58,738	40,345	79,158	35,146	10,763	6,143	1,265
Total governmental activities program revenues	<u>88,791</u>	<u>90,414</u>	<u>94,302</u>	<u>135,808</u>	<u>121,510</u>	<u>155,870</u>	<u>104,144</u>	<u>80,933</u>	<u>70,751</u>	<u>57,287</u>

(continued)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities										
Charges for Services										
Long Term Care	16,089	62,678	61,588	61,971	55,389	48,201	43,875	40,174	36,576	33,347
Home Health	2,070	7,253	5,599	5,778	4,039	3,992	4,482	3,980	3,634	3,148
Other activities	240	304	307	327	499	595	530	457	446	302
Operating grants and contributions	122	705	60	35	91	40	39	38	40	33
Capital grants and contributions	-	-	-	8	-	-	17	-	-	-
Total business-type activities program revenues	<u>18,521</u>	<u>70,940</u>	<u>67,554</u>	<u>68,119</u>	<u>60,018</u>	<u>52,828</u>	<u>48,943</u>	<u>44,649</u>	<u>40,696</u>	<u>36,830</u>
Total primary government program revenues	<u>\$ 107,312</u>	<u>\$ 161,354</u>	<u>\$ 161,856</u>	<u>\$ 203,927</u>	<u>\$ 181,528</u>	<u>\$ 208,698</u>	<u>\$ 153,087</u>	<u>\$ 125,582</u>	<u>\$ 111,447</u>	<u>\$ 94,117</u>
Net (expense)/revenue										
Governmental activities	\$ (155,262)	\$ (157,920)	\$ (145,946)	\$ (132,393)	\$ (132,591)	\$ (58,877)	\$ (83,527)	\$ (68,879)	\$ (59,740)	\$ (62,892)
Business-type activities	(1,299)	1,896	(120)	3,038	994	2,552	(2,035)	(723)	754	613
Total primary government net expenses	<u>\$ (156,561)</u>	<u>\$ (156,024)</u>	<u>\$ (146,066)</u>	<u>\$ (129,355)</u>	<u>\$ (131,597)</u>	<u>\$ (56,325)</u>	<u>\$ (85,562)</u>	<u>\$ (69,602)</u>	<u>\$ (58,986)</u>	<u>\$ (62,279)</u>
General Revenues and Other Changes in Net Assets										
Government Activities										
Taxes:										
Property taxes	\$ 93,350	\$ 112,674	\$ 108,755	\$ 96,842	\$ 84,915	\$ 69,978	\$ 61,354	\$ 68,386	\$ 65,725	\$ 52,533
General county sales tax	12,460	12,104	12,065	14,103	17,222	18,545	17,540	12,316	-	-
Share of State sales taxes	26,700	20,921	18,812	20,496	24,012	25,114	21,868	17,266	15,014	13,374
Road improvement tax	6,341	4,798	4,481	5,220	6,308	6,713	7,260	-	-	-
Other taxes	15,056	14,559	14,022	15,784	15,056	12,764	9,878	-	-	5,368
Unrestricted share of State lottery	-	-	304	431	642	464	561	-	-	-
Investment earnings:										
Interest on investments	690	995	1,504	4,178	6,584	6,931	4,611	1,671	493	1,009
Net decrease in the fair value of investments	-	-	-	-	-	-	-	-	-	(908)
Miscellaneous	2,178	2,007	1,998	1,689	1,307	2,090	989	699	1,579	3,747
Reassignment of debt	(2,131)	-	-	-	-	-	-	-	-	-
Transfers	8,980	1,654	2,559	1,235	348	379	(1,660)	276	423	295
Total governmental activities	<u>163,624</u>	<u>169,712</u>	<u>164,500</u>	<u>159,978</u>	<u>156,394</u>	<u>142,978</u>	<u>122,401</u>	<u>100,614</u>	<u>83,234</u>	<u>75,418</u>
Business-type activities:										
Investment earnings:										
Interest on investments	37	137	198	358	514	260	192	124	72	91
Miscellaneous	964	1,055	858	564	561	363	448	269	205	177
Reassignment of debt	2,131	-	-	-	-	-	-	-	-	-
Transfers	(8,980)	(1,654)	(2,559)	(1,235)	(348)	(379)	1,660	(276)	(423)	(295)
Total business-type activities	<u>(5,848)</u>	<u>(462)</u>	<u>(1,503)</u>	<u>(313)</u>	<u>727</u>	<u>244</u>	<u>2,300</u>	<u>117</u>	<u>(146)</u>	<u>(27)</u>
Total primary government	<u>\$ 157,776</u>	<u>\$ 169,250</u>	<u>\$ 162,997</u>	<u>\$ 159,665</u>	<u>\$ 157,121</u>	<u>\$ 143,222</u>	<u>\$ 124,701</u>	<u>\$ 100,731</u>	<u>\$ 83,088</u>	<u>\$ 75,391</u>
Change in Net Assets										
Governmental Activities	\$ 8,362	\$ 11,792	\$ 18,554	\$ 27,585	\$ 23,803	\$ 84,101	\$ 38,874	\$ 31,735	\$ 23,494	\$ 12,526
Business-type Activities	(7,147)	1,434	(1,623)	2,725	1,721	2,796	265	(606)	608	586
Total Primary Government	<u>\$ 1,215</u>	<u>\$ 13,226</u>	<u>\$ 16,931</u>	<u>\$ 30,310</u>	<u>\$ 25,524</u>	<u>\$ 86,897</u>	<u>\$ 39,139</u>	<u>\$ 31,129</u>	<u>\$ 24,102</u>	<u>\$ 13,112</u>

