2019
Comprehensive Annual
FINANCIAL REPORT

PIMA COUNTY
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona
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- Organizational Chart

FINANCIAL SECTION

STATISTICAL SECTION
INTRODUCTORY SECTION

The purpose of the Introductory Section in a comprehensive annual financial report (CAFR) is to familiarize readers with the organizational structure of the government, the nature and scope of the services it provides, and the specifics of its legal operating environment.
December 17, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Pima County for the fiscal year ended June 30, 2019. This report presents comprehensive financial and operating information about the County’s activities for the fiscal year.

We believe that the financial information, as presented, is accurate in all material aspects; that it is presented in a manner designed to openly disclose the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County’s financial affairs have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The State of Arizona Office of the Auditor General is required to audit financial transactions and accounts kept by counties. The Auditor General has issued an unmodified (“clean”) opinion on the Pima County financial statements for the year ended June 30, 2019. The Auditor General’s report is located at the front of the financial section of this report.

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

Pima County Profile

Covering an area of approximately 9,200 square miles, Pima County is one of the oldest continuously inhabited areas of the United States. It is situated in the southern part of Arizona with a portion of its southern boundary bordering Mexico. Created in 1864, Pima County includes a large portion of southern Arizona acquired from Mexico by the Gadsden Purchase of 1854. Pima County has purchased thousands of acres of open space and ranches to preserve and protect the stunning landscapes and historic and cultural sites. The County’s population has grown from 395 in 1820 to an estimated population of 1,042,475 in 2019, according to the Arizona Office of Economic Opportunity. The County has a vibrant multicultural diversity. A major commercial and academic hub, Pima County is home to Tucson, the second largest city in Arizona. Although the County has five incorporated cities and towns, more than a third of the population lives outside of any incorporated cities or towns.
A five-member Board of Supervisors is responsible for implementing the County’s governmental and administrative affairs. Each member is elected from a designated district to serve a four-year term. The chairman is selected by the Board from among its members. The Board is responsible for establishing the policies of the County, which provide guidance to the various County constitutional officers and departments. The Board has the legal authority and responsibility to establish spending limits and approve the budgets of all County departments, and also sets the amount of taxes to be levied. The Board appoints a County Administrator who is responsible for the general administrative and overall operations of the various departments of the County. The County has several other elected officials including the Assessor, County Attorney, Recorder, Sheriff, Clerk of the Superior Court, the Constables, Superintendent of Schools, Treasurer, and Judges for the Superior Courts, Juvenile Courts, and Justice Courts.

Pima County includes in its financial statements all funds, agencies, boards, commissions, and authorities for which the Pima County Board of Supervisors is financially accountable. As the primary government, Pima County is financially accountable if it appoints a voting majority of an organization’s governing body and either it is able to impose its will on that organization or a potential exists for that organization to provide specific benefits to, or impose specific financial burdens on, Pima County. Additionally, the County may be financially accountable if an organization is fiscally dependent on the County.

Pima County offers a wide variety of governmental services that are organized into the following functional areas:

- **General Government Services** primarily provides internal administrative and support services to County departments directly serving the public. The departments comprising this function include the Analytics & Data Governance; Assessor; Board of Supervisors; Clerk of the Board; County Administrator; Elections; Facilities Management; Finance and Risk Management; Fleet Services; General Government Services Administration; Human Resources; Information Technology; Non Departmental; Office of Emergency Management & Homeland Security; Procurement; Recorder; Treasurer; and Wireless Integrated Network.

- **Community Resources** provides educational, cultural, social, economic development and recreational programs to the public. The departments in this functional area are Attractions and Tourism; Communications Office; Community and Economic Development Administration; Community Development and Neighborhood Conservation; Community Services, Employment and Training; County Free Library; Grants Management and Innovation; Kino Sports Complex; Rocking K South Community Facilities District; School Superintendent; and the Stadium District.

- **Justice and Law Enforcement** provides public safety, felony and misdemeanor investigation and prosecution, and services for victims, witnesses, and those needing fiduciary assistance. Services are also provided in the areas of indigent defense, civil representation, correctional housing, and juvenile detention. The departments within this area are the Clerk of the Superior Court; Constables; County Attorney; Justice Courts; Juvenile Court; Public Defense Services; Sheriff; and Superior Court.

- **Health Services** provides various public health, sanitation, and animal control services, as well as medical assistance to indigents. The component departments are Behavioral Health; Health; Medical Examiner; and Pima Animal Care.

- **Public Works** provides construction, operations, and maintenance services related to the County’s infrastructure and related planning and environmental issues. The departments within this area are Capital Projects; Development Services; Environmental Quality; Natural Resources, Parks and Recreation; Office of Sustainability and Conservation; Public Works Administration; Regional Flood Control District; Regional Wastewater Reclamation; and Transportation.

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

- The Pima County Stadium District, the Regional Flood Control District, the Library District, the Rocking K South Community Facilities District, and the Improvement and Other Districts are reported as blended component units in special revenue funds in the accompanying financial statements.

- The Southwestern Fair Commission is reported as a separate component unit (discrete presentation) in the accompanying financial statements.

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

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

Following receipt of the County Administrator’s Recommended Budget and public discussion of the Recommended Budget, the Board of Supervisors historically adopts a budget in June. A budget must be adopted on or before the first Monday in August. The Adopted Budget sets a ceiling on expenditures that may be incurred for the County as a whole. This annual budget serves as the foundation for Pima County’s financial planning and control. Pima County has implemented a program-oriented presentation of its budget. All departments are budgeted on a cost unit/object line item basis. Departments may modify line item amounts within their own budgets provided the total program budgeted amount remains unchanged. Changes to the adopted budget that require a transfer between funds are evaluated by the County Administrator prior to recommendation of approval to the Board of Supervisors. Should the County Administrator recommend the change to the Board of Supervisors, the recommendation will be considered at a regularly scheduled, open meeting of the Board.

On an annual basis, the County Administrator’s office prepares a five-year Capital Improvement Plan and a one-year Capital Improvement Budget.

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**Economic Outlook**

Pima County’s major employers are the University of Arizona, Raytheon Missile Systems, State of Arizona, and Davis-Monthan Air Force Base. Major manufacturers include Ventana Medical Systems, IBM, Caterpillar, and several aerospace and aircraft companies including Raytheon Missile Systems, Bombardier Aerospace, Sargent Aerospace and Defense, and Honeywell Aerospace. Employment by industry is led by government; educational and health services; trade, transportation and utilities; professional and business services; and leisure and hospitality. The Pima County unemployment rate remained steady at 4.5% in 2018, after reaching a peak of 9.3% in 2010. The decline in Pima County’s unemployment rate has been slightly less than the decrease in the national unemployment rate, which was 9.6% in 2010 and has fallen to 3.9% in 2018. Nearly half of Pima County’s population is in the prime working age range of 18 to 54.

A sunny, mild, dry climate with an average temperature of 71°F and a unique desert location help promote travel and tourism as a major industry in Pima County. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses. These sales support jobs for Pima County residents and contribute tax revenues to local and state governments. According to recent research data released by the Arizona Office of Tourism, Pima County direct travel spending generated approximately $3.02 billion (12.4% of Arizona direct travel spending) in 2018. This direct travel spending generated 24,670 direct jobs, $752 million in direct earnings and $209 million in local and state tax revenues. Unlike other industries, taxes generated by travel industry spending are paid by visitors rather than residents. These visitors bring new money into Pima County’s economy and generate revenue in the County. Some of the best world-class attractions in Arizona are found in Pima County, such as the Arizona-Sonora...
Desert Museum and the Pima Air and Space Museum. There are several signature events that draw many tourists to the area and have a significant economic impact on the County, including the following:

- The area’s largest annual event is the two-week Tucson Gem, Mineral and Fossil Showcase, the largest event of its kind in the world, which attracts an estimated 50,000 people to Tucson and has an estimated economic impact of $120 million in direct spending and nearly $11 million in sales, bed, and rental car tax revenues.

- The annual El Tour de Tucson is Southern Arizona’s largest bicycling event, attracting more than 9,000 cyclists and 30,000 spectators. El Tour’s annual economic impact is estimated to be $17 to $25 million on ride weekend alone and $65 to $175 million year-round.

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

### Long-term Financial Planning

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

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

### Capital Improvement Plan

The Adopted Budget for fiscal year 2019-2020 includes $202.1 million for its Capital Improvement Plan (CIP). Under this plan, five departments comprise 89% of the total CIP budget as follows:

- Transportation, with a budget of $53.1 million
- Regional Wastewater Reclamation, with a budget of $48.0 million
- Facilities Management, with a budget of $41.2 million
- Information Technology, with a budget of $19.8 million
- Regional Flood Control District, with a budget of $19.0 million

**Transportation** - The Department of Transportation projects are funded by highway user revenues, vehicle license tax revenues and from funding received from the Pima County Regional Transportation Authority, a taxing entity distinct from Pima County. Transportation has four major projects included in the fiscal year 2019-2020 budget:

- Valencia Road/Wade Road to Ajo Highway is budgeted for $10.2 million
- Broadway Blvd., Euclid to Country Club is budgeted for $9.7 million
- Valencia Road/Houghton to Old Spanish Trail is budgeted for $9.0 million
- Arterial/Collector – Pavement Repair & Rehabilitation is budgeted for $6.0 million
**Regional Wastewater Reclamation** – The Regional Wastewater Reclamation Department (RWRD) projects are predominantly funded by Sewer Revenue Obligations. RWRD has a total fiscal year 2019-2020 budget of $48.0 million. Major projects include:

- Minor Rehabilitation Projects are budgeted for $10.0 million
- Twin Peaks – Blue Bonnet Road Gravity Sewer project is budgeted for $6.0 million
- Anamox Treatment Process project is budgeted for $4.3 million
- Tres Rios WRF Biogas Cleaning and Utilization project is budgeted for $4.2 million

**Facilities Management** – Facilities Management has active projects with a total fiscal year 2019-2020 budget of $41.2 million. Major projects include:

- Historic Courthouse – Tenant Improvement project is budgeted for $14.6 million
- Sahuarita Branch Library project is budgeted for $5.7 million
- Defense Services Building – Juvenile Courts project is budgeted for $5.1 million

**Information Technology** – Information Technology has active projects with a total budget of $19.8 million. Major projects include:

- Hyper Converge Server Storage project is budgeted for $12.0 million
- Data Center Switch Replacement project is budgeted for $4.5 million

**Regional Flood Control District** – The Regional Flood Control District has active projects with a total budget of $19.0 million. Major projects include:

- CDO Wash North Bank project is budgeted for $3.1 million
- Catalina Ridge Drainage Channel Improvement project is budgeted for $1.8 million
- El Corazon de los Tres Rios del Norte is budgeted for $1.7 million
- Santa Cruz River Maintenance is budgeted for $1.5 million

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**Debt Management**

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

Pima County continues to utilize debt authorized by Pima County voters in elections from 1997, 2004 and 2014. At June 30, 2019, $37.4 million from the November 4, 1997 election for Street and Highway Revenue is the only authorization that remains unissued. The County issues Certificates of Participation for building construction and Sewer Revenue Obligations to fund the construction and improvement of the County’s wastewater conveyance systems and treatment facilities.

Bond sales and debt issuances anticipated for fiscal year 2019-2020 include $45 million of Sewer Obligations, and $61 million of Certificates of Participation.

The County’s conservative debt management principles play a critical role in the decision regarding when to issue new debt. The County has set an aggressive debt repayment schedule, with 100 percent retired at or before 15 years.
The state constitution sets a cap on general obligation debt at 15 percent of the County’s net secondary assessed valuation. In fiscal year 2018-2019, the constitutional debt limit was $1.3 billion. The actual bonded indebtedness was $227 million, far below the constitutional debt limit.

Please refer to the MD&A beginning on page 15 and Note 7 beginning on page 66 for specific details on debt issuances, defeasances, and refundings.

### Expenditure Limitation

Pima County, like all counties and cities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, of the Arizona Constitution sets limits on the County’s legal budget capacity. In general, the Board of Supervisors, as the governing body of the County, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for Pima County by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the County during fiscal year 1979-1980 to reflect inflation and subsequent population growth for the County. Not subject to this limitation are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal grant and aid funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. As in previous years, the County’s expenditures for fiscal year 2018-2019 are expected to be under the limit of $576.6 million.

### Single Audit

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

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

A complete Single Audit report for the fiscal year ended June 30, 2018 can be found at:

[http://www.pima.gov/finance/reports.shtml](http://www.pima.gov/finance/reports.shtml)

The Single Audit for Pima County for the fiscal year ended June 30, 2019 was not complete at the time of publication of this CAFR.

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pima County, Arizona, for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. Pima County has received this prestigious award for thirty-three years from fiscal years ended June 30, 1984 through 2018, except for fiscal years ended June 30, 1990 and June 30, 1999, due to missing the filing deadline. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.
A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Pima County also received the GFOA’s Distinguished Budget Presentation Award for its fiscal year 2018-2019 budget document. This was the twentieth consecutive year that Pima County has achieved this award. To qualify for the Distinguished Budget Presentation Award, Pima County’s budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

The preparation of this report could not have been possible without the skill, effort, and dedication of the entire staff of the County’s Finance and Risk Management Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Board of Supervisors for its unfailing support for maintaining the highest standards of professionalism in the management of Pima County’s finances.

Respectfully submitted,

C. H. Huckelberry
County Administrator

Jan Lesher
Chief Deputy County Administrator

Michelle Campagne
Director, Finance and Risk Management
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pima County
Arizona

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

[Signature]
Executive Director/CEO
INTRODUCTORY SECTION

FINANCIAL SECTION

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

STATISTICAL SECTION
FINANCIAL SECTION

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

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Report on the financial statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s responsibility for the financial statements

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

Auditors’ responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain departments, one major fund, and the discretely presented component unit, which account for the following percentages of the assets and deferred outflows, liabilities and deferred inflows, revenues, and expenses or expenditures of the opinion units affected.

