

Pinal County, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Public Safety



Transportation

Property Taxes



Pinal County, Arizona
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2007

Prepared by:

Pinal County Finance Department

Victoria L. Prins, CPA, CFE, CGFM
Chief Financial Officer

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Introductory Section



June 23, 2008

To the Members of the Board of Supervisors and Citizens of
Pinal County, Arizona:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of Pinal County for the fiscal year ended June 30, 2007. Arizona Revised Statute (ARS) § 41-1279.21 requires the Office of 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 audited the Pinal County CAFR in accordance with generally accepted auditing standards for the year ended June 30, 2007 and has issued an unqualified ("clean") opinion. 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 contained in this report. To provide a reasonable basis for making these representations, 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 generally accepted accounting principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

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

Profile of the Government

Pinal 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. 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 Pinal County. Generally rural in nature, Pinal 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.

Pinal 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, 2007 population of the County was estimated to be 300,000. Located within Pinal County are the towns of Florence, Superior, Mammoth, and Kearny, and the cities of Casa Grande, Apache Junction, Coolidge and Eloy. Florence is the County seat. Apache Junction and Casa Grande are the two largest cities. Apache Junction borders on Maricopa County in the northeastern part of Pinal County. Casa Grande is located approximately halfway between Phoenix and Tucson on Interstate Highway 10 on the western side of Pinal County. No interstate highways run through the middle and eastern portions of the County. Growth in these areas has been much slower than in the more accessible western portions of the County.

The governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors comprises three board members that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

This report includes all funds of the County. 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 the funds of the primary government (Pinal County), as well as its component units. Component units are legally separate entities for which the primary government 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. Accordingly, the Pinal County Flood Control District, Library District, Various Street Lighting Districts, Desert Vista Sanitary District, Queen Creek Domestic Water Improvement District, Pinal County Municipal Property Corporation, Central Arizona Public Facility Corporation, Maricopa Road Public Improvement Corporation, and the Pinal County Employee Benefit Trust are reported as part of the primary government. Additional information can be found in the notes to the financial statements (See Note I.A).

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 within each fund. Management further controls budgets by not allowing personnel savings to be reprogrammed to supplies and services within a department. Budgets for the Enterprise Funds and Internal Service Fund - Print Shop are set for management purposes only.

Information Useful in Assessing the Government'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, 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 San Manuel and Superior (Pinal County) and in Miami and Pinto Valley (Gila County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters. Both ASARCO and BHP have ceased much of their mining operations due to the low price of copper.

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 livestock 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 Lost Dutchman State Park, the Casa Grande Ruins National Monument near Coolidge, and the Boyce Thompson Southwestern 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 and in Eloy. Also, there is a Federal Immigration Services facility in Florence. The State is the largest employer, with approximately 3,009 employees.

According to the 2006 Census Bureau data, Pinal County is one of the fastest-growing counties in the nation. Based on the Arizona Department of Economic Security Estimates, Pinal County's population increased 21.58% over the prior year. The population growth increases the demand for County services in such key areas as transportation, law enforcement, and health and human services. Trying to minimize the tax burden on Pinal County residents is hard, however, as the County is a political subdivision of the State it cannot completely control its own destiny. State legislative action, such as unfunded mandates in the area of health care and reductions in centrally assessed property values and assessment ratios, continues to negatively impact the County's budget. Increases in assessed value due to population growth in recent years have kept the property tax rate stable.

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 2006-2007.

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

- General Obligation bonds will not be used for long-term debt. Long term projects are budgeted using Certificates of Participation. If revenues are not available, projects will be postponed or resources will be re-appropriated to cover debt service.
- A five year Public Works capital improvement plan (CIP) has been developed and is updated annually, including anticipated funding sources.
- Fund Balance coverage for the General Fund will be maintained at a minimum of 15% of General Fund revenues.
- Performance monitoring will be performed periodically to determine cause(s) of over-expending allocated resources, identify opportunities to increase revenues, identify opportunities to reduce costs, and to identify management controls and develop recommendations to enhance controls to ensure future compliance.
- Tax rates will be set to sustain the operating needs of the County while lessening the burden on tax payers. Thus, Pinal County will, when circumstances permit, reduce tax rates while continuing to provide services and remain accountable to the citizens.

Major Initiatives. During FY 2006-2007 Pinal County continued to invest in basic government service programs and amenities. These program and amenities will assist in maintaining Pinal County as a "livable" community for future generations.

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

- Plans to develop an Integrated Strategic Management System to ensure County government is effective and efficient.
- Effective and prudent planning and growth for land development.
- Ensuring competitive employee compensation – salaries and benefits, to recruit and retain a quality workforce.
- Support public safety by establishing a stronger dispatch center, expanding the Superior Court, and establishing a Pretrial Services program.
- Continued efforts to improve customer service through the support of the call center, the 2007 Customer Service Campaign, and hiring quality staff.
- Newly formed Public Health District to provide increased hours of operation and increased immunization levels.

- Achieving financial stability by reducing the primary tax rate and maintaining a strong credit rating in order to obtain desirable rates and terms for any necessary financing.
- Focusing on Regional Leadership through economic development, community development, and road improvement.

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, 2006. [This was the 11th consecutive year that the government has achieved this prestigious award]. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its 2006-2007 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, financial plan, an operations guide, and a communications device.

Acknowledgments

The preparation of this report would not have been possible without the efficient 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 our independent auditors. 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 the County's finances.

Respectfully submitted,

Victoria L. Prins
Chief Financial Officer

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, 2006

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.



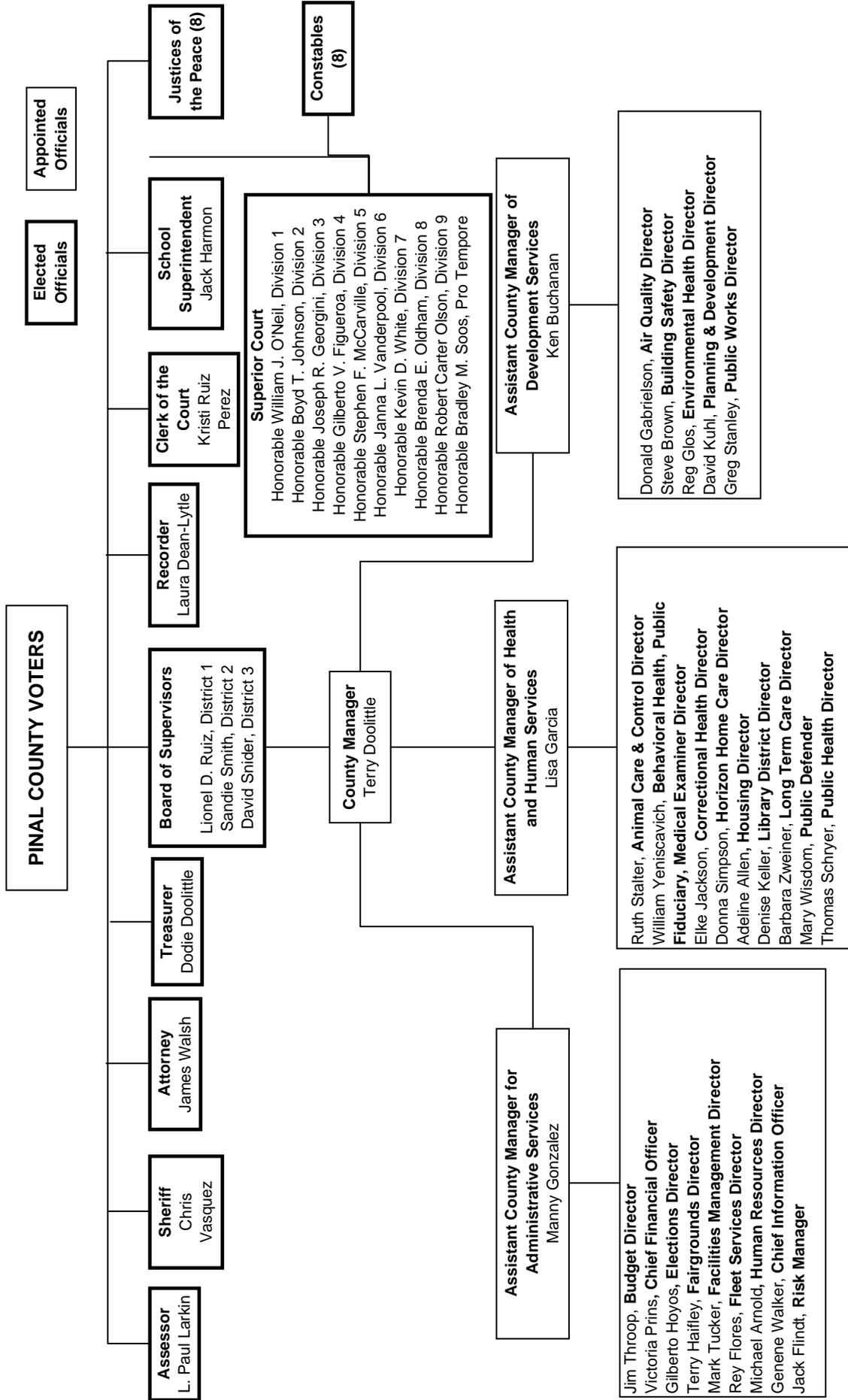
Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

PINAL COUNTY
Organizational Chart



PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
County Officials

Elected Officials

Supervisor, District 1	Lionel D. Ruiz
Supervisor, District 2	Sandie Smith
Supervisor, District 3	David Snider
Assessor	L. Paul Larkin
Attorney	James Walsh
Clerk of Superior Court	Kristi Ruiz Perez
Recorder	Laura Dean-Lytle
School Superintendent	Jack Harmon
Sheriff	Chris Vasquez
Superior Court Judge, Division 1	Honorable William J. O'Neil
Superior Court Judge, Division 2	Honorable Boyd T. Johnson
Superior Court Judge, Division 3	Honorable Joseph R. Georgini
Superior Court Judge, Division 4	Honorable Gilberto V. Figueroa
Superior Court Judge, Division 5	Honorable Stephen F. McCarville
Superior Court Judge, Division 6	Honorable Janna L. Vanderpool
Superior Court Judge, Division 7	Honorable Kevin D. White
Superior Court Judge, Division 8	Honorable Brenda E. Oldham
Superior Court Judge, Division 9	Honorable Robert Carter Olson
Pro Tempore	Honorable Bradley M. Soos
Treasurer	Dodie Doolittle
Justices of the Peace (8) and Constables (8)	Various

Appointed Officials

County Manager	Terry Doolittle
Assistant County Manager, Administration	Manny Gonzalez
Assistant County Manager, Health & Human Services	Lisa Garcia
Assistant County Manager, Development Services	Ken Buchanan
Chief Financial Officer	Victoria Prins
Public Works Director	Greg Stanley
Planning & Development Director	David Kuhl
Public Defender	Mary Wisdom
Library District Director	Denise Keller
Budget Director	James Throop
Building Safety Director	Steve Brown
Elections Director	Gilberto Hoyos
Facilities Management Director	Mark Tucker
Fairgrounds Director	Terry Haifley
Fleet Services Director	Rey Flores
Human Resources Director	Michael Arnold
Chief Information Officer	Genevieve Walker
Long Term Care Director	Barbara Zwiener
Risk Manager	Jack Flindt
Air Quality Director	Donald Gabrielson
Animal Care & Control Director	Ruth Stalter
Horizon Home Care Director	Donna Simpson
Housing Director	Adeline Allen
Behavioral Health, Public Fiduciary, Medical Examiner Director	William Yeniscavich
Public Health Director	Thomas Schryer
Correctional Health Director	Elke Jackson
Environmental Health Director	Reg Glos

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Financial Section





STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

DEBRA K. DAVENPORT, CPA
 AUDITOR GENERAL

WILLIAM THOMSON
 DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
 Pinal County, Arizona

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of one department, Long Term Care Fund, which is classified as an Enterprise Fund, and one blended component unit, Employee Benefit Trust, which is classified as an Internal Service Fund, which account for the following percentages of the assets; liabilities; revenues and additions, as applicable; and expenses or expenditures and deductions, as applicable, of the opinion units affected:

Opinion Unit/Department	Assets	Liabilities	Revenues	Expenses
<u>Government-wide Statements</u>				
Governmental activities:				
Employee Benefit Trust	1.46%	0.78%	4.49%	5.58%
Business-type activities:				
Long Term Care Fund	86.44%	93.48%	90.68%	89.74%
	Assets	Liabilities	Revenues/ Additions	Expenses/ Expenditures/ Deductions
<u>Fund Statements</u>				
Aggregate remaining fund information:				
Employee Benefit Trust	2.76%	10.07%	1.80%	1.74%
Major fund:				
Long Term Care Fund	100.00%	100.00%	100.00%	100.00%

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 Long Term Care Fund and the Employee Benefit Trust, 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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of June 30, 2007, 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.

The Management's Discussion and Analysis on pages 3 through 16, the Schedule of Agent Retirement Plans' Funding Progress on page 53, and the Budgetary Comparison Schedules on pages 55 through 59 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, 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 express no opinion on them.

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to use highway user revenue fund monies received by the County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the 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 the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is 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.

Debbie Davenport
Auditor General

June 23, 2008

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, 2007. 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 the 2006-2007 fiscal year by \$354,999 (*net assets*). Of this amount, \$39,641 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$86,897. This increase is attributable to the rapid growth in the County's population and an increase in capital contributions.
- As of June 30, 2007, the County's governmental funds reported combined fund balances of \$142,105, a decrease of \$22,055 in comparison with the prior year. Approximately 99% of the combined fund balances, or \$141,227, is available for spending at the County's discretion (*unreserved fund balance*). Most of the decrease is attributable to the Gantzel loan proceeds spent during the year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$46,078, or 36% of total general fund expenditures.
- The County's total long-term debt as of June 30, 2007, was \$178,419. Certificates of participation and loan payable represent 90% of the total. The final payments on the certificates of participation are due in fiscal years 2009, 2021, and 2030.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements. The *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).

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), Adult Day Care, Long Term Care, and the Fairgrounds.

Management's Discussion and Analysis

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is 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. *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 181 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 Fund, Public Works Highway Fund, Public Works Gantzel Road Fund, Development Impact Fee Fund and Adult/Juvenile Detention Construction Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these nonmajor 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 55-59.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *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), Adult Day Care, Long Term Care, and the Fairgrounds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Print Shop services and the Pinal County Employee Benefit Trust. Because these services 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 each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. The County's internal service funds are combined into a single aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The proprietary fund financial statements can be found on pages 23-26 of this report.

Management's Discussion and Analysis

Fiduciary funds. 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 27-28 of this report.

Notes to the Financial Statements. The notes 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 29-52 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* 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 53-59 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 61-134 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. In the case of the County, assets exceeded liabilities by \$354,999 at the close of the most recent fiscal year.

Condensed Statement of Net Assets
June 30, 2007 and 2006

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 176,669	\$ 183,051	\$ 9,683	\$ 6,003	\$ 186,352	\$ 189,054
Capital assets	374,947	301,880	2,787	2,379	377,734	304,259
Total assets	551,616	484,931	12,470	8,382	564,086	493,313
Current and other liabilities	24,955	15,539	5,713	4,433	30,668	19,972
Long-term liabilities	178,288	185,414	131	119	178,419	185,533
Total liabilities	203,243	200,953	5,844	4,552	209,087	205,505
Net assets:						
Invested in capital assets, net of related debt	207,480	180,340	2,787	2,379	210,267	182,719
Restricted net assets	102,515	67,584	2,576	255	105,091	67,839
Unrestricted net assets	38,378	36,054	1,263	1,196	39,641	37,250
Total net assets	\$ 348,373	\$ 283,978	\$ 6,626	\$ 3,830	\$ 354,999	\$ 287,808

Management's Discussion and Analysis

A significant portion of the County's net assets (59 percent) 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 (30 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$39,641) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities and business-type activities. The same situation held true for the prior fiscal year.

The County's net assets increased by \$86,897 from net assets reported at June 30, 2006, as restated. This growth in both restricted and unrestricted net assets is primarily due to increases in taxes, intergovernmental agreements, charges for services, fines and forfeitures revenues, along with proceeds from the GADA Loan, which were unspent as of fiscal year end.

Current assets decreased by 1% mainly as a result of the approaching completion of the Adult/Juvenile Detention Center and the progress of the Gantzel Road project.

The County's capital assets increased by 35% percent over the prior fiscal year, due mainly to the addition of roads, bridges, and easements to the County's land and infrastructure capital assets. The addition includes construction in progress for roads and bridges, roads and bridges developed by the County, and roads contributed to the County.

Governmental Activities. Key elements of the change in net assets of \$84,101 are as follows:

- General revenue taxes increased by \$15,117 (13 percent) during the year. The increase is due to increases in assessed property values, increased vehicle license taxes, and increased earnings from state shared revenues and the growth of retail services.
- Charges for services increased \$4,903 (14 percent), primarily due to the addition of the Development Impact Fee.
- Capital grants and contributions increased by \$44,012 (125 percent) primarily due to increases in intergovernmental revenues and private capital contributions related to road construction projects.

Business-type activities. Business-type activities increased the County's net assets by \$2,796. This is primarily due to an overall increase in charges for services in the Long Term Care Fund.

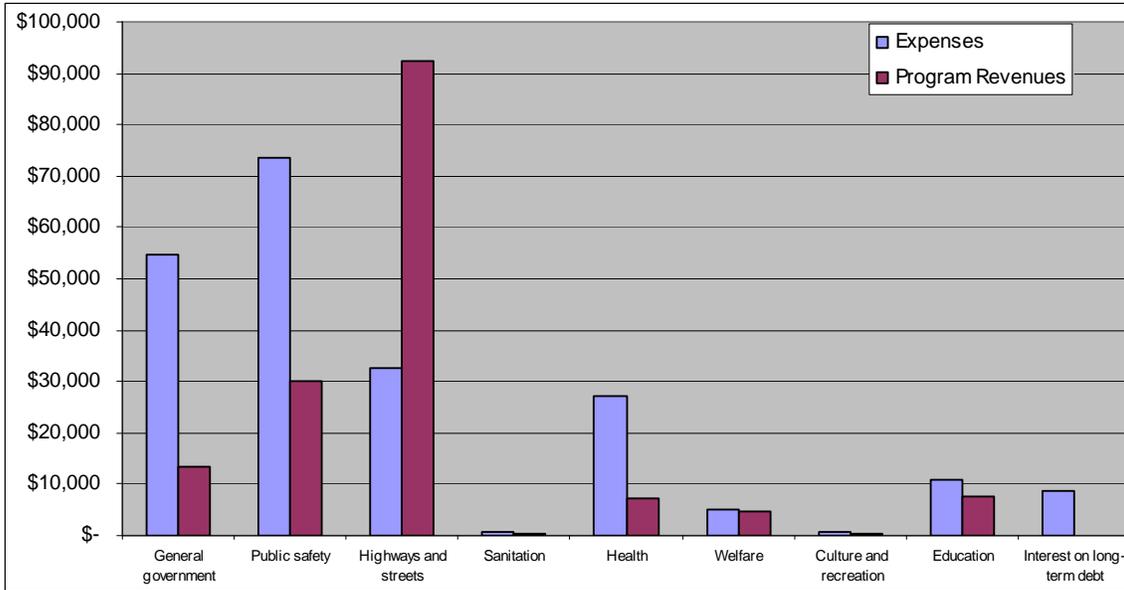
Management's Discussion and Analysis

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

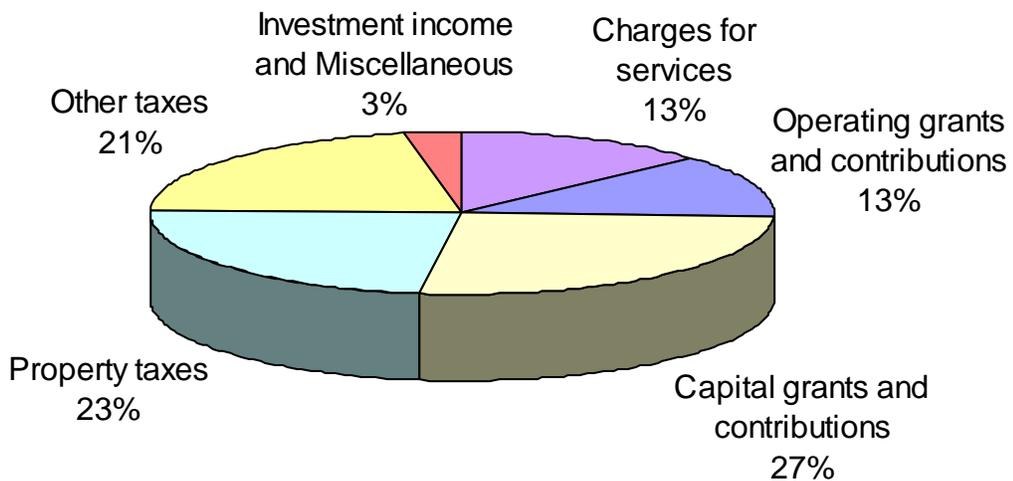
Condensed Statement of Activities Years Ended June 30, 2007 and 2006						
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	\$ 39,290	\$ 34,387	\$ 52,788	\$ 48,887	\$ 92,078	\$ 83,274
Operating grants and contributions	37,422	34,611	40	39	37,462	34,650
Capital grants and contributions	79,158	35,146	-	17	79,158	35,163
General revenues:						
Property taxes	69,978	61,354	-	-	69,978	61,354
Other taxes	63,600	57,107	-	-	63,600	57,107
Investment earnings	6,931	4,611	260	192	7,191	4,803
Miscellaneous	2,090	989	363	448	2,453	1,437
Total revenues	298,469	228,205	53,451	49,583	351,920	277,788
Expenses						
General government	54,818	56,542	-	-	54,818	56,542
Public safety	73,643	60,481	-	-	73,643	60,481
Highways and streets	32,702	25,978	-	-	32,702	25,978
Sanitation	719	645	-	-	719	645
Health	27,321	24,982	-	-	27,321	24,982
Welfare	5,064	4,670	-	-	5,064	4,670
Culture and recreation	881	860	-	-	881	860
Education	10,861	8,379	-	-	10,861	8,379
Interest on long-term debt	8,738	5,134	-	-	8,738	5,134
Sheriff Inmate Services	-	-	214	182	214	182
Home Health	-	-	4,177	4,438	4,177	4,438
Long Term Care	-	-	45,116	45,629	45,116	45,629
Adult Day Care	-	-	32	37	32	37
Fairgrounds	-	-	737	692	737	692
Total expenses	214,747	187,671	50,276	50,978	265,023	238,649
Increase/decrease in net assets before transfers	83,722	40,534	3,175	(1,395)	86,897	39,139
Transfers	379	(1,660)	(379)	1,660	-	-
Change in net assets	84,101	38,874	2,796	265	86,897	39,139
Net assets - beginning as restated	264,272	245,104	3,830	3,565	268,102	248,669
Net assets - ending	\$ 348,373	\$ 283,978	\$ 6,626	\$ 3,830	\$ 354,999	\$ 287,808