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

PINAL COUNTY
Fund Balances of Governmental Funds
Last Ten Fiscal Years

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
		(as restated)	(as restated)	(as restated)						
General Fund (1)										
Reserved			\$ 327	\$ 445	\$ 952	\$ 519	\$ 482	\$ 6,866	\$ 1,688	\$ 1,613
Unreserved			43,210	36,260	41,533	46,078	45,614	31,755	25,618	13,301
Nonspendable		\$ 1,344								
Restricted	\$ 715	715								
Unassigned	43,014	42,309								
Total general fund	<u>\$ 43,729</u>	<u>\$ 44,368</u>	<u>\$ 43,537</u>	<u>\$ 36,705</u>	<u>\$ 42,485</u>	<u>\$ 46,597</u>	<u>\$ 46,096</u>	<u>\$ 38,621</u>	<u>\$ 27,306</u>	<u>\$ 14,914</u>
All Other Governmental Funds (1)										
Reserved			\$ 207	\$ 216	\$ 455	\$ 359	\$ 379	\$ 509	\$ 2,110	\$ 13,152
Unreserved, reported in:										
Special revenue funds			84,879	80,331	80,187	63,979	43,192	37,617	28,143	20,377
Capital projects funds			14,618	18,085	9,973	25,981	65,853	48,224	60	60
Debt service funds			5,016	5,190	5,151	5,189	8,640	-	-	-
Nonspendable	\$ 98	\$ 96								
Restricted	96,598	101,452								
Committed	4,915	4,539								
Assigned	8,105	3,163								
Unassigned	-	(148)								
Total all other governmental funds	<u>\$ 109,716</u>	<u>\$ 109,102</u>	<u>\$ 104,720</u>	<u>\$ 103,822</u>	<u>\$ 95,766</u>	<u>\$ 95,508</u>	<u>\$ 118,064</u>	<u>\$ 86,350</u>	<u>\$ 30,313</u>	<u>\$ 33,589</u>

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

Note: FY 2011 fund balance amounts were restated due to the reclassification of the Fairgrounds Construction Fund and for prior year errors in the Accommodation School fund.
See Note 4 - Beginning Balances Restated, page 39.