<table>
<thead>
<tr>
<th>Opinion unit/department</th>
<th>Assets and deferred outflows</th>
<th>Liabilities and deferred inflows</th>
<th>Revenues</th>
<th>Expenses/ expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government-wide statements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stadium District</td>
<td>1.56%</td>
<td>0.21%</td>
<td>1.49%</td>
<td>0.73%</td>
</tr>
<tr>
<td>School Reserve Fund</td>
<td>0.03%</td>
<td>0.15%</td>
<td>0.24%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Wireless Integrated Network</td>
<td>0.19%</td>
<td>0.24%</td>
<td>0.36%</td>
<td>0.46%</td>
</tr>
<tr>
<td>Self-Insurance Trust</td>
<td>3.17%</td>
<td>2.58%</td>
<td>2.02%</td>
<td>1.79%</td>
</tr>
<tr>
<td>Health Benefit Trust</td>
<td>1.41%</td>
<td>0.45%</td>
<td>6.82%</td>
<td>8.12%</td>
</tr>
<tr>
<td>Business-type activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation Department</td>
<td>98.06%</td>
<td>98.92%</td>
<td>94.37%</td>
<td>94.24%</td>
</tr>
<tr>
<td>Development Services</td>
<td>0.50%</td>
<td>0.96%</td>
<td>4.35%</td>
<td>3.90%</td>
</tr>
<tr>
<td>Discretely presented component unit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Fair Commission</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Fund statements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major enterprise fund:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation Department</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the other auditors’ reports. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, discretely presented component unit, each major fund, and aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of matter

As discussed in Note 2 to the financial statements, for the year ended June 30, 2019, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 83, Certain Asset Retirement Obligations. Our opinions are not modified with respect to this matter.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 13 through 30, budgetary comparison schedules on pages 95 through 96, schedule of the County’s proportionate share of the net pension liability—cost-sharing plans on page 97, schedule of changes in the County’s net pension liability and related ratios—agent plans on pages 98 and 99, and schedule of County pension contributions on page 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which
consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are management’s responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

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

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

Other reporting required by Government Auditing Standards

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

Lindsey Perry
Auditor General

December 17, 2019
2019
Comprehensive Annual
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona

MANAGEMENT’S DISCUSSION AND ANALYSIS
Pima County, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2019

Our discussion and analysis of the County’s financial performance provides an overview of the County’s financial activities for the year ended June 30, 2019. Please read it in conjunction with the transmittal letter, which begins on page 1 and the County’s basic financial statements, which begin on page 31. All dollar amounts are expressed in thousands (000’s) unless otherwise noted.

Financial Highlights

- The County restated the prior year’s total net position to $1,946,575 due to a change in accounting principle for the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations. This resulted in a $1,449 decrease in net position for the Business-type Activities and in turn, total net position for the County. For additional information refer to page 51, Note 2, Change in Accounting Principle. The comparisons to prior year net position within this discussion and analysis will be based on these restated amounts.

- The County’s total net position increased $126,342; an increase of $59,622 when compared to the prior year’s restated change in net position of $66,720; primarily due to a decrease in net pension and other postemployment benefits (OPEB) liabilities of $81,775, resulting from increased contributions to the pension plans and favorable changes to the actuarial assumptions used to calculate the future liabilities estimates. For additional information on the pension and OPEB liabilities, please refer to Note 10, Pensions and Other Postemployment Benefits starting on page 73.

- The County issued $25,000 in Transportation Revenue Bonds to fund various street and highways improvements, $21,245 in Sewer Revenue Obligations to finance the construction, expansion, and improvement of sewer treatment facilities and conveyance systems, and $20,940 in Certificates of Participation to fund the expansion and improvement of sports fields and facilities for the County’s Stadium District.

- The County’s primary sources of revenue come from property taxes, charges for services, state shared taxes, and grants and contributions as displayed below:

Revenue Sources
(in millions)

- State-shared taxes $155.3 (14.0%)
- Investment earnings $16.6 (1.5%)
- Charges for services $259.4 (23.4%)
- Operating grants & contributions $131.5 (11.9%)
- Capital grants & contributions $41.3 (3.7%)
- Property taxes $463.5 (41.8%)
- Other $41.6 (3.7%)
• The composition of the County’s total net position at June 30, 2019, $2,072,917, is illustrated in the following chart.

![Composition of Net Position, as of June 30, 2019](chart.png)

• Governmental Activities total net position at June 30, 2019, is $1,232,521, representing an increase of $89,111 (7.8%) from the prior fiscal year’s net position, primarily due to a $76,300 decrease in net pension liabilities. Business-type Activities total net position of $840,396, increased by $35,782 (4.4%) in the current fiscal year, primarily due to a decrease of $35,757 in outstanding liabilities for sewer revenue obligations, bonds, and loans from debt payments made during the year in the Regional Wastewater Reclamation (RWR) enterprise fund.

![Comparative Total Net Position](chart2.png)
The current fiscal year’s General Fund unassigned fund balance of $101,990 is a decrease of $6,835 (6.3%) from $108,825 in the prior fiscal year. The unassigned fund balance comprises 93.2% of the total fund balance of $109,398. Refer to the analysis of the General Fund provided on page 25 for additional details about the fund’s financial activities during the year.

### General Fund - Unassigned Fund Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019</td>
<td>$101,990</td>
</tr>
<tr>
<td>FY2018</td>
<td>$108,825</td>
</tr>
</tbody>
</table>

### 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 Statements, (2) Fund Statements, and (3) Notes to the Financial Statements. Required supplementary information is included in addition to the basic financial statements.

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

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

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

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

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

The government-wide financial statements can be found on pages 31-33.

**Fund financial statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance with applicable state statutes and Federal Office of Management and Budget budgeting guidelines. All of the funds can be divided into three categories: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

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

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

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

The governmental fund financial statements can be found on pages 34-37. The combining statements for non-major governmental funds can be found on pages 102-105.

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

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

The proprietary fund financial statements can be found on pages 38-41. The combining statements for other enterprise and internal service funds can be found on pages 121-128.

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

The fiduciary fund financial statements can be found on pages 42-43.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 44-94.

Required Supplementary Information (RSI) is presented concerning the County’s General Fund budgetary schedule and the schedule of the County’s Proportionate Share of the Net Pension Liability for Cost Sharing Plans, the Schedule of Changes in the County’s Net Pension Liability and Related Ratios for Agent Pension Plans, and the Schedule of County Pension Contributions. Required supplementary information can be found on pages 95-101.

Combining Statements and Other Schedules referred to earlier provide information for non-major governmental, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 102-132.
As noted earlier, net position may serve as a useful indicator of a government’s financial position over time. An analysis of the results of operations is also useful. The schedule below identifies variances in the results of operations.

### Schedule of Results of Operations and Net Position
**For the Years Ended June 30, 2019 and 2018**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$259,361</td>
<td>$254,803</td>
<td>$4,558</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>131,487</td>
<td>131,222</td>
<td>265</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>41,329</td>
<td>34,196</td>
<td>7,133</td>
</tr>
<tr>
<td>Total program revenues</td>
<td>432,177</td>
<td>420,221</td>
<td>11,956</td>
</tr>
<tr>
<td>Total general revenues and transfers</td>
<td>676,975</td>
<td>668,992</td>
<td>7,983</td>
</tr>
<tr>
<td>Total program and general revenues</td>
<td>1,109,152</td>
<td>1,089,213</td>
<td>19,939</td>
</tr>
<tr>
<td>Total expenses</td>
<td>982,810</td>
<td>1,021,044</td>
<td>(38,234)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$126,342</td>
<td>$68,169</td>
<td>$58,173</td>
</tr>
</tbody>
</table>

Total program revenues increased by $11,956, mainly due to a $7,133 increase in capital grants and contributions and a $4,558 increase in charges for services revenues. The increase in capital grants and contributions resulted from increases in contributions from developers to the County for road assets in the governmental activities, and sewage conveyance assets in the business-type activities. Total expenses decreased by $38,234, primarily due to decreases of $25,437 and $15,058 in general government and public safety expenses, respectively, within governmental activities. These variances in combination with the $7,983 increase in total general revenues and transfers resulted in a $58,173 increase in the change in net position, to $126,342.

An explanation of each of these changes is discussed further in the following governmental and business-type activities sections.
The graph presented below illustrates at a summary level the changes in the elements of the Statement of Net Position for the County at June 30, 2019, and June 30, 2018.

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

The total of County assets at June 30, 2019, was $3,925,395, a decrease of $43,226 (1.1%) from the prior year, while total liabilities decreased significantly by $214,787 (10.1%) from the prior year, ending at a balance of $1,906,283. Deferred outflows of resources decreased slightly by $947 (0.6%), while deferred inflows of resources nearly doubled with an increase of $45,721 (92.4%) from the prior year, ending at a balance of $95,179.

The result of these changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources was an increase in net position of $126,342 (6.5%), to $2,072,917 in the current fiscal year, from the restated net position of $1,946,575 in the prior fiscal year.

The largest portion of the County’s net position is reflected in its net investment in capital assets (i.e., land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. At June 30, 2019, net investment in capital assets totaled $2,235,459, an increase of $96,930 (4.5%) from the prior year, due to the increase of $65,354 (4.5%) for governmental activities and the increase of $31,576 (4.6%) in net investment in capital assets for business-type activities. The County uses a portion of these capital assets to provide services to its citizens, with the other portion available to its citizens for use; consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources subject to external restrictions on how they may be used comprise the restricted net position of $217,901, which is a decrease of $65,640 (23.2%) from the prior year and represents approximately 10.5% of total net position.
The following schedule presents, on a comparative basis, both governmental activities and business-type activities within the Statement of Net Position.

### Schedule of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

#### At June 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current and other assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets (net):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, buildings, equipment, infrastructure &amp; other assets</td>
<td>$1,925,694</td>
<td>$1,918,766</td>
<td>$6,928</td>
</tr>
<tr>
<td>Total assets</td>
<td>$2,512,177</td>
<td>$2,538,822</td>
<td>$(27,645)</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and OPEB</td>
<td>$121,465</td>
<td>$121,311</td>
<td>154</td>
</tr>
<tr>
<td>Deferred charges on refunding</td>
<td>$5,703</td>
<td>$8,003</td>
<td>$(2,300)</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>$4,508</td>
<td>$4,508</td>
<td>$4,508</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>$127,168</td>
<td>$129,314</td>
<td>$(2,146)</td>
</tr>
<tr>
<td><strong>Current and other liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>$1,249,593</td>
<td>$1,410,156</td>
<td>$(160,563)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$1,316,997</td>
<td>$1,479,863</td>
<td>$(162,866)</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and OPEB</td>
<td>$89,827</td>
<td>$45,863</td>
<td>$43,964</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>$89,827</td>
<td>$45,863</td>
<td>$43,964</td>
</tr>
<tr>
<td><strong>Net position:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>$150,534</td>
<td>$221,652</td>
<td>$(71,118)</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>$(435,478)</td>
<td>$(530,353)</td>
<td>$(94,875)</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$1,232,521</td>
<td>$1,143,410</td>
<td>$(89,111)</td>
</tr>
</tbody>
</table>

### Analysis of Net Position for Governmental Activities

The current and other assets total of $586,483 in the current fiscal year is a decrease of $34,573 (5.6%) under the prior year total of $621,056. This decrease is primarily due to an overall decrease of $23,248 in the cash and cash equivalents mainly from the $25,047 decrease in the Capital Projects Fund from increased spending of bond and COPs proceeds and a $13,256 decrease in Other Governmental Funds primarily from the spending down of the prior year’s property tax revenues in the Transportation Fund. These decreases are partially offset by increases in cash and cash equivalents of $8,571 in the Other Internal Service Fund within the Internal Service Funds, and $4,508 in the Other Special Revenue Fund within the Other Governmental Funds. The increases in these funds are the result of additional transfers in from other County funds compared to the prior fiscal year for future information technology hardware and software purchases in the Other Internal Service Fund and future repairs and maintenance on County buildings in the Other Special Revenue Fund.

Total liabilities decreased $162,866 (11.0%) to $1,316,997 due to a $160,563 decrease in long-term liabilities resulting from a $76,084 decrease in pension and OPEB liabilities and a net decrease of $82,410 in outstanding bonds and COPs. The Arizona State Retirement System and the Elected Official Retirement Plan had the most significant decreases in pension liabilities with decreases of $40,199 and $25,983, respectively. As previously discussed, the decreases in these liabilities are the result of increased contribution rates paid by the County to these retirement plans.
or its employees and favorable changes in the assumptions used by actuaries to calculate the estimated future liabilities. The decreases in outstanding debt associated with general obligation bonds, transportation revenue bonds, and COPs are the result of current year payments on these debts combined with new debts being issued for lesser dollar amounts compared to the prior year.

The increase of $43,964 (95.9%) in deferred inflows of resources is due to the deferred inflows in pensions and OPEB. This variance in deferred inflows is due to the increased contributions made to the retirement plans and changes in assumptions in actuarial estimates related to the net pension liabilities mentioned above.

These changes resulted in an overall increase of $89,111 (7.8%) in the current year’s governmental activities total net position to $1,232,521.

**Analysis of Net Position for Business-type Activities**

Total assets of $1,413,218 in the current fiscal year decreased by $15,581 (1.1%) from the prior year total of $1,428,799, resulting from a $11,435 (5.8%) decrease in current and other assets and a $4,146 (0.3%) decrease in capital assets. The decrease in current and other assets is primarily from an $11,469 decrease in the current portion of cash and cash equivalents in RWR due to the cash in-substance defeasance of $11,860 of outstanding bonds and obligations in the current year. The decrease in capital assets is the result of increased accumulated depreciation due to the amount of depreciation expense recognized for existing assets in the current year, partially offset by an increase in sewage and conveyance assets in the RWR fund which moved out of the construction in progress classification as projects were completed in the current year.

Total liabilities decreased $51,921 (8.1%) in the current year to $641,207, primarily due to a net decrease of $35,200 in outstanding bonds, obligations, and loan in the RWR fund and a $5,691 decrease resulting from changes in actuarial estimates related to the net pension liability for the Arizona State Retirement System plan to which the County contributes for its employees within the business-type activities.

