

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 on. The financial statements include data for the Pinal County Long-Term Care Health Plan Enterprise Fund. The Fund, which had over \$6.3 million in assets and \$3.6 million in long-term debt, was audited by a local public accounting firm. Our opinion is based, in part, on the work of those auditors.



2002

Year Ended June 30, 2002

The County Implemented a New Reporting Model

The information presented in the Pinal County *Comprehensive Annual Financial Report* for the year ended June 30, 2002, follows the new reporting model specified by the Governmental Accounting Standards Board. The new accounting standards required the County to implement the new reporting model this year.

The new reporting model's objective is to enhance the understandability and usefulness of government financial reports to the citizenry, legislative and oversight bodies, and investors and creditors.

The most important changes resulting from this reporting model's implementation include:

- New government-wide financial statements that focus on the overall government are presented, in addition to traditional fund-based financial statements;
- Separate financial statements are presented for the County's largest funds, rather than by aggregate fund types, such as special revenue, capital projects, and debt service funds;
- The value of the County's infrastructure, such as roadways, is reported in the government-wide financial statements;

- Depreciation expense is reported for all capital assets the County owns;
- Reconciliations are presented between the government-wide financial statements, which focus on the economic changes in total resources and the fund-based financial statements, which focus on the financial changes in current spendable resources; and
- Management's Discussion and Analysis, a new document in which the County provides an introduction and analytical overview of the County's financial activities is presented.

The management's discussion and analysis, government-wide financial statements, and fund-based financial statements provide three different views of the County's financial resources and the year's results of its financial activities.

The tables on page 2 present summarized versions of the County's government-wide Statement of Net Assets and Statement of Activities reported in the current year CAFR for the first time.

**Statement of Net Assets
June 30, 2002
(in thousands)**

	Total Governmental and Business-type Activities
	<hr/>
Current and other assets	\$ 75,170
Capital assets	45,349
Total assets	<u>120,519</u>
Current and other liabilities	4,879
Long-term liabilities	64,462
Total liabilities	<u>69,341</u>
Net assets	
Invested in capital assets, net of related debt	25,813
Restricted net assets	20,459
Unrestricted net assets	4,906
Total net assets	<u>\$ 51,178</u>

**Statement of Activities
For the Year Ended June 30, 2002
(in thousands)**

	Total Governmental and Business-type Activities
	<hr/>
Program revenues:	
Governmental activities	\$ 48,547
Business-type activities	29,186
General revenues:	
Governmental activities	73,855
Business-type activities	371
Total revenues	<u>151,959</u>
Expenses:	
Governmental-activities	109,566
Business-type activities	29,835
Total expenses	<u>139,401</u>
Change in net assets	12,558
Net assets—beginning	<u>38,620</u>
Net assets—ending	<u>\$ 51,178</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

Contact person for
this report:
Doug Haywood

**REPORT
HIGHLIGHTS
FINANCIAL STATEMENT AUDIT**

Year Ended June 30, 2002