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Taxes	\$ 115,068	\$ 130,923	\$ 126,338	\$ 118,505	\$ 109,442	\$ 95,048	\$ 85,688	\$ 70,407	\$ 62,057	\$ 53,217
Licenses and permits	3,005	2,758	3,330	3,732	5,796	9,000	12,094	12,769	9,629	6,313
Intergovernmental	91,928	81,164	81,699	92,656	92,114	92,324	82,964	67,226	60,807	55,536
Charges for services	28,925	27,661	27,353	26,538	35,285	26,718	19,370	14,637	12,350	10,400
Fines and forfeits	3,482	4,474	3,381	3,263	3,464	4,905	2,586	3,032	2,396	2,641
Investment earnings	690	995	1,504	4,178	6,584	6,931	4,611	1,671	493	1,009
Net decrease in the fair value of investments	-	-	-	-	-	-	-	-	-	(908)
Contributions	393	372	575	1,378	2,608	8,041	10,846	9,571	4,863	-
Rentals	430	524	840	919	791	750	740	661	-	-
Miscellaneous	1,138	1,438	1,518	1,315	5,048	1,921	787	699	1,579	3,747
Total revenues	245,059	250,309	246,538	252,484	261,132	245,638	219,686	180,673	154,174	131,955
Expenditures										
Current:										
General government	40,156	66,438	62,495	72,299	72,961	59,789	48,842	55,602	46,973	39,187
Public safety	112,448	96,791	92,175	88,073	82,323	71,114	57,111	43,783	37,297	37,071
Highways and streets	23,140	24,157	24,738	37,498	36,259	30,721	27,712	27,677	24,661	18,246
Sanitation	422	444	696	679	901	680	583	568	887	805
Health	32,945	27,589	24,297	28,567	30,472	27,299	24,606	23,180	20,228	19,477
Welfare	5,902	5,759	6,024	5,396	5,960	5,027	4,636	5,192	4,898	4,877
Culture and recreation	1,906	2,059	2,122	2,220	1,397	879	823	825	600	547
Education	6,733	9,027	8,672	9,901	10,371	10,861	8,379	7,571	7,235	6,324
Capital outlay	7,952	7,009	4,218	4,006	19,760	49,181	62,471	22,422	11,254	16,472
Debt service:										
Principal retirement	10,240	11,511	10,953	13,664	7,620	6,131	5,890	1,075	1,040	1,000
Interest and fiscal charges	7,292	7,038	7,804	7,825	7,633	8,352	5,134	141	183	221
Cost of issuance	-	440	-	176	86	-	-	-	-	-
Other	3	4	8	10	11	13	1,316	-	-	-
Total expenditures	249,139	258,266	244,202	270,314	275,754	270,047	247,503	188,036	155,256	144,227
Excess (deficiency) of revenues over expenditures	(4,080)	(7,957)	2,336	(17,830)	(14,622)	(24,409)	(27,817)	(7,363)	(1,082)	(12,272)
Other financing sources (uses):										
Transfers in	30,453	29,671	28,383	32,333	20,519	22,698	25,337	6,531	6,470	5,886
Transfers out	(25,484)	(28,005)	(25,824)	(31,111)	(20,171)	(22,315)	(25,519)	(6,255)	(6,047)	(5,591)
Proceeds from sale of capital assets	341	427	426	374	357	303	522	522	458	187
Capital lease agreements	-	-	2,098	6,083	6,109	1,668	1,096	980	2,873	-
Loan proceeds	-	-	-	12,795	3,695	-	-	-	-	-
Insurance reimbursement	87	126	255	121	98	-	-	-	-	-
Bond proceeds	-	12,000	-	-	-	-	-	-	-	-
Discount on bonds	-	(106)	-	-	-	-	-	-	-	-
Refunding bonds	-	18,380	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(19,720)	-	-	-	-	-	-	-	-
Premium on new debt issued	-	1,588	-	39	135	-	-	-	-	-
Loan issued	-	-	-	-	-	-	64,886	73,163	-	-
Total other financing sources	5,397	14,361	5,338	20,634	10,742	2,354	66,121	74,941	3,754	482
Net change in fund balances	\$ 1,317	\$ 6,404	\$ 7,674	\$ 2,804	\$ (3,880)	\$ (22,055)	\$ 38,304	\$ 67,578	\$ 2,672	\$ (11,790)
Debt Service as a percentage of noncapital expenditures	7.4%	7.6%	8.1%	8.7%	6.4%	7.4%	7.1%	0.7%	0.9%	1.0%