Management's Discussion and Analysis

Expenses and Program Revenues – Governmental Activities Fiscal Year 2007

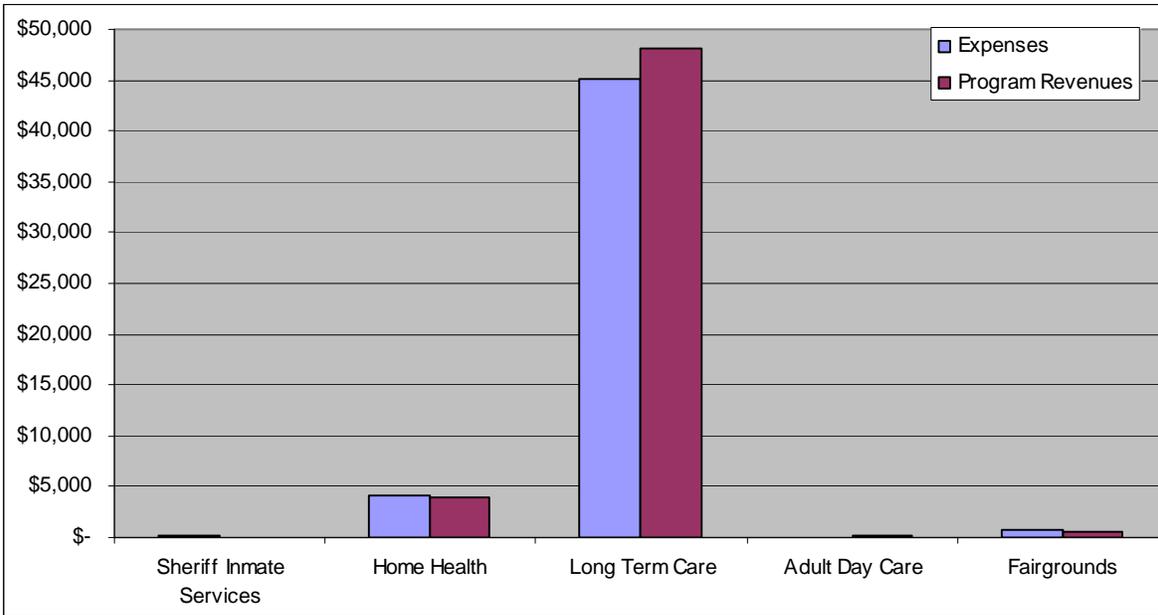


Revenues by Source - Governmental Activities Fiscal Year 2007

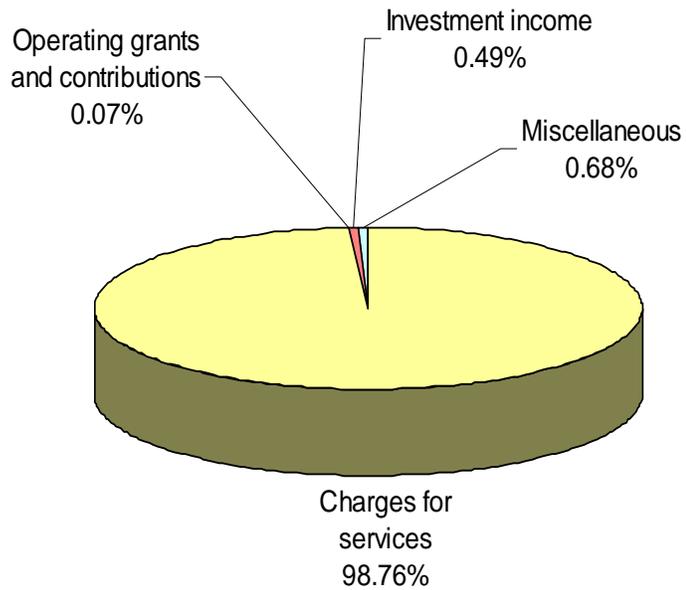


Management's Discussion and Analysis

Expenses and Program Revenues – Business-type Activities Fiscal Year 2007



Revenues by Source - Business-type Activities Fiscal Year 2007



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, *unreserved 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, 2007, the County's governmental funds reported combined fund balances of \$142,105, a decrease of \$22,055 in comparison with the prior year. Approximately 99% of the combined fund balances, \$141,227, constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to reflect inventories and prepaid items that do not represent available spendable resources (\$878).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$46,078 while total fund balance reached \$46,597. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36 percent of total General Fund expenditures, while total fund balance represents 37 percent of that same amount.

The fund balance of the County's General Fund increased during the fiscal year by \$501. A key factor in this growth was an increase in property tax revenue of \$8,624 which was due to increased assessed property values. However, the increase in tax revenue was offset by decreases in licenses and permits revenues and an increase in expenditures.

The Public Works Highway Fund balance increased over the prior year by \$3,795. A key factor in this growth was an increase of intergovernmental revenues of \$3,397 over the prior year due to increased funding from the State for highway construction and maintenance projects.

The fund balance of the Adult/Juvenile Detention Construction Fund decreased from the prior year by \$4,133. This reduction in fund balance is a result of the project approaching completion.

The Development Impact Fee Fund is a new major fund in FY 2006-07. The fund was created to account for the impact fees charged to developers of new projects. The revenues collected will help to facilitate infrastructure needs, such as road development and public utilities.

The Public Works Gantzel Road Fund decreased by \$36,522 from the prior year due to the increased expenditures on the construction of the Gantzel roadway.

Revenues for governmental funds totaled \$245,638 in fiscal year 2006-07, which represents an increase of 12 percent from FY 2005-06.

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

Revenues by Source	FY 2007		FY 2006		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 95,048	38.68%	\$ 85,688	39.00%	\$ 9,360	10.92%
License and permits	9,000	3.66%	12,094	5.51%	(3,094)	(25.58%)
Intergovernmental	92,324	37.59%	82,964	37.76%	9,360	11.28%
Charges for services	26,718	10.88%	19,370	8.82%	7,348	37.93%
Fines and forfeits	4,905	2.00%	2,586	1.18%	2,319	89.68%
Investment earnings	6,931	2.82%	4,611	2.10%	2,320	50.31%
Contributions	8,041	3.27%	10,846	4.93%	(2,805)	(25.86%)
Rentals	750	0.31%	740	0.33%	10	1.35%
Miscellaneous	1,921	0.79%	787	0.37%	1,134	144.09%
Total	\$ 245,638	100.00%	\$ 219,686	100.00%	\$ 25,952	11.81%

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

- Taxes – the increase of \$9,360 was primarily due to an increase in property tax revenue collected as primary net assessed values increased by 21.4% from the previous year.
- Licenses and permits – General Fund licenses and permits revenue decreased by \$3,094 primarily due to a decrease in the number of building permits issued.
- Intergovernmental – the increase of \$9,360 can be attributed primarily to an increase in General Fund state shared revenues of \$3,246, an increase in vehicle license tax revenues of \$3,167 and an increase in Highway Fund Highways User Revenue Fund (HURF) revenues of \$2,897.
- Charges for services – the increase of \$7,348 was primarily due to the addition of the Development Impact fee and the Immigration and Customs Enforcement (ICE) fee. However, general government revenue for charges for services decreased \$1,803 primarily due to a decrease in planning and recording fees.
- Fines and forfeits – the increase of \$2,319 was primarily due to an increase in forfeitures from public safety related activities.
- Investment earnings - The increase in investment earnings of \$2,320 is due to increased amounts invested and higher yields from investing certificates of participation and loan proceeds.
- Contributions – The decrease in contributions of \$2,805 is primarily due to the reduction in contributions for the Gantzel road project.

Management's Discussion and Analysis

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

Governmental Funds Expenditures Classified by Function						
Expenditures by Function	FY 2007		FY 2006		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$ 59,789	22.14%	\$ 48,842	19.73%	\$ 10,947	22.41%
Public safety	71,114	26.33%	57,111	23.08%	14,003	24.52%
Highways and streets	30,721	11.38%	27,712	11.20%	3,009	10.86%
Sanitation	680	0.25%	583	0.24%	97	16.64%
Health	27,299	10.11%	24,606	9.94%	2,693	10.94%
Welfare	5,027	1.86%	4,636	1.87%	391	8.43%
Culture and recreation	879	0.33%	823	0.33%	56	6.80%
Education	10,861	4.02%	8,379	3.39%	2,482	29.62%
Capital outlay	49,181	18.21%	62,471	25.24%	(13,290)	(21.27%)
Debt Service:						
Principal retirement	6,131	2.27%	5,890	2.38%	241	4.09%
Interest	8,352	3.09%	5,134	2.07%	3,218	62.68%
Other	13	0.01%	1,316	0.53%	(1,303)	(99.01%)
Total	\$ 270,047	100.00%	\$ 247,503	100.00%	\$ 22,544	9.11%

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

- General government, Public safety, and Highways and streets – expenditures for the General government, Public safety, and Highways and streets increased due to the need for additional personnel, equipment purchases, and overtime necessary to provide services to the County's increased population.
- Health – expenditures for Health increased primarily due to the need for additional personnel to provide services to the County's increased population and also due to an increase in spending for professional services, such as Arizona Long Term Care System, hospital services, and mental health care services as a result of increasing medical costs.
- Education – expenditures in Education increased primarily due to activity in the Accommodation School. Expenditures increased relative to the increase of intergovernmental revenues received in the fiscal year.
- Capital outlay – Capital outlay expenditures decreased by 21% due to a decrease in the expenditures on the Adult/Juvenile Detention Center buildings as the project is approaching completion.
- Interest – Interest expenditures increased primarily due to the addition of the GADA loan to the long-term debt

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.

Restricted net assets of the Long Term Care Fund at the end of the year totaled \$2,576 and unrestricted net assets totaled \$93. Unrestricted net assets for the other nonmajor enterprise funds (Sheriff Inmate Services, Home Health, Fairgrounds, and Adult Day Care) totaled \$1,170. 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:

	Major Fund	Nonmajor Funds				Total
	Long Term Care	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	
Operating revenues	\$ 48,261	\$ 298	\$ 3,992	\$ 457	\$ 140	\$ 53,148
Operating expenses	44,127	214	4,177	737	32	49,287
Operating income (loss)	4,134	84	(185)	(280)	108	3,861
Nonoperating revenues (expenses), net	(783)	17	27	33	20	(686)
Net income (loss) before contributions and transfers	3,351	101	(158)	(247)	128	3,175
Contributions and transfers	(573)	-	(10)	204	-	(379)
Change in net assets	<u>\$ 2,778</u>	<u>\$ 101</u>	<u>\$ (168)</u>	<u>\$ (43)</u>	<u>\$ 128</u>	<u>\$ 2,796</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the budget by \$1,110 or 1%, due to the following reasons:

- Intergovernmental revenues exceeded the original and final budgeted amount primarily due to a correctional services intergovernmental agreement between the County and the U.S. Marshal, for an amount of \$4,730 that was not included in the budget. Also, the County's share of state shared revenues exceeded budgeted amounts by \$3,800 due to the general growth of economic activity in the State. However, these increases in revenues were offset by the following:
 - Tax revenues from property taxes levied and the general county sales tax increased compared to the prior year. However, due to the contraction of economic growth in the County, other tax revenues did not meet expectations
 - Licenses and permit revenue did not meet the budgeted amounts primarily due a larger than expected decrease in building permits issued, in line with the local and nationwide contraction of the real estate and development markets.
 - Charges for services did not meet expectations primarily due to the decrease in planning fees, recording fees, and building code fees associated with the decrease in building permits issued.
- Investment income exceeded budgeted amounts due to higher than expected rates of returns from County investments.

Management's Discussion and Analysis

General Fund expenditures were less than the budget by \$6,018 or 5%, due to the following reasons:

- The Assistant County Manager-Admin spent \$4,547 less than budgeted in the general government function primarily due to vacancy savings in salaries and employee benefits as a result of turnover and unfilled positions.
- The County contributions for the Arizona Health Care Cost Containment System (AHCCCS) are budgeted based on the percentages of hospitalization and medical care of the indigent sick pursuant to ARS 11-292. The Assistant County Manager-Admin spent less than budgeted in Health by \$1,595 as the mandated contributions for AHCCCS were less than budgeted.
- Courts expenditures were less than the budgeted amount for Public Safety by \$1,686 primarily due to a decrease in expenditures for legal services and psychiatric services, which also resulted in less spending for temporary/part-time wages.
- The Sheriff's expenditures exceeded the budgeted amount primarily due to a correctional services agreement between the County and Corrections Corporation of America, for an amount of \$4,730 that was not included in budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The County's capital assets for its governmental and business-type activities as of June 30, 2007, amounted to \$377,734 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the County's capital assets for the current fiscal year was 35 percent (a 35 percent increase for governmental activities and a 17 percent increase for business-type activities).

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

- Construction in progress decreased \$18,432 primarily due to the completion of the Adult/Juvenile Detention Center, which increased buildings and improvements by \$65,564.
- Donations of capital assets of \$52,474, which included roads and easements, produced an increase to the County's land and infrastructure capital assets.

	Capital Assets (net of accumulated depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2007	2006 as restated	2007	2006	2007	2006 as restated
Land	\$ 86,110	\$ 65,737	\$ -	\$ -	\$ 86,110	\$ 65,737
Buildings and improvements	111,606	47,433	1,419	1,443	113,025	48,876
Machinery and equipment	17,457	14,159	784	936	18,241	15,095
Infrastructure	101,411	72,428			101,411	72,428
Construction in progress	58,363	77,379	584		58,947	77,379
Total	\$ 374,947	\$ 277,136	\$2,787	\$2,379	\$377,734	\$279,515

Management's Discussion and Analysis

The County's infrastructure assets are recorded at historical cost or estimated historical cost 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 5 on pages 39-40 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of \$163,332 as compared to \$168,981 in the prior year. This amount was comprised of \$98,553 of certificates of participation including unamortized premium and \$64,779 payable on the Gantzel road project loan including a premium. The decrease in the amount of special assessment bonds from the prior year is due entirely to debt service payments.

	Outstanding Debt		Percentage Change
	Governmental Activities		
	2007	2006	
Special assessment bonds with governmental commitment payable	\$ -	\$ 1,165	(100.00%)
Loan payable	64,779	64,886	(0.16%)
Certificates of participation	98,553	102,930	(4.25%)
Total	\$ 163,332	\$ 168,981	

Additional information on the County's long-term debt can be found in Note 7 on pages 41-45 of this report.

Economic Factors and Next Year's Budgets

- The unemployment rate for Pinal County is currently 4.8% which is a decrease from a rate of 5.0% a year ago.
- The County's medical insurance costs increased by 20% in FY 2006-07, while claims paid and prescription costs increased by 10% compared to the prior year.
- Housing starts in the County have continued to decline. For FY 2006-07 4,363 new single family residence building permits were issued, a decrease of 2,982 from the prior fiscal year. For FY 2007-08, the County expects to issue 2,684 single family residence building permits. Although building permits issued have been decreasing over the past two years, building permit revenue is still greater than years prior due to the housing market boom in 2005.

All of these factors were considered in preparing the County's budget for the FY 2007-08. The adopted fiscal year 2007-08 budget is \$475,000 (up 18% from 2006-07), including a \$434,657 operating budget (an increase of 16% from 2006-07) and a \$23,865 capital outlay budget (up 53% from 2006-07). The fiscal year 2007-08 budget includes a \$16,295 contingency appropriation to cover emergency expenses or revenue shortages.

In FY 2007-08, the Board of Supervisors reduced the primary tax rate by 28 cents. Although the County approved a rate reduction, increased assessed valuations due to new construction are expected to provide \$11 million in additional property tax revenue for the General Fund.

Management's Discussion and Analysis

Request 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, 85232.

Basic Financial Statements



PINAL COUNTY
Statement of Net Assets
June 30, 2007
(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 142,061	\$ 6,984	\$ 149,045
Cash and investments held by trustees	10,911	-	10,911
Receivables (net):			
Property taxes	3,115	-	3,115
Accounts	1,551	6	1,557
Due from other governments	18,154	1,488	19,642
Internal balances	(1)	1	-
Inventories	512	39	551
Prepaid items	366	9	375
Restricted assets:			
Cash and cash equivalents	-	1,156	1,156
Capital assets:			
Nondepreciable	144,473	584	145,057
Depreciable (net)	230,474	2,203	232,677
Total assets	<u>551,616</u>	<u>12,470</u>	<u>564,086</u>
Liabilities			
Accounts payable	14,880	901	15,781
Estimated liabilities for reported but not paid and incurred but not reported claims	1,591	4,609	6,200
Due to other governments	152	-	152
Accrued payroll and employee benefits	4,578	159	4,737
Deposits held for others	956	44	1,000
Matured special assessment bonds with governmental commitment payable	1,165	-	1,165
Bond interest payable	1,633	-	1,633
Noncurrent liabilities:			
Due within one year	13,302	-	13,302
Due beyond one year	164,986	131	165,117
Total liabilities	<u>203,243</u>	<u>5,844</u>	<u>209,087</u>
Net Assets			
Invested in capital assets, net of related debt	207,480	2,787	210,267
Restricted for:			
Highways and streets	69,644	-	69,644
Education	2,748	-	2,748
Debt service	5,243	-	5,243
Public safety	9,225	-	9,225
Other purposes	7,228	-	7,228
Health	8,427	2,576	11,003
Unrestricted	38,378	1,263	39,641
Total net assets	<u>\$ 348,373</u>	<u>\$ 6,626</u>	<u>\$ 354,999</u>

PINAL COUNTY
Statement of Activities
Year Ended June 30, 2007
(Amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
General government	\$ 54,818	\$ 12,723	\$ 408	\$ 136	\$ (41,551)	\$ -	\$ (41,551)
Public safety	73,643	14,318	15,768	40	(43,517)	-	(43,517)
Highways and streets	32,702	8,984	5,149	78,421	59,852	-	59,852
Sanitation	719	16	342	-	(361)	-	(361)
Health	27,321	2,242	4,951	129	(19,999)	-	(19,999)
Welfare	5,064	453	3,644	432	(535)	-	(535)
Culture and recreation	881	196	23	-	(662)	-	(662)
Education	10,861	358	7,137	-	(3,366)	-	(3,366)
Interest on long-term debt	8,738	-	-	-	(8,738)	-	(8,738)
Total governmental activities	<u>214,747</u>	<u>39,290</u>	<u>37,422</u>	<u>79,158</u>	<u>(58,877)</u>	<u>-</u>	<u>(58,877)</u>
Business-type activities							
Long Term Care	45,116	48,201	-	-	-	3,085	3,085
Sheriff Inmate Services	214	-	-	-	-	(214)	(214)
Home Health	4,177	3,992	-	-	-	(185)	(185)
Fairgrounds	737	455	33	-	-	(249)	(249)
Adult Day Care	32	140	7	-	-	115	115
Total business-type activities	<u>50,276</u>	<u>52,788</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>2,552</u>	<u>2,552</u>
Total primary government	<u>\$ 265,023</u>	<u>\$ 92,078</u>	<u>\$ 37,462</u>	<u>\$ 79,158</u>	<u>(58,877)</u>	<u>2,552</u>	<u>(56,325)</u>

General revenues:

Taxes:			
Property taxes, levied for general purposes	64,392	-	64,392
Property taxes, levied for educational purposes	2,117	-	2,117
Property taxes, levied for debt service	1,197	-	1,197
Property taxes, levied for flood control	1,390	-	1,390
Property taxes, levied for library district	882	-	882
General county sales tax	18,545	-	18,545
Road improvement tax	6,713	-	6,713
Unrestricted share of state sales taxes	25,114	-	25,114
Unrestricted share of vehicle license tax	8,272	-	8,272
Payments in lieu of taxes	3,934	-	3,934
Franchise taxes	558	-	558
Unrestricted share of State lottery	464	-	464
Investment earnings	6,931	260	7,191
Gain on sale of capital assets	169	-	169
Miscellaneous	1,921	363	2,284
Transfers	379	(379)	-
Total general revenues and transfers	<u>142,978</u>	<u>244</u>	<u>143,222</u>
Changes in net assets	84,101	2,796	86,897
Net assets - July 1, 2006 as restated	<u>264,272</u>	<u>3,830</u>	<u>268,102</u>
Net assets - June 30, 2007	<u>\$ 348,373</u>	<u>\$ 6,626</u>	<u>\$ 354,999</u>

PINAL COUNTY
Balance Sheet
Governmental Funds
June 30, 2007

(Amounts expressed in thousands)