Total deferred outflows of resources in the current year totaled $21,816, increased slightly by $1,199 (5.8%) due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, which resulted in a deferred outflow in the current year of $4,508. This was partially offset by a decrease of $3,460 in the deferred outflows for deferred charges on refunding that are the result of debt refundings completed in prior years.

The changes in total assets, liabilities, deferred outflows and deferred inflows of resources resulted in a total net position of $840,396, an increase of $35,782 (4.4%).
### Governmental Activities

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

<table>
<thead>
<tr>
<th>Program Revenues:</th>
<th>FY2019</th>
<th>FY2018</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$67,779</td>
<td>$67,380</td>
<td>$399</td>
<td>0.6%</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>131,487</td>
<td>131,222</td>
<td>265</td>
<td>0.2%</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>30,361</td>
<td>26,842</td>
<td>3,519</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Revenues:</th>
<th>FY2019</th>
<th>FY2018</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>463,547</td>
<td>476,365</td>
<td>(12,818)</td>
<td>-2.7%</td>
</tr>
<tr>
<td>State-shared taxes</td>
<td>155,281</td>
<td>147,635</td>
<td>7,646</td>
<td>5.2%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>12,328</td>
<td>5,549</td>
<td>6,779</td>
<td>122.2%</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>40,557</td>
<td>36,452</td>
<td>4,105</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

| Total Program Revenues | 229,627 | 225,444 | 4,183 | 1.9% |
| Total General Revenues | 671,713 | 666,001 | 5,712 | 0.9% |

| Total Revenues | 901,340 | 891,445 | 9,895 | 1.1% |

<table>
<thead>
<tr>
<th>Expenses:</th>
<th>FY2019</th>
<th>FY2018</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>254,241</td>
<td>279,678</td>
<td>(25,437)</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Public safety</td>
<td>199,402</td>
<td>214,460</td>
<td>(15,058)</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>111,826</td>
<td>110,159</td>
<td>1,667</td>
<td>1.5%</td>
</tr>
<tr>
<td>Sanitation</td>
<td>2,798</td>
<td>2,683</td>
<td>115</td>
<td>4.3%</td>
</tr>
<tr>
<td>Health</td>
<td>39,658</td>
<td>38,186</td>
<td>1,472</td>
<td>3.9%</td>
</tr>
<tr>
<td>Welfare</td>
<td>95,737</td>
<td>94,567</td>
<td>1,170</td>
<td>1.2%</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>62,513</td>
<td>65,827</td>
<td>(3,314)</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Education and economic opportunity</td>
<td>42,810</td>
<td>43,492</td>
<td>(682)</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Amortization</td>
<td>(6,551)</td>
<td>(7,806)</td>
<td>1,255</td>
<td>-16.1%</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>21,650</td>
<td>23,049</td>
<td>(1,399)</td>
<td>-6.1%</td>
</tr>
</tbody>
</table>

| Total Expenses | 824,084 | 864,295 | (40,211) | -4.7% |

| Excess before transfers | 77,256  | 27,150  | 50,106 | 184.6% |
| Transfers in | 11,855  | 25,393  | (13,538) | -53.3% |

| Change in net position | 89,111  | 52,543  | 36,568 | 69.6% |
| Beginning net position | 1,143,410 | 1,090,867 | 52,543 | 4.8% |

| Ending net position | $1,232,521 | $1,143,410 | $89,111 | 7.8% |

### Revenues

Total revenues of $901,340 increased $9,895 (1.1%) from the prior year, primarily due to an increase of $5,712 in total general revenues from increased State-shared tax revenues and increased investment earnings from better market returns on investments compared to the prior year. These increases are complemented by a $3,519 increase in program revenues primarily from additional capital grants and contributions received from developers as previously discussed.
The chart below presents general and program revenues, as a percentage to total revenues. The amount provided from each revenue source for governmental activities, as a percentage to total revenue for governmental activities, has not changed significantly from the prior fiscal year. Property taxes, state-shared taxes, and operating grants account for approximately 83.2% of the County’s revenues.

**General and Program Revenues - Governmental Activities**

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>51.4%</td>
</tr>
<tr>
<td>State-shared taxes</td>
<td>17.2%</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>3.4%</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>1.4%</td>
</tr>
<tr>
<td>Operating grants</td>
<td>14.6%</td>
</tr>
<tr>
<td>Charges for services</td>
<td>7.5%</td>
</tr>
<tr>
<td>Other general revenue</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

**Expenses**

Total expenses decreased $40,211 (4.7%) from the prior year, primarily due to decreases of $25,437 (9.1%) in general government expenses and $15,058 (7.0%) in public safety expenses. These decreases are due to the significant reduction in the net pension long-term liabilities discussed previously. The reduction in these liabilities due to increased contributions to the retirement plans and favorable changes in actuarial assumptions used to estimate future liabilities resulted in a $59,650 decrease in pension expenses within general government and a $23,281 decrease in pension expenses within public safety.

The decreases within general government are partially offset by a decrease in the capitalization of general government assets compared to the prior year, resulting in an increase of expenses totaling $27,118 and an increase of $9,140 from the Elections and Recorder departments to fund the cost of the FY19 Primary and General elections.

The decreases within public safety are partially offset by a decrease in the capitalization of public safety assets compared to the prior year, resulting in an increase of expenses totaling $4,198 and increases in salaries and purchases of law enforcement supplies in the Sheriff’s department totaling $2,739.
The following chart presents expenses by function as a percentage to total expenses, excluding amortizations. The amount of each expense by function as a percentage to total expenses, excluding amortizations, has not changed significantly from the prior fiscal year. General government and public safety account for over half of the County’s total expenses with a total of 54.6%.
Business-type activities, which are composed exclusively of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. The following schedule shows changes in the net position for business-type activities.

<table>
<thead>
<tr>
<th>Business-type Activities</th>
<th>Schedule of Revenues, Expenses, and Changes in Net Position</th>
<th>For the Years Ended June 30, 2019 and 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2019</td>
<td>FY2018</td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 191,582</td>
<td>$ 187,423</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>10,968</td>
<td>7,354</td>
</tr>
<tr>
<td>Total program revenues</td>
<td>202,550</td>
<td>194,777</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>4,224</td>
<td>2,228</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>1,038</td>
<td>763</td>
</tr>
<tr>
<td>Total general revenues</td>
<td>5,262</td>
<td>2,991</td>
</tr>
<tr>
<td>Total revenues</td>
<td>207,812</td>
<td>197,768</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation</td>
<td>149,576</td>
<td>148,405</td>
</tr>
<tr>
<td>Development Services</td>
<td>6,187</td>
<td>5,523</td>
</tr>
<tr>
<td>Parking Garages</td>
<td>2,963</td>
<td>2,821</td>
</tr>
<tr>
<td>Total expenses</td>
<td>158,726</td>
<td>156,749</td>
</tr>
<tr>
<td>Excess before transfers</td>
<td>49,086</td>
<td>41,019</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(11,855)</td>
<td>(25,393)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>37,231</td>
<td>15,626</td>
</tr>
<tr>
<td>Beginning net position, as restated*</td>
<td>803,165</td>
<td>788,988</td>
</tr>
<tr>
<td>Ending net position</td>
<td>$ 840,396</td>
<td>$ 804,614</td>
</tr>
</tbody>
</table>

*Beginning net position as restated July 1, 2018, due to the provisions of GASB Statement No. 83

Revenues

Total revenues for business-type activities increased $10,044 (5.1%), due to the increase of $2,997 (1.8%) in charges for services in the RWR Fund, resulting from an increase in sewer users as a result of new housing developments and an increase of $3,614 (49.1%) in capital grants and contributions of sewer conveyance assets constructed by developers and accepted by the County in the RWR Fund for continuous maintenance and operations.
Expenses

Total expenses for the business-type activities remained relatively flat with an increase of $1,977 (1.3%), primarily due to an increase of $1,171 (0.8%) in the RWR Fund. The net amount of transfers decreased by $13,538 (53.3%), primarily due to an increase of $19,433 of transfers into the RWR Fund from the Capital Projects Fund.

Financial Analysis of the County’s Funds

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

Governmental Funds

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

Major Governmental Funds

General Fund

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

Property tax revenues for the General Fund increased $1,805 (0.5%), reflecting the net impact of higher property valuations and a lower property tax rate. Intergovernmental revenues increased $15,996 (10.1%), primarily due to increases in the State-shared sales tax and State-shared vehicle license tax associated with a continued gradual recovery in the local economy. Charges for services decreased $2,215 (5.4%), mostly from a decrease in administration overhead charges recovered from other County funds because of lower central administrative support costs. Overall, revenues for the General Fund increased by $15,502 (2.8%) and totaled $570,312 for the current year.

General fund expenditures totaled $517,017, an increase of $15,343 (3.1%) from the prior year, primarily due to:

- An increase of $9,140 in general government expenditures from the Elections and Recorder departments to fund the cost of the FY19 Primary and General elections, the Juvenile Court and Superior Court adult probation funding, and a 2.5% general salary increase for all employees and an additional 1% salary increase for employees earning $50,000 or less in FY19.
- An increase of $2,739 in public safety expenditures primarily due to purchases of new law enforcement equipment, supplies, and salary increases as a result of Sheriff department salary decompression adjustments.
- An increase of $1,313 in welfare expenditures from the Behavioral Health department for adult and juvenile correctional health care.

Transfers out totaled $59,580, an increase of $13,496 (29.3%) over the prior year, primarily from the $7,220 transfer out to the Other Internal Service Fund related to the IT – Computer Hardware, Software, and Storage Internal Service Fund and the $4,623 transfer out to the Capital Projects Fund related to the Northwest County Service Center, Defense Services Building – Juvenile Courts and Gap Housing and Service Building.

The $15,502 increase in revenues, the $15,343 increase in expenditures, and a total net increase of $15,709 in other financing uses yielded a decrease of $15,550 in net change in fund balance, which ended the year at $109,398.
Budget and Actual Comparison for the General Fund

Overall, actual revenues were higher than budgeted revenues by $15,801, primarily due to the higher than budgeted State-shared tax revenue collections mentioned above and actual expenditures were less than budgeted expenditures by $68,318. Actual expenditures for the General Fund were less than budgeted, primarily because the County did not need to spend $46,745 of the amount budgeted for contingencies within General government – County Administration.

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

Capital Projects Fund

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

Total revenues of $24,482 for the Capital Projects Fund represent an increase of $4,715 (23.9%) from the prior year, primarily due to an increase in Intergovernmental revenues from the Regional Transit Authority for the Valencia Road project and the Pima Association of Governments for the Cortaro Farms Road project.

Total capital outlay expenditures of $118,275 in the current year is an increase of $39,905 (50.9%) over the prior year, primarily due to a $32,584 increase in highways and streets expenditures for the Transportation department. This is the result of the spending down of the one-time Transportation property tax revenues collected in the prior year for road improvements.

The Capital Projects Fund’s other financing sources of $45,940 represents the current year’s issuance of $25,000 of Transportation Revenue Bonds Series 2019 to finance a variety of transportation projects and the issuance of $20,940 of Certificates of Participation (COPs) Series 2019 primarily to finance the costs to expand and improve the sports fields and facilities at the County’s Kino Sports Complex.

Transfers out totaled $29,934, an increase of $29,363 from the prior year, mainly due to the increase of $19,498 in COPs funding transferred to the RWR fund in the current year for improvements to the sewer conveyance system.

Transfers in totaled $46,954, an increase of $11,891 (33.9%) over the prior year’s total of $35,063. The increase is primarily due to a $7,465 increase of transfers in from the Transportation Fund for pavement preservation projects and a $4,623 increase of transfers in from the General Fund for various County facility projects.

The above detailed financial activities yielded a decrease of $27,040 in the Capital Projects Fund’s net change in fund balance, which ended the year at $119,341.

Debt Service Fund

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

Revenues for the Debt Service Fund increased $1,704 (3.0%), primarily as a result of higher property valuations, despite the secondary property tax rate decrease of $0.01 compared to the prior year.

Expenditures for the Debt Service Fund increased by $30,777 (26.3%) primarily due to an increase in principal and interest payments on two COPs issuances in the prior year that did not have any payments due in that year. As a result, current year principal payments toward outstanding liabilities for COPs increased by $29,270 compared to the prior year.

Premiums on bonds and COPs increased to $6,709, consisting of $2,832 and $3,877 from the issuance of Transportation revenue bonds (HURF) Series 2019 and COPs Series 2019, respectively. Only $3,149 of this total pertained to the Debt Service Fund, while the remaining $3,560 pertained to the Capital Projects Fund.

The $1,704 increase in revenues, $30,777 increase in expenditures, and $29,037 increase in other financing sources yielded an increase in fund balance of $1,841, which ended the year at $6,845.
**Major Proprietary Fund**

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

Significant changes in the Fund’s net position during the fiscal year include an increase in the sewer utility service and sewer connection revenues of $3,992, an increase in non-operating interest income of $1,907, an increase in transfers in of $19,498, and a beginning net position restatement of $1,449 for the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*.

The increase in the sewer utility service and sewer connection revenues is largely attributable to a growing population and a strong housing market including the construction of many new housing developments. The continued strong financial markets contribute to the higher investment earnings received during the year.

The increase in transfers in is due to the usage of the remaining proceeds of the Certificates of Participation Series 2018B in the Capital Projects Fund, which are transferred into the RWR fund to pay for the ongoing sewage conveyance projects currently under construction.

The beginning net position decreased by $1,449 as a result of the restatement and net position increased by $36,584 in the current fiscal year, resulting in a total net position of $818,964 at fiscal year-end.

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### Capital Assets and Debt Administration

**Capital Assets**

The County’s investment in capital assets consists of land, buildings and improvements, sewage conveyance systems, infrastructure, equipment, and construction in progress.