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

(Amounts expressed in thousands)

Fiscal Year	Type	Net Assessed Value	Estimated Actual Value	Percent of Net Assessed Value to Estimated Actual Value
2002/03	Primary	816,902	6,502,309	12.6%
	Secondary	863,865	6,916,354	12.5%
2003/04	Primary	951,824	7,674,857	12.4%
	Secondary	1,021,719	7,674,857	13.3%
2004/05	Primary	1,061,159	8,633,604	12.3%
	Secondary	1,130,024	9,137,421	12.4%
2005/06	Primary	1,212,971	10,125,096	12.0%
	Secondary	1,277,269	10,600,989	12.0%
2006/07	Primary	1,472,160	12,523,363	11.8%
	Secondary	1,547,005	13,075,849	11.8%
2007/08	Primary	1,908,802	16,552,287	11.5%
	Secondary	2,334,827	20,071,892	11.6%
2008/09	Primary	2,473,500	21,583,423	11.5%
	Secondary	3,449,599	29,689,328	11.6%
2009/10	Primary	2,880,552	25,251,970	11.4%
	Secondary	3,398,761	29,107,137	11.7%
2010/11	Primary	2,546,949	22,166,148	11.5%
	Secondary	2,673,415	22,958,054	11.6%
2011/12	Primary	2,160,151	18,877,720	11.4%
	Secondary	2,218,641	19,219,008	11.5%

Source: County assessment records

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

<u>Tax Year</u>	<u>Commercial Property</u>	<u>Residential Property</u>	<u>Vacant/Ag Land</u>	<u>Other</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Limited Value</u>	<u>Assessed Value as a Percentage of Limited Value</u>
2002	\$ 272,409	\$ 406,616	\$ 133,068	\$ 4,809	\$ 816,902	4.8386%	\$ 6,502,309	12.56%
2003	311,126	482,277	153,496	4,925	951,824	4.8287%	7,674,857	12.40%
2004	326,002	559,659	172,334	3,164	1,061,159	4.8295%	8,633,604	12.29%
2005	340,847	672,221	196,997	2,906	1,212,971	4.8188%	10,125,096	11.98%
2006	367,878	872,284	225,673	6,325	1,472,160	4.6900%	12,523,363	11.76%
2007	406,589	1,186,738	308,491	6,984	1,908,802	4.4036%	16,552,287	11.53%
2008	471,977	1,526,547	467,028	7,948	2,473,500	3.8522%	21,583,423	11.46%
2009	550,729	1,789,488	530,360	9,975	2,880,552	3.6684%	25,251,970	11.41%
2010	561,560	1,470,541	504,035	10,813	2,546,949	4.3213%	22,166,148	11.49%
2011	581,044	1,216,288	353,163	9,656	2,160,151	4.3304%	18,877,720	11.44%

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

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

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

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>County Primary Rate</u>	<u>Library</u>	<u>Flood</u>	<u>Fire</u>	<u>Mary C. O'Brien School</u>	<u>Total</u>
2002/03	\$ 816,902	4.4532	0.0570	0.0900	0.0953	0.1431	4.8386
2003/04	951,824	4.4532	0.0570	0.0900	0.0854	0.1431	4.8287
2004/05	1,061,159	4.4532	0.0570	0.0900	0.0862	0.1431	4.8295
2005/06	1,212,971	4.4532	0.0570	0.0900	0.0855	0.1331	4.8188
2006/07	1,472,160	4.3035	0.0570	0.1100	0.0864	0.1331	4.6900
2007/08	1,908,802	4.0183	0.0770	0.1300	0.0522	0.1261	4.4036
2008/09	2,473,500	3.4355	0.0970	0.1500	0.0438	0.1259	3.8522
2009/10	2,880,552	3.2316	0.0970	0.1700	0.0439	0.1259	3.6684
2010/11	2,546,949	3.9999	0.0970	0.1700	0.0544	N/A	4.3213
2011/12	2,160,151	3.9999	0.0970	0.1700	0.0635	N/A	4.3304