	Major Funds					Other Governmental Funds	Total
	General Fund	Public Works Highway Fund	Adult/Juvenile Detention Construction Fund	Development Impact Fee Fund	Public Works Gantzel Rd Fund		
Assets							
Cash and cash equivalents	\$ 36,751	\$ 9,148	\$ 4	\$ 9,762	\$ 28,560	\$ 49,803	\$ 134,028
Cash and investments held by trustees	-	-	4,205	-	-	6,706	10,911
Receivables (net of allowances for uncollectibles):							
Property taxes	2,844	-	-	-	-	271	3,115
Accounts	1,230	10	-	58	23	230	1,551
Due from other funds	3,952	-	-	1	-	124	4,077
Due from other governments	11,172	3,852	-	-	-	3,130	18,154
Inventories	232	179	-	-	-	101	512
Prepaid items	287	5	-	-	-	74	366
Total assets	<u>\$ 56,468</u>	<u>\$ 13,194</u>	<u>\$ 4,209</u>	<u>\$ 9,821</u>	<u>\$ 28,583</u>	<u>\$ 60,439</u>	<u>\$ 172,714</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 4,158	\$ 488	\$ 497	\$ 2,992	\$ 4,969	\$ 1,776	\$ 14,880
Accrued payroll and employee benefits	2,906	388	7	-	-	1,277	4,578
Due to other funds	119	1	2,916	-	-	1,041	4,077
Due to other governments	-	-	-	-	-	152	152
Deposits held for others	489	-	-	3	21	443	956
Special assessment bonds with governmental commitment payable	-	-	-	-	-	1,165	1,165
Bond interest payable	-	-	-	-	-	1,247	1,247
Deferred revenue	2,199	-	-	-	-	1,355	3,554
Total liabilities	<u>9,871</u>	<u>877</u>	<u>3,420</u>	<u>2,995</u>	<u>4,990</u>	<u>8,456</u>	<u>30,609</u>
Fund Balances:							
Reserved for:							
Inventories	232	179	-	-	-	101	512
Prepaid items	287	5	-	-	-	74	366
Unreserved, reported in:							
General fund:	46,078	-	-	-	-	-	46,078
Special revenue funds	-	12,133	-	6,826	-	45,020	63,979
Capital projects funds	-	-	789	-	23,593	1,599	25,981
Debt service funds	-	-	-	-	-	5,189	5,189
Total fund balances	<u>46,597</u>	<u>12,317</u>	<u>789</u>	<u>6,826</u>	<u>23,593</u>	<u>51,983</u>	<u>142,105</u>
Total liabilities and fund balances	<u>\$ 56,468</u>	<u>\$ 13,194</u>	<u>\$ 4,209</u>	<u>\$ 9,821</u>	<u>\$ 28,583</u>	<u>\$ 60,439</u>	<u>\$ 172,714</u>

PINAL COUNTY
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2007

(Amounts expressed in thousands)

Total fund balances - governmental funds (page 19) \$ 142,105

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 \$471,532 and the accumulated depreciation is \$96,585. 374,947

Some receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 3,554

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. 6,441

Interest payable on long-term debt is not reported in governmental funds (386)

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

Obligations under capital leases	\$ (4,538)	
Compensated absences	(9,326)	
Certificates of participation	(97,200)	
Premium on certificates of participation	(1,353)	
Loan payable	(63,220)	
Premium on loan	(1,559)	
Estimated liabilities for claims and judgments	(1,092)	<u>(178,288)</u>

Net assets of governmental activities (page 17) \$ 348,373

PINAL COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Major Funds					Other Governmental Funds	Total
	General Fund	Public Works Highway Fund	Detention Adult/Juvenile Construction Fund	Development Impact Fee Fund	Public Works Gantzel Rd Fund		
Revenues							
Taxes	\$ 81,790	\$ -	\$ -	\$ -	\$ -	\$ 13,258	\$ 95,048
Licenses and permits	5,496	1	-	-	-	3,503	9,000
Intergovernmental	40,539	22,707	-	-	-	29,078	92,324
Charges for services	12,106	-	-	6,776	-	7,836	26,718
Fines and forfeits	1,755	-	-	-	-	3,150	4,905
Investment earnings	2,333	277	344	50	2,074	1,853	6,931
Contributions	2	-	-	-	3,983	4,056	8,041
Rentals	36	-	-	-	-	714	750
Miscellaneous	685	91	-	-	353	792	1,921
Total revenues	<u>144,742</u>	<u>23,076</u>	<u>344</u>	<u>6,826</u>	<u>6,410</u>	<u>64,240</u>	<u>245,638</u>
Expenditures							
Current:							
General government	58,483	-	-	-	-	1,306	59,789
Public safety	46,784	-	-	-	-	24,330	71,114
Highways and streets	-	19,997	-	-	-	10,724	30,721
Sanitation	328	-	-	-	-	352	680
Health	19,607	-	-	-	-	7,692	27,299
Welfare	830	-	-	-	-	4,197	5,027
Culture and recreation	127	-	-	-	-	752	879
Education	706	-	-	-	-	10,155	10,861
Debt service:							
Principal retirement	-	-	-	-	-	6,131	6,131
Interest	-	-	-	-	-	8,352	8,352
Miscellaneous	-	-	-	-	-	13	13
Capital outlay	-	-	3,914	-	42,932	2,335	49,181
Total expenditures	<u>126,865</u>	<u>19,997</u>	<u>3,914</u>	<u>-</u>	<u>42,932</u>	<u>76,339</u>	<u>270,047</u>
Excess (deficiency) of revenues over expenditures	<u>17,877</u>	<u>3,079</u>	<u>(3,570)</u>	<u>6,826</u>	<u>(36,522)</u>	<u>(12,099)</u>	<u>(24,409)</u>
Other financing sources (uses):							
Transfers in	1,767	-	-	-	-	20,931	22,698
Transfers out	(19,239)	(1,069)	(563)	-	-	(1,444)	(22,315)
Proceeds from sale of capital assets	69	144	-	-	-	90	303
Capital lease agreements	27	1,641	-	-	-	-	1,668
Total other financing sources (uses)	<u>(17,376)</u>	<u>716</u>	<u>(563)</u>	<u>-</u>	<u>-</u>	<u>19,577</u>	<u>2,354</u>
Net change in fund balances	501	3,795	(4,133)	6,826	(36,522)	7,478	(22,055)
Fund balances, July 1, 2006	46,096	8,522	4,922	-	60,115	44,505	164,160
Fund balances, June 30, 2007	<u>\$ 46,597</u>	<u>\$ 12,317</u>	<u>\$ 789</u>	<u>\$ 6,826</u>	<u>\$ 23,593</u>	<u>\$ 51,983</u>	<u>\$ 142,105</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, 2007
(Amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 21) \$ (22,055)

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.	\$ 60,063	
Less: current year depreciation	<u>(11,963)</u>	48,100

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 the retirement of capital assets	169	
Proceeds from the sale of capital assets	<u>(303)</u>	(134)

Capital assets acquired by capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the Statement of Activities since principal payments are applied to the lease liability.

(1,668)

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	52,474	
Property taxes	<u>188</u>	52,662

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	(785)	
Change in estimated liabilities for claims and judgments	2,459	
Amortization of COPS premium	97	
Amortization of loan premium	107	
Interest expense	(386)	
Capital assets transferred to business-type activities	(9)	
Annexation of infrastructure by other governmental entities	<u>(2,578)</u>	(1,095)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repayments:		
Certificates of participation	4,280	
Special assessment bonds with governmental commitment	1,165	
Obligations under capital leases	<u>1,417</u>	6,862

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

1,429

Change in net assets of governmental activities (page 18) \$ 84,101

PINAL COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2007
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,474	\$ 1,510	\$ 6,984	\$ 8,033
Receivables (net):				
Accounts	5	1	6	-
Due from other funds	-	1	1	-
Due from other governments	1,488	-	1,488	-
Inventories	-	39	39	-
Prepaid items	9	-	9	-
Total current assets	<u>6,976</u>	<u>1,551</u>	<u>8,527</u>	<u>8,033</u>
Noncurrent assets:				
Restricted cash and cash equivalents	1,156	-	1,156	-
Capital assets:				
Construction in progress	584		584	
Buildings and improvements	1,720	376	2,096	-
Machinery and equipment	1,072	379	1,451	-
Less accumulated depreciation	<u>(729)</u>	<u>(615)</u>	<u>(1,344)</u>	<u>-</u>
Net capital assets	<u>2,647</u>	<u>140</u>	<u>2,787</u>	<u>-</u>
Total noncurrent assets	<u>3,803</u>	<u>140</u>	<u>3,943</u>	<u>-</u>
Total assets	<u>10,779</u>	<u>1,691</u>	<u>12,470</u>	<u>8,033</u>
Liabilities				
Current liabilities:				
Accounts payable	854	47	901	-
Accrued payroll and employee benefits	-	159	159	-
Estimated liabilities for reported but not paid and incurred but not reported claims	4,609	-	4,609	1,591
Due to other funds	-	-	-	1
Deposits held for others	-	44	44	-
Total current liabilities	<u>5,463</u>	<u>250</u>	<u>5,713</u>	<u>1,592</u>
Noncurrent liabilities:				
Compensated absences	-	131	131	-
Total noncurrent liabilities	<u>-</u>	<u>131</u>	<u>131</u>	<u>-</u>
Total liabilities	<u>5,463</u>	<u>381</u>	<u>5,844</u>	<u>1,592</u>
Net Assets				
Invested in capital assets	2,647	140	2,787	-
Restricted for health	2,576	-	2,576	6,441
Unrestricted	93	1,170	1,263	-
Total net assets	<u>\$ 5,316</u>	<u>\$ 1,310</u>	<u>\$ 6,626</u>	<u>\$ 6,441</u>

PINAL COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Operating revenues				
Charges for services	\$ 48,201	\$ 4,587	\$ 52,788	\$ 13,269
Miscellaneous	60	300	360	-
Total operating revenues	<u>48,261</u>	<u>4,887</u>	<u>53,148</u>	<u>13,269</u>
Operating expenses				
Long-term health care	39,009	-	39,009	-
Claims	-	-	-	10,573
Personal services	3,845	4,368	8,213	33
Supplies	63	157	220	79
Depreciation	251	59	310	12
Insurance	26	49	75	719
Repairs and maintenance	12	32	44	8
Communication	47	31	78	-
Professional services	581	189	770	703
Public utility service	7	124	131	-
Miscellaneous	286	151	437	49
Total operating expenses	<u>44,127</u>	<u>5,160</u>	<u>49,287</u>	<u>12,176</u>
Operating income (loss)	<u>4,134</u>	<u>(273)</u>	<u>3,861</u>	<u>1,093</u>
Nonoperating revenues (expenses)				
Intergovernmental	-	40	40	-
Investment earnings	206	54	260	326
Premium tax	(989)	-	(989)	-
Gain on sale of capital assets	-	3	3	5
Total nonoperating revenues (expenses)	<u>(783)</u>	<u>97</u>	<u>(686)</u>	<u>331</u>
Income (loss) before transfers	3,351	(176)	3,175	1,424
Transfers in	16	204	220	5
Transfers out	(589)	(10)	(599)	-
Change in net assets	<u>2,778</u>	<u>18</u>	<u>2,796</u>	<u>1,429</u>
Net assets, July 1, 2006 as restated	<u>2,538</u>	<u>1,292</u>	<u>3,830</u>	<u>5,012</u>
Net assets, June 30, 2007	<u>\$ 5,316</u>	<u>\$ 1,310</u>	<u>\$ 6,626</u>	<u>\$ 6,441</u>

PINAL COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Long Term Care Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Cash flows from operating activities				
Receipts from customers	\$ 50,126	\$ 4,897	\$ 55,023	\$ -
Receipts from interfund services provided	-	-	-	246
Receipts from contributions	-	-	-	13,069
Other receipts from operations	60	-	60	-
Payments to suppliers	(38,924)	(717)	(39,641)	(1,625)
Payments to employees	(3,618)	(4,366)	(7,984)	(56)
Payments for claims	-	-	-	(10,254)
Net cash provided by (used for) operating activities	<u>7,644</u>	<u>(186)</u>	<u>7,458</u>	<u>1,380</u>
Cash flows from noncapital financing activities				
Receipts from federal and local agencies	-	40	40	-
Cash transfers from other funds	16	204	220	5
Cash transfers to other funds	(589)	(10)	(599)	-
Premium tax payments	(989)	-	(989)	-
Net cash provided by (used for) noncapital financing activities	<u>(1,562)</u>	<u>234</u>	<u>(1,328)</u>	<u>5</u>
Cash flows from capital and related financing activities				
Proceeds from the sale of capital assets	-	3	3	35
Purchases of capital assets	(616)	(104)	(720)	-
Principal paid on capital leases	-	-	-	(36)
Net cash used for capital and related financing activities	<u>(616)</u>	<u>(101)</u>	<u>(717)</u>	<u>(1)</u>
Cash flows from investing activities				
Investment earnings received	206	54	260	326
Net cash provided by investing activities	<u>206</u>	<u>54</u>	<u>260</u>	<u>326</u>
Net increase in cash and cash equivalents	5,672	1	5,673	1,710
Cash and cash equivalents, July 1, 2006 as restated	958	1,509	2,467	6,323
Cash and cash equivalents, June 30, 2007	<u>\$ 6,630</u>	<u>\$ 1,510</u>	<u>\$ 8,140</u>	<u>\$ 8,033</u>

(Continued)

PINAL COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 215,669	\$ 5,368
Interest receivable	251	-
Total assets	215,920	\$ 5,368
Liabilities		
Due to other governments	-	\$ 5,368
Total liabilities	-	\$ 5,368
Net Assets		
Held in trust for investment trust participants	\$ 215,920	

PINAL COUNTY
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions by participants	\$ 649,027
Investment earnings	13,434
Total additions	662,461
Deductions	
Distributions to participants	595,640
Total deductions	595,640
Change in net assets	66,821
Net assets, July 1, 2006 as restated	149,099
Net assets, June 30, 2007	\$ 215,920

Pinal County
Notes to the Financial Statements
June 30, 2007
(Amounts expressed in thousands)

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Pinal 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 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; County Board of Supervisors serves as board of directors	Blended	Not available
Pinal County Library District	Provides and maintains library services for County's residents; County 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; County 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; County Board of Supervisors serves as board of directors	Blended	Not available

Pinal County
Notes to the Financial Statements
June 30, 2007

(Amounts expressed in thousands)

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Queen Creek Domestic Water Improvement District	Formed to construct a domestic water system; County Board of Supervisors serves as board of directors	Blended	Not available
Pinal County Municipal Property Corporation	Formed to finance the construction of the Apache Junction County Complex, Superior Court Judicial Facility, and the Sheriff's Administration Facility	Blended	Not available
Central Arizona Public Facility Corporation	Formed to finance the construction of the Pinal County adult detention center	Blended	Not available
Maricopa Road Public Improvement Corporation	Formed to finance completion of improvements to Maricopa Road	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 85232

The Pinal County Municipal Property Corporation, the Central Arizona Public Facility Corporation, and the Maricopa Road Public Improvement Corporation were formed to finance various construction projects including the new Superior Court facility and Sheriff's Administration facility. Because the County 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 these financial statements.

Pinal County
Notes to the Financial Statements
June 30, 2007

(Amounts expressed in thousands)

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 financial activities of the overall government, 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, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

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

Pinal County
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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 Public Works Highway Fund—accounts for monies from specific revenue sources that are restricted for road maintenance and operations, pavement preservation, and fleet services.

The Adult/Juvenile Detention Construction Fund—accounts for construction of the new Adult/Juvenile Detention Facility.

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 Public Works Gantzel Road Fund—accounts for monies from a loan agreement between the County and the Greater Arizona Development Authority to finance the costs of widening and improving the Ironwood/Gantzel roads.

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 funds—account for print shop operations provided to County departments or to other governments on a cost-reimbursement basis and 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 held and invested by the County Treasurer on behalf of County departments and other governmental entities.

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

Pinal County
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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.

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.

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 statement 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 time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories

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 are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

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.

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

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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	\$5	Straight line	10-40 years
Machinery & equipment	\$1	Straight line	3-21 years
Infrastructure	\$100	Straight line	20-50 years

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

H. Investment Earnings

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

I. Compensated Absences

Compensated absences consist 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, but any vacation hours in excess of the maximum amount that are unused at September 30 are forfeited. Upon termination of 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.

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 termination of 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.

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Note 2 – Beginning Balances Restated

The County determined that the Pinal County Employee Benefit Trust should be included as a blended component unit reported as an internal service fund. Previously, only the cash and cash equivalents were reported in the Fiduciary Statements. The inclusion of the Trust requires a restatement of net assets at July 1, 2006 for the governmental activities and internal service funds by an adjustment in the amount of \$5,038. Also, a restatement of (\$6,295) is required for the net assets at July 1, 2006 for the investment trust funds.

During a reconciliation of the capital assets within the governmental activities, adjustments were required to correct prior year capitalization errors. This resulted in a prior period adjustment to net assets at July 1, 2006 for the governmental activities in the amount of (\$24,744).

These restatements affected the beginning net assets of the governmental activities as follows:

Government-wide Financial Statements

	Governmental Activities
Net assets as of June 30, 2006, as previously reported	\$283,978
Pinal County Employee Benefit Trust, net assets – June 30, 2006	5,038
General infrastructure assets, net of accumulated depreciation	(24,744)
Net assets as of July 1, 2006, as restated	\$264,272

The restatement to report the Pinal County Employee Benefit Trust as a blended component unit affected the beginning net assets of the internal service funds and investment trust funds as follows:

Proprietary and Fiduciary Funds' Financial Statements

	Internal Service Funds	Investment Trust Funds
Net assets as of June 30, 2006, as previously reported	\$ (26)	\$155,394
Pinal County Employee Benefit Trust	5,038	(6,295)
Net assets as of July 1, 2006, as restated	\$5,012	\$149,099

Note 3 – Stewardship, Compliance, and Accountability

At June 30, 2007, the following funds reported deficits in fund balances, which violates state statutes.

Fund	Deficit
Governmental Funds:	
Detention Expansion	\$ 40
Health Services	48
Library Grants	1

These deficits resulted from operations during the year, but are expected to be corrected through normal operations in fiscal year 2007-2008.

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Note 4 – 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; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated "A" or better by Moody's investors service or Standard and Poor's rating service.
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 demand deposits, certificates of deposit, and repurchase agreements 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 and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 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, 2007, the carrying amount of the County's deposits was (\$13,830) because the County invested available cash relating to outstanding checks in a cash sweep investment account, which consists of shares in U.S. government securities money market funds, and the bank balance was \$5,021. The County does not have a formal policy with respect to custodial credit risk.

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Investments—The County's investments at June 30, 2007, were as follows:

Investment Type	Amount
State Treasurer's investment pools	\$ 7,084
U.S. Treasury securities	19,779
U.S. agency securities	264,902
Repurchase agreements (implicitly guaranteed)	55,546
Money market funds	<u>48,610</u>
	<u>\$395,921</u>

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.

Credit Risk—The County does not have a formal investment policy with respect to credit risk. At June 30, 2007, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's investment pools	Unrated	Not applicable	\$ 7,084
U.S. agency securities	Aaa	Moody's	264,902
Repurchase agreements (implicitly guaranteed)	Aaa	Moody's	55,546
Money market funds	Unrated	Not applicable	<u>48,610</u>
			<u>\$376,142</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 the possession of an outside party. The County does not have a formal policy with respect to custodial credit risk. At June 30, 2007, the County had \$4,760 of investments with the State Treasurer, \$19,779 of U.S. Treasury securities, \$264,902 of U.S. agency securities, \$55,546 of repurchase agreements (implicitly guaranteed), and \$48,610 of money market funds that were uninsured and held by the counterparty not in the County's name.

Concentration of credit risk—The County does not have a formal investment policy with respect to concentration of credit risk. The County had investments at June 30, 2007, of 5 percent or more in the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association. These investments were 34.9 percent, 15.3 percent, and 12.5 percent, respectively, of the County's total investments.