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

<table>
<thead>
<tr>
<th>Governmental and Business-type Activities</th>
<th>Capital Assets</th>
<th>As of June 30, 2019 and 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-type Activities</td>
</tr>
<tr>
<td>Land</td>
<td>$549,193</td>
<td>$537,388</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>65,289</td>
<td>42,895</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>591,126</td>
<td>597,429</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>618,993</td>
<td>635,594</td>
</tr>
<tr>
<td>Sewage conveyance systems</td>
<td>101,093</td>
<td>105,460</td>
</tr>
<tr>
<td>Total</td>
<td>$1,925,694</td>
<td>$1,918,766</td>
</tr>
</tbody>
</table>

As of June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$549,193</td>
<td>$537,388</td>
<td>$11,805</td>
</tr>
<tr>
<td>65,289</td>
<td>42,895</td>
<td>22,394</td>
</tr>
<tr>
<td>591,126</td>
<td>597,429</td>
<td>(6,303)</td>
</tr>
<tr>
<td>618,993</td>
<td>635,594</td>
<td>(16,601)</td>
</tr>
<tr>
<td>101,093</td>
<td>105,460</td>
<td>(4,367)</td>
</tr>
<tr>
<td>$1,925,694</td>
<td>$1,918,766</td>
<td>6,928</td>
</tr>
</tbody>
</table>

The County’s capital assets total is $3,154,433 in the current year, a decrease of approximately 0.1% or $2,782 from the prior year’s total of $3,151,651. Significant changes in capital assets of Governmental Activities and Business-type Activities are discussed in further detail in the following sections.
**Governmental Activities**

The current year’s total assets of $1,925,694 is a net increase of $6,928 from the prior year. The $22,394 increase in construction in progress is primarily due to an increase of $17,942 for the large Kino Sports Complex expansion project. The $16,601 decrease in infrastructure is primarily due to normal depreciation expense in the current year and contributions of road assets to other governments.

Some of the more significant projects capitalized in the fiscal year include:

- The restoration and renovations project for the Historic Courthouse project totaling $9,831,071.
- The Aerospace Parkway expansion from Nogales Highway to Raytheon Parkway project totaling $9,123.
- The collector and arterial roadways improvements project totaling $8,315.
- The Flowing Wells Library expansion project totaling $3,213.

**Business-type Activities**

Capital assets of business-type activities decreased by $4,146 (0.3%), due to decreases of $26,618 (35.9%) in construction in progress and $25,378 (4.6%) in buildings and improvements, partially offset by an increase of $47,238 (9.3%) in sewage conveyance systems, resulting from the factors detailed below.

Capital assets for the RWR fund decreased by $3,343 (0.3%) compared to the prior year, mainly due to decreases of $26,618 (35.9%) in construction in progress and $24,802 (4.6%) in buildings and improvements, partially offset by a $47,238 increase in sewage conveyance systems. The decrease in construction in progress is the result of more sewage conveyance system projects being completed in the current year compared to the prior year, which also lead to the increase previously mentioned in sewage and conveyance systems. The decrease in buildings and improvements is due to normal depreciation expense in the current year.

Additional information regarding capital assets activity can be found in Note 5 of the financial statements, Capital Assets, on pages 58-59.

**Long-term Debt**

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

<table>
<thead>
<tr>
<th>Long-Term Debt Issued Within Fiscal Year</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Revenue Bonds</td>
<td>$25,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>Sewer System Revenue Obligations</td>
<td>21,245</td>
<td>38,205</td>
</tr>
<tr>
<td>Certificates of Participation (COPs)</td>
<td>20,940</td>
<td>62,660</td>
</tr>
<tr>
<td>Installment note payable</td>
<td>170</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$67,355</td>
<td>$111,865</td>
</tr>
</tbody>
</table>

During the year, the County issued Transportation Revenue Bonds Series 2019 for $25,000 to finance various street and highway improvements.

The County also issued Sewer Revenue Obligations Series 2019 for $21,245 to expand and improve the County’s sewer treatment facilities and conveyance systems.

In addition, the County issued Certificates of Participation (COPs) Series 2019 for $20,940 to finance the expansion and improvements of sports fields and facilities at the County’s Kino Sports Complex.

Further, the County’s Clerk of the Superior Court acquired computer equipment during the fiscal year under an installment contract for a total purchase price of $170.
The most recent ratings for Pima County’s bonds, COPs, and obligations are:

<table>
<thead>
<tr>
<th>Credit Ratings</th>
<th>Standard &amp; Poor's</th>
<th>Fitch Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>AA</td>
<td>AAA</td>
</tr>
<tr>
<td>Certificates of Participation (COPs)</td>
<td>AA-</td>
<td>AA</td>
</tr>
<tr>
<td>Transportation Revenue Bonds</td>
<td>AA</td>
<td>AA</td>
</tr>
<tr>
<td>Sewer System Revenue Obligations</td>
<td>AA</td>
<td>AA-</td>
</tr>
</tbody>
</table>

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

The State of Arizona Constitution limits the amount of general obligation debt a governmental entity may issue to 6.0% of its net assessed valuation without voter approval. However, Pima County has voter approval for general obligation debt up to 15.0%. The County’s outstanding general obligation bonds amount of $227,335 at the end of the current fiscal year is significantly below the current debt limitation of $1,354,525.

Additional information regarding the County’s debt can be found in Note 7 of the financial statements, Long-term Liabilities, on pages 62-70.

**Economic Factors and Next Year’s Budget**

The current fiscal year 2019-20 budget is based largely on the County’s response to a set of unique challenges from a variety of outside sources. Primary among these is the decision by the Arizona Legislature to balance the State Budget by continuing to transfer $88 million of fiscal year 2019-20 state costs to Pima County. These additional costs imposed by the state continue to cause significant uncertainties in the development of the County budget and impact all of Pima County’s existing service priorities and programs, including law enforcement, healthcare and economic development. Recognizing this, the budget that was adopted by the Board of Supervisors for fiscal year 2019-20 is primarily a “maintenance of effort” budget, which will sustain the County’s existing service priorities. The following discussion identifies other significant activities that are expected to impact the County in fiscal year 2019-20.

**State Budget Cost Shifts**

In attempts to balance the State Budget, the Governor and Legislature continue to transfer significant amounts of state costs to the 15 counties throughout the state. The total of these cost transfers to Pima County is $88 million for fiscal year 2019-20, or nearly 25% of Pima County’s primary property tax levy.

**Property Taxes**

The fiscal year 2019-20 Adopted Budget includes a $0.0700 decrease in the County’s regular primary property tax rate for General Government Revenues, a $0.0200 increase in the County Library District’s secondary property tax rate, and no change in either the Regional Flood Control District secondary property tax rate or the County Debt Service secondary property tax rate from the fiscal year 2018-19 rates. The total property tax rate for Pima County (excluding the State mandated Fire District Assistance Tax) decreased from $5.6084 to $5.5584 per $100 of net taxable value, a net decrease of $0.0500.

**State Shared Revenues**

State shared sales tax revenue is projected to increase by $4.975 million in fiscal year 2019-20. This increase reflects a gradual recovery in the local economy and continued statewide economic growth.
**Employee Benefits Costs**

Over the years, Pima County has continued to change and upgrade its benefits package for employees. Over time, the cost to provide these benefits has steadily increased. As a comparison, the actual cost to the County for employee benefits in fiscal year 2003-04 totaled $65 million whereas the budgeted benefit costs in fiscal year 2019-20 totals over $161 million; resulting in an increase that is more than double the fiscal year 2003-04 amount. A significant portion of this increase is due to higher cost of Arizona State, Public Safety and other retirement system contributions, plus other benefit costs. Fiscal Year 2019-20 aggregate benefits will increase by $12.8 million over fiscal year 2018-19. The County will have to absorb these increases in the face of other budgetary challenges.

**Employee Medical Insurance Benefits Costs**

Prior to fiscal year 2013-14, Pima County purchased medical insurance for its employees from an independent provider. Over the five years prior to fiscal year 2013-14, the County’s employee medical insurance premiums increased by an average of 15 to 20 percent yearly. In order to control the rate of increase of employee medical insurance costs, the County moved to a self-insured medical plan run by a third-party administrator starting in fiscal year 2013-14. Under this new model, year-to-year medical insurance costs have increased in the range of 5 to 7 percent annually. For fiscal year 2019-20 both employer and employee medical premium costs will not increase from fiscal year 2018-19 rates. It is anticipated that the rate of medical cost increases will continue the trend of being better controlled in future fiscal years.

**Rainy Day Funds**

Maintaining a budget reserve has given the County a favorable bond rating, which in turn has yielded substantial savings from lower interest payments on County debt. The reserve has also enabled the County to minimize the negative fiscal impacts of a variety of unforeseen events over which the County has had little or no control. The General Fund Reserve for fiscal year 2019-20 totals $41.9 million. This reserve represents 7.2% of projected revenues for fiscal year 2019-20. The reserve is in the middle of the range of reserves recommended by the Government Finance Officers Association. If this reserve is not spent, it will represent the base ending fund balance for fiscal year 2019-20.

**Requests for Information**

This financial report is designed to provide a general overview of the County’s finances. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the Finance and Risk Management Department, 130 W. Congress, 6th Floor, Tucson, AZ, 85701.
2019
Comprehensive Annual FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona

BASIC FINANCIAL STATEMENTS
PIMA COUNTY, ARIZONA

Statement of Net Position
June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>Component Unit SW Fair Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$501,347</td>
<td>$74,818</td>
<td>$576,165</td>
<td>$1,144</td>
</tr>
<tr>
<td>Property taxes receivable (net)</td>
<td>10,907</td>
<td>10,907</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>681</td>
<td>221</td>
<td>902</td>
<td></td>
</tr>
<tr>
<td>Internal balances</td>
<td>(17)</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td>40,565</td>
<td>11</td>
<td>40,576</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable (net)</td>
<td>7,107</td>
<td>18,663</td>
<td>25,770</td>
<td>8</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,280</td>
<td>3,018</td>
<td>5,298</td>
<td>35</td>
</tr>
<tr>
<td>Prepaids</td>
<td>15,527</td>
<td>504</td>
<td>16,031</td>
<td>75</td>
</tr>
<tr>
<td>Restricted assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,119</td>
<td>87,133</td>
<td>88,252</td>
<td>1,002</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>3,665</td>
<td>3,665</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net other postemployment benefits asset</td>
<td>3,302</td>
<td>94</td>
<td>3,396</td>
<td></td>
</tr>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>549,193</td>
<td>15,978</td>
<td>565,171</td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>65,289</td>
<td>47,540</td>
<td>112,829</td>
<td></td>
</tr>
<tr>
<td>Capital assets being depreciated (net):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>591,126</td>
<td>526,424</td>
<td>1,117,550</td>
<td>5,725</td>
</tr>
<tr>
<td>Sewage conveyance system</td>
<td>552,458</td>
<td>552,458</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>101,093</td>
<td>86,339</td>
<td>187,432</td>
<td>452</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>618,993</td>
<td>618,993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>2,512,177</td>
<td>1,413,218</td>
<td>3,925,395</td>
<td>8,441</td>
</tr>
</tbody>
</table>

Deferred outflows of resources

| Pension and other postemployment benefits | 121,465 | 5,237 | 126,702 |
| Deferred charge on debt refunding | 5,703 | 12,071 | 17,774 |
| Asset retirement obligations | 4,508 | 4,508 |
| Total deferred outflows of resources | 127,168 | 21,816 | 148,984 |

Liabilities

| Accounts payable | 49,323 | 12,916 | 62,239 | 153 |
| Interest payable | 10 | 10 |
| Contract retentions | 2,061 | 2,061 |
| Employee compensation | 9,040 | 650 | 9,690 |
| Due to other governments | 235 | 98 | 333 |
| Deposits and rebates | 1,305 | 1,305 | 83 |
| Unearned revenue | 5,430 | 649 | 6,079 | 54 |
| Noncurrent liabilities: | | | | |
| Due within one year | 129,139 | 60,368 | 189,507 |
| Due in more than one year | 1,120,454 | 514,605 | 1,635,059 | 175 |
| Total liabilities | 1,316,997 | 589,286 | 1,906,283 | 465 |

Deferred inflows of resources

| Pension and other postemployment benefits | 89,827 | 5,352 | 95,179 |
| Total deferred inflows of resources | 89,827 | 5,352 | 95,179 |

Net Position

| Net investment in capital assets | 1,517,465 | 717,994 | 2,235,459 | 6,177 |
| Restricted for: | | | | |
| Facilities, justice, library, community development, and tax stabilization | 63,103 | 63,103 |
| Highways and streets | 13,337 | 13,337 |
| Debt service | 41,762 | 41,762 |
| Capital projects | 34,549 | 6,447 | 40,996 |
| Regional wastewater | 19,158 | 19,158 |
| Healthcare | 39,545 | 39,545 |
| Unrestricted (deficit) | (435,478) | 55,035 | (380,443) | 1,799 |
| Total net position | $1,232,521 | $840,396 | $2,072,917 | $7,976 |

See accompanying notes to financial statements
## PIMA COUNTY, ARIZONA
### Statement of Activities
#### For the Year Ended June 30, 2019
(in thousands)