Source: County Tax Records

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

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

<u>Taxpayer</u>	<u>2012</u>			<u>2003</u>		
	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>	<u>Primary Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Value</u>
Arizona Public Service Company	\$ 86,036	1	3.98%	\$ 40,488	1	4.96%
ASARCO LLC / Ray Copper Complex	60,077	2	2.78%	14,859	3	1.82%
CCA Properties of Arizona LLC	38,662	3	1.79%	12,626	5	1.55%
El Paso Natural Gas Co.	19,675	4	0.91%	7,437	9	0.91%
Wal-Mart Stores Inc. & East LP	18,728	5	0.87%			
Southwest Gas Corporation	11,695	6	0.54%	7,966	7	0.98%
Qwest Corporation	11,347	7	0.53%	14,983	2	1.83%
Arizona Water Co.	10,658	8	0.49%	7,735	8	0.95%
Johnson Utilities LLC	9,981	9	0.46%			
WP Casa Grande Retail LLC	8,991	10	0.42%			
BHP Copper Inc/San Manuel Division				13,271	4	1.62%
SFPP LP DBA Kinder Morgan Energy Ptnrs L				8,292	6	1.02%
Union Pacific Railroad				4,111	10	0.50%
Total	<u>\$ 275,850</u>		<u>12.77%</u>	<u>\$ 131,768</u>		<u>16.14%</u>
Total Assessed Value	<u>\$ 2,160,151</u>			<u>\$ 816,902</u>		

Source: County Treasurer Tax Records

PINAL COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years

(\$ Amounts expressed in thousands)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 38,659	\$ 32,805	84.86%	\$ 1,377	\$ 34,182	88.42%
2004	43,845	39,052	89.07%	1,146	40,198	91.68%
2005	49,894	44,200	88.59%	1,284	45,484	91.16%
2006	56,915	50,854	89.35%	1,794	52,648	92.50%
2007	66,916	59,670	89.17%	2,337	62,007	92.66%
2008	81,141	73,935	91.12%	3,518	77,453	95.45%
2009	93,096	85,640	91.99%	4,613	90,253	96.95%
2010	101,628	95,122	93.60%	4,212	99,334	97.74%
2011	109,076	98,065	89.91%	3,880	101,945	93.46%
2012	91,738	81,278	88.60%	-	81,278	88.60%

Source: County financial records

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

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt			
	Pledged Revenue Bonds	Percentage of Actual Taxable Value of Property ¹	Per Capita ²	Certificates of Participation	Special Assessment Bonds	Capital Leases	Loans
2002/2003	-	N/A	N/A	38,675	4,405	1,634	-
2003/2004	-	N/A	N/A	36,375	3,365	4,215	-
2004/2005	-	N/A	N/A	105,590	2,290	4,332	-
2005/2006	-	N/A	N/A	101,480	1,165	4,323	63,220
2006/2007	-	N/A	N/A	97,200	-	4,538	63,220
2007/2008	-	N/A	N/A	92,755	-	9,405	64,755
2008/2009	-	N/A	N/A	87,035	-	12,624	74,805
2009/2010	-	N/A	N/A	83,740	-	10,669	68,863
2010/2011	30,380	1.19%	81	61,685	-	6,985	64,458
2011/2012	30,075	1.39%	79	58,900	-	4,414	62,010

Fiscal Year	Business -Type Activities			Percentage of Personal Income ²	
	Capital Leases	Loans	Total Primary Government	Per Capita ²	
2002/2003	-	-	44,714	1.17%	229
2003/2004	-	-	43,955	1.07%	215
2004/2005	-	-	112,212	2.49%	522
2005/2006	-	-	170,188	3.40%	689
2006/2007	-	-	164,958	2.73%	550
2007/2008	171	2,800	169,886	2.37%	518
2008/2009	141	2,800	177,405	2.25%	505
2009/2010	103	2,592	165,967	2.01%	466
2010/2011	69	2,347	165,924	1.87%	441
2011/2012	-	-	155,399	N/A	406

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

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

¹See Total Taxable assessed Value in the Taxable Assessed Value and Estimated Actual Value of Property schedule on page 149.