Pinal County
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Interest rate risk—The County does not have a formal investment policy with respect to interest rate risk. At June 30, 2007, the County had the following investments in debt securities:

Investment Type	Investment Maturities		
	Amount	Less than 1 Year	1-5 Years
State Treasurer's investment pools	\$ 7,084	\$ 7,084	\$ -
U.S. Treasury securities	19,779	17,619	2,160
U.S. agency securities	264,902	150,086	114,816
Repurchase agreements (implicitly guaranteed)	55,546	55,546	
Money market funds	48,610	48,610	
	\$395,921	\$278,945	\$116,976

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	\$ 58
Amount of deposits	(13,830)
Amount of investments	<u>395,921</u>
Total	<u>\$382,149</u>

	Governmental Activities	Business-type Activities	Investments Trust Funds	Agency Funds	Total
Statement of Net Assets:					
Cash and cash equivalents	\$ 142,061	\$8,140	\$215,669	\$5,368	\$371,238
Cash and investments held by trustees	10,911				10,911
Total	<u>\$152,972</u>	<u>\$ 8,140</u>	<u>\$215,669</u>	<u>\$5,368</u>	<u>\$382,149</u>

Pinal County
Notes to the Financial Statements
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Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006 as restated	Increases	Decreases	Balance June 30, 2007
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 65,737	\$ 20,866	\$ 493	\$ 86,110
Construction in progress	77,379	47,296	66,312	58,363
Total capital assets not being depreciated	<u>143,116</u>	<u>68,162</u>	<u>66,805</u>	<u>144,473</u>
Capital assets being depreciated:				
Buildings & improvements	68,655	66,808	25	135,438
Machinery & equipment	51,042	9,571	499	60,114
Infrastructure	100,476	34,308	3,277	131,507
Total	<u>220,173</u>	<u>110,687</u>	<u>3,801</u>	<u>327,059</u>
Less accumulated depreciation for:				
Buildings & improvements	21,222	2,623	13	23,832
Machinery & equipment	36,883	6,112	338	42,657
Infrastructure	28,048	3,240	1,192	30,096
Total	<u>86,153</u>	<u>11,975</u>	<u>1,543</u>	<u>96,585</u>
Total capital assets being depreciated, net	<u>134,020</u>	<u>98,712</u>	<u>2,258</u>	<u>230,474</u>
Governmental activities capital assets, net	<u>\$ 277,136</u>	<u>\$ 166,874</u>	<u>\$ 69,063</u>	<u>\$ 374,947</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 584	\$ -	\$ 584
Total capital assets not being depreciated	<u>-</u>	<u>584</u>	<u>-</u>	<u>584</u>
Capital assets being depreciated:				
Buildings & improvements	2,064	32	-	2,096
Machinery & equipment	1,544	124	217	1,451
Total	<u>3,608</u>	<u>156</u>	<u>217</u>	<u>3,547</u>
Less accumulated depreciation for:				
Buildings & improvements	621	56	-	677
Machinery & equipment	608	254	195	667
Total	<u>1,229</u>	<u>310</u>	<u>195</u>	<u>1,344</u>
Total capital assets being depreciated, net	<u>2,379</u>	<u>(154)</u>	<u>22</u>	<u>2,203</u>
Business-type activities capital assets, net	<u>\$ 2,379</u>	<u>\$ 430</u>	<u>\$ 22</u>	<u>\$ 2,787</u>

The July 1, 2006 governmental activities capital asset balances were restated to correct prior year capitalization errors of infrastructure assets. See Note 2 for additional information.

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Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 4,434
Public safety	1,951
Highways and streets	5,003
Sanitation	39
Health	425
Welfare	37
Culture and recreation	74
Internal service fund	12
Total governmental activities depreciation expense	\$ 11,975
Business-type activities:	
Long Term Care	\$ 251
Sheriff Inmate Services	16
Home Health	22
Fairgrounds	21
Total business-type activities depreciation expense	\$ 310

Pinal County was engaged in various major construction projects as of June 30, 2007. The projects include widening and improving the Ironwood/Gantzel roads and improving Edwin road. At June 30, 2007, the County had remaining contractual commitments of \$29,915 and \$1,113 for the Ironwood/Gantzel road project and the Edwin road project, respectively.

Note 6 – Short-term Debt

LINE OF CREDIT

The County maintains a revolving line of credit with JPMorgan Chase Bank, N.A. to meet its short-term cash needs. At June 30, 2007, 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.

	July 1, 2006			June 30, 2007
	<u>Balance</u>	<u>Draws</u>	<u>Repayments</u>	<u>Balance</u>
Line of credit	\$0	\$9,908	\$9,908	\$0

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Note 7 – Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2007:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Due within one year
Governmental activities:					
Obligations under capital leases	\$ 4,323	\$ 1,668	\$ 1,453	\$ 4,538	\$ 1,445
Compensated absences	8,559	5,617	4,850	9,326	4,755
Special assessment bonds with governmental commitment	1,165	-	1,165	-	-
Loan payable	63,220	-	-	63,220	2,160
Premium on loan	1,666	-	107	1,559	-
Certificates of participation	101,480	-	4,280	97,200	4,445
Premium on COPS	1,450	-	97	1,353	-
Estimated liabilities for claims and judgments	3,551	707	3,166	1,092	497
Total governmental activities long-term liabilities	\$ 185,414	\$ 7,992	\$ 15,118	\$ 178,288	\$ 13,302
Business-type activities					
Compensated absences	\$ 119	\$ 12	\$ -	\$ 131	\$ -
Total business-type activities long-term liabilities	\$ 119	\$ 12	\$ -	\$ 131	\$ -

The Greater Arizona Development Authority Loan

On April 1, 2006, Pinal County entered into a loan agreement with the Greater Arizona Development Authority to provide funds for the construction and improvement of certain highways and streets. Interest will be payable on February 1 and August 1 of each year commencing February 1, 2007, and is calculated based on the principal amount of the loan outstanding during such period. The loan was executed with a first lien pledge on state shared revenues sufficient to make principal and interest payments.

The Greater Arizona Development Authority loan outstanding at June 30, 2007 was as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Ranges</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
The Greater Arizona Development Authority Loan	\$ 63,220	2008 - 2026	4.0%- 5.0%	\$ 63,220

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The following schedule details debt service requirements to maturity for the County's loan payable at June 30, 2007:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 2,160	\$ 2,890
2009	2,245	2,801
2010	2,335	2,710
2011	2,430	2,615
2012	2,530	2,515
2013-2017	14,495	10,741
2018-2022	18,560	6,675
2023-2026	18,465	1,720
Total	<u>\$ 63,220</u>	<u>\$ 32,667</u>

Certificates of Participation

On December 1, 1998, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$11,640. 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 for the refinancing of the Series 1994 certificates of participation. The refunded debt is considered defeased and related liabilities are not included in the County's financial statements. The indenture provides for the establishment and maintenance of a Reserve Fund. The County has deposited the required monies, which shall be used only for the purpose of making up deficiencies in the Rent Payment Fund for principal and interest payments. The certificates are generally noncallable with interest rates from 4.3 to 4.5 percent, payable semiannually on June 1 and December 1 of each year through the year 2009.

On August 1, 2001, the Pinal County Municipal Property Corporation issued certificates of participation totaling \$30,800. 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 are being used by the County to serve as the primary source of funding for construction of the buildings and improvements which consist of a Superior Court Judicial Facility and a Sheriff's Administration Facility. The certificates are generally noncallable with interest rates from 4.0 to 5.125 percent, payable semiannually on June 1 and December 1 of each year through 2021.

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 are being used by the County to serve 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 are generally non-callable with interest rates from 4.0 to 5.25 percent, payable semiannually on June 1 and December 1 of each year through 2030.

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Certificates outstanding at June 30, 2007 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 1998	\$ 11,640	2008-2009	4.3% to 4.5%	\$ 3,930
Pinal County Municipal Property Corporation 2001	30,800	2008-2021	4.0% to 5.125%	24,955
Pinal County Municipal Property Corporation 2004	71,615	2008-2030	4.0% to 5.25%	68,315
				<u>\$ 97,200</u>

The following schedule details debt service requirements to maturity for the County's certificates of participation payable at June 30, 2007:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 4,445	\$ 4,575
2009	5,720	4,392
2010	3,295	4,175
2011	3,425	4,046
2012	3,565	3,904
2013-2017	20,445	16,904
2018-2022	23,530	11,320
2023-2027	18,920	5,942
2028-2030	13,855	1,062
Total	<u>\$ 97,200</u>	<u>\$ 56,320</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.

The assets acquired through capital leases are as follows:

<u></u>	<u>Governmental Activities</u>
Buildings and improvements	\$ 1,170
Machinery and equipment	5,596
Subtotal	6,766
Less: accumulated depreciation	1,723
Carrying value	<u>\$ 5,043</u>

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The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2007:

Year Ending June 30	Governmental Activities
2008	\$ 1,445
2009	1,449
2010	1,121
2011	654
2012	290
2013	64
Total minimum lease payments	5,023
Less amount representing interest	485
Present value of net minimum lease payments	\$ 4,538

Landfill closure and postclosure care costs

The County has contracted with an outside agency to provide operations for its solid waste facilities. 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 2007, the County paid for compensated absences as follows: 68 percent from the General Fund, 11 percent from the Public Works Highway Fund, and 21 percent from other governmental funds. The County paid for governmental activities claims and judgments from the General Fund.

Note 8 – 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; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, 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.

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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 \$100 million per occurrence for property claims and \$15 million per occurrence for liability claims. 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 Trust is liable for medical, dental, vision, short-term disability, employee life and accidental liability, and dependent life insurance claims. The County is responsible for paying a premium and may require its employees to contribute a portion of that premium to the Trust. The Trust and its insurance company are liable for claims up to \$2,000 for each covered employee. Settled claims have not exceeded the coverage provided in any of the past three fiscal years.

The liability for medical, dental, vision, and short-term disability claims of the Trust totaling \$1,591 at June 30, 2007, is the estimated ultimate cost of settling claims that have been incurred but not reported. This estimate is based on actuarial estimate. Changes in the Trust's claims payable for the year ended June 30, 2007, was as follows:

	2007
Claims payable, beginning of year	\$ 1,272
Current-year claims and changes in estimate	10,892
Claim payments	<u>(10,573)</u>
Claims payable, end of year	<u>\$ 1,591</u>

Information includes only one year of data as no prior year information is available.

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

Pinal County
Notes to the Financial Statements
June 30, 2007

(Amounts expressed in thousands)

compensation obligations. Pinal County has elected to be responsible for its unemployment obligations. The County does not accumulate and reserve monies for its workforce.

Note 9 – Retirement Plans

Plan Descriptions—The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefit pension plan that covers employees of the State of Arizona and employees of participating political subdivisions 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)* is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, 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)* is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona's Department of Corrections and Department of Juvenile Corrections, and county employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager 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 plan—For the year ended June 30, 2007, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 9.1 percent (8.6 percent retirement and 0.5 percent long-term disability) of the members' annual covered payroll. The County's

Pinal County
Notes to the Financial Statements
June 30, 2007

(Amounts expressed in thousands)

contributions to ASRS for the years ended June 30, 2007, 2006, and 2005 were \$6,587, \$4,202, and \$3,105, respectively, which were equal to the required contributions for the year.

Agent plans—For the year ended June 30, 2007, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 13.47 percent. Active CORP members (detention officers) were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 5.0 percent. Active CORP members (dispatchers) were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 5.0 percent.

Annual Pension Cost—The County's pension cost for the two agent plans for the year ended June 30, 2007, and related information follows.

	PSPRS	CORP	
		Detention Officers	Dispatchers
Contribution rates:			
County	13.47%	5.0%	5.0%
Plan members	7.65%	8.5%	8.5%
Annual pension cost	\$1,398	\$397	\$31
Contributions made	\$1,398	\$397	\$31

The current-year annual required contributions for the PSPRS and CORP were determined as part of their June 30, 2005, actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.50 percent investment rate of return and (b) projected salary increases ranging from 5.50 percent to 8.50 percent per year; (b) included an inflation component of 5.00 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 7-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2005, was 30 years.

Pinal County
Notes to the Financial Statements
June 30, 2007
(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 Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PSPRS	2007	\$ 1,398	100%	\$ 0
	2006	1,090	100%	0
	2005	755	100%	0
CORP Detention officers	2007	\$ 397	100%	\$ 0
	2006	299	100%	0
	2005	216	100%	0
Dispatchers	2007	\$ 31	100%	\$ 0
	2006	23	100%	0
	2005	18	100%	0

Pinal County
Notes to the Financial Statements
June 30, 2007
(Amounts expressed in thousands)

Note 10 – Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2007, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Adult/Juvenile Detention	
	Construction Fund	\$ 2,916
	Other Governmental Funds	1,035
	Internal Service Funds	1
		<u>3,952</u>
Development Impact Fee Fund	Public Works Highway Fund	<u>1</u>
Other Governmental Funds	General Fund	118
	Other Governmental Funds	6
		<u>124</u>
Other Enterprise Funds	General Fund	<u>1</u>
Total		<u><u>\$ 4,078</u></u>

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2007, 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, 2007
(Amounts expressed in thousands)

Interfund transfers—Interfund transfers for the year ended June 30, 2007, were as follows:

<u>Transfer from</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 19,039
	Other Enterprise Funds	195
	Internal Service Funds	5
		<u>19,239</u>
Public Works Highway Fund	General Fund	1,000
	Other Governmental Funds	69
		<u>1,069</u>
Adult/Juvenile Detention Construction Fund	Other Governmental Funds	<u>563</u>
Other Governmental Funds	General Fund	500
	Other Governmental Funds	928
	Long Term Care Fund	16
		<u>1,444</u>
Other Enterprise Funds	General Fund	<u>10</u>
Long Term Care Fund	General Fund	257
	Other Governmental Funds	332
		<u>589</u>
Total		<u>\$ 22,914</u>

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds to pay for capital outlay. All significant interfund transfers were routine and consistent with the activities of the fund making the transfer. The table above does not include a transfer of capital assets from the governmental activities to the Fairgrounds, an enterprise fund, of \$9 because capital asset transfers are not recorded in the fund financial statements.

Pinal County
Notes to the Financial Statements
June 30, 2007
(Amounts expressed in thousands)

Note 11 – 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 \$381 of interest earned in certain other funds to be transferred to the General Fund.

All deposits and investments of the County’s primary government are included in the County Treasurer’s investment pool, except for \$1,800 in deposits, \$1,200 of investments in money market funds, \$4,952 of U.S. Treasury securities, and \$7,084 of investments in State Treasurer’s investment pools. 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 investments in the State Treasurer’s investment pools. See Note 4 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)	\$ 55,546	4.275-6%	Daily	\$ 55,546
U.S. agency securities	264,902	3.15-6%	7/07-4/12	264,902
U.S. Treasury securities	14,827	3-5.625%	8/07-7/08	14,827
Money market funds	47,410	4.46-5.12%	Daily	47,410

Pinal County
Notes to the Financial Statements
June 30, 2007
(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	\$ 367,258
Liabilities	-
Net assets	<u>\$ 367,258</u>
Net assets held in trust for:	
Internal participants	\$ 153,675
External participants	213,583
Total net assets held in trust	<u>\$ 367,258</u>
Statement of Changes in Net Assets	
Total additions	\$ 1,054,974
Total deductions	<u>(941,668)</u>
Net increase	<u>113,306</u>
Net assets held in trust:	
July 1, 2006	<u>253,952</u>
June 30, 2007	<u>\$ 367,258</u>

Note 12 – Related Party Transactions

Due to a lack of providers within Pinal County, the Pinal County Long-Term Care Health Plan (Plan) contracts for services with other County operations. These operations providing medically-related services include the Pinal County Horizon Home Care and Palm Villa Day Care, which provide adult day health care. For the year ended June 30, 2007, the Plan paid these operations \$3,776 for services and has claims payable to them of \$555.

In addition to medical and medically-related services, the Plan contracts with Pinal County for certain other services. During the year, the Plan paid the County \$257 for rent, legal, finance, and other administrative services. The Plan's employees are employees of the County and are subject to all rules and regulations of Pinal County. The Plan's liability insurance is provided as part of the County's coverage.

Required Supplemental Information



Pinal County
Required Supplementary Information
Schedule of Agent Retirement Plans' Funding Progress
June 30, 2007
(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)
6/30/2007	\$25,873	\$38,843	(\$12,970)	67%	\$10,719	(121%)
6/30/2006	25,237	33,900	(8,663)	74%	8,952	(97%)
6/30/2005	24,012	29,735	(5,723)	81%	7,103	(81%)

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>Detention Officers</u>						
6/30/2007	\$8,505	\$9,880	(\$1,375)	86%	\$10,003	(14%)
6/30/2006	7,114	7,478	(364)	95%	5,962	(6%)
6/30/2005	5,456	6,878	(1,422)	79%	4,352	(33%)
<u>Dispatchers</u>						
6/30/2007	\$826	\$1,164	(\$338)	71%	\$680	(50%)
6/30/2006	949	1,141	(192)	83%	635	(30%)
6/30/2005	838	1,109	(271)	76%	559	(49%)

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PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	\$ 85,300	\$ 81,790	\$ (3,510)
Licenses and permits	8,573	5,496	(3,077)
Intergovernmental	33,032	40,539	7,507
Charges for services	14,125	12,106	(2,019)
Fines and forfeits	1,667	1,755	88
Investment earnings	603	2,333	1,730
Contributions	10	2	(8)
Rentals	12	36	24
Miscellaneous	310	685	375
Total revenues	<u>143,632</u>	<u>144,742</u>	<u>1,110</u>
Expenditures			
General Government			
Assessor	2,745	2,521	224
Assistant County Manager-Admin	47,437	42,890	4,547
Assistant County Manager-Development	5,232	5,055	177
Assistant County Manager-Health	716	752	(36)
Board of Supervisors	938	881	57
Clerk of Superior Court	2,817	2,914	(97)
County Manager	849	729	120
Courts	463	486	(23)
Recorder	1,081	1,182	(101)
Treasurer	1,161	1,073	88
Total General Government	<u>63,439</u>	<u>58,483</u>	<u>4,956</u>
Public Safety			
Assistant County Manager-Admin	624	613	11
Assistant County Manager-Health	2,144	1,750	394
Attorney	5,440	5,454	(14)
Courts	14,761	13,075	1,686
Sheriff	23,789	25,892	(2,103)
Total Public Safety	<u>46,758</u>	<u>46,784</u>	<u>(26)</u>

(Continued)

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2007
(Concluded)
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Sanitation			
Solid Waste	\$ 233	\$ 328	\$ (95)
Total Sanitation	<u>233</u>	<u>328</u>	<u>(95)</u>
Health			
Assistant County Manager-Admin	14,795	13,200	1,595
Assistant County Manager-Development	846	896	(50)
Assistant County Manager-Health	5,095	5,511	(416)
Total Health	<u>20,736</u>	<u>19,607</u>	<u>1,129</u>
Welfare			
Housing Administration	844	830	14
Total Welfare	<u>844</u>	<u>830</u>	<u>14</u>
Culture and Recreation			
Parks and Ground Maintenance	204	127	77
Total Culture and Recreation	<u>204</u>	<u>127</u>	<u>77</u>
Education			
School Superintendent	669	706	(37)
Total Education	<u>669</u>	<u>706</u>	<u>(37)</u>
Total general fund expenditures	<u>132,883</u>	<u>126,865</u>	<u>6,018</u>
Excess of revenues over expenditures	<u>10,749</u>	<u>17,877</u>	<u>7,128</u>
Other financing sources (uses):			
Transfers in	1,643	1,767	124
Transfers out	(14,714)	(19,239)	(4,525)
Proceeds from sale of capital assets	164	69	(95)
Proceeds from capital lease agreements	-	27	27
Total other financing uses	<u>(12,907)</u>	<u>(17,376)</u>	<u>(4,469)</u>
Net change in fund balances	<u>(2,158)</u>	<u>501</u>	<u>2,659</u>
Fund balances, July 1, 2006	2,158	46,096	43,938
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 46,597</u>	<u>\$ 46,597</u>

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Highway Fund
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Licenses and permits	\$ -	\$ 1	\$ 1
Intergovernmental	16,282	22,707	6,425
Investment earnings	25	277	252
Miscellaneous	-	91	91
Total revenues	<u>16,307</u>	<u>23,076</u>	<u>6,769</u>
Expenditures			
Current:			
Highways and streets	17,289	19,997	(2,708)
Total expenditures	<u>17,289</u>	<u>19,997</u>	<u>(2,708)</u>
Excess revenues over expenditures	<u>(982)</u>	<u>3,079</u>	<u>4,061</u>
Other financing sources (uses):			
Transfers in	736	-	(736)
Transfers out	(1,070)	(1,069)	1
Proceeds from sale of capital assets	-	144	144
Capital lease agreements	1,016	1,641	625
Total other financing sources (uses)	<u>682</u>	<u>716</u>	<u>34</u>
Net change in fund balances	(300)	3,795	4,095
Fund balances, July 1, 2006	<u>300</u>	<u>8,522</u>	<u>8,222</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 12,317</u>	<u>\$ 12,317</u>

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Development Impact Fee Fund
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Charges for services	\$ 3,250	\$ 6,776	\$ 3,526
Investment earnings	-	50	50
Total revenues	<u>3,250</u>	<u>6,826</u>	<u>3,576</u>
Expenditures			
Current:			
Public safety	250	-	250
Highways and streets	2,000	-	2,000
Culture and recreation	1,000	-	1,000
Total expenditures	<u>3,250</u>	<u>-</u>	<u>3,250</u>
Excess revenues over expenditures	<u>-</u>	<u>6,826</u>	<u>6,826</u>
Other financing sources (uses):			
Transfers in	1,000	-	(1,000)
Transfers out	(1,000)	-	1,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>6,826</u>	<u>6,826</u>
Fund balances, July 1, 2006	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2007	<u><u>\$ -</u></u>	<u><u>\$ 6,826</u></u>	<u><u>\$ 6,826</u></u>

Pinal County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2007
(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. Currently, only the General Fund includes multiple departments, each of which has its own adopted budget. Expenditures exceeding final budget amounts at the department level (the legal level of budgetary control) are presented on the Budgetary Comparison Schedule – General Fund. 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 generally accepted accounting principles.

Note 2 – Expenditures in Excess of Appropriations

For the year ended June 30, 2007, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund:	
Assistant County Manager - Health	\$ 58
Clerk of Superior Court	97
Recorder	101
Attorney	14
Sheriff	2,103
Solid Waste	95
School Superintendent	37
Public Works Highway Fund:	
Public Works Highways and Streets	2,708

The excess expenditures were primarily the result of unexpected and/or additional unanticipated revenues. The County is evaluating whether these excesses should be considered in next year's budget or if another solution is possible to avoid this situation again.