### Operating Revenues and Expenses

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$254,241</td>
<td>$26,789</td>
<td>$23,328</td>
<td>$5</td>
</tr>
<tr>
<td>Public safety</td>
<td>199,402</td>
<td>13,975</td>
<td>5,650</td>
<td>1,071</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>111,826</td>
<td>7,908</td>
<td>66,461</td>
<td>28,153</td>
</tr>
<tr>
<td>Sanitation</td>
<td>2,798</td>
<td></td>
<td>1,281</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>39,658</td>
<td>14,576</td>
<td>10,764</td>
<td>110</td>
</tr>
<tr>
<td>Welfare</td>
<td>95,737</td>
<td></td>
<td>252</td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>62,513</td>
<td>3,702</td>
<td>740</td>
<td>941</td>
</tr>
<tr>
<td>Education and economic opportunity</td>
<td>42,810</td>
<td>577</td>
<td>23,263</td>
<td>81</td>
</tr>
<tr>
<td>Amortization - unallocated</td>
<td>(6,551)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total governmental activities</strong></td>
<td>824,084</td>
<td>67,779</td>
<td>131,487</td>
<td>41,361</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation</td>
<td>149,576</td>
<td>180,118</td>
<td>10,968</td>
<td></td>
</tr>
<tr>
<td>Development Services</td>
<td>6,187</td>
<td>8,859</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Garages</td>
<td>2,963</td>
<td>2,605</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total business-type activities</strong></td>
<td>158,726</td>
<td>191,582</td>
<td>10,968</td>
<td></td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>$982,810</td>
<td>$259,361</td>
<td>$131,487</td>
<td>$41,329</td>
</tr>
<tr>
<td><strong>Component unit:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southwestern Fair Commission</td>
<td>7,380</td>
<td></td>
<td>119</td>
<td></td>
</tr>
<tr>
<td><strong>Total component unit</strong></td>
<td>$7,380</td>
<td>$7,091</td>
<td>119</td>
<td></td>
</tr>
</tbody>
</table>

### General Revenues:
- Property taxes, levied for general purposes
- Property taxes, levied for regional flood control district
- Property taxes, levied for library district
- Property taxes, levied for debt service
- Property taxes, levied for improvement and other districts
- Hotel/motel taxes, levied for sports facility and tourism
- Other taxes, levied for stadium district
- Unrestricted share of state sales tax
- Unrestricted share of state vehicle license tax
- Grants and contributions not restricted to specific programs
- Interest and penalties on delinquent taxes
- Investment earnings
- Miscellaneous Transfers
- Total general revenues and transfers
- Change in net position
- Net position at beginning of year, as restated
- Net position at end of year

See accompanying notes to financial statements
### Net (Expense) Revenue and Changes in Net Position

#### Primary Government

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
<th>SW Fair Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functions/Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>(204,119) $</td>
<td>(204,119) $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>(178,706)</td>
<td>(178,706)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways and streets</td>
<td>(9,304)</td>
<td>(9,304)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>(14,208)</td>
<td>(14,208)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>(95,485)</td>
<td>(95,485)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>(57,130)</td>
<td>(57,130)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>(18,889)</td>
<td>(18,889)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and economic opportunity</td>
<td>6,551</td>
<td>6,551</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization - unallocated</td>
<td>6,551</td>
<td>6,551</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>21,650</td>
<td>21,650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>(594,457)</td>
<td>(594,457)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business-type activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation</td>
<td>41,510 $</td>
<td>41,510 $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Services</td>
<td>2,672 $</td>
<td>2,672 $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking Garages</td>
<td>(358)</td>
<td>(358)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>43,824 $</td>
<td>43,824 $</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total primary government</td>
<td>(594,457)</td>
<td>(594,457)</td>
<td></td>
<td>(550,633)</td>
</tr>
</tbody>
</table>

#### Component Unit

<table>
<thead>
<tr>
<th></th>
<th>SW Fair Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functions/Programs</td>
<td></td>
</tr>
<tr>
<td>Component unit:</td>
<td></td>
</tr>
<tr>
<td>Southwestern Fair Commission</td>
<td>(170) $</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>General revenues:</td>
<td></td>
</tr>
<tr>
<td>Property taxes, levied for general purposes</td>
<td>338,049</td>
</tr>
<tr>
<td>Property taxes, levied for regional flood control district</td>
<td>25,165</td>
</tr>
<tr>
<td>Property taxes, levied for library district</td>
<td>42,788</td>
</tr>
<tr>
<td>Property taxes, levied for debt service</td>
<td>57,295</td>
</tr>
<tr>
<td>Property taxes, levied for improvement &amp; other districts</td>
<td>250</td>
</tr>
<tr>
<td>Hotel/motel taxes, levied for sports facility and tourism</td>
<td>7,192</td>
</tr>
<tr>
<td>Other taxes, levied for stadium district</td>
<td>1,544</td>
</tr>
<tr>
<td>Unrestricted share of state sales tax</td>
<td>124,999</td>
</tr>
<tr>
<td>Unrestricted share of state vehicle license tax</td>
<td>30,282</td>
</tr>
<tr>
<td>Grants and contributions not restricted to specific programs</td>
<td>4,877</td>
</tr>
<tr>
<td>Interest and penalties on delinquent taxes</td>
<td>5,624</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>12,328</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,224</td>
</tr>
<tr>
<td>Total general revenues and transfers</td>
<td>21</td>
</tr>
<tr>
<td>Change in net position</td>
<td>676,975</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers:</td>
<td></td>
</tr>
<tr>
<td>Net position at beginning of year, as restated</td>
<td>1,143,410</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>840,396</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,232,521</td>
<td>$ 2,072,917 $</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
## PIMA COUNTY, ARIZONA
### Balance Sheet - Governmental Funds
### June 30, 2019
### (in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Capital Projects</th>
<th>Debt Service</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$106,940</td>
<td>$133,548</td>
<td>$6,394</td>
<td>$96,488</td>
<td>$343,370</td>
</tr>
<tr>
<td>Property taxes receivable (net)</td>
<td>7,955</td>
<td>1,345</td>
<td>1,607</td>
<td>10,907</td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>200</td>
<td>96</td>
<td>167</td>
<td>599</td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td>4,041</td>
<td></td>
<td>778</td>
<td>4,819</td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td>22,272</td>
<td>1,537</td>
<td>16,750</td>
<td>40,559</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,931</td>
<td>108</td>
<td>4,121</td>
<td>6,160</td>
<td></td>
</tr>
<tr>
<td>Interfund receivable</td>
<td>3,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td>1,405</td>
<td>1,405</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>4,787</td>
<td></td>
<td>1,090</td>
<td>5,877</td>
<td></td>
</tr>
<tr>
<td>Loan receivable</td>
<td>1,221</td>
<td>813</td>
<td>1,631</td>
<td>3,665</td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,074</td>
<td></td>
<td>45</td>
<td>1,119</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$152,447</td>
<td>$137,176</td>
<td>$7,875</td>
<td>$124,082</td>
<td>$421,580</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities, deferred inflows of resources and fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Interest payable</td>
</tr>
<tr>
<td>Contract retentions</td>
</tr>
<tr>
<td>Employee compensation</td>
</tr>
<tr>
<td>Due to other funds</td>
</tr>
<tr>
<td>Due to other governments</td>
</tr>
<tr>
<td>Deposits and rebates</td>
</tr>
<tr>
<td>Interfund payable</td>
</tr>
<tr>
<td>Unearned revenue</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue - intergovernmental</td>
</tr>
<tr>
<td>Unavailable revenue - property taxes</td>
</tr>
<tr>
<td>Unavailable revenue - other</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and deferred inflows of resources</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
</tr>
<tr>
<td>Restricted</td>
</tr>
<tr>
<td>Committed</td>
</tr>
<tr>
<td>Assigned</td>
</tr>
<tr>
<td>Unassigned</td>
</tr>
<tr>
<td><strong>Total fund balances</strong></td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources and fund balances</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
Fund balances - total governmental funds $324,705

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets $3,122,243
Less accumulated depreciation (1,251,262) 1,870,981

Some liabilities, such as pension and other postemployment benefits (OPEB) liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds payable (333,488)
Certificates of participation payable (124,567)
Notes and leases payable (724)
Pollution remediation (55)
Landfill closure liability (10,111)
Net pension/OPEB liability (696,694)
Compensated absences liability (32,906) (1,198,545)

Net OPEB assets held in trust for future benefits are not available resources for county operations and, therefore, are not reported in the funds.

Net OPEB asset 3,272

Deferred outflows and inflows of resources related to pensions/OPEB and deferred charges on debt refunding are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions/OPEB 119,443
Deferred inflows of resources related to pensions/OPEB (88,100)
Deferred outflows for bond refunding 5,703 37,046

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. 28,394

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. 166,668

Net position of governmental activities $1,232,521

See accompanying notes to financial statements
# PIMA COUNTY, ARIZONA

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

For the Year Ended June 30, 2019

*(in thousands)*

See accompanying notes to financial statements
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019
(in thousands)

Net change in fund balances - total governmental funds $ (32,801)

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 depreciated over their estimated useful lives and reported as depreciation expense.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures for capital assets</td>
<td>$75,184</td>
</tr>
<tr>
<td>Less current year depreciation</td>
<td>($77,642) (2,458)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face amount of long-term debt issued</td>
<td>(45,940)</td>
</tr>
<tr>
<td>Premium on bonds</td>
<td>($6,709)</td>
</tr>
<tr>
<td>Installment note</td>
<td>(170)</td>
</tr>
<tr>
<td>Debt service - principal payments</td>
<td>129,912</td>
</tr>
<tr>
<td>Amortization of premiums/discounts</td>
<td>6,551</td>
</tr>
<tr>
<td>Amortization of deferred charge on refunding</td>
<td>(2,300)</td>
</tr>
</tbody>
</table>

Some revenues reported 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. Also, the collection of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations of capital assets</td>
<td>13,937</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>(4,630)</td>
</tr>
<tr>
<td>Property tax revenues</td>
<td>(434)</td>
</tr>
<tr>
<td>Other</td>
<td>150</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in compensated absences</td>
<td>(131)</td>
</tr>
<tr>
<td>Change in landfill liability</td>
<td>(133)</td>
</tr>
<tr>
<td>Change in pollution remediation liability</td>
<td>181</td>
</tr>
<tr>
<td>Net book value of capital asset disposals</td>
<td>(6,505)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension/OPEB contributions</td>
<td>58,603</td>
</tr>
<tr>
<td>Pension/OPEB expense</td>
<td>(25,000)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position of governmental activities</td>
<td>$89,111</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
### Statement of Net Position - Proprietary Funds
#### June 30, 2019

(in thousands)

#### Business-type Activities

<table>
<thead>
<tr>
<th></th>
<th>Regional Wastewater</th>
<th>Other Enterprise</th>
<th>Total Enterprise</th>
<th>Governmental Activities - Internal Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$66,723</td>
<td>$8,095</td>
<td>$74,818</td>
<td>$157,977</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>31,226</td>
<td>31,226</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>208</td>
<td>13</td>
<td>221</td>
<td>82</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>32</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td>11</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>18,509</td>
<td>154</td>
<td>18,663</td>
<td>947</td>
</tr>
<tr>
<td>Inventory</td>
<td>3,018</td>
<td></td>
<td>3,018</td>
<td>875</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>492</td>
<td>12</td>
<td>504</td>
<td>9,650</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$120,183</td>
<td>8,310</td>
<td>$128,493</td>
<td>$169,537</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>55,907</td>
<td></td>
<td>55,907</td>
<td></td>
</tr>
<tr>
<td>Net other postemployment benefits asset</td>
<td>81</td>
<td>13</td>
<td>94</td>
<td>30</td>
</tr>
<tr>
<td><strong>Capital assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>14,210</td>
<td>1,768</td>
<td>15,978</td>
<td>449</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>744,826</td>
<td>27,608</td>
<td>772,434</td>
<td>23,235</td>
</tr>
<tr>
<td>Sewage conveyance system</td>
<td>902,237</td>
<td></td>
<td>902,237</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>163,917</td>
<td>2,152</td>
<td>166,069</td>
<td>68,733</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(662,843)</td>
<td>(12,676)</td>
<td>(675,519)</td>
<td>(37,712)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>47,540</td>
<td></td>
<td>47,540</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total capital assets</strong></td>
<td>$1,209,887</td>
<td>18,852</td>
<td>$1,228,739</td>
<td>$54,713</td>
</tr>
<tr>
<td><strong>Total netcurrent assets</strong></td>
<td>$1,265,875</td>
<td>18,865</td>
<td>$1,284,740</td>
<td>$54,743</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,386,058</td>
<td>27,175</td>
<td>$1,413,233</td>
<td>$224,280</td>
</tr>
<tr>
<td><strong>Deferred outflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension/OPEB</td>
<td>4,542</td>
<td>695</td>
<td>5,237</td>
<td>2,022</td>
</tr>
<tr>
<td>Deferred charge on refunding</td>
<td>12,071</td>
<td></td>
<td>12,071</td>
<td></td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>4,508</td>
<td></td>
<td>4,508</td>
<td></td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>21,121</td>
<td>695</td>
<td>21,816</td>
<td>2,022</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>12,558</td>
<td>358</td>
<td>12,916</td>
<td>6,415</td>
</tr>
<tr>
<td>Contracts retention</td>
<td></td>
<td></td>
<td></td>
<td>57</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>564</td>
<td>86</td>
<td>650</td>
<td>353</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>15</td>
<td></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Due to other governments</td>
<td>12</td>
<td>86</td>
<td>98</td>
<td>33</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>648</td>
<td>1</td>
<td>649</td>
<td>1</td>
</tr>
<tr>
<td>Current compensated absences</td>
<td>1,873</td>
<td>287</td>
<td>2,160</td>
<td>608</td>
</tr>
<tr>
<td>Current sewer revenue bonds and obligations payable</td>
<td>57,637</td>
<td></td>
<td>57,637</td>
<td></td>
</tr>
<tr>
<td>Current portion of wastewater loans payable</td>
<td>571</td>
<td></td>
<td>571</td>
<td></td>
</tr>
<tr>
<td>Current portion reported but unpaid losses</td>
<td>3,945</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion incurred but not reported losses</td>
<td>6,769</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>73,878</td>
<td>318</td>
<td>74,196</td>
<td>18,181</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>657</td>
<td>143</td>
<td>800</td>
<td>225</td>
</tr>
<tr>
<td>Contracts and notes payable</td>
<td>887</td>
<td></td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>Sewer revenue bonds and obligations payable</td>
<td>468,394</td>
<td>468,394</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater loans payable</td>
<td>2,427</td>
<td></td>
<td>2,427</td>
<td></td>
</tr>
<tr>
<td>Reported but unpaid losses</td>
<td></td>
<td></td>
<td></td>
<td>14,288</td>
</tr>
<tr>
<td>Incurred but not reported losses</td>
<td>13,607</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net pension/OPEB liability</td>
<td>31,170</td>
<td>4,768</td>
<td>35,938</td>
<td>11,606</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>6,159</td>
<td></td>
<td>6,159</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>509,694</td>
<td>4,911</td>
<td>514,605</td>
<td>39,726</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$583,572</td>
<td>5,729</td>
<td>$589,301</td>
<td>$57,907</td>
</tr>
<tr>
<td><strong>Deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension/OPEB</td>
<td>4,643</td>
<td>709</td>
<td>5,352</td>
<td>1,227</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>4,643</td>
<td>709</td>
<td>5,352</td>
<td>1,227</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>699,142</td>
<td>18,852</td>
<td>717,994</td>
<td>54,713</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>41,762</td>
<td></td>
<td>41,762</td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>6,447</td>
<td></td>
<td>6,447</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
<td></td>
<td>30,785</td>
</tr>
<tr>
<td>Regional wastewater reclamation</td>
<td>19,158</td>
<td></td>
<td>19,158</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>52,455</td>
<td>2,580</td>
<td>55,035</td>
<td>81,170</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$818,964</td>
<td>21,432</td>
<td>$840,396</td>
<td>$166,668</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
PIMA COUNTY, ARIZONA  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2019  
(in thousands)