²See the Schedule of Demographic and Economic Statistics on page 156 for personal income and population data.

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

	Fiscal Year									
	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2011/2012</u>
Debt Limit	\$ 51,832	\$ 61,303	\$ 67,801	\$ 76,636	\$ 92,820	\$ 140,090	\$ 206,976	\$ 203,926	\$ 160,405	\$ 133,118
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 51,832</u>	<u>\$ 61,303</u>	<u>\$ 67,801</u>	<u>\$ 76,636</u>	<u>\$ 92,820</u>	<u>\$ 140,090</u>	<u>\$ 206,976</u>	<u>\$ 203,926</u>	<u>\$ 160,405</u>	<u>\$ 133,118</u>
Total net debt applicable to the limit as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2011/2012

Assessed Value:	
Secondary	<u>\$ 2,218,641</u>
Debt Limit	<u>\$ 133,118</u>
(6% of total assessed value)	
Debt applicable to limit:	
General Obligation Bonds	-
Less: Amount available in Debt Service Fund	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 133,118</u>

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

PINAL COUNTY
Pledged-Revenue Coverage
Last Ten Fiscal Years

(Amounts expressed in thousands)

Fiscal Year	Special Assessment Bonds				HELP Transportation Loan						
	Special Assessment Collections	Debt Service		Coverage	Road Improvements Sales Tax	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage	
		Principal	Interest					Principal	Interest		
2002/03	\$ 1,139	\$ 1,000	\$ 221	93.28%	N/A	N/A	N/A	N/A	N/A	N/A	
2003/04	1,280	1,040	183	104.66%	N/A	N/A	N/A	N/A	N/A	N/A	
2004/05	1,192	1,075	141	98.03%	N/A	N/A	N/A	N/A	N/A	N/A	
2005/06	1,187	1,125	96	97.22%	N/A	N/A	N/A	N/A	N/A	N/A	
2006/07	1,197	1,165	50	98.52%	N/A	N/A	N/A	N/A	N/A	N/A	
2007/08	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
2008/09	N/A	N/A	N/A	N/A	\$ 5,220	\$ 4,675	\$ 545	\$ 500	\$ 45	100.00%	
2009/10	N/A	N/A	N/A	N/A	4,480	3,945	535	500	35	100.00%	
2010/11	N/A	N/A	N/A	N/A	4,798	4,274	524	500	24	100.00%	
2011/12	N/A	N/A	N/A	N/A	6,341	5,829	512	500	12	100.00%	

GADA Loans and Pledged Revenue Bonds

Fiscal Year	State Shared Sales Tax						
	Gross State Shared Sales Tax Revenue(1)	Less: AHCCCS/ALTCS Contributions	Net Available State Shared Sales Tax	County Excise Tax Revenue(1)	Debt Service		Coverage
					Principal	Interest	
2002/03	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2003/04	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004/05	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005/06	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006/07	\$ 25,114	\$ 10,483	\$ 14,631	N/A	\$ -	\$ 3,462	422.62%
2007/08	24,012	11,415	12,597	N/A	2,160	2,854	251.24%
2008/09	20,496	13,358	7,138	\$ 14,103	4,580	3,135	275.32%
2009/10	18,812	7,385	11,427	12,065	3,315	3,208	360.14%
2010/11	20,921	10,836	10,085	12,104	4,150	3,605	286.13%
2011/12	26,700	16,141	10,559	12,460	4,600	4,119	264.01%

Source: County financial and tax records

(1) See Note 9 - Long Term Liabilities, page 45 for details.