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Combining Statements and Individual Fund Schedules



PINAL COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets				
Cash and cash equivalents	\$ 46,935	\$ 1,562	\$ 1,306	\$ 49,803
Cash and investments held by trustees	-	426	6,280	6,706
Receivables (net):				
Property taxes	203	-	68	271
Accounts	229	-	1	230
Due from other funds	124	-	-	124
Due from other governments	3,065	65	-	3,130
Inventories	101	-	-	101
Prepaid items	71	3	-	74
Total assets	\$ 50,728	\$ 2,056	\$ 7,655	\$ 60,439
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,392	\$ 384	\$ -	\$ 1,776
Accrued payroll and employee benefits	1,277	-	-	1,277
Due to other funds	971	70	-	1,041
Due to other governments	152	-	-	152
Deposits held for others	443	-	-	443
Bonds payable	-	-	1,165	1,165
Interest payable	-	-	1,247	1,247
Deferred revenue	1,301	-	54	1,355
Total liabilities	5,536	454	2,466	8,456
Fund Balances:				
Reserved for:				
Inventories	101	-	-	101
Prepaid items	71	3	-	74
Unreserved	45,020	1,599	5,189	51,808
Total fund balances	45,192	1,602	5,189	51,983
Total liabilities and fund balances	\$ 50,728	\$ 2,056	\$ 7,655	\$ 60,439

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues				
Taxes	\$ 12,061	\$ -	\$ 1,197	\$ 13,258
License and permits	3,503	-	-	3,503
Intergovernmental	28,975	103	-	29,078
Charges for services	7,836	-	-	7,836
Fines and forfeits	3,150	-	-	3,150
Investment earnings	1,491	19	343	1,853
Contributions	4,027	29	-	4,056
Rentals	714	-	-	714
Miscellaneous	570	118	104	792
Total revenues	<u>62,327</u>	<u>269</u>	<u>1,644</u>	<u>64,240</u>
Expenditures				
Current:				
General government	1,306	-	-	1,306
Public safety	24,330	-	-	24,330
Highways and streets	10,724	-	-	10,724
Sanitation	352	-	-	352
Health	7,692	-	-	7,692
Welfare	4,197	-	-	4,197
Culture and recreation	752	-	-	752
Education	10,155	-	-	10,155
Debt Service:				
Principal retirement	-	-	6,131	6,131
Interest	-	-	8,352	8,352
Miscellaneous	-	-	13	13
Capital outlay	-	2,335	-	2,335
Total expenditures	<u>59,508</u>	<u>2,335</u>	<u>14,496</u>	<u>76,339</u>
Excess (deficiency) of revenues over expenditures	<u>2,819</u>	<u>(2,066)</u>	<u>(12,852)</u>	<u>(12,099)</u>
Other financing sources (uses):				
Transfers in	8,591	2,935	9,405	20,931
Transfers out	(1,352)	(88)	(4)	(1,444)
Sale of capital assets	90	-	-	90
Total other financing sources (uses)	<u>7,329</u>	<u>2,847</u>	<u>9,401</u>	<u>19,577</u>
Net change in fund balances	10,148	781	(3,451)	7,478
Fund balances, July 1, 2006	<u>35,044</u>	<u>821</u>	<u>8,640</u>	<u>44,505</u>
Fund balances, June 30, 2007	<u>\$ 45,192</u>	<u>\$ 1,602</u>	<u>\$ 5,189</u>	<u>\$ 51,983</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Adult Probation	Airport Economic Development
Assets		
Cash and cash equivalents	\$ 201	\$ 369
Receivables (net):		
Property taxes	-	-
Accounts	-	-
Due from other funds	-	-
Due from other governments	44	-
Inventories	-	-
Prepaid items	1	-
	<u>246</u>	<u>369</u>
Total assets	<u>\$ 246</u>	<u>\$ 369</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 13	\$ -
Accrued payroll and employee benefits	91	5
Due to other funds	2	-
Due to other governments	39	-
Deposits held for others	-	-
Deferred revenue	-	-
	<u>145</u>	<u>5</u>
Total liabilities	<u>145</u>	<u>5</u>
 Fund Balances:		
Reserved for:		
Inventories	-	-
Prepaid items	1	-
Unreserved	100	364
	<u>101</u>	<u>364</u>
Total fund balances (deficit)	<u>101</u>	<u>364</u>
Total liabilities and fund balances	<u>\$ 246</u>	<u>\$ 369</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	<u>Air Quality</u>	<u>Animal Control</u>	<u>Attorney</u>
Assets			
Cash and cash equivalents	\$ 1,304	\$ 203	\$ 3,380
Receivables (net):			
Property taxes	-	36	-
Accounts	-	2	3
Due from other funds	-	-	3
Due from other governments	-	-	416
Inventories	-	-	-
Prepaid items	1	-	18
Total assets	<u><u>\$ 1,305</u></u>	<u><u>\$ 241</u></u>	<u><u>\$ 3,820</u></u>
 Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 19	\$ 17	\$ 29
Accrued payroll and employee benefits	40	36	113
Due to other funds	-	-	104
Due to other governments	-	-	2
Deposits held for others	-	10	-
Deferred revenue	139	41	-
Total liabilities	<u><u>198</u></u>	<u><u>104</u></u>	<u><u>248</u></u>
 Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	1	-	18
Unreserved	1,106	137	3,554
Total fund balances (deficit)	<u><u>1,107</u></u>	<u><u>137</u></u>	<u><u>3,572</u></u>
Total liabilities and fund balances	<u><u>\$ 1,305</u></u>	<u><u>\$ 241</u></u>	<u><u>\$ 3,820</u></u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Clerk of Courts	Old Courthouse Preservation	Detention Expansion
Assets			
Cash and cash equivalents	\$ 1,718	\$ 237	\$ 429
Receivables (net):			
Property taxes	-	-	-
Accounts	1	-	-
Due from other funds	51	-	-
Due from other governments	84	-	-
Inventories	-	-	-
Prepaid items	1	-	-
	<u>\$ 1,855</u>	<u>\$ 237</u>	<u>\$ 429</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1	\$ -	\$ 58
Accrued payroll and employee benefits	22	-	411
Due to other funds	42	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	-	-
	<u>65</u>	<u>-</u>	<u>469</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	1	-	-
Unreserved	<u>1,789</u>	<u>237</u>	<u>(40)</u>
Total fund balances (deficit)	<u>1,790</u>	<u>237</u>	<u>(40)</u>
Total liabilities and fund balances	<u>\$ 1,855</u>	<u>\$ 237</u>	<u>\$ 429</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Courts	Health Services	Justice Courts
Assets			
Cash and cash equivalents	\$ 1,327	\$ 41	\$ 1,729
Receivables (net):			
Property taxes	-	-	-
Accounts	9	-	38
Due from other funds	5	-	-
Due from other governments	87	114	-
Inventories	-	-	-
Prepaid items	-	-	-
	<u>\$ 1,428</u>	<u>\$ 155</u>	<u>\$ 1,767</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 3	\$ 3	\$ 5
Accrued payroll and employee benefits	31	23	-
Due to other funds	112	177	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	-	-
	<u>146</u>	<u>203</u>	<u>5</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	1,282	(48)	1,762
	<u>1,282</u>	<u>(48)</u>	<u>1,762</u>
Total fund balances (deficit)	<u>1,282</u>	<u>(48)</u>	<u>1,762</u>
Total liabilities and fund balances	<u>\$ 1,428</u>	<u>\$ 155</u>	<u>\$ 1,767</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Juvenile Probation	Local Transport Assist Grant	Library Grants
Assets			
Cash and cash equivalents	\$ 728	\$ 504	\$ 1
Receivables (net):			
Property taxes	-	-	-
Accounts	1	-	-
Due from other funds	-	-	-
Due from other governments	141	-	-
Inventories	-	-	-
Prepaid items	-	2	-
	<u>\$ 870</u>	<u>\$ 506</u>	<u>\$ 1</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 38	\$ 1	\$ 1
Accrued payroll and employee benefits	104	3	-
Due to other funds	8	-	-
Due to other governments	111	-	-
Deposits held for others	-	-	-
Deferred revenue	-	462	1
	<u>261</u>	<u>466</u>	<u>2</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	2	-
Unreserved	<u>609</u>	<u>38</u>	<u>(1)</u>
	<u>609</u>	<u>40</u>	<u>(1)</u>
	<u>\$ 870</u>	<u>\$ 506</u>	<u>\$ 1</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Health Grants	Miscellaneous Grants	Public Defender
Assets			
Cash and cash equivalents	\$ 46	\$ 10	\$ 169
Receivables (net):			
Property taxes	-	-	-
Accounts	-	-	-
Due from other funds	9	-	-
Due from other governments	299	-	7
Inventories	68	-	-
Prepaid items	-	-	-
	<u>\$ 422</u>	<u>\$ 10</u>	<u>\$ 176</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 118	\$ -	\$ 2
Accrued payroll and employee benefits	170	-	5
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits held for others	26	-	-
Deferred revenue	-	-	29
	<u>314</u>	<u>-</u>	<u>36</u>
Fund Balances:			
Reserved for:			
Inventories	68	-	-
Prepaid items	-	-	-
Unreserved	<u>40</u>	<u>10</u>	<u>140</u>
	<u>108</u>	<u>10</u>	<u>140</u>
	<u>\$ 422</u>	<u>\$ 10</u>	<u>\$ 176</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Road Tax Districts
Assets			
Cash and cash equivalents	\$ 8,129	\$ 2,404	\$ 15,051
Receivables (net):			
Property taxes	-	-	-
Accounts	6	1	11
Due from other funds	54	-	-
Due from other governments	-	-	1,097
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	\$ 8,189	\$ 2,405	\$ 16,159
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 227	\$ 63	\$ 169
Accrued payroll and employee benefits	50	6	-
Due to other funds	-	18	-
Due to other governments	-	-	-
Deposits held for others	381	-	-
Deferred revenue	-	-	-
Total liabilities	658	87	169
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	7,531	2,318	15,990
Total fund balances (deficit)	7,531	2,318	15,990
Total liabilities and fund balances	\$ 8,189	\$ 2,405	\$ 16,159

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Assets			
Cash and cash equivalents	\$ 1,010	\$ 139	\$ 1,092
Receivables (net):			
Property taxes	-	-	-
Accounts	1	-	133
Due from other funds	2	-	
Due from other governments	454	-	322
Inventories	-	-	33
Prepaid items	6	-	42
	<u>\$ 1,473</u>	<u>\$ 139</u>	<u>\$ 1,622</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 214	\$ -	\$ 237
Accrued payroll and employee benefits	106	-	31
Due to other funds	399	-	94
Due to other governments	-	-	-
Deposits held for others	-	-	26
Deferred revenue	469	-	3
	<u>1,188</u>	<u>-</u>	<u>391</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	33
Prepaid items	6	-	42
Unreserved	279	139	1,156
	<u>285</u>	<u>139</u>	<u>1,231</u>
Total fund balances (deficit)	<u>285</u>	<u>139</u>	<u>1,231</u>
Total liabilities and fund balances	<u>\$ 1,473</u>	<u>\$ 139</u>	<u>\$ 1,622</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Flood Control District	Library Special District	Lighting Special Districts
Assets			
Cash and cash equivalents	\$ 2,126	\$ 741	\$ 4
Receivables (net):			
Property taxes	61	37	1
Accounts	2	1	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
	<u>\$ 2,189</u>	<u>\$ 779</u>	<u>\$ 5</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 129	\$ 22	\$ 1
Accrued payroll and employee benefits	3	14	-
Due to other funds	-	15	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	44	27	1
	<u>176</u>	<u>78</u>	<u>2</u>
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	2,013	701	3
	<u>2,013</u>	<u>701</u>	<u>3</u>
Total fund balances (deficit)	<u>2,013</u>	<u>701</u>	<u>3</u>
Total liabilities and fund balances	<u>\$ 2,189</u>	<u>\$ 779</u>	<u>\$ 5</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District
Assets			
Cash and cash equivalents	\$ 1,123	\$ 28	\$ 9
Receivables (net):			
Property taxes	-	2	1
Accounts	20	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	\$ 1,143	\$ 30	\$ 10
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 22	\$ -	\$ -
Accrued payroll and employee benefits	13	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	17	2	1
Total liabilities	52	2	1
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	1,091	28	9
Total fund balances (deficit)	1,091	28	9
Total liabilities and fund balances	\$ 1,143	\$ 30	\$ 10

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(Amounts expressed in thousands)

	Accom- modation School	Total
Assets		
Cash and cash equivalents	\$ 2,683	\$ 46,935
Receivables (net):		
Property taxes	65	203
Accounts	-	229
Due from other funds	-	124
Due from other governments	-	3,065
Inventories	-	101
Prepaid items	-	71
	<u>\$ 2,748</u>	<u>\$ 50,728</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ -	\$ 1,392
Accrued payroll and employee benefits	-	1,277
Due to other funds	-	971
Due to other governments	-	152
Deposits held for others	-	443
Deferred revenue	65	1,301
	<u>65</u>	<u>5,536</u>
Fund Balances:		
Reserved for:		
Inventories	-	101
Prepaid items	-	71
Unreserved	2,683	45,020
	<u>2,683</u>	<u>45,192</u>
Total fund balances (deficit)	<u>2,683</u>	<u>45,192</u>
Total liabilities and fund balances	<u>\$ 2,748</u>	<u>\$ 50,728</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Adult Probation	Airport Economic Development
Revenues		
Taxes	\$ -	\$ -
License and permits	-	-
Intergovernmental	2,127	-
Charges for services	559	-
Fines and forfeits	-	-
Investment earnings	10	6
Contributions	-	-
Rentals	-	389
Miscellaneous	-	23
Total revenues	2,696	418
Expenditures		
Current:		
General government	-	647
Public safety	2,743	-
Highways and streets	-	-
Sanitation	-	-
Health	-	-
Welfare	-	-
Culture and recreation	-	-
Education	-	-
Total expenditures	2,743	647
Excess (deficiency) of revenues over expenditures	(47)	(229)
Other financing sources (uses):		
Transfers in	28	-
Transfers out	(44)	-
Sale of capital assets	-	27
Total other financing sources (uses)	(16)	27
Net change in fund balances	(63)	(202)
Fund balances, July 1, 2006	164	566
Fund balances (deficit), June 30, 2007	\$ 101	\$ 364

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Air Quality	Animal Control	Attorney
Revenues			
Taxes	\$ -	\$ 907	\$ -
License and permits	1,212	163	-
Intergovernmental	77	92	3,109
Charges for services	-	183	309
Fines and forfeits	-	38	3,112
Investment earnings	5	7	99
Contributions	-	13	1
Rentals	-	-	-
Miscellaneous	-	-	17
Total revenues	<u>1,294</u>	<u>1,403</u>	<u>6,647</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	5,110
Highways and streets	-	-	-
Sanitation	-	-	-
Health	1,255	1,290	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>1,255</u>	<u>1,290</u>	<u>5,110</u>
Excess (deficiency) of revenues over expenditures	<u>39</u>	<u>113</u>	<u>1,537</u>
Other financing sources (uses):			
Transfers in	-	133	327
Transfers out	-	(75)	(70)
Sale of capital assets	-	-	58
Total other financing sources (uses)	<u>-</u>	<u>58</u>	<u>315</u>
Net change in fund balances	39	171	1,852
Fund balances, July 1, 2006	<u>1,068</u>	<u>(34)</u>	<u>1,720</u>
Fund balances (deficit), June 30, 2007	<u>\$ 1,107</u>	<u>\$ 137</u>	<u>\$ 3,572</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Clerk of Courts	Old Courthouse Preservation	Detention Expansion
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	396	-	-
Charges for services	488	-	-
Fines and forfeits	-	-	-
Investment earnings	53	-	-
Contributions	-	5	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>937</u>	<u>5</u>	<u>-</u>
Expenditures			
Current:			
General government	-	43	-
Public safety	643	-	6,914
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>643</u>	<u>43</u>	<u>6,914</u>
Excess (deficiency) of revenues over expenditures	<u>294</u>	<u>(38)</u>	<u>(6,914)</u>
Other financing sources (uses):			
Transfers in	86	100	6,965
Transfers out	(16)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>70</u>	<u>100</u>	<u>6,965</u>
Net change in fund balances	364	62	51
Fund balances, July 1, 2006	<u>1,426</u>	<u>175</u>	<u>(91)</u>
Fund balances (deficit), June 30, 2007	<u>\$ 1,790</u>	<u>\$ 237</u>	<u>\$ (40)</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Courts	Health Services	Justice Courts
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	559	456	-
Charges for services	416	-	656
Fines and forfeits	-	-	-
Investment earnings	47	4	56
Contributions	-	1	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,022</u>	<u>461</u>	<u>712</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	771	-	400
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	667	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>771</u>	<u>667</u>	<u>400</u>
Excess (deficiency) of revenues over expenditures	<u>251</u>	<u>(206)</u>	<u>312</u>
Other financing sources (uses):			
Transfers in	43	332	-
Transfers out	-	(16)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>43</u>	<u>316</u>	<u>-</u>
Net change in fund balances	294	110	312
Fund balances, July 1, 2006	<u>988</u>	<u>(158)</u>	<u>1,450</u>
Fund balances (deficit), June 30, 2007	<u>\$ 1,282</u>	<u>\$ (48)</u>	<u>\$ 1,762</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Juvenile Probation	Local Transport Assist Grant	Library Grants
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	3,011	145	23
Charges for services	128	18	-
Fines and forfeits	-	-	-
Investment earnings	23	17	-
Contributions	3	-	-
Rentals	-	-	-
Miscellaneous	1	-	-
Total revenues	<u>3,166</u>	<u>180</u>	<u>23</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	3,115	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	145	-
Welfare	-	-	-
Culture and recreation	-	-	24
Education	-	-	-
Total expenditures	<u>3,115</u>	<u>145</u>	<u>24</u>
Excess (deficiency) of revenues over expenditures	<u>51</u>	<u>35</u>	<u>(1)</u>
Other financing sources (uses):			
Transfers in	57	-	-
Transfers out	(22)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>35</u>	<u>-</u>	<u>-</u>
Net change in fund balances	86	35	(1)
Fund balances, July 1, 2006	<u>523</u>	<u>5</u>	<u>-</u>
Fund balances (deficit), June 30, 2007	<u>\$ 609</u>	<u>\$ 40</u>	<u>\$ (1)</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Health Grants	Miscellaneous Grants	Public Defender
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	4,214	10	44
Charges for services	37	-	70
Fines and forfeits	-	-	-
Investment earnings	9	-	3
Contributions	130	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>4,390</u>	<u>10</u>	<u>117</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	247
Highways and streets	-	-	-
Sanitation	-	-	-
Health	4,335	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>4,335</u>	<u>-</u>	<u>247</u>
Excess (deficiency) of revenues over expenditures	<u>55</u>	<u>10</u>	<u>(130)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(191)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(191)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(136)	10	(130)
Fund balances, July 1, 2006	<u>244</u>	<u>-</u>	<u>270</u>
Fund balances (deficit), June 30, 2007	<u>\$ 108</u>	<u>\$ 10</u>	<u>\$ 140</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Public Works Roadways	Public Works Services	Road Tax Districts
Revenues			
Taxes	\$ -	\$ -	\$ 6,713
License and permits	2,128	-	-
Intergovernmental	259	481	732
Charges for services	805	1	226
Fines and forfeits	-	-	-
Investment earnings	326	61	463
Contributions	2,775	-	1,075
Rentals	-	-	-
Miscellaneous	-	-	2
Total revenues	<u>6,293</u>	<u>543</u>	<u>9,211</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	265	-
Highways and streets	4,736	151	4,234
Sanitation	-	293	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>4,736</u>	<u>709</u>	<u>4,234</u>
Excess (deficiency) of revenues over expenditures	<u>1,557</u>	<u>(166)</u>	<u>4,977</u>
Other financing sources (uses):			
Transfers in	54	300	-
Transfers out	(69)	-	(150)
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(15)</u>	<u>300</u>	<u>(150)</u>
Net change in fund balances	1,542	134	4,827
Fund balances, July 1, 2006	<u>5,989</u>	<u>2,184</u>	<u>11,163</u>
Fund balances (deficit), June 30, 2007	<u>\$ 7,531</u>	<u>\$ 2,318</u>	<u>\$ 15,990</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Revenues			
Taxes	\$ -	\$ -	\$ -
License and permits	-	-	-
Intergovernmental	1,719	1	4,076
Charges for services	2,104	30	-
Fines and forfeits	-	-	-
Investment earnings	34	4	1
Contributions	24	-	-
Rentals	-	-	325
Miscellaneous	-	-	111
Total revenues	<u>3,881</u>	<u>35</u>	<u>4,513</u>
Expenditures			
Current:			
General government	-	53	-
Public safety	4,122	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	4,197
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>4,122</u>	<u>53</u>	<u>4,197</u>
Excess (deficiency) of revenues over expenditures	<u>(241)</u>	<u>(18)</u>	<u>316</u>
Other financing sources (uses):			
Transfers in	67	-	99
Transfers out	(115)	-	-
Sale of capital assets	5	-	-
Total other financing sources (uses)	<u>(43)</u>	<u>-</u>	<u>99</u>
Net change in fund balances	<u>(284)</u>	<u>(18)</u>	<u>415</u>
Fund balances, July 1, 2006	<u>569</u>	<u>157</u>	<u>816</u>
Fund balances (deficit), June 30, 2007	<u>\$ 285</u>	<u>\$ 139</u>	<u>\$ 1,231</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Flood Control District	Library Special District	Lighting Special Districts
Revenues			
Taxes	\$ 1,390	\$ 882	\$ 10
License and permits	-	-	-
Intergovernmental	268	29	-
Charges for services	35	-	-
Fines and forfeits	-	-	-
Investment earnings	85	25	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	24	5	-
Total revenues	<u>1,802</u>	<u>941</u>	<u>10</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	1,589	-	14
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	728	-
Education	-	-	-
Total expenditures	<u>1,589</u>	<u>728</u>	<u>14</u>
Excess (deficiency) of revenues over expenditures	<u>213</u>	<u>213</u>	<u>(4)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(26)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(26)</u>	<u>-</u>
Net change in fund balances	213	187	(4)
Fund balances, July 1, 2006	<u>1,800</u>	<u>514</u>	<u>7</u>
Fund balances (deficit), June 30, 2007	<u>\$ 2,013</u>	<u>\$ 701</u>	<u>\$ 3</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District
Revenues			
Taxes	\$ -	\$ 25	\$ 17
License and permits	-	-	-
Intergovernmental	10	-	-
Charges for services	1,400	14	-
Fines and forfeits	-	-	-
Investment earnings	18	1	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,428</u>	<u>40</u>	<u>17</u>
Expenditures			
Current:			
General government	546	-	17
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	59	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	<u>546</u>	<u>59</u>	<u>17</u>
Excess (deficiency) of revenues over expenditures	<u>882</u>	<u>(19)</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(558)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(558)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	324	(19)	-
Fund balances, July 1, 2006	<u>767</u>	<u>47</u>	<u>9</u>
Fund balances (deficit), June 30, 2007	<u>\$ 1,091</u>	<u>\$ 28</u>	<u>\$ 9</u>