### Business-type Activities

<table>
<thead>
<tr>
<th></th>
<th>Regional Wastewater Reclamation</th>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
<th>Governmental Activities-Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$165,417</td>
<td>$11,464</td>
<td>$176,881</td>
<td>$121,210</td>
</tr>
<tr>
<td>Other</td>
<td>1,010</td>
<td>28</td>
<td>1,038</td>
<td>4,530</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>166,427</td>
<td>11,492</td>
<td>177,919</td>
<td>125,740</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td>26,154</td>
<td>4,208</td>
<td>30,362</td>
<td>13,801</td>
</tr>
<tr>
<td>Operating Supplies and Services</td>
<td>7,387</td>
<td>122</td>
<td>7,509</td>
<td>13,632</td>
</tr>
<tr>
<td>Utilities</td>
<td>6,505</td>
<td></td>
<td>6,505</td>
<td></td>
</tr>
<tr>
<td>Sludge and refuse disposal</td>
<td>1,731</td>
<td></td>
<td>1,731</td>
<td></td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>7,653</td>
<td>242</td>
<td>7,895</td>
<td>3,228</td>
</tr>
<tr>
<td>Incurred losses</td>
<td></td>
<td></td>
<td></td>
<td>62,748</td>
</tr>
<tr>
<td>Insurance premiums</td>
<td></td>
<td></td>
<td></td>
<td>10,154</td>
</tr>
<tr>
<td>General and administrative</td>
<td>14,490</td>
<td>3,431</td>
<td>17,921</td>
<td>11,182</td>
</tr>
<tr>
<td>Consultants and professional services</td>
<td>12,169</td>
<td>343</td>
<td>12,512</td>
<td>6,693</td>
</tr>
<tr>
<td>Depreciation</td>
<td>55,576</td>
<td>799</td>
<td>56,375</td>
<td>6,775</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>131,665</td>
<td>9,145</td>
<td>140,810</td>
<td>128,213</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>34,762</td>
<td>2,347</td>
<td>37,109</td>
<td>(2,473)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>4,014</td>
<td>210</td>
<td>4,224</td>
<td>4,726</td>
</tr>
<tr>
<td>Sewer connection fees</td>
<td>14,701</td>
<td></td>
<td>14,701</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(16,599)</td>
<td>(16,599)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt issuance cost</td>
<td>(325)</td>
<td>(325)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>(722)</td>
<td>(5)</td>
<td>(727)</td>
<td>(39)</td>
</tr>
<tr>
<td>Loss on debt defeasance</td>
<td>(265)</td>
<td>(265)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues</strong></td>
<td>804</td>
<td>205</td>
<td>1,009</td>
<td>4,687</td>
</tr>
<tr>
<td><strong>Income Before Contributions and Transfers</strong></td>
<td>35,566</td>
<td>2,552</td>
<td>38,118</td>
<td>2,214</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>10,968</td>
<td>10,968</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Transfers in</td>
<td>19,512</td>
<td>19,512</td>
<td></td>
<td>7,863</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(29,462)</td>
<td>(1,905)</td>
<td>(31,367)</td>
<td>(3,094)</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>36,584</td>
<td>647</td>
<td>37,231</td>
<td>6,988</td>
</tr>
<tr>
<td><strong>Net Position at Beginning of Year, as Restated</strong></td>
<td>782,380</td>
<td>20,785</td>
<td>803,165</td>
<td>159,680</td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td>$818,964</td>
<td>$21,432</td>
<td>$840,396</td>
<td>$166,668</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
PIMA COUNTY, ARIZONA

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th>Governmental Activities - Internal Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regional Funds</td>
</tr>
<tr>
<td>Wastewater Reclamation</td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
</tr>
<tr>
<td>Cash received from other funds for goods and services provided</td>
<td></td>
</tr>
<tr>
<td>Cash received from customers for goods and services provided</td>
<td>$164,166</td>
</tr>
<tr>
<td>Cash received from miscellaneous operations</td>
<td>1,010</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(38,819)</td>
</tr>
<tr>
<td>Cash payments to other funds for goods and services</td>
<td>(14,494)</td>
</tr>
<tr>
<td>Cash payments for incurred losses</td>
<td></td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(29,914)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>81,949</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
<td></td>
</tr>
<tr>
<td>Cash transfers in from other funds</td>
<td>19,433</td>
</tr>
<tr>
<td>Cash transfers out to other funds</td>
<td>(29,387)</td>
</tr>
<tr>
<td>Loans with other funds</td>
<td>(95)</td>
</tr>
<tr>
<td>Net cash provided by (used for) noncapital financing activities</td>
<td>(10,049)</td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
<td></td>
</tr>
<tr>
<td>Principal paid on bonds and loans</td>
<td>(57,002)</td>
</tr>
<tr>
<td>Interest paid on bonds and loans</td>
<td>(24,533)</td>
</tr>
<tr>
<td>Proceeds from issuance of sewer revenue obligations, including premium</td>
<td>24,974</td>
</tr>
<tr>
<td>Sewer connection fees</td>
<td>14,698</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>25</td>
</tr>
<tr>
<td>Purchase and construction of capital assets</td>
<td>(47,898)</td>
</tr>
<tr>
<td>Loss on debt defeasance</td>
<td>(265)</td>
</tr>
<tr>
<td>Net cash used for capital and related financing activities</td>
<td>(90,001)</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
</tr>
<tr>
<td>Interest received on cash and investments</td>
<td>4,015</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>4,015</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(14,086)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>167,942</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$153,856</td>
</tr>
</tbody>
</table>

(continued)
PIMA COUNTY, ARIZONA

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019
(in thousands)

(continued)

Reconciliation of operating income (loss) to net cash provided by operating activities

<table>
<thead>
<tr>
<th></th>
<th>Regional Wastewater Reclamation Funds</th>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
<th>Governmental Activities-Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$34,762</td>
<td>$2,347</td>
<td>$37,109</td>
<td>($2,473)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>55,576</td>
<td>799</td>
<td>56,375</td>
<td>6,775</td>
</tr>
<tr>
<td>Changes in assets and deferred outflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(1,247)</td>
<td>(13)</td>
<td>(1,260)</td>
<td>(563)</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>(4)</td>
<td>(4)</td>
<td>(8)</td>
<td></td>
</tr>
<tr>
<td>Inventory and other assets</td>
<td>(327)</td>
<td></td>
<td>(327)</td>
<td>61</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>(77)</td>
<td>(3)</td>
<td>(80)</td>
<td>1,043</td>
</tr>
<tr>
<td>Net OPEB asset</td>
<td>46</td>
<td>6</td>
<td>52</td>
<td>14</td>
</tr>
<tr>
<td>Increase (decrease) in deferred outflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension/OPEB plans</td>
<td>(129)</td>
<td>(22)</td>
<td>(151)</td>
<td>1,475</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>67</td>
<td></td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Changes in liabilities and deferred inflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>502</td>
<td>(40)</td>
<td>462</td>
<td>(1,157)</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>(3,678)</td>
<td>34</td>
<td>(3,644)</td>
<td>33</td>
</tr>
<tr>
<td>Reported but unpaid losses</td>
<td></td>
<td></td>
<td></td>
<td>(3,544)</td>
</tr>
<tr>
<td>Incurred but not reported losses</td>
<td></td>
<td></td>
<td></td>
<td>2,596</td>
</tr>
<tr>
<td>Net Pension/OPEB liability</td>
<td>(4,956)</td>
<td>(735)</td>
<td>(5,691)</td>
<td>(823)</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>135</td>
<td></td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(244)</td>
<td>27</td>
<td>(217)</td>
<td>159</td>
</tr>
<tr>
<td>Increase in deferred inflows of resources:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension/OPEB plans</td>
<td>1,523</td>
<td>234</td>
<td>1,757</td>
<td>654</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$81,949</td>
<td>$2,630</td>
<td>$84,579</td>
<td>$4,250</td>
</tr>
</tbody>
</table>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2019:

Regional Wastewater Reclamation Enterprise Fund received developer-built conveyance systems with an estimated fair value of $10,879. The Fund also received donated land property with an estimated value of $88. These contributions were recorded as an increase in capital assets and capital contributions.

Regional Wastewater Reclamation Enterprise Fund disposed of capital assets with a net book value of $747.

Regional Wastewater Reclamation Enterprise Fund received a transfer of capital asset with a net book value of $79 from Internal Service Funds, and transferred out a capital asset with a net book value of $75 to Internal Service Funds.

Regional Wastewater Reclamation Enterprise Fund retired expired Connection Flow-Through Sewer Credit Agreements totaling $1. This transaction was recorded as a decrease to unearned revenue and an increase in capital contributions.

Other Enterprise Funds donated a fully depreciated capital asset with an original cost of $18.

Other Enterprise Funds disposed of capital assets with a net book value of $4.

Internal Service Funds sold capital assets with a net book value of $303.

Internal Service Funds disposed of capital assets with a net book value of $101 and transferred out to General Government capital assets with a net book value of $6.

See accompanying notes to financial statements
PIMA COUNTY, ARIZONA
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Investment Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$183,619</td>
<td>$73,560</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>164</td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td></td>
<td>1,124</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>183,783</td>
<td>74,684</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Investment Trust Funds</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td></td>
<td>1,969</td>
</tr>
<tr>
<td>Due to other governments</td>
<td></td>
<td>55,362</td>
</tr>
<tr>
<td>Deposits and rebates</td>
<td></td>
<td>17,353</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>$74,684</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Investment Trust Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net position</strong></td>
<td>$183,783</td>
</tr>
<tr>
<td>Held in trust for pool participants</td>
<td></td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Investment Trust Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
</tr>
<tr>
<td>Contributions from participants</td>
<td>$ 2,001,232</td>
</tr>
<tr>
<td><strong>Total contributions</strong></td>
<td>2,001,232</td>
</tr>
<tr>
<td>Investment earnings</td>
<td></td>
</tr>
<tr>
<td><strong>Total investment earnings</strong></td>
<td>5,445</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>2,006,677</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td></td>
</tr>
<tr>
<td>Distributions to participants</td>
<td>1,995,325</td>
</tr>
<tr>
<td><strong>Total deductions</strong></td>
<td>1,995,325</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>11,352</td>
</tr>
<tr>
<td><strong>Net position held in trust July 1, 2018</strong></td>
<td>172,431</td>
</tr>
<tr>
<td><strong>Net position held in trust June 30, 2019</strong></td>
<td>$ 183,783</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements
Note 1: Summary of Significant Accounting Policies

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

For the year ended June 30, 2019, the County implemented the provisions of GASB Statement No. 83, Certain Asset Retirement Obligations, that addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The County also implemented the provisions of GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, which requires that additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. In addition, the County early implemented the provisions of GASB Statement No. 89, Accounting for Interest Incurred Before the End of a Construction Period, that establishes accounting requirements for interest incurred before the end of the construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of the construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

A. Reporting Entity

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

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County’s operations. Therefore, data from these units is combined with data of the County. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended and discretely presented component unit discussed below has a June 30 year-end.

The following describes the County’s component units:

The Pima County Stadium District, a legally separate entity, was created in 1991 when the Board of Supervisors adopted a resolution to create the Stadium District to manage Kino Sports Complex. The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. The Stadium District, in conjunction with Pima County government, maintains the fiscal resources of the entire complex including facilities, grounds, personnel and the various services provided at the venue. Kino Sports Complex, which covers 155 acres, is the largest professional sports and entertainment venue of its kind in Pima County. The facility hosts youth athletics, amateur and professional sports, concerts and community events on its fields. The County Board of Supervisors serves as the Board of Directors and has operational responsibility for the District. Acting in the capacity of the Board of Directors, the Pima County Board of Supervisors is able to impose its will on the District. The Board of Directors levies the car rental surcharge rates and the recreation vehicle (RV) park tax for the District. The District is reported as a special revenue fund (blended component unit) in these financial statements. Complete financial statements for the District can be obtained from the Pima County Department of Finance and Risk Management located at 130 West Congress Street, Tucson, Arizona 85701.
Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Related Organization

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

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

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

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

- charges to customers or applicants for goods, services, or privileges provided;
- operating grants and contributions; and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies or imposes, are reported as general revenues.

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

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

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

The County reports the following major governmental funds:

The General Fund is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund revenues are primarily from property taxes and intergovernmental revenues.
Note 1: Summary of Significant Accounting Policies (continued)

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

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

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

Investment Trust Funds account for pooled assets and individual investment accounts the County Treasurer holds and invests on behalf of other governmental entities.

Agency Funds account for assets the County holds as an agent for the State, cities, towns, and other parties.

