

**REPORT  
 HIGHLIGHTS**  
 FINANCIAL STATEMENT AUDIT

**Subject**

Pinal County issues a Comprehensive Annual Financial Report. The County is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the auditors, our job is to determine whether the County has met its responsibilities.

**Our Conclusion**

The information in the financial statements is fairly stated in all material respects and the financial statements can be relied upon. The financial statements include data for the Pinal County Long Term Care Fund. The Fund, which had \$7.4 million in assets and \$4.1 million in liabilities, was audited by a local public accounting firm. Our opinion is based, in part, on the work of those auditors.



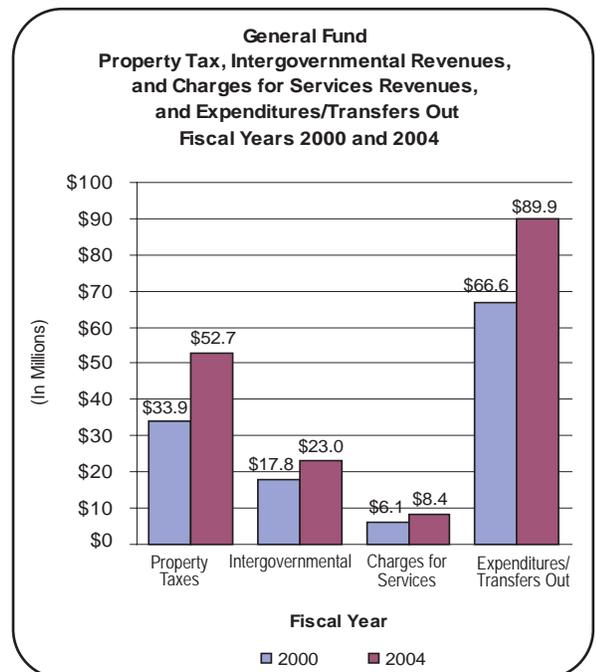
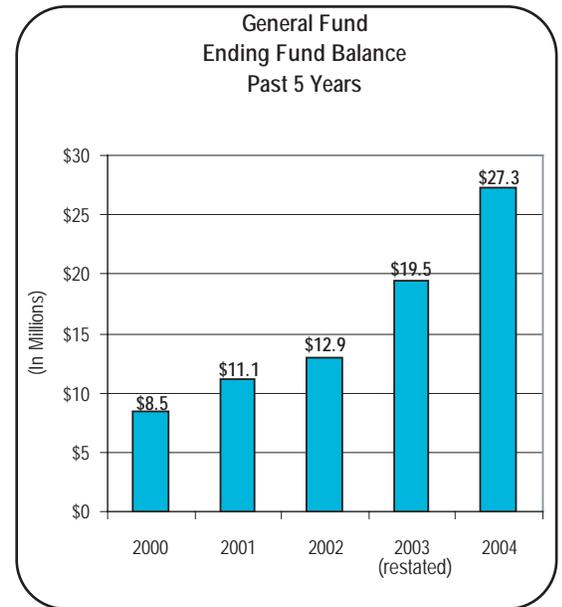
**2004**

Year Ended June 30, 2004

**The General Fund's  
 Fund Balance  
 Continues To Increase**

The General Fund's fund balance, as reported on the County's fiscal year 2004 Comprehensive Annual Financial Report, was \$27.3 million at June 30, 2004, an increase of 40 percent from fiscal year 2003 and 221 percent from fiscal year 2000. This increase is shown in the figure to the right.

Property taxes, intergovernmental revenues, consisting of state-shared sales tax, and charges for services revenues represent at least 90 percent of General Fund revenues from fiscal years 2000 through 2004. Increases in these revenues are the primary reason for the significant increase in the General Fund's fund balance. Property taxes increased 55 percent, intergovernmental revenues increased 29 percent, and charges for services revenues increased by 38 percent during this time period. However, for the fiscal years 2000 through 2004, General Fund expenditures, including transfers, increased by only 35 percent. These increases are illustrated in the figure to the right.



# County's Condensed Financial Information

The County's government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector businesses. These statements report the financial activities of the overall government, except for fiduciary activities.

The tables to the right present a summarized version of the County's government-wide Statement of Net Assets and Statement of Activities reported in the current year Comprehensive Annual Financial Report.

The Statement of Net Assets presents information on all county assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information showing how net assets changed during the most recent fiscal year.

## Statement of Net Assets June 30, 2004 (In Thousands)

	<u>Total Governmental and Business-type Activities</u>
Current and other assets	\$ 76,339
Capital assets	<u>83,929</u>
Total assets	<u>160,268</u>
Current and other liabilities	11,639
Long-term liabilities	<u>53,793</u>
Total liabilities	<u>65,432</u>
Net assets	
Invested in capital assets, net of related debt	42,020
Restricted net assets	30,829
Unrestricted net assets	<u>21,987</u>
Total net assets	<u>\$ 94,836</u>

## Statement of Activities Year Ended June 30, 2004 (In Thousands)

	<u>Total Governmental and Business-type Activities</u>
Program revenues:	
Governmental activities	\$ 70,751
Business-type activities	40,696
General revenues:	
Governmental activities	82,811
Business-type activities	<u>277</u>
Total revenues	<u>194,535</u>
Expenses:	
Governmental activities	130,491
Business-type activities	<u>39,942</u>
Total expenses	<u>170,433</u>
Change in net assets	24,102
Net assets—beginning, as restated	<u>70,734</u>
Net assets—ending	<u>\$ 94,836</u>

### TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling  
**(602) 553-0333**



or by visiting  
our Web site at:  
[www.auditorgen.state.az.us](http://www.auditorgen.state.az.us)

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## REPORT HIGHLIGHTS FINANCIAL STATEMENT AUDIT

Year Ended June 30, 2004