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007
(Amounts Expressed in thousands)

	Accom- modation School	Total
Revenues		
Taxes	\$ 2,117	\$ 12,061
License and permits	-	3,503
Intergovernmental	7,137	28,975
Charges for services	357	7,836
Fines and forfeits	-	3,150
Investment earnings	134	1,491
Contributions	-	4,027
Rentals	-	714
Miscellaneous	387	570
	<u>10,132</u>	<u>62,327</u>
Expenditures		
Current:		
General government	-	1,306
Public safety	-	24,330
Highways and streets	-	10,724
Sanitation	-	352
Health	-	7,692
Welfare	-	4,197
Culture and recreation	-	752
Education	10,155	10,155
	<u>10,155</u>	<u>59,508</u>
Excess (deficiency) of revenues over expenditures	<u>(23)</u>	<u>2,819</u>
Other financing sources (uses):		
Transfers in	-	8,591
Transfers out	-	(1,352)
Sale of capital assets	-	90
	<u>-</u>	<u>7,329</u>
Net change in fund balances	(23)	10,148
Fund balances, July 1, 2006	<u>2,706</u>	<u>35,044</u>
Fund balances (deficit), June 30, 2007	<u>\$ 2,683</u>	<u>\$ 45,192</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous	Total
Assets				
Cash and cash equivalents	\$ 51	\$ 4	\$ 1,507	\$ 1,562
Cash and investments held by trustees	-	426	-	426
Due from other governments	-	-	65	65
Prepaid items	-	-	3	3
Total assets	\$ 51	\$ 430	\$ 1,575	\$ 2,056
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ -	\$ 139	\$ 245	\$ 384
Due to other funds	-	70	-	70
Total liabilities	-	209	245	454
Fund Balances:				
Reserved for:				
Prepaid items	-	-	3	3
Unreserved	51	221	1,327	1,599
Total fund balances	51	221	1,330	1,602
Total liabilities and fund balances	\$ 51	\$ 430	\$ 1,575	\$ 2,056

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous	Total
Revenues				
Intergovernmental	\$ -	\$ -	\$ 103	\$ 103
Investment earnings	2	17	-	19
Contributions	-	-	29	29
Miscellaneous	-	118	-	118
Total revenues	<u>2</u>	<u>135</u>	<u>132</u>	<u>269</u>
Expenditures				
Capital outlay	<u>10</u>	<u>206</u>	<u>2,119</u>	<u>2,335</u>
Total expenditures	<u>10</u>	<u>206</u>	<u>2,119</u>	<u>2,335</u>
Excess (deficiency) of revenues over expenditures	<u>(8)</u>	<u>(71)</u>	<u>(1,987)</u>	<u>(2,066)</u>
Other financing sources (uses):				
Operating transfers in	-		2,935	2,935
Operating transfers out	-	(2)	(86)	(88)
Total other financing sources (uses)	<u>-</u>	<u>(2)</u>	<u>2,849</u>	<u>2,847</u>
Net change in fund balances	(8)	(73)	862	781
Fund balances, July 1, 2006	<u>59</u>	<u>294</u>	<u>468</u>	<u>821</u>
Fund balances, June 30, 2007	<u>\$ 51</u>	<u>\$ 221</u>	<u>\$ 1,330</u>	<u>\$ 1,602</u>

PINAL COUNTY
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2007

(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
Assets			
Cash and cash equivalents	\$ 26	\$ 1,280	\$ 1,306
Cash and investments held by trustees	6,280	-	6,280
Receivables (net):			
Property taxes	-	68	68
Accounts	-	1	1
Total assets	\$ 6,306	\$ 1,349	\$ 7,655
Fund Balance			
Liabilities:			
Bonds payable	\$ -	\$ 1,165	\$ 1,165
Interest payable	1,222	25	1,247
Deferred revenue	-	54	54
Total liabilities	1,222	1,244	2,466
Fund Balances:			
Unreserved	5,084	105	5,189
Total fund balances	5,084	105	5,189
Total liabilities and fund balances	\$ 6,306	\$ 1,349	\$ 7,655

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
Revenues			
Taxes	\$ -	\$ 1,197	\$ 1,197
Investment earnings	320	23	343
Miscellaneous	104	-	104
Total revenues	<u>424</u>	<u>1,220</u>	<u>1,644</u>
Expenditures			
Debt Service:			
Principal retirement	4,966	1,165	6,131
Interest	8,303	49	8,352
Miscellaneous	13	-	13
Total expenditures	<u>13,282</u>	<u>1,214</u>	<u>14,496</u>
Excess (deficiency) of revenues over expenditures	<u>(12,858)</u>	<u>6</u>	<u>(12,852)</u>
Other financing sources (uses):			
Operating transfers in	9,405	-	9,405
Operating transfers out	(4)	-	(4)
Total other financing sources (uses)	<u>9,401</u>	<u>-</u>	<u>9,401</u>
Net change in fund balances	(3,457)	6	(3,451)
Fund balances, July 1, 2006	<u>8,541</u>	<u>99</u>	<u>8,640</u>
Fund balances, June 30, 2007	<u>\$ 5,084</u>	<u>\$ 105</u>	<u>\$ 5,189</u>

PINAL COUNTY
Special Revenue Funds - Adult Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

ADULT PROBATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 1,648	\$ 2,127	\$ 479
Charges for services	597	559	(38)
Investment earnings	-	10	10
Total revenues	<u>2,245</u>	<u>2,696</u>	<u>451</u>
Expenditures			
Current:			
Public safety	<u>2,243</u>	<u>2,743</u>	<u>(500)</u>
Total expenditures	<u>2,243</u>	<u>2,743</u>	<u>(500)</u>
Excess (deficiency) of revenues over expenditures	<u>2</u>	<u>(47)</u>	<u>(49)</u>
Other financing sources (uses):			
Transfers in	225	28	(197)
Transfers out	(227)	(44)	183
Total other financing sources (uses)	<u>(2)</u>	<u>(16)</u>	<u>(14)</u>
Net change in fund balances	-	(63)	(63)
Fund balances, July 1, 2006	-	164	164
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 101</u>

PINAL COUNTY
Special Revenue Funds - Airport Economic Development
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

AIRPORT ECONOMIC DEVELOPMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	\$ 4	\$ 6	\$ 2
Rentals	424	389	(35)
Miscellaneous	15	23	8
Total revenues	<u>443</u>	<u>418</u>	<u>(25)</u>
Expenditures			
Current:			
General government	869	647	222
Total expenditures	<u>869</u>	<u>647</u>	<u>222</u>
Excess (deficiency) of revenues over expenditures	<u>(426)</u>	<u>(229)</u>	<u>197</u>
Other financing sources (uses):			
Sale of capital assets	-	27	27
Total other financing sources (uses)	<u>-</u>	<u>27</u>	<u>27</u>
Net change in fund balances	(426)	(202)	224
Fund balances, July 1, 2006	426	566	140
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 364</u>	<u>\$ 364</u>

PINAL COUNTY
Special Revenue Funds - Air Quality
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

AIR QUALITY	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
License and permits	\$ 1,171	\$ 1,212	\$ 41
Intergovernmental	51	77	26
Investment earnings	1	5	4
Total revenues	1,223	1,294	71
Expenditures			
Current:			
Health	1,465	1,255	210
Total expenditures	1,465	1,255	210
Excess (deficiency) of revenues over expenditures	(242)	39	281
Other financing sources (uses):			
Transfers in	57	-	(57)
Transfers out	(57)	-	57
Total other financing sources (uses)	-	-	-
Net change in fund balances	(242)	39	281
Fund balances, July 1, 2006	242	1,068	826
Fund balances, June 30, 2007	\$ -	\$ 1,107	\$ 1,107

PINAL COUNTY
Special Revenue Funds - Animal Control
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

ANIMAL CONTROL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 913	\$ 907	\$ (6)
License and permits	138	163	25
Intergovernmental	-	92	92
Charges for services	139	183	44
Fines and forfeits	90	38	(52)
Investment earnings	-	7	7
Contributions	-	13	13
Total revenues	1,280	1,403	123
Expenditures			
Current:			
Health	1,398	1,290	108
Total expenditures	1,398	1,290	108
Excess (deficiency) of revenues over expenditures	(118)	113	231
Other financing sources (uses):			
Transfers in	193	133	(60)
Transfers out	(135)	(75)	60
Total other financing sources (uses)	58	58	-
Net change in fund balances	(60)	171	231
Fund balances, July 1, 2006	60	(34)	(94)
Fund balances, June 30, 2007	\$ -	\$ 137	\$ 137

PINAL COUNTY
Special Revenue Funds - Attorney
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

ATTORNEY	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 3,610	\$ 3,109	\$ (501)
Charges for services	149	309	160
Fines and forfeits	1,225	3,112	1,887
Investment earnings	4	99	95
Contributions	-	1	1
Miscellaneous	25	17	(8)
Total revenues	<u>5,013</u>	<u>6,647</u>	<u>1,634</u>
Expenditures			
Current:			
Public safety	5,225	5,110	115
Total expenditures	<u>5,225</u>	<u>5,110</u>	<u>115</u>
Excess (deficiency) of revenues over expenditures	<u>(212)</u>	<u>1,537</u>	<u>1,749</u>
Other financing sources (uses):			
Transfers in	526	327	(199)
Operating transfers out	(334)	(70)	264
Sale of capital assets	20	58	38
Total other financing sources (uses)	<u>212</u>	<u>315</u>	<u>103</u>
Net change in fund balances	-	1,852	1,852
Fund balances, July 1, 2006	-	1,720	1,720
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 3,572</u>	<u>\$ 3,572</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, 2007
(Amounts expressed in thousands)

CLERK OF COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 543	\$ 396	\$ (147)
Charges for services	478	488	10
Investment earnings	-	53	53
Miscellaneous	20	-	(20)
Total revenues	<u>1,041</u>	<u>937</u>	<u>(104)</u>
Expenditures			
Current:			
Public Safety	1,440	643	797
Total expenditures	<u>1,440</u>	<u>643</u>	<u>797</u>
Excess (deficiency) of revenues over expenditures	<u>(399)</u>	<u>294</u>	<u>693</u>
Other financing sources (uses):			
Operating transfers in	429	86	(343)
Operating transfers out	(30)	(16)	14
Total other financing sources (uses)	<u>399</u>	<u>70</u>	<u>(329)</u>
Net change in fund balances	-	364	364
Fund balances, July 1, 2006	-	1,426	1,426
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 1,790</u>	<u>\$ 1,790</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, 2007
(Amounts expressed in thousands)

OLD COURTHOUSE PRESERVATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 400	\$ -	\$ (400)
Contributions	615	5	(610)
Total revenues	<u>1,015</u>	<u>5</u>	<u>(1,010)</u>
Expenditures			
Current:			
General government	1,285	43	1,242
Total expenditures	<u>1,285</u>	<u>43</u>	<u>1,242</u>
Excess (deficiency) of revenues over expenditures	<u>(270)</u>	<u>(38)</u>	<u>232</u>
Other financing sources (uses):			
Transfers in	100	100	-
Total other financing sources (uses)	<u>100</u>	<u>100</u>	<u>-</u>
Net change in fund balances	(170)	62	232
Fund balances, July 1, 2006	170	175	5
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ 237</u>

PINAL COUNTY
Special Revenue Funds - Detention Expansion
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

DETENTION EXPANSION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 10,100	\$ -	\$ (10,100)
Total revenues	<u>10,100</u>	<u>-</u>	<u>(10,100)</u>
Expenditures			
Current:			
Public Safety	<u>10,100</u>	<u>6,914</u>	<u>3,186</u>
Total expenditures	<u>10,100</u>	<u>6,914</u>	<u>3,186</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,914)</u>	<u>(6,914)</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>6,965</u>	<u>6,965</u>
Total other financing sources (uses)	<u>-</u>	<u>6,965</u>	<u>6,965</u>
Net change in fund balances	<u>-</u>	<u>51</u>	<u>51</u>
Fund balances, July 1, 2006	<u>-</u>	<u>(91)</u>	<u>(91)</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ (40)</u>	<u>\$ (40)</u>

PINAL COUNTY
Special Revenue Funds - Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 312	\$ 559	\$ 247
Charges for services	288	416	128
Investment earnings	8	47	39
Total revenues	608	1,022	414
Expenditures			
Current:			
Public safety	860	771	89
Total expenditures	860	771	89
Excess (deficiency) of revenues over expenditures	(252)	251	503
Other financing sources (uses):			
Transfers in	38	43	5
Total other financing sources (uses)	38	43	5
Net change in fund balances	(214)	294	508
Fund balances, July 1, 2006	214	988	774
Fund balances, June 30, 2007	\$ -	\$ 1,282	\$ 1,282

PINAL COUNTY
Special Revenue Funds - Health Services
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

HEALTH SERVICES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 461	\$ 456	\$ (5)
Investment earnings	-	4	4
Contributions	-	1	1
Total revenues	<u>461</u>	<u>461</u>	<u>-</u>
Expenditures			
Current:			
Health	<u>808</u>	<u>667</u>	<u>141</u>
Total expenditures	<u>808</u>	<u>667</u>	<u>141</u>
Excess (deficiency) of revenues over expenditures	<u>(347)</u>	<u>(206)</u>	<u>141</u>
Other financing sources (uses):			
Transfers in	332	332	-
Transfers out	-	(16)	(16)
Total other financing sources (uses)	<u>332</u>	<u>316</u>	<u>(16)</u>
Net change in fund balances	<u>(15)</u>	<u>110</u>	<u>125</u>
Fund balances, July 1, 2006	<u>15</u>	<u>(158)</u>	<u>(173)</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ (48)</u>	<u>\$ (48)</u>

PINAL COUNTY
Special Revenue Funds - Justice Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

JUSTICE COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 804	\$ 656	\$ (148)
Investment earnings	-	56	56
Total revenues	804	712	(92)
Expenditures			
Current:			
Public safety	824	400	424
Total expenditures	824	400	424
Excess (deficiency) of revenues over expenditures	(20)	312	332
Fund balances, July 1, 2006	20	1,450	1,430
Fund balances, June 30, 2007	\$ -	\$ 1,762	\$ 1,762

PINAL COUNTY
Special Revenue Funds - Juvenile Probation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

JUVENILE PROBATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 3,060	\$ 3,011	\$ (49)
Charges for services	117	128	11
Investment earnings	-	23	23
Contributions	-	3	3
Miscellaneous	3	1	(2)
Total revenues	3,180	3,166	(14)
Expenditures			
Current:			
Public safety	3,165	3,115	50
Total expenditures	3,165	3,115	50
Excess (deficiency) of revenues over expenditures	15	51	36
Other financing sources (uses):			
Operating transfers in	8	57	49
Operating transfers out	(23)	(22)	1
Total other financing sources (uses)	(15)	35	50
Net change in fund balances	-	86	86
Fund balances, July 1, 2006	-	523	523
Fund balances, June 30, 2007	\$ -	\$ 609	\$ 609

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, 2007
(Amounts expressed in thousands)

LOCAL TRANSPORT ASSIST GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 145	\$ 145
Charges for services	24	18	(6)
Investment earnings	-	17	17
Total revenues	24	180	156
Expenditures			
Current:			
Health	225	145	80
Total expenditures	225	145	80
Excess (deficiency) of revenues over expenditures	(201)	35	236
Fund balances, July 1, 2006	201	5	(196)
Fund balances, June 30, 2007	\$ -	\$ 40	\$ 40

PINAL COUNTY
Special Revenue Funds - Library Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

LIBRARY GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 23	\$ 23	\$ -
Total revenues	<u>23</u>	<u>23</u>	<u>-</u>
Expenditures			
Current:			
Culture and recreation	<u>23</u>	<u>24</u>	<u>(1)</u>
Total expenditures	<u>23</u>	<u>24</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	-	(1)	(1)
Fund balances, July 1, 2006	-	-	-
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

PINAL COUNTY
Special Revenue Funds - Health Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

HEALTH GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 3,987	\$ 4,214	\$ 227
Charges for services	47	37	(10)
Investment earnings	-	9	9
Contributions	-	130	130
Miscellaneous	106	-	(106)
Total revenues	<u>4,140</u>	<u>4,390</u>	<u>250</u>
Expenditures			
Current:			
Health	<u>4,304</u>	<u>4,335</u>	<u>(31)</u>
Total expenditures	<u>4,304</u>	<u>4,335</u>	<u>(31)</u>
Excess (deficiency) of revenues over expenditures	<u>(164)</u>	<u>55</u>	<u>219</u>
Other financing sources (uses):			
Transfers out	<u>(186)</u>	<u>(191)</u>	<u>(5)</u>
Total other financing sources (uses)	<u>(186)</u>	<u>(191)</u>	<u>(5)</u>
Net change in fund balances	(350)	(136)	214
Fund balances, July 1, 2006	<u>350</u>	<u>244</u>	<u>(106)</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 108</u>

PINAL COUNTY
Special Revenue Funds - Miscellaneous Grants
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

MISCELLANEOUS GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 10	\$ 10
Total revenues	-	10	10
Expenditures			
Current:			
General Government	10	-	10
Total expenditures	10	-	10
Excess (deficiency) of revenues over expenditures	(10)	10	20
Fund balances, July 1, 2006	10	-	(10)
Fund balances, June 30, 2007	\$ -	\$ 10	\$ 10

PINAL COUNTY
Special Revenue Funds - Public Defender
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

PUBLIC DEFENDER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 65	\$ 44	\$ (21)
Charges for services	62	70	8
Investment earnings	3	3	-
Total revenues	<u>130</u>	<u>117</u>	<u>(13)</u>
Expenditures			
Current:			
Public safety	130	247	(117)
Total expenditures	<u>130</u>	<u>247</u>	<u>(117)</u>
Excess (deficiency) of revenues over expenditures	-	(130)	(130)
Fund balances, July 1, 2006	-	270	270
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 140</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, 2007
(Amounts expressed in thousands)

PUBLIC WORKS ROADWAYS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
License and permits	\$ 2,500	\$ 2,128	\$ (372)
Intergovernmental	-	259	259
Charges for services	1,300	805	(495)
Investment earnings	-	326	326
Contributions	1,075	2,775	1,700
Total revenues	<u>4,875</u>	<u>6,293</u>	<u>1,418</u>
Expenditures			
Current:			
Highways and streets	4,210	4,736	(526)
Total expenditures	<u>4,210</u>	<u>4,736</u>	<u>(526)</u>
Excess (deficiency) of revenues over expenditures	<u>665</u>	<u>1,557</u>	<u>892</u>
Other financing sources (uses):			
Transfers in	282	54	(228)
Transfers out	(947)	(69)	878
Total other financing sources (uses)	<u>(665)</u>	<u>(15)</u>	<u>650</u>
Net change in fund balances	-	1,542	1,542
Fund balances, July 1, 2006	-	5,989	5,989
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 7,531</u>	<u>\$ 7,531</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, 2007
(Amounts expressed in thousands)

PUBLIC WORKS SERVICES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 800	\$ 481	\$ (319)
Charges for services	10	1	(9)
Investment earnings	1	61	60
Total revenues	<u>811</u>	<u>543</u>	<u>(268)</u>
Expenditures			
Current:			
Public Safety	550	265	285
Highway and streets	1,334	151	1,183
Sanitation	261	293	(32)
Total expenditures	<u>2,145</u>	<u>709</u>	<u>1,436</u>
Excess (deficiency) of revenues over expenditures	<u>(1,334)</u>	<u>(166)</u>	<u>1,168</u>
Other financing sources (uses):			
Operating transfers in	-	300	300
Total other financing sources (uses)	<u>-</u>	<u>300</u>	<u>300</u>
Net change in fund balances	(1,334)	134	1,468
Fund balances, July 1, 2006	1,334	2,184	850
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 2,318</u>	<u>\$ 2,318</u>

PINAL COUNTY
Special Revenue Funds - Road Tax Districts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

ROAD TAX DISTRICTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 4,102	\$ 6,713	\$ 2,611
Intergovernmental	659	732	73
Charges for services	125	226	101
Investment earnings	62	463	401
Contributions	1,660	1,075	(585)
Miscellaneous	500	2	(498)
Total revenues	<u>7,108</u>	<u>9,211</u>	<u>2,103</u>
Expenditures			
Current:			
Highways and streets	11,126	4,234	6,892
Total expenditures	<u>11,126</u>	<u>4,234</u>	<u>6,892</u>
Excess (deficiency) of revenues over expenditures	<u>(4,018)</u>	<u>4,977</u>	<u>8,995</u>
Other financing sources (uses):			
Transfers out	-	(150)	(150)
Total other financing sources (uses)	<u>-</u>	<u>(150)</u>	<u>(150)</u>
Net change in fund balances	<u>(4,018)</u>	<u>4,827</u>	<u>8,845</u>
Fund balances, July 1, 2006	4,018	11,163	7,145
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 15,990</u>	<u>\$ 15,990</u>

PINAL COUNTY
Special Revenue Funds - Sheriff
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