PINAL COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Population¹	Personal Income²	Per Capita Income²	Unemployment Rate¹
2002/03	195	3,806,125	20	7.0%
2003/04	204	4,107,473	20	5.9%
2004/05	215	4,500,589	21	5.5%
2005/06	247	5,001,332	20	5.0%
2006/07	300	6,041,934	23	4.8%
2007/08	328	7,164,122	24	4.7%
2008/09	351	7,892,358	24	6.6%
2009/10	356	8,259,897	24	12.1%
2010/11	376	8,860,496	24	11.9%
2011/12	383	N/A	N/A	9.2%

¹ Population data through 2009/10 and Unemployment data through 2010/11 is obtained from the Arizona Department of Commerce, Arizona Workforce Informer. For 2010/11 the population data is from the U.S. Census Bureau, American FactFinder for the 2010 census. For 2011/12 the population data is from Quick Facts from the U.S. Census Bureau for 2011 population estimates and the Unemployment data is from Arizona Department of Administration, Office of Employment and Population Statistics.

² Personal income and per capita income data is obtained from the Arizona Department of Economic Security, Arizona Regional Economic Profile through 2006/07, from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts for 2007/08 through 2010/11.

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

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

Employer	2011			2002		
	Employees¹	Rank	Percentage of Total County Employment	Employees¹	Rank	Percentage of Total County Employment
State of Arizona	2,910	1	2.57%	2,950	1	4.20%
County of Pinal	2,471	2	2.18%	1,385	3	1.97%
Corrections Corporation of America	2,430	3	2.14%	1,202	4	1.71%
Gila River Indian Community	2,050	4	1.81%			
Walmart	1660	5	1.46%			
Pinal County Community College	910	6	0.80%			
Ray Mines Plant	830	7	0.73%			
Hu Hu Kam Memorial Hospital	820	8	0.72%			
Federal Government	820	9	0.72%			
Casa Grande Regional Medical Center	790	10	0.70%	790	6	1.12%
Casa Grande Elementary School District				625	7	0.89%
TRW Inc.				1,700	2	2.42%
ASARCO Inc. (Grupo Mexico)				900	5	1.28%
Desert Valley Care Center				520	8	0.74%
Hexcel Corporation				500	9	0.71%
Arch Chemicals; Frito Lay; Mobile Mini*				400	10	0.57%

¹Estimated number of full-time equivalent employees

2011 Source: Central Arizona Association of Governments

2002 Source: FY01-02 Pinal County CAFR

*In 2002, 3 companies employed the same number of people

Note: Schedule contains the most recent information available at time of production, which is 2011.

PINAL COUNTY
Employees by Function
Last Ten Fiscal Years

Employees by Function as of June 30										
<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities										
General government	328	350	409	448	419	384	333	300	279	274
Public safety	1,315	1,257	1,313	1,453	1,434	1,356	1,076	929	937	874
Highways and streets	181	181	184	241	224	219	214	170	181	182
Sanitation	3	6	7	8	8	7	8	-	-	1
Health	151	150	167	258	247	205	188	174	177	141
Welfare	33	36	36	43	45	46	44	38	44	47
Culture and recreation	11	12	11	10	9	9	9	8	8	9
Education	70	69	75	65	60	69	52	51	52	52
Total governmental activities	<u>2,092</u>	<u>2,061</u>	<u>2,202</u>	<u>2,526</u>	<u>2,446</u>	<u>2,295</u>	<u>1,924</u>	<u>1,670</u>	<u>1,678</u>	<u>1,580</u>
Business-type activities										
Long Term Care	-	73	80	83	82	79	72	66	71	55
Sheriff/Inmate Services	3	3	3	2	2	2	2	4	2	2
Home Health	-	328	257	152	178	172	249	199	212	204
Fairgrounds	-	4	12	7	6	5	7	7	7	7
Adult Day Care	-	-	-	-	5	1	-	-	-	-
Airport Economic Development	2	2	-	-	-	-	-	-	-	-
Total business-type activities	<u>5</u>	<u>410</u>	<u>352</u>	<u>244</u>	<u>273</u>	<u>259</u>	<u>330</u>	<u>276</u>	<u>292</u>	<u>268</u>
Total	<u>2,097</u>	<u>2,471</u>	<u>2,554</u>	<u>2,770</u>	<u>2,719</u>	<u>2,554</u>	<u>2,254</u>	<u>1,946</u>	<u>1,970</u>	<u>1,848</u>