SHERIFF	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 1,416	\$ 1,719	\$ 303
Charges for services	2,385	2,104	(281)
Investment earnings	-	34	34
Contributions	80	24	(56)
Total revenues	<u>3,881</u>	<u>3,881</u>	<u>-</u>
Expenditures			
Current:			
Public safety	<u>4,692</u>	<u>4,122</u>	<u>570</u>
Total expenditures	<u>4,692</u>	<u>4,122</u>	<u>570</u>
Excess (deficiency) of revenues over expenditures	<u>(811)</u>	<u>(241)</u>	<u>570</u>
Other financing sources (uses):			
Transfers in	67	67	-
Transfers out	-	(115)	(115)
Sale of capital assets	-	5	5
Total other financing sources (uses)	<u>67</u>	<u>(43)</u>	<u>(110)</u>
Net change in fund balances	<u>(744)</u>	<u>(284)</u>	<u>460</u>
Fund balances, July 1, 2006	744	569	(175)
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 285</u>

PINAL COUNTY
Special Revenue Funds - Treasurer
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

TREASURER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 1	\$ 1
Charges for services	20	30	10
Investment earnings	1	4	3
Total revenues	21	35	14
Expenditures			
Current:			
General government	60	53	7
Total expenditures	60	53	7
Excess (deficiency) of revenues over expenditures	(39)	(18)	21
Fund balances, July 1, 2006	39	157	118
Fund balances, June 30, 2007	\$ -	\$ 139	\$ 139

PINAL COUNTY
Special Revenue Funds - Flood Control District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

FLOOD CONTROL DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 840	\$ 1,390	\$ 550
License and permits	20	-	(20)
Intergovernmental	663	268	(395)
Charges for services	-	35	35
Investment earnings	10	85	75
Contributions	-	24	24
Total revenues	<u>1,533</u>	<u>1,802</u>	<u>269</u>
Expenditures			
Current:			
Highways and streets	<u>3,131</u>	<u>1,589</u>	<u>1,542</u>
Total expenditures	<u>3,131</u>	<u>1,589</u>	<u>1,542</u>
Excess (deficiency) of revenues over expenditures	(1,598)	213	1,811
Fund balances, July 1, 2006	<u>1,598</u>	<u>1,800</u>	<u>202</u>
Fund balances, June 30, 2007	<u><u>\$ -</u></u>	<u><u>\$ 2,013</u></u>	<u><u>\$ 2,013</u></u>

PINAL COUNTY
Special Revenue Funds - Library Special District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

LIBRARY SPECIAL DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 754	\$ 882	\$ 128
Intergovernmental	20	29	9
Investment earnings	5	25	20
Contributions	44	-	(44)
Miscellaneous	4	5	1
Total revenues	827	941	114
Expenditures			
Current:			
Culture and recreation	801	728	73
Total expenditures	801	728	73
Excess (deficiency) of revenues over expenditures	26	213	187
Other financing sources (uses):			
Transfers out	(26)	(26)	-
Total other financing sources (uses)	(26)	(26)	-
Net change in fund balances	-	187	187
Fund balances, July 1, 2006		514	514
Fund balances, June 30, 2007	\$ -	\$ 701	\$ 701

PINAL COUNTY
Special Revenue Funds - Lighting Special Districts
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

LIGHTING SPECIAL DISTRICTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 12	\$ 10	\$ (2)
Total revenues	<u>12</u>	<u>10</u>	<u>(2)</u>
Expenditures			
Current:			
Highway and streets	12	14	(2)
Total expenditures	<u>12</u>	<u>14</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	-	(4)	(4)
Fund balances, July 1, 2006	<u>-</u>	<u>7</u>	<u>7</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>

PINAL COUNTY
Special Revenue Funds - Miscellaneous Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

MISCELLANEOUS FEES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 10	\$ 10
Charges for services	1,855	1,400	\$ (455)
Investment earnings	-	18	18
Total revenues	<u>1,855</u>	<u>1,428</u>	<u>(427)</u>
Expenditures			
Current:			
General government	<u>1,364</u>	<u>546</u>	<u>818</u>
Total expenditures	<u>1,364</u>	<u>546</u>	<u>818</u>
Excess (deficiency) of revenues over expenditures	<u>491</u>	<u>882</u>	<u>391</u>
Other financing sources (uses):			
Transfers out	<u>(530)</u>	<u>(558)</u>	<u>(28)</u>
Total other financing sources (uses)	<u>(530)</u>	<u>(558)</u>	<u>(28)</u>
Net change in fund balances	<u>(39)</u>	<u>324</u>	<u>363</u>
Fund balances, July 1, 2006	<u>39</u>	<u>767</u>	<u>728</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 1,091</u>	<u>\$ 1,091</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, 2007
(Amounts expressed in thousands)

DESERT VISTA SANITATION DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 28	\$ 25	\$ (3)
Charges for services	-	14	14
Investment earnings	-	1	1
Total revenues	<u>28</u>	<u>40</u>	<u>12</u>
Expenditures			
Current:			
Sanitation	<u>138</u>	<u>59</u>	<u>79</u>
Total expenditures	<u>138</u>	<u>59</u>	<u>79</u>
Excess (deficiency) of revenues over expenditures	<u>(110)</u>	<u>(19)</u>	<u>91</u>
Other financing sources (uses):			
Sale of capital assets	<u>100</u>	<u>-</u>	<u>(100)</u>
Total other financing sources (uses)	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	(10)	(19)	(9)
Fund balances, July 1, 2006	<u>10</u>	<u>47</u>	<u>37</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 28</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, 2007
(Amounts expressed in thousands)

QUEEN CREEK DOMESTIC WATER IMPROVEMENT DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 17	\$ 17	\$ -
Total revenues	<u>17</u>	<u>17</u>	<u>-</u>
Expenditures			
Current:			
General Government	<u>17</u>	<u>17</u>	<u>-</u>
Total expenditures	<u>17</u>	<u>17</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balances, July 1, 2006	<u>-</u>	<u>9</u>	<u>9</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

PINAL COUNTY
Capital Projects - Adult/Juvenile Detention Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

ADULT/JUVENILE DETENTION CONSTRUCTION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	\$ -	\$ 344	\$ 344
Total revenues	-	344	344
Expenditures			
Current:			
Capital outlay	4,475	3,914	561
Total expenditures	4,475	3,914	561
Excess (deficiency) of revenues over expenditures	(4,475)	(3,570)	905
Other financing sources (uses):			
Transfers out	-	(563)	(563)
Total other financing sources (uses)	-	(563)	(563)
Net change in fund balances	(4,475)	(4,133)	342
Fund balances, July 1, 2006	4,475	4,922	447
Fund balances, June 30, 2007	\$ -	\$ 789	\$ 789

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, 2007
(Amounts expressed in thousands)

PUBLIC WORKS GANTZEL ROAD FUND	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	\$ -	\$ 2,074	\$ 2,074
Miscellaneous	-	353	353
Contributions	9,579	3,983	(5,596)
Total revenues	<u>9,579</u>	<u>6,410</u>	<u>(3,169)</u>
Expenditures			
Capital outlay	68,585	42,932	25,653
Total expenditures	<u>68,585</u>	<u>42,932</u>	<u>25,653</u>
Excess (deficiency) of revenues over expenditures	<u>(59,006)</u>	<u>(36,522)</u>	<u>22,484</u>
Other financing sources (uses):			
Transfers out	(2,250)	-	2,250
Proceeds from COPS	3,000	-	(3,000)
Total other financing sources (uses)	<u>750</u>	<u>-</u>	<u>(750)</u>
Net change in fund balances	(58,256)	(36,522)	21,734
Fund balances, July 1, 2006	58,256	60,115	1,859
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 23,593</u>	<u>\$ 23,593</u>

PINAL COUNTY
Capital Projects Miscellaneous
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

CAPITAL PROJECTS MISCELLANEOUS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 107	\$ 103	\$ (4)
Contributions	-	29	29
Miscellaneous	165	-	(165)
Total revenues	<u>272</u>	<u>132</u>	<u>(140)</u>
Expenditures			
Capital Outlay	<u>2,338</u>	<u>2,119</u>	<u>219</u>
Total expenditures	<u>2,338</u>	<u>2,119</u>	<u>219</u>
Excess (deficiency) of revenues over expenditures	<u>(2,066)</u>	<u>(1,987)</u>	<u>79</u>
Other financing sources (uses):			
Transfers in	2,079	2,935	856
Transfers out	<u>(36)</u>	<u>(86)</u>	<u>(50)</u>
Total other financing sources (uses)	<u>2,043</u>	<u>2,849</u>	<u>806</u>
Net change in fund balances	(23)	862	885
Fund balances, July 1, 2006	<u>23</u>	<u>468</u>	<u>445</u>
Fund balances, June 30, 2007	<u>\$ -</u>	<u>\$ 1,330</u>	<u>\$ 1,330</u>

PINAL COUNTY
Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

DEBT SERVICE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	\$ -	\$ 320	\$ 320
Miscellaneous	-	104	104
Total revenues	-	424	424
Expenditures			
Debt Service			
Principal	7,216	4,966	2,250
Interest	4,841	8,303	(3,462)
Miscellaneous	-	13	(13)
Total expenditures	12,057	13,282	(1,225)
Excess (deficiency) of revenues over expenditures	(12,057)	(12,858)	(801)
Other financing sources (uses):			
Transfers in	12,057	9,405	(2,652)
Transfers out	-	(4)	(4)
Total other financing sources (uses)	12,057	9,401	(2,656)
Net change in fund balances	-	(3,457)	(3,457)
Fund balances, July 1, 2006	-	8,541	8,541
Fund balances, June 30, 2007	\$ -	\$ 5,084	\$ 5,084

PINAL COUNTY
Maricopa Rd Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2007
(Amounts expressed in thousands)

MARICOPA RD DEBT SERVICE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	\$ 1,215	\$ 1,197	\$ (18)
Investment earnings	-	23	23
Total revenues	<u>1,215</u>	<u>1,220</u>	<u>5</u>
Expenditures			
Debt Service			
Principal	1,090	1,165	(75)
Interest	<u>125</u>	<u>49</u>	<u>76</u>
Total expenditures	<u>1,215</u>	<u>1,214</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	6	6
Fund balances, July 1, 2006	<u>-</u>	<u>99</u>	<u>99</u>
Fund balances, June 30, 2007	<u><u>\$ -</u></u>	<u><u>\$ 105</u></u>	<u><u>\$ 105</u></u>

PINAL COUNTY
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2007
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 568	\$ 517	\$ 20	\$ 405	\$ 1,510
Receivables (net):					
Accounts	-	1	-	-	1
Due from other funds	-	-	-	1	1
Inventories	-	27	12	-	39
Total current assets	<u>568</u>	<u>545</u>	<u>32</u>	<u>406</u>	<u>1,551</u>
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	-	376	-	376
Equipment	80	143	154	2	379
Less accumulated depreciation	(48)	(76)	(490)	(1)	(615)
Total noncurrent assets	<u>32</u>	<u>67</u>	<u>40</u>	<u>1</u>	<u>140</u>
Total assets	<u>\$ 600</u>	<u>\$ 612</u>	<u>\$ 72</u>	<u>\$ 407</u>	<u>\$ 1,691</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 6	\$ 27	\$ 12	\$ 2	\$ 47
Accrued payroll and employee benefits	6	135	17	1	159
Deposits held for others	44	-	-	-	44
Total current liabilities	<u>56</u>	<u>162</u>	<u>29</u>	<u>3</u>	<u>250</u>
Noncurrent liabilities:					
Compensated absences	25	64	42	-	131
Total noncurrent liabilities	<u>25</u>	<u>64</u>	<u>42</u>	<u>-</u>	<u>131</u>
Total liabilities	<u>81</u>	<u>226</u>	<u>71</u>	<u>3</u>	<u>381</u>
Net Assets					
Invested in capital assets	32	67	40	1	140
Unrestricted (deficit)	487	319	(39)	403	1,170
Total net assets	<u>\$ 519</u>	<u>\$ 386</u>	<u>\$ 1</u>	<u>\$ 404</u>	<u>\$ 1,310</u>

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Operating revenues					
Charges for services	\$ -	\$ 3,992	\$ 455	\$ 140	\$ 4,587
Miscellaneous	298	-	2	-	300
Total operating revenues	298	3,992	457	140	4,887
Operating expenses					
Personal services	148	3,871	345	4	4,368
Supplies	35	33	68	21	157
Depreciation	16	22	21	-	59
Insurance	-	49	-	-	49
Repairs and maintenance	2	12	15	3	32
Communication	6	12	11	2	31
Professional services	2	95	91	1	189
Public utility service	-	12	112	-	124
Miscellaneous	5	71	74	1	151
Total operating expenditures	214	4,177	737	32	5,160
Operating income (loss)	84	(185)	(280)	108	(273)
Nonoperating revenues (expenses)					
Intergovernmental	-	-	33	7	40
Investment earnings	17	24	-	13	54
Gain (Loss) on sale of capital assets	-	3	-	-	3
Total nonoperating revenues (expenses)	17	27	33	20	97
Net income (loss) before contributions and transfers	101	(158)	(247)	128	(176)
Transfers in	-	-	204	-	204
Transfers out	-	(10)	-	-	(10)
Changes in fund net assets	101	(168)	(43)	128	18
Net assets, July 1, 2006	418	554	44	276	1,292
Net assets, June 30, 2007	\$ 519	\$ 386	\$ 1	\$ 404	\$ 1,310

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair- gounds	Adult Daycare	Total
Cash flows from operating activities					
Receipts from customers	\$ 302	\$ 3,996	\$ 457	\$ 142	\$ 4,897
Payments to suppliers	(45)	(286)	(358)	(28)	(717)
Payments to employees	(141)	(3,880)	(341)	(4)	(4,366)
Net cash provided by (used for) operating activities	116	(170)	(242)	110	(186)
Cash flows from noncapital financing activities					
Receipts from federal and local agencies	-	-	33	7	40
Transfers from other funds	-	-	204	-	204
Transfers to other funds	-	(10)	-	-	(10)
Net cash provided by (used for) noncapital financing activities	-	(10)	237	7	234
Cash flows from capital and related financing activities					
Proceeds from the sale of capital assets	-	3	-	-	3
Acquisition of capital assets	(35)	(69)	-	-	(104)
Net cash provided by (used for) capital and related financing activities	(35)	(66)	-	-	(101)
Cash flows from investing activities					
Interest and investment income received	17	24	-	13	54
Net cash provided by investing activities	17	24	-	13	54
Net increase in cash and cash equivalents	98	(222)	(5)	130	1
Cash and cash equivalents, July 1, 2006	470	739	25	275	1,509
Cash and cash equivalents, June 30, 2007	\$ 568	\$ 517	\$ 20	\$ 405	\$ 1,510

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2007
(Concluded)
(Amounts expressed in thousands)

	<u>Sheriff Inmate Services</u>	<u>Home Health</u>	<u>Fair- gounds</u>	<u>Adult Daycare</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 84	\$ (185)	\$ (280)	\$ 108	\$ (273)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	16	22	21	-	59
Changes in assets and liabilities:					
Decrease (increase) in assets:					
Accounts receivable	4	4		3	11
Due from other funds	-	-	-	(1)	(1)
Inventories	-	-	1	-	1
Increase (decrease) in liabilities:					
Accounts payable	5	(1)	12	-	16
Accrued payroll and employee benefits	1	(16)	5	-	(10)
Due to other funds	-	(1)	-	-	(1)
Compensated absences	6	7	(1)		12
Total adjustments	<u>32</u>	<u>15</u>	<u>38</u>	<u>2</u>	<u>87</u>
Net cash provided by (used for) operating activities	<u>\$ 116</u>	<u>\$ (170)</u>	<u>\$ (242)</u>	<u>\$ 110</u>	<u>\$ (186)</u>
Noncash investing, capital, and financing activities:					
Capital contribution of equipment	\$ -	\$ -	\$ 9	\$ -	\$ 9

PINAL COUNTY
Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

(Amounts expressed in thousands)

	<u>Employee Benefit Trust</u>	<u>Print Shop</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 8,032	\$ 1	\$ 8,033
Total assets	<u>\$ 8,032</u>	<u>\$ 1</u>	<u>\$ 8,033</u>
Liabilities			
Current liabilities:			
Estimated liabilities for incurred but not reported claims	\$ 1,591	\$ -	\$ 1,591
Due to other funds	-	1	1
Total liabilities	<u>1,591</u>	<u>1</u>	<u>1,592</u>
Net Assets			
Restricted	6,441	-	6,441
Total net assets	<u>\$ 6,441</u>	<u>\$ -</u>	<u>\$ 6,441</u>

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Employee Benefit Trust	Print Shop	Total
Operating revenues			
Charges for services	\$ 13,069	\$ 200	\$ 13,269
Total operating revenues	<u>13,069</u>	<u>200</u>	<u>13,269</u>
Operating expenses			
Claims	10,573	-	10,573
Personal services	-	33	33
Supplies	-	79	79
Depreciation	-	12	12
Insurance	719	-	719
Repairs and maintenance	-	8	8
Professional services	700	3	703
Miscellaneous	-	49	49
Total operating expenditures	<u>11,992</u>	<u>184</u>	<u>12,176</u>
Operating income	<u>1,077</u>	<u>16</u>	<u>1,093</u>
Nonoperating revenues (expenses)			
Investment earnings	326	-	326
Gain on sale of capital assets	-	5	5
Total nonoperating revenues	<u>326</u>	<u>5</u>	<u>331</u>
Net income before contributions and transfers	1,403	21	1,424
Transfers in	-	5	5
Changes in fund net assets	1,403	26	1,429
Net assets, July 1, 2006, as restated	<u>5,038</u>	<u>(26)</u>	<u>5,012</u>
Net assets, June 30, 2007	<u>\$ 6,441</u>	<u>\$ -</u>	<u>\$ 6,441</u>

PINAL COUNTY
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Employee Benefit Trust	Print Shop	Total
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities			
Receipts from contributions	\$ 13,069	\$ -	\$ 13,069
Receipts from interfund services provided	-	246	246
Payments to suppliers	(700)	(206)	(906)
Payments to employees	-	(56)	(56)
Payments for claims	(10,254)	-	(10,254)
Payments for insurance premiums	(719)	-	(719)
Net cash provided by (used for) operating activities	<u>1,396</u>	<u>(16)</u>	<u>1,380</u>
Cash flows from noncapital financing activities			
Transfers from other funds	<u>-</u>	<u>5</u>	<u>5</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>5</u>	<u>5</u>
Cash flows from capital and related financing activities			
Proceeds from the sale of capital assets	-	35	35
Principal paid on capital leases	<u>-</u>	<u>(36)</u>	<u>(36)</u>
Net cash used for capital and related financing activities	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Cash flows from investing activities			
Interest and investment income received	<u>326</u>	<u>-</u>	<u>326</u>
Net cash provided by investing activities	<u>326</u>	<u>-</u>	<u>326</u>
Net increase (decrease) in cash and cash equivalents	1,722	(12)	1,710
Cash and cash equivalents, July 1, 2006, as restated	<u>6,310</u>	<u>13</u>	<u>6,323</u>
Cash and cash equivalents, June 30, 2007	<u>\$ 8,032</u>	<u>\$ 1</u>	<u>\$ 8,033</u>

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2007

(Concluded)

(Amounts expressed in thousands)

	Employee Benefit Trust	Print Shop	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income	\$ 1,077	\$ 16	\$ 1,093
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	12	12
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable		46	46
Inventories	-	40	40
Increase (decrease) in liabilities:			
Accounts payable	-	(10)	(10)
Accrued payroll and employee benefits		(5)	(5)
Estimated liabilities for incurred but not reported claims	319	-	319
Due to other funds	-	(97)	(97)
Compensated absences	-	(18)	(18)
Total adjustments	319	(32)	287
Net cash provided by (used for) operating activities	\$ 1,396	\$ (16)	\$ 1,380
Noncash investing, capital, and financing activities:			
Capital contribution of equipment	\$ -	\$ -	\$ -

Cash and cash equivalents at July 1, 2006 were restated to include the cash and cash equivalents of the Pinal County Employee Benefit Trust of \$6,310. See Note 2 in the Notes to Financial Statements for additional information.

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2007

(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Assets			
Cash and cash equivalents	\$ 213,345	\$ 2,324	\$ 215,669
Interest receivable	238	13	251
Total assets	213,583	2,337	215,920
Net Assets			
Held in trust for investment participants	\$ 213,583	\$ 2,337	\$ 215,920

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2007

(Amounts expressed in thousands)

	<u>Special Purpose</u>	<u>Other Agency</u>	<u>Total</u>
Assets			
Cash and cash equivalents	<u>\$ 1,020</u>	<u>\$ 4,348</u>	<u>\$ 5,368</u>
Liabilities			
Deposits held for others	<u>\$ 1,020</u>	<u>\$ 4,348</u>	<u>\$ 5,368</u>

PINAL COUNTY
Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Additions			
Contributions by participants	\$ 647,920	\$ 1,107	\$ 649,027
Investment earnings	13,335	99	13,434
Total additions	<u>661,255</u>	<u>1,206</u>	<u>662,461</u>
Deductions			
Distributions to participants	<u>595,440</u>	<u>200</u>	<u>595,640</u>
Total distributions	<u>595,440</u>	<u>200</u>	<u>595,640</u>
Change in net assets	65,815	1,006	66,821
Net assets, July 1, 2006 as restated	<u>147,768</u>	<u>1,331</u>	<u>149,099</u>
Net assets, June 30, 2007	<u><u>\$ 213,583</u></u>	<u><u>\$ 2,337</u></u>	<u><u>\$ 215,920</u></u>

PINAL COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2007
(Amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Special Purpose:				
Assets				
Cash and cash equivalents	\$ 1,067	\$ 1,452	\$ 1,499	\$ 1,020
Liabilities				
Deposits held for others	\$ 1,067	\$ 1,452	\$ 1,499	\$ 1,020
Other Agency:				
Assets				
Cash and cash equivalents	\$ 3,231	\$ 36,926	\$ 35,809	\$ 4,348
Liabilities				
Deposits held for others	\$ 3,231	\$ 36,926	\$ 35,809	\$ 4,348
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 4,298	\$ 38,378	\$ 37,308	\$ 5,368
Liabilities				
Deposits held for others	\$ 4,298	\$ 38,378	\$ 37,308	\$ 5,368

Statistical Section



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 137 thru 141

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 142 thru 146

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 147 thru 149

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.

Required schedule not included as Pinal County has no General Bonded Debt:

- Ratios of General Bonded Debt Outstanding

Demographic and Economic Information – Schedules on pages 150 thru 151

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 152

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.

Required schedules not included as Pinal County does not track the information required for these schedules at this time:

- Operating Indicators by Function/Program
- Capital Assets by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The County implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

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PINAL COUNTY
Net Assets by Component
Last Six Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Governmental Activities						
Invested in capital assets, net of related debt	\$ 207,480	\$ 180,340	\$ 44,832	\$ 41,578	\$ 33,615	\$ 25,732
Restricted	102,515	67,584	39,872	28,679	20,917	18,547
Unrestricted	38,378	36,054	31,359	20,408	6,195	3,922
Total governmental activities net assets	<u>\$ 348,373</u>	<u>\$ 283,978</u>	<u>\$ 116,063</u>	<u>\$ 90,665</u>	<u>\$ 60,727</u>	<u>\$ 48,201</u>
Business-type Activities						
Invested in capital assets, net of related debt	\$ 2,787	\$ 2,379	\$ 949	\$ 442	\$ 93	\$ 81
Restricted	2,576	255	1,651	2,150	2,208	1,912
Unrestricted	1,263	1,196	965	1,579	1,262	984
Total business-type activities net assets	<u>\$ 6,626</u>	<u>\$ 3,830</u>	<u>\$ 3,565</u>	<u>\$ 4,171</u>	<u>\$ 3,563</u>	<u>\$ 2,977</u>
Net Assets						
Invested in capital assets, net of related debt	\$ 210,267	\$ 182,719	\$ 45,781	\$ 42,020	\$ 33,708	\$ 25,813
Restricted	105,091	67,839	41,523	30,829	23,125	20,459
Unrestricted	39,641	37,250	32,324	21,987	7,457	4,906
Total net assets	<u>\$ 354,999</u>	<u>\$ 287,808</u>	<u>\$ 119,628</u>	<u>\$ 94,836</u>	<u>\$ 64,290</u>	<u>\$ 51,178</u>

PINAL COUNTY
Changes in Net Assets
Last Six Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities						
General government	\$ 54,818	\$ 56,542	\$ 48,091	\$ 44,020	\$ 36,822	\$ 34,188
Public safety	73,643	60,481	46,396	37,958	37,732	32,487
Highways and streets	32,702	25,978	18,206	14,590	13,398	11,627
Sanitation	719	645	640	854	673	481
Health	27,321	24,982	22,846	20,202	19,574	19,146
Welfare	5,064	4,670	5,207	4,836	4,880	4,413
Culture and recreation	881	860	714	613	552	576
Education	10,861	8,379	7,571	7,235	6,327	6,395
Interest on long-term debt	8,738	5,134	141	183	221	253
Total governmental activities expenses	<u>214,747</u>	<u>187,671</u>	<u>149,812</u>	<u>130,491</u>	<u>120,179</u>	<u>109,566</u>
Business-type activities						
Long Term Care	45,116	45,629	40,597	35,611	32,570	26,466
Sheriff Inmate Services	214	182	176	151	130	83
Home Health	4,177	4,438	3,920	3,565	2,961	2,772
Fairgrounds	737	692	651	586	556	514
Adult Day Care	32	37	28	29	-	-
Total business-type activities	<u>50,276</u>	<u>50,978</u>	<u>45,372</u>	<u>39,942</u>	<u>36,217</u>	<u>29,835</u>
Total primary government expenses	<u>\$ 265,023</u>	<u>\$ 238,649</u>	<u>\$ 195,184</u>	<u>\$ 170,433</u>	<u>\$ 156,396</u>	<u>\$ 139,401</u>
Program Revenues						
Governmental activities						
Charges for services:						
General government	\$ 12,723	\$ 17,708	\$ 16,125	\$ 12,109	\$ 8,066	\$ 3,003
Public Safety	14,318	9,846	9,481	7,115	7,783	7,834
Other activities	12,249	6,833	5,493	5,151	3,505	1,280
Operating grants and contributions	37,422	34,611	39,071	40,233	36,668	21,833
Capital grants and contributions	79,158	35,146	10,763	6,143	1,265	14,597
Total governmental activities program revenues	<u>155,870</u>	<u>104,144</u>	<u>80,933</u>	<u>70,751</u>	<u>57,287</u>	<u>48,547</u>

(continued)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Business-type activities						
Charges for Services						
Long Term Care	48,201	43,875	40,174	36,576	33,347	25,885
Home Health	3,992	4,482	3,980	3,634	3,148	3,009
Other activities	595	530	457	446	302	259
Operating grants and contributions	40	39	38	40	33	33
Capital grants and contributions	-	17	-	-	-	-
Total business-type activities program revenues	52,828	48,943	44,649	40,696	36,830	29,186
Total primary government program revenues	\$ 208,698	\$ 153,087	\$ 125,582	\$ 111,447	\$ 94,117	\$ 77,733
Net (expense)/revenue	\$ (58,877)	\$ (83,527)	\$ (68,879)	\$ (59,740)	\$ (62,892)	\$ (61,019)
Governmental activities	2,552	(2,035)	(723)	754	613	(649)
Business-type activities	\$ (56,325)	\$ (85,562)	\$ (69,602)	\$ (58,986)	\$ (62,279)	\$ (61,668)
Total primary government net expense						
General Revenues and Other Changes in Net Assets						
Government Activities						
Taxes:						
Property taxes	\$ 69,978	\$ 61,354	\$ 68,386	\$ 65,725	\$ 52,533	\$ 48,321
General county Sales tax	18,545	17,540	12,316	-	-	-
Share of State sales taxes	25,114	21,868	17,266	15,014	13,374	12,459
Road improvement tax	6,713	7,260	-	-	-	-
Other taxes	13,228	10,439	-	-	5,368	4,609
Investment earnings:						
Interest on investments	6,931	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	-	(908)	-
Miscellaneous	2,090	989	699	1,579	3,747	7,199
Transfers	379	(1,660)	276	423	295	413
Total governmental activities	142,978	122,401	100,614	83,234	75,418	74,268
Business-type activities:						
Investment earnings:						
Interest on investments	260	192	124	72	91	128
Miscellaneous	363	448	269	205	177	243
Transfers	(379)	1,660	(276)	(423)	(295)	(413)
Total business-type activities	244	2,300	117	(146)	(27)	(42)
Total primary government	\$ 143,222	\$ 124,701	\$ 100,731	\$ 83,088	\$ 75,391	\$ 74,226
Change in Net Assets						
Governmental Activities	\$ 84,101	\$ 38,874	\$ 31,735	\$ 23,494	\$ 12,526	\$ 13,249
Business Type Activities	2,796	265	(606)	608	586	(691)
Total Primary Government	\$ 86,897	\$ 39,139	\$ 31,129	\$ 24,102	\$ 13,112	\$ 12,558

PINAL COUNTY
Fund Balances of Governmental Funds
Last Six Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
General Fund Reserved	\$ 519	\$ 482	\$ 6,866	\$ 1,688	\$ 1,613	\$ 1,601
Unreserved	46,078	45,614	31,755	25,618	13,301	11,312
Total general fund	<u>\$ 46,597</u>	<u>\$ 46,096</u>	<u>\$ 38,621</u>	<u>\$ 27,306</u>	<u>\$ 14,914</u>	<u>\$ 12,913</u>
All Other Governmental Funds Reserved	\$ 359	\$ 379	\$ 509	\$ 2,110	\$ 13,152	\$ 29,839
Unreserved, reported in:						
Special revenue funds	63,979	43,192	37,617	28,143	20,377	17,417
Capital projects funds	25,981	65,853	48,224	60	60	124
Debt service funds	5,189	8,640	-	-	-	-
Total all other governmental funds	<u>\$ 95,508</u>	<u>\$ 118,064</u>	<u>\$ 86,350</u>	<u>\$ 30,313</u>	<u>\$ 33,589</u>	<u>\$ 47,380</u>

Note: The All Other Governmental Funds: Unreserved totals have been restated for 2002.

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

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Revenues						
Taxes	\$ 95,048	\$ 85,688	\$ 70,407	\$ 62,057	\$ 53,217	\$ 45,983
Licenses and permits	9,000	12,094	12,769	9,629	6,313	4,139
Intergovernmental	92,324	82,964	67,226	60,807	55,536	52,491
Charges for services	26,718	19,370	14,637	12,350	10,400	9,889
Fines and forfeits	4,905	2,586	3,032	2,396	2,641	2,228
Investment income	6,931	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	-	(908)	-
Contributions	8,041	10,846	9,571	4,863	-	-
Rentals	750	740	661	-	-	-
Miscellaneous	1,921	787	699	1,579	3,747	3,060
Total revenues	<u>245,638</u>	<u>219,686</u>	<u>180,673</u>	<u>154,174</u>	<u>131,955</u>	<u>119,057</u>
Expenditures						
Current:						
General government	59,789	48,842	55,602	46,973	39,187	32,064
Public safety	71,114	57,111	43,783	37,297	37,071	32,449
Highways and streets	30,721	27,712	27,677	24,661	18,246	16,125
Sanitation	680	583	568	887	805	495
Health	27,299	24,606	23,180	20,228	19,477	18,558
Welfare	5,027	4,636	5,192	4,898	4,877	4,400
Culture and recreation	879	823	825	600	547	526
Education	10,861	8,379	7,571	7,235	6,324	6,391
Capital outlay	49,181	62,471	22,422	11,254	16,472	3,576
Debt service:						
Principal retirement	6,131	5,890	1,075	1,040	1,000	835
Interest and fiscal charges	8,352	5,134	141	183	221	253
Other	13	1,316	-	-	-	-
Total expenditures	<u>270,047</u>	<u>247,503</u>	<u>188,036</u>	<u>155,256</u>	<u>144,227</u>	<u>115,672</u>
Excess (deficiency) of revenues over expenditures	<u>(24,409)</u>	<u>(27,817)</u>	<u>(7,363)</u>	<u>(1,082)</u>	<u>(12,272)</u>	<u>3,385</u>
Other financing sources (uses):						
Transfers in	22,698	25,337	6,531	6,470	5,886	6,801
Transfers out	(22,315)	(25,519)	(6,255)	(6,047)	(5,591)	(6,388)
Proceeds from sale of capital assets	303	321	522	458	187	217
Capital lease agreements	1,668	1,096	980	2,873	-	308
Loan issued	-	64,886	73,163	-	-	30,800
Total other financing sources (uses)	<u>2,354</u>	<u>66,121</u>	<u>74,941</u>	<u>3,754</u>	<u>482</u>	<u>31,738</u>
Net change in fund balances	<u>\$ (22,055)</u>	<u>\$ 38,304</u>	<u>\$ 67,578</u>	<u>\$ 2,672</u>	<u>\$ (11,790)</u>	<u>\$ 35,123</u>
Debt Service as a percentage of noncapital expenditures	7.4%	7.1%	0.7%	0.9%	1.0%	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
1997/98	Primary	\$ 568,158	\$ 4,169,483	13.6%
	Secondary	576,217	4,229,069	13.6%
1998/99	Primary	587,976	4,461,518	13.2%
	Secondary	587,977	4,461,518	13.2%
1999/00	Primary	617,983	4,966,595	12.4%
	Secondary	637,059	4,966,595	12.8%
2000/01	Primary	651,803	5,201,945	12.5%
	Secondary	681,536	5,433,532	12.5%
2001/02	Primary	701,712	5,569,699	12.6%
	Secondary	738,563	5,855,392	12.6%
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%

Source: County assessment records

PINAL COUNTY
TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
Last Ten Tax Years

(\$ amounts expressed in thousands)

Tax Year	Commercial Property		Residential Property		Vacant/Ag Land		Other		Total Taxable Assessed Value		Total Direct Tax Rate		Estimated Limited Value		Assessed Value as a Percentage of Limited Value	
1997	\$ 280,298	\$ 196,780	\$ 86,864	\$ 4,216	\$ 568,158	4.8251%	\$ 4,169,483	13.63%								
1998	273,475	213,521	93,166	7,814	587,976	4.5414%	4,461,518	13.18%								
1999	259,006	246,466	103,683	8,828	617,983	4.8392%	4,966,595	12.44%								
2000	245,139	291,483	109,621	5,560	651,803	4.8424%	5,201,945	12.53%								
2001	260,990	315,201	122,255	3,266	701,712	4.8433%	5,569,699	12.60%								
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	6,324	1,472,159	4.6900%	12,523,364	11.76%								

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)

Fiscal Year	Assessed Value	County Primary					Mary C. O'Brian			Total
		Rate	Library	Flood	Fire	School				
1997/98	\$ 568,158	4.4532	0.0570	0.0900	0.0987	0.1262	4.8251			
1998/99	587,976	4.1416	0.0570	0.0900	0.0968	0.1560	4.5414			
1999/00	617,983	4.4532	0.0570	0.0900	0.0948	0.1442	4.8392			
2000/01	651,803	4.4532	0.0570	0.0900	0.0980	0.1442	4.8424			
2001/02	701,712	4.4532	0.0570	0.0900	0.1000	0.1431	4.8433			
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	1,472,159	4.3035	0.0570	0.1100	0.0864	0.1331	4.6900			

Source: County Tax Records

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

<u>Taxpayer</u>	2007			1998		
	<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	\$ 50,695	1	3.44%	\$ 41,337	1	7.28%
Sundance Energy LLC	27,220	2	1.85%	-	-	-
Qwest Corporation	17,073	3	1.16%	13,637	4	2.40%
ASARCO Inc. (Grupo Mexico)	15,733	4	1.07%	33,004	3	5.81%
El Paso Natural Gas Co.	14,972	5	1.02%	7,663	5	1.35%
CCA Properties of Arizona LLC	14,678	6	1.00%	-	-	-
Southwest Gas Corp. (T&D)	10,138	7	0.69%	6,504	6	1.14%
Wal-Mart Stores East, LP	7,030	8	0.48%	-	-	-
Wal-Mart Stores Inc	6,233	9	0.42%	-	-	-
SFPP LP dba Kinder Morgan Energy	5,949	10	0.40%	-	-	-
BHP Copper Inc/San Manuel Division	-	-	-	41,310	2	7.27%
X	-	-	-	6,338	7	1.12%
Arizona Water Company	-	-	-	4,944	8	0.87%
Abbott Manufacturing Inc	-	-	-	4,869	9	0.86%
Union Pacific Railroad	-	-	-	4,626	10	0.81%
<u>Total</u>	<u>\$ 169,721</u>		<u>11.53%</u>	<u>\$ 164,232</u>		<u>28.91%</u>
Total Assessed Value	\$ 1,472,159			\$ 568,158		

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	Collected within the		Collections in Subsequent Years	Total collections to Date	
	Fiscal Year	Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 26,987	\$ 23,122	85.68%	\$ 1,253	\$ 24,375	90.32%
1999	25,778	22,568	87.55%	1,054	23,622	91.64%
2000	29,432	24,620	83.65%	1,293	25,913	88.04%
2001	30,365	26,255	86.46%	1,583	27,838	91.68%
2002	32,214	29,223	90.72%	1,498	30,721	95.37%
2003	38,659	32,805	84.86%	1,373	34,178	88.41%
2004	43,845	39,052	89.07%	1,141	40,193	91.67%
2005	49,894	44,200	88.59%	1,279	45,479	91.15%
2006	56,915	50,854	89.35%	1,789	52,643	92.49%
2007	66,916	59,670	89.17%	-	59,670	89.17%

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	Governmental Activities			Business -Type Activities			Percentage of Personal Income ¹	Per Capita ¹
	Certificate of Participation	Special Assessment Bonds	Capital Leases	Capital Leases	Primary Government	Total Government		
1997/1998	\$ 12,680	\$ 7,710	\$ 1,701	\$ 14	\$ 22,105	\$ 22,105	.91%	\$ 139
1998/1999	13,075	7,780	1,118	4	21,977	21,977	.82%	133
1999/2000	12,235	7,050	1,339	-	20,624	20,624	.70%	119
2000/2001	11,215	6,240	3,285	11	20,751	20,751	.65%	115
2001/2002	40,905	5,405	2,814	-	49,124	49,124	1.37%	263
2002/2003	38,675	4,405	1,634	-	44,714	44,714	1.17%	229
2003/2004	36,375	3,365	4,215	-	43,955	43,955	1.07%	215
2004/2005	105,590	2,290	4,332	-	112,212	112,212	2.49%	522
2005/2006	101,480	1,165	4,323	-	106,968	106,968	2.14%	434
2006/2007	97,200	-	4,538	-	101,738	101,738	N/A	339

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

¹ See the Schedule of Demographic and Economic Statistics on page 146 for personal income and population data.

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

	<u>1997/1998</u>	<u>1998/1999</u>	<u>1999/2000</u>	<u>2000/2001</u>	<u>2001/2002</u>	<u>2002/2003</u>	<u>2003/2004</u>	<u>2004/2005</u>	<u>2005/2006</u>	<u>2006/2007</u>
Debt Limit	\$ 34,573	\$ 35,279	\$ 38,224	\$ 40,892	\$ 44,314	\$ 51,832	\$ 61,303	\$ 67,801	\$ 76,636	\$ 92,820
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 34,573</u>	<u>\$ 35,279</u>	<u>\$ 38,224</u>	<u>\$ 40,892</u>	<u>\$ 44,314</u>	<u>\$ 51,832</u>	<u>\$ 61,303</u>	<u>\$ 67,801</u>	<u>\$ 76,636</u>	<u>\$ 92,820</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 2006/2007

Assessed Value:	1,547,005
Secondary	
Debt Limit	92,820
(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>92,820</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				Coverage
	Special Assessment Collections	Debt Service			
		Principal	Interest		
1997/98	\$ 1,021	\$ 3,012	\$ 859	26.38%	
1998/99	1,031	530	314	122.16%	
1999/00	974	730	359	89.44%	
2000/01	1,095	810	283	100.18%	
2001/02	1,007	835	253	92.56%	
2002/03	1,139	1,000	221	93.28%	
2003/04	1,280	1,040	183	104.66%	
2004/05	1,192	1,075	141	98.03%	
2005/06	1,187	1,125	96	97.22%	
2006/07	1,197	1,165	50	98.52%	

Source: County financial and tax records

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

Fiscal Year	Population¹	Personal Income¹	Per Capita Income¹	Unemployment Rate¹
1997/98	159	\$ 2,422,235	\$ 15	4.2%
1998/99	165	2,671,347	16	5.5%
1999/00	173	2,935,332	17	4.2%
2000/01	181	3,203,163	18	5.3%
2001/02	187	3,594,050	19	7.3%
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 ²	5,001,332	20	5.0%
2006/07	300 ³	N/A	N/A	4.8%

¹ Data from the Population Statistics Unit, Research Administration, Department of Economic Security.

² Data from the 2005 Arizona Department of Economic Security Estimates.

³ Data from the 2006 Arizona Department of Economic Security Estimates.

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

PINAL COUNTY
Principal Employers
Current Year and Nine Years Ago

Employer	2007			1998		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
State of Arizona	3,009	1	3.46%	1,810	3	3.35%
Pinal County	2,261	2	2.60%	1,260	5	2.33%
Wal-mart	1,143	3	2.60%	-	-	-
BHP Copper Inc Total	1,000	4	1.31%	3,000	1	-
Corrections Corporation of America	958	5	1.15%	350	10	0.65%
U.S. Government	770	6	1.10%	-	-	0.00%
Harrahs Operating Co Inc Total	750	7	0.89%	-	-	-
Casa Grande Community Hospital Total	745	8	0.86%	-	-	-
ASARCO (Grupo Mexico)	700	9	0.86%	1,400	4	-
Gila River Indian Community Total	570	10	0.80%	-	-	-
Various School Districts	-	-	-	1,840	2	3.40%
Casa Grande Regional Hospital	-	-	-	500	7	0.92%
Hexcel	-	-	-	540	6	1.00%
Mulay Plastics, Inc	-	-	-	370	8	0.68%
Abbot Laboratories/Ross Products	-	-	-	350	9	0.65%

¹Estimated number of full-time equivalent employees
Source: Central Arizona Association of Government

PINAL COUNTY
Employees by Function
Last Five Fiscal Years

Function/Program	Full-time employees (FTEs) as of June 30				
	2007	2006	2005	2004	2003 (1)
Governmental activities					
General government	384	333	300	279	274
Public safety	1,356	1,076	929	937	874
Highways and streets	219	214	170	181	182
Sanitation	7	8	-	-	1
Health	205	188	174	177	141
Welfare	46	44	38	44	47
Culture and recreation	9	9	8	8	9
Education	69	52	51	52	52
Total governmental activities	2,295	1,924	1,670	1,678	1,580
Business-type activities					
Long Term Care	79	72	66	71	55
Sheriff/Inmate Services	2	2	4	2	2
Home Health	172	249	199	212	204
Fairgrounds	5	7	7	7	7
Adult Day Care	1				
Total business-type activities	259	330	276	292	268
Total	2,554	2,254	1,946	1,970	1,848

Source: County Budget Office and Mary C O'Brian Accommodation School

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

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