Source:

2009 and prior: County Budget Office projected FTEs and Mary C O'Brien Accommodation School

2010 and after: Pinal County Payroll Records and Mary C O'Brien Accommodation School

*Numbers have been rounded up to accommodate 1/2 employees

Number of General Government employees for 2012 does not include 656 temporary election workers

PINAL COUNTY
Operating Indicators by Function/Program
Last Two Fiscal Years
(\$ Amounts expressed in thousands)

Function/Program	Fiscal Year 2011/12 (1)	Fiscal Year 2010/11
<u>General Government</u>		
County Assessor		
Number of parcels assessed	247,344	221,390
County Recorder		
Documents recorded	104,779	113,844
Development Services		
Building permits issued	2,937	2,817
Elections		
Active registered voters	160,985	161,813
Elections held	6	4
Ballots cast and counted	50,361	204,199
Facilities		
Work order requests	16,962	15,240
Fleet		
Work Orders completed	6,021	6,325
<u>Public Safety</u>		
County Attorney		
Adult felonies charged	2,813	2,386
Child support collected	\$ 22,383	\$ 22,600
Victim Restitution for bad checks collected	\$ 110	\$ 105
Sheriff		
Sworn Deputies	207	140
Service calls	99,122	88,706
Total bookings	16,172	15,592
Adult Probation		
Probationers (includes absconders)	3,517	3,511
Community work service hours	16,445	16,817
Victim restitution collected	\$ 435	\$ 348
Flood Control District		
Floodplain use permit applications received	29	45
ALERT gauge installations	3	4
<u>Health</u>		
Behavioral Health		
Court ordered evaluations	157	174
Forensic Mental Health clients	151	159
Public Health		
Birth certificates issued	4,379	5,520
Death certificates issued	6,556	8,187
Community health services clients	20,386	19,758
Immunization visits	6,540	10,080
WIC clients	93,411	97,186
<u>Culture and Recreation</u>		
Library District		
Circulation	1,508,320	1,558,678
Website visits	488,171	579,853
Active Borrowers	60,032	60,696
<u>Welfare</u>		
Public Fiduciary clients	284	279
<u>Education</u>		
Superintendent of Schools		
School districts in Pinal County	20	19

Source: County offices of elected officials and departments

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

PINAL COUNTY
Capital Asset Statistics by Function/Program
Last Two Fiscal Years

Function/Program	Fiscal Year 2011/12 (1)	Fiscal Year 2010/11
<u>General Government</u>		
Facilities		
Square footage maintained	1,103,847	1,111,174
Fleet		
Vehicles maintained	10	11
Superior Court		
Divisions	10	10
<u>Public Safety</u>		
Sheriff		
Patrol Vehicles	230	160
Fleet		
Vehicles maintained	414	390
Flood Control		
Flood ALERT stations	26	23
<u>Highways and Streets</u>		
Fleet		
Vehicles maintained	182	130
Heavy Equipment maintained	191	237
Public Works		
Miles of paved roads	1,020	1,018
Miles of gravel roads	1,039	1,050
<u>Sanitation</u>		
Leased Landfill	1	1
<u>Health</u>		
Animal Control		
Vehicles used in operations	21	14
Fleet		
Med Examiner Vehicles Maintained	2	2
Public Health		
Health facilities	11	11
Mobile clinic	1	1
<u>Culture and Recreation</u>		
Parks and recreation		
County parks	6	5

Source: County offices of elected officials and departments

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

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