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County recognizes property taxes to be available if collected within 30 days. In addition, other taxes that are reported as intergovernmental revenues, i.e. state shared sales tax, highway user revenues and vehicle license tax, recreational vehicle taxes, car rental surcharges, and hotel excise taxes are also recognized if collected within 30 days. Grant funded intergovernmental revenues are considered available if collected within 60 days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pension/OPEB, landfill closure and post-closure care costs, pollution remediation obligations, and asset retirement obligations, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.
Note 1: Summary of Significant Accounting Policies (continued)

D. Cash and Investments

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

E. Inventories and Prepaids

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

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

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

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

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

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

F. Property Tax Calendar

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

G. Capital Assets

Capital assets are reported at actual cost or estimated historical cost if historical records are not available. Donated assets are reported at acquisition value 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 are as follows:
Note 1: Summary of Significant Accounting Policies (continued)

<table>
<thead>
<tr>
<th>Capitalization</th>
<th>Depreciation</th>
<th>Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Threshold</td>
<td>Method</td>
</tr>
<tr>
<td>Land</td>
<td>All</td>
<td>N/A</td>
</tr>
<tr>
<td>Land improvements</td>
<td>All</td>
<td>Straight Line</td>
</tr>
<tr>
<td>(Reported in buildings and improvements)</td>
<td>$100</td>
<td>Straight Line</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>$100</td>
<td>Straight Line</td>
</tr>
<tr>
<td>Equipment</td>
<td>$5</td>
<td>Straight Line</td>
</tr>
<tr>
<td>Infrastructure/Sewer conveyance systems</td>
<td>$100</td>
<td>Straight Line</td>
</tr>
<tr>
<td>Intangible (Reported in land and infrastructure)</td>
<td>$100</td>
<td>Straight Line</td>
</tr>
<tr>
<td>Software (Reported in equipment)</td>
<td>$5,000</td>
<td>Straight Line</td>
</tr>
</tbody>
</table>

Discretely presented component unit:

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

H. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

I. Postemployment benefits

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

J. Fund Balance Classifications

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

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

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County’s Board of Supervisors, the highest level of decision-making authority within the County, approved by formal action (ordinance).
Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

K. Investment Earnings

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

L. Compensated Absences

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

Employees may accumulate up to 240 hours of annual leave depending upon years of service. If an employee has accumulated annual leave in excess of 240 hours by their anniversary date, the excess hours are converted to sick leave. Upon termination of employment, all unused annual leave benefits are paid to employees. Accordingly, annual leave benefits are accrued as a liability in the government-wide and proprietary funds’ financial statements. A liability for these amounts is reported in the governmental funds’ financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate up to 1,920 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but most employees forfeit them upon terminating employment. However, employees who have accumulated greater than 240 hours of sick leave and are eligible to retire will receive some benefits. Employees who are eligible to retire from County service into the Arizona State Retirement System, Public Safety Personnel Retirement System, or Corrections Officer Retirement Plan may request sick leave to be converted to annual leave on a predetermined conversion basis. An estimate of those retirement payouts is accrued as a liability in the government-wide and proprietary funds’ financial statements. A liability for these amounts is reported in the governmental funds’ financial statements under Employee Compensation only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.
Note 2: Change in Accounting Principle

Net position as of July 1, 2018, has been restated as follows due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*. See Note 1 and Note 7 for further information.

<table>
<thead>
<tr>
<th>Major Enterprise Fund</th>
<th>Business-type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position as previously reported at June 30, 2018</td>
<td>$ 783,829</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td></td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>(6,024)</td>
</tr>
<tr>
<td>Deferred outflows - Asset retirement obligations</td>
<td>4,575</td>
</tr>
<tr>
<td>Total prior period adjustment</td>
<td>(1,449)</td>
</tr>
<tr>
<td>Net position as restated, July 1, 2018</td>
<td>$ 782,380</td>
</tr>
</tbody>
</table>
Note 3: Cash and Investments

Primary Government

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

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

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.

2. Specified bonds, debentures, notes and other evidence of indebtedness that are denominated in United States dollars must be rated ‘A’ or better by at least two nationally recognized rating agencies at the time of purchase.

3. Fixed income securities must carry one of the two highest ratings by Moody’s Investors Service and Standard and Poor’s rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

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

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

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

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

Deposits—At June 30, 2019, the carrying amount of the County’s deposits was $67,323, and the bank balance was $96,301.
Note 3: Cash and Investments (continued)

**Custodial credit risk**—Custodial credit risk is the risk that the County will not be able to recover its deposits if a financial institution fails. The County does not have a formal policy with respect to custodial credit risk. As of June 30, 2019, $1,933 of County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**—At June 30, 2019, the County’s investments consisted of $378,773 invested in marketable securities and $475,460 invested in the State Treasurer’s Investment Pool. Cash from the County and from externally legally separate governments are pooled to purchase the investments in marketable securities and the State Treasurer’s Pool. 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**—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy with respect to credit risk.

At June 30, 2019, credit risk for the County’s investments was as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Standard &amp; Poor's/Moody's Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Not Rated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AAA/Aaa</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>$ 141,051</td>
<td>$ 27,307</td>
</tr>
<tr>
<td>Federal agency securities</td>
<td>201,815</td>
<td>$ 5,021</td>
</tr>
<tr>
<td>Money market mutual fund</td>
<td>35,907</td>
<td>35,907</td>
</tr>
<tr>
<td>State Treasurer’s Pool 5</td>
<td>180,667</td>
<td>180,667</td>
</tr>
<tr>
<td>State Treasurer's Pool 500</td>
<td>178,065</td>
<td>$ 178,065</td>
</tr>
<tr>
<td>State Treasurer's Pool 7</td>
<td>116,728</td>
<td>116,728</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 854,233</strong></td>
<td><strong>$ 294,793</strong></td>
</tr>
</tbody>
</table>

**Custodial credit risk**—For an investment, custodial risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy with respect to custodial credit risk. Of the County’s $854,233 of investments, $342,866, consisting of the corporate bonds, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association, is uninsured and held by a counterparty in the County’s name in book entry form.
Note 3: Cash and Investments (continued)

Concentration of credit risk—The County has no formal policy with respect to limiting the amount the Treasurer may invest in any one issuer. The County had investments at June 30, 2019 of 5% or more in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments were 10% and 8%, respectively, of the County’s total investments.

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

As of June 30, 2019, the County had the following investments:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Amount</th>
<th>Weighted Average Maturity (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Treasurer Investment Pool 5</td>
<td>$180,667</td>
<td>0.09</td>
</tr>
<tr>
<td>State Treasurer Investment Pool 500</td>
<td>$178,065</td>
<td>2.51</td>
</tr>
<tr>
<td>State Treasurer Investment Pool 7</td>
<td>$116,728</td>
<td>0.08</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>$141,051</td>
<td>1.48</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>$32,303</td>
<td>1.28</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>$84,227</td>
<td>1.65</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>$70,805</td>
<td>3.25</td>
</tr>
<tr>
<td>Federal National Mortgage Association</td>
<td>$14,480</td>
<td>0.68</td>
</tr>
<tr>
<td>Money market mutual fund</td>
<td>$35,907</td>
<td>0.08</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$854,233</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Cash on Hand</th>
<th>Amounts of Deposits</th>
<th>Amounts of Investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$40</td>
<td>$67,323</td>
<td>$854,233</td>
<td>$921,596</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement of Net Position</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Investment Trust Funds</th>
<th>Agency Funds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$501,347</td>
<td>$74,818</td>
<td>$183,619</td>
<td>$73,560</td>
<td>$833,344</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,119</td>
<td>87,133</td>
<td></td>
<td></td>
<td>88,252</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$502,466</strong></td>
<td><strong>$161,951</strong></td>
<td><strong>$183,619</strong></td>
<td><strong>$73,560</strong></td>
<td><strong>$921,596</strong></td>
</tr>
</tbody>
</table>
Note 3: Cash and Investments (continued)

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

The Pool’s assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest Rates</th>
<th>Maturities</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bonds</td>
<td>$143,743</td>
<td>1.38-5.65%</td>
<td>08/19-06/23</td>
<td>$141,051</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>27,000</td>
<td>1.50-3.00%</td>
<td>12/19-10/21</td>
<td>32,303</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>73,510</td>
<td>0.88-4.13%</td>
<td>08/19-11/22</td>
<td>84,227</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>93,510</td>
<td>1.40-3.08%</td>
<td>08/20-06/24</td>
<td>70,805</td>
</tr>
<tr>
<td>Federal National Mortgage Association</td>
<td>14,496</td>
<td>1.00-1.95%</td>
<td>10/19-11/20</td>
<td>14,480</td>
</tr>
<tr>
<td>State Treasurer Investment Pool 5</td>
<td>121,598</td>
<td>N/A</td>
<td>N/A</td>
<td>121,598</td>
</tr>
<tr>
<td>Deposits</td>
<td>43,285</td>
<td>N/A</td>
<td>N/A</td>
<td>42,858</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>164</td>
<td>N/A</td>
<td>N/A</td>
<td>164</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td></td>
<td></td>
<td>$507,486</td>
</tr>
</tbody>
</table>

Statement of Net Position
Assets held in trust for:
- Internal participants $451,938
- External participants 55,548
Total assets 507,486
Total liabilities
Total net position held in trust $507,486

Statement of Changes in Net Position
Total additions $5,429,751
Total deductions (5,462,139)
Net increase (32,388)
Net position held in trust:
July 1, 2018 539,874
June 30, 2019 $507,486
Note 3: Cash and Investments (continued)

**Fair Value Measurement**—The County’s investments at June 30, 2019, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<table>
<thead>
<tr>
<th>Investment by fair value level</th>
<th>Amount</th>
<th>Quoted prices in active markets for identical assets (Level 1)</th>
<th>Quoted prices in active markets for similar assets (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate bonds</td>
<td>$141,051</td>
<td>$136,027</td>
<td>$5,024</td>
</tr>
<tr>
<td>Federal Farm Credit Bank</td>
<td>32,303</td>
<td>12,159</td>
<td>20,144</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>84,227</td>
<td>12,028</td>
<td>72,199</td>
</tr>
<tr>
<td>Federal Home Loan Mortgage Corporation</td>
<td>70,805</td>
<td></td>
<td>70,805</td>
</tr>
<tr>
<td>Federal National Mortgage Association</td>
<td>14,480</td>
<td></td>
<td>9,489</td>
</tr>
<tr>
<td>Money market mutual fund</td>
<td>35,907</td>
<td>35,907</td>
<td></td>
</tr>
<tr>
<td><strong>Total investments by fair value level</strong></td>
<td><strong>$378,773</strong></td>
<td><strong>$201,112</strong></td>
<td><strong>$177,661</strong></td>
</tr>
</tbody>
</table>

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

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

The County also had investments of $475,460 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.
Note 4: Fund Balance Classification of the Governmental Funds

The table below details the fund balance categories and classifications:

<table>
<thead>
<tr>
<th>Fund Balance:</th>
<th>General Fund</th>
<th>Capital Projects Fund</th>
<th>Debt Service Fund</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,405</td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>$ 4,787</td>
<td></td>
<td></td>
<td>$ 1,090</td>
<td>5,877</td>
</tr>
<tr>
<td>Interfund receivable</td>
<td>2,500</td>
<td></td>
<td></td>
<td>2,500</td>
<td></td>
</tr>
<tr>
<td>Permanent fund principal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Total nonspendable</td>
<td>7,287</td>
<td></td>
<td></td>
<td>2,540</td>
<td>9,827</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community and economic development</td>
<td>$ 1,467</td>
<td></td>
<td></td>
<td>1,515</td>
<td>2,982</td>
</tr>
<tr>
<td>Flood Control District</td>
<td>7,490</td>
<td></td>
<td>10,929</td>
<td>18,419</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td>8,089</td>
<td>8,089</td>
</tr>
<tr>
<td>Judicial activities</td>
<td></td>
<td></td>
<td></td>
<td>19,790</td>
<td>19,790</td>
</tr>
<tr>
<td>Law enforcement</td>
<td>365</td>
<td></td>
<td>5,143</td>
<td>5,508</td>
<td></td>
</tr>
<tr>
<td>Library District</td>
<td>4,898</td>
<td></td>
<td>15,218</td>
<td>20,116</td>
<td></td>
</tr>
<tr>
<td>Municipal facilities</td>
<td>411</td>
<td></td>
<td>411</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>367</td>
<td></td>
<td>344</td>
<td>711</td>
<td></td>
</tr>
<tr>
<td>Pima animal care</td>
<td>1,263</td>
<td></td>
<td>1,769</td>
<td>3,032</td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>75</td>
<td></td>
<td>1,910</td>
<td>1,985</td>
<td></td>
</tr>
<tr>
<td>School reserve</td>
<td></td>
<td></td>
<td></td>
<td>254</td>
<td>254</td>
</tr>
<tr>
<td>Streets and highways</td>
<td>60,300</td>
<td></td>
<td>11,478</td>
<td>71,778</td>
<td></td>
</tr>
<tr>
<td>Other purposes</td>
<td>1,471</td>
<td></td>
<td>683</td>
<td>2,154</td>
<td></td>
</tr>
<tr>
<td>Total restricted</td>
<td>78,107</td>
<td></td>
<td></td>
<td>77,122</td>
<td>155,229</td>
</tr>
<tr>
<td>Committed to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and recreation</td>
<td></td>
<td></td>
<td></td>
<td>3,700</td>
<td>3,700</td>
</tr>
<tr>
<td>School reserve</td>
<td></td>
<td></td>
<td></td>
<td>293</td>
<td>293</td>
</tr>
<tr>
<td>Total committed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,993</td>
</tr>
<tr>
<td>Assigned to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community and economic development</td>
<td>255</td>
<td></td>
<td>1,182</td>
<td>1,437</td>
<td></td>
</tr>
<tr>
<td>Debt service reserve</td>
<td></td>
<td>$ 6,845</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Judicial activities</td>
<td></td>
<td></td>
<td></td>
<td>121</td>
<td>121</td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td>1,673</td>
<td>1,673</td>
</tr>
<tr>
<td>Law enforcement</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library District</td>
<td>112</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal facilities</td>
<td>25,181</td>
<td></td>
<td>3,498</td>
<td>28,679</td>
<td></td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>2</td>
<td></td>
<td>1,354</td>
<td>1,356</td>
<td></td>
</tr>
<tr>
<td>Sports promotion (Stadium)</td>
<td>11,931</td>
<td></td>
<td>2,136</td>
<td>14,067</td>
<td></td>
</tr>
<tr>
<td>Streets and highways</td>
<td>2,835</td>
<td></td>
<td>2,835</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other purposes</td>
<td>920</td>
<td></td>
<td>614</td>
<td>1,534</td>
<td></td>
</tr>
<tr>
<td>Total assigned</td>
<td>121</td>
<td>41,234</td>
<td>6,845</td>
<td>10,578</td>
<td>58,778</td>
</tr>
<tr>
<td>Unassigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$ 109,398</td>
<td>$ 119,341</td>
<td>$ 6,845</td>
<td>$ 89,121</td>
<td>$ 324,705</td>
</tr>
</tbody>
</table>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2019
(in thousands)
Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2018</td>
<td></td>
<td></td>
<td>June 30, 2019</td>
</tr>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 537,388</td>
<td>$ 15,026</td>
<td>$ (3,221)</td>
<td>$ 549,193</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>42,895</td>
<td>81,277</td>
<td>(58,883)</td>
<td>65,289</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>580,283</td>
<td>96,303</td>
<td>(62,104)</td>
<td>614,482</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>907,241</td>
<td>23,314</td>
<td>(6,524)</td>
<td>924,031</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,434,752</td>
<td>24,554</td>
<td>(12,917)</td>
<td>1,446,389</td>
</tr>
<tr>
<td>Equipment</td>
<td>226,234</td>
<td>12,970</td>
<td>(9,438)</td>
<td>229,766</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>2,568,227</td>
<td>60,838</td>
<td>(28,879)</td>
<td>2,600,186</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(309,812)</td>
<td>(27,055)</td>
<td>3,962</td>
<td>(332,905)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(799,158)</td>
<td>(40,497)</td>
<td>12,259</td>
<td>(827,396)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(120,774)</td>
<td>(16,865)</td>
<td>8,966</td>
<td>(128,673)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(1,229,744)</td>
<td>(84,417)</td>
<td>25,187</td>
<td>(1,288,974)</td>
</tr>
<tr>
<td>Total capital assets being depreciated, net</td>
<td>1,338,483</td>
<td>(23,579)</td>
<td>(3,692)</td>
<td>1,311,212</td>
</tr>
<tr>
<td>Governmental activities capital assets, net</td>
<td>$ 1,918,766</td>
<td>$ 72,724</td>
<td>(65,796)</td>
<td>$ 1,925,694</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 15,472</td>
<td>$ 506</td>
<td>$ (66,995)</td>
<td>$ 47,540</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>74,158</td>
<td>40,377</td>
<td>(2,015)</td>
<td>902,237</td>
</tr>
<tr>
<td>Total capital assets not being depreciated</td>
<td>89,630</td>
<td>40,883</td>
<td>(66,995)</td>
<td>63,518</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>770,399</td>
<td>2,095</td>
<td>(60)</td>
<td>772,434</td>
</tr>
<tr>
<td>Sewage conveyance systems</td>
<td>839,257</td>
<td>64,995</td>
<td>(2,015)</td>
<td>902,237</td>
</tr>
<tr>
<td>Equipment</td>
<td>155,361</td>
<td>12,001</td>
<td>(1,293)</td>
<td>166,069</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>1,765,017</td>
<td>79,091</td>
<td>(3,368)</td>
<td>1,840,740</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(218,597)</td>
<td>(27,415)</td>
<td>2</td>
<td>(246,010)</td>
</tr>
<tr>
<td>Sewage conveyance systems</td>
<td>(334,037)</td>
<td>(17,174)</td>
<td>1,432</td>
<td>(349,779)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(69,128)</td>
<td>(11,786)</td>
<td>1,184</td>
<td>(79,730)</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>(621,762)</td>
<td>(56,375)</td>
<td>2,618</td>
<td>(675,519)</td>
</tr>
<tr>
<td>Total capital assets being depreciated, net</td>
<td>1,143,255</td>
<td>22,716</td>
<td>(750)</td>
<td>1,165,221</td>
</tr>
<tr>
<td>Business-type activities capital assets, net</td>
<td>$ 1,232,885</td>
<td>$ 63,599</td>
<td>(67,745)</td>
<td>$ 1,228,739</td>
</tr>
</tbody>
</table>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2019
(in thousands)
Note 5: Capital Assets (continued)

Depreciation expense was charged to functions as follows:

**Governmental activities:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>$17,957</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>12,571</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highway and streets</td>
<td>37,369</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>417</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>1,356</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Welfare</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>7,148</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and economic opportunity</td>
<td>818</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal service funds</td>
<td>6,775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total governmental activities depreciation expense</strong></td>
<td>$84,417</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Business-type activities:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Balance</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Garages</td>
<td>$799</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Wastewater Reclamation Department</td>
<td>55,576</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total business-type activities depreciation expense</strong></td>
<td>$56,375</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Discretely presented component unit:**

Southwestern Fair Commission (SFC):

Capital assets being depreciated:

<table>
<thead>
<tr>
<th>Asset type</th>
<th>July 1, 2018</th>
<th>Increases</th>
<th>Decreases</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>$10,057</td>
<td>$1,130</td>
<td>$(139)</td>
<td>$11,048</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,633</td>
<td>197</td>
<td>$(66)</td>
<td>2,764</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated</strong></td>
<td>$12,690</td>
<td>1,327</td>
<td>$(205)</td>
<td>13,812</td>
</tr>
</tbody>
</table>

Less accumulated depreciation for:

<table>
<thead>
<tr>
<th>Asset type</th>
<th>July 1, 2018</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>(4,907)</td>
<td>(555)</td>
<td>139</td>
<td>(5,323)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(2,275)</td>
<td>(103)</td>
<td>66</td>
<td>(2,312)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation</strong></td>
<td>(7,182)</td>
<td>(658)</td>
<td>205</td>
<td>(7,635)</td>
</tr>
</tbody>
</table>

Total capital assets being depreciated, net:

| Total capital assets being depreciated, net | 5,508 | 669 | $6,177 |

SFC capital assets, net:

| SFC capital assets, net | $5,508 | $669 | $6,177 |
Note 6: Claims, Judgments and Risk Management

Self-Insurance Trust Fund (SIT Fund)

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

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

At June 30, 2019, claims liabilities for each insurable category are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Balance</th>
<th>Changes in Estimates</th>
<th>Payments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto liability</td>
<td>$167</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General liability</td>
<td>14,508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers' compensation</td>
<td>17,592</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical malpractice</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental liability</td>
<td>1,500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$33,809</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance July 1</th>
<th>Changes in Estimates</th>
<th>Claims Payments</th>
<th>Balance June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>$35,471</td>
<td>$7,139</td>
<td>$(7,553)</td>
<td>$35,057</td>
</tr>
<tr>
<td>2018-19</td>
<td>35,057</td>
<td>5,262</td>
<td>(6,510)</td>
<td>33,809</td>
</tr>
</tbody>
</table>

Health Benefits Trust Fund (HBT Fund)

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

The plan consists of two options, a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), or an HDHP without an HSA. The County purchases commercial stop-loss insurance coverage for claims in excess of coverage provided by the HBT Fund. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.
Note 6: Claims, Judgments and Risk Management (continued)

Claim liabilities are computed using a combination of two actuarial methods: the completion factor approach and the exposure approach. Accrued actuarial liabilities for the HBT Fund at June 30, 2019, for the HDHP plans are as follows:

<table>
<thead>
<tr>
<th>High-Deductible Health Plan:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Medical</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,456</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pharmacy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,344</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$4,800</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Current-Year Claims and Balance</th>
<th>Changes in Estimates</th>
<th>Claims Payments</th>
<th>Balance June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>$4,200</td>
<td>$52,892</td>
<td>($52,592)</td>
<td>$4,500</td>
</tr>
<tr>
<td>2018-19</td>
<td>4,500</td>
<td>57,486</td>
<td>(57,186)</td>
<td>4,800</td>
</tr>
</tbody>
</table>

Litigation

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

Pollution Remediation

The County has estimated and reported an environmental liability of $55 in the government-wide financial statements for governmental activities (in noncurrent liabilities). Remediation efforts are currently underway at one County site: El Camino del Cerro.

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

The estimated liability was calculated based upon the expected future outlays associated with the estimate of one pump-and-treat system for one year. There is potential for changes due to increased costs associated with sewage disposal costs, construction costs for extraction and injection wells, and/or changes in the estimated extent of contamination.
Note 7: Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activities for the year ended June 30, 2019.

<table>
<thead>
<tr>
<th>Governmental activities:</th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance</th>
<th>Due within 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2018</td>
<td></td>
<td></td>
<td>June 30, 2019</td>
<td></td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>$256,595</td>
<td>$40,570</td>
<td>$216,025</td>
<td>$43,075</td>
<td></td>
</tr>
<tr>
<td>Bonds from direct placements *</td>
<td>19,395</td>
<td>8,085</td>
<td>11,310</td>
<td>9,350</td>
<td></td>
</tr>
<tr>
<td>Unamortized premium/discount</td>
<td>12,192</td>
<td>2,955</td>
<td>9,237</td>
<td>2,719</td>
<td></td>
</tr>
<tr>
<td>Total general obligation bonds</td>
<td>288,182</td>
<td>51,610</td>
<td>236,572</td>
<td>55,144</td>
<td></td>
</tr>
<tr>
<td>Transportation revenue bonds</td>
<td>80,330</td>
<td>25,000</td>
<td>14,820</td>
<td>90,510</td>
<td>14,405</td>
</tr>
<tr>
<td>Unamortized premium/discount</td>
<td>5,178</td>
<td>2,832</td>
<td>1,604</td>
<td>6,406</td>
<td>1,612</td>
</tr>
<tr>
<td>Total transportation revenue bonds</td>
<td>85,508</td>
<td>27,832</td>
<td>16,424</td>
<td>96,916</td>
<td>16,017</td>
</tr>
<tr>
<td>Certificates of participation</td>
<td>161,260</td>
<td>20,940</td>
<td>64,875</td>
<td>117,325</td>
<td>22,535</td>
</tr>
<tr>
<td>Unamortized premium/discount</td>
<td>5,357</td>
<td>3,877</td>
<td>1,992</td>
<td>7,242</td>
<td>1,764</td>
</tr>
<tr>
<td>Total certificates of participation</td>
<td>166,617</td>
<td>24,817</td>
<td>66,867</td>
<td>124,567</td>
<td>24,299</td>
</tr>
<tr>
<td>Capital lease payable</td>
<td>38</td>
<td>38</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installment notes from direct borrowing *</td>
<td>2,078</td>
<td>170</td>
<td>1,524</td>
<td>724</td>
<td>622</td>
</tr>
<tr>
<td>Net pension/OPEB liabilities (Note 10)</td>
<td>784,384</td>
<td>76,084</td>
<td>708,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported but unpaid losses (Note 6)</td>
<td>21,777</td>
<td>180</td>
<td>3,724</td>
<td>18,233</td>
<td>3,945</td>
</tr>
<tr>
<td>Incurred but not reported losses (Note 6)</td>
<td>17,780</td>
<td>3,429</td>
<td>833</td>
<td>20,376</td>
<td>6,769</td>
</tr>
<tr>
<td>Landfill closure and post-closure care costs (Note 8)</td>
<td>9,978</td>
<td>133</td>
<td>10,111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pollution remediation (Note 6)</td>
<td>236</td>
<td>181</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>33,578</td>
<td>21,274</td>
<td>21,113</td>
<td>33,739</td>
<td>22,343</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$1,410,156</td>
<td>$77,835</td>
<td>$238,398</td>
<td>$1,249,593</td>
<td>$129,139</td>
</tr>
</tbody>
</table>

* There was a debt disclosure reclassification as a result of the implementation of GASB Statement No.88. (See Note 1)
PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2019  
(in thousands)

Note 7: Long-Term Liabilities (continued)

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2018</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2019</th>
<th>Due within 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer revenue bonds</td>
<td>$ 2,860</td>
<td>$ 2,860</td>
<td></td>
<td>$ 2,860</td>
<td></td>
</tr>
<tr>
<td>Unamortized premium/discount</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue bonds payable</td>
<td>2,863</td>
<td>2,863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer revenue obligations</td>
<td>466,745</td>
<td>21,245</td>
<td>50,835</td>
<td>$ 437,155</td>
<td>$ 44,060</td>
</tr>
<tr>
<td>Obligations from direct placement*</td>
<td>42,325</td>
<td>2,750</td>
<td>39,575</td>
<td>2,825</td>
<td></td>
</tr>
<tr>
<td>Unamortized premium/discount</td>
<td>56,638</td>
<td>4,053</td>
<td>11,390</td>
<td>49,301</td>
<td>10,752</td>
</tr>
<tr>
<td>Total revenue obligations payable</td>
<td>565,708</td>
<td>25,298</td>
<td>64,975</td>
<td>526,031</td>
<td>57,637</td>
</tr>
<tr>
<td><strong>Regional Wastewater Reclamation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from direct borrowing*</td>
<td>3,555</td>
<td>557</td>
<td>2,998</td>
<td>571</td>
<td></td>
</tr>
<tr>
<td>Total loan payable</td>
<td>3,555</td>
<td>557</td>
<td>2,998</td>
<td>571</td>
<td></td>
</tr>
<tr>
<td>Net pension/OPEB liabilities (Note 10)</td>
<td>41,629</td>
<td>5,691</td>
<td>35,938</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts and notes</td>
<td>763</td>
<td>1,474</td>
<td>1,350</td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>3,155</td>
<td>1,866</td>
<td>2,061</td>
<td>2,960</td>
<td>2,160</td>
</tr>
<tr>
<td>Asset retirement obligations **</td>
<td>6,024</td>
<td>135</td>
<td></td>
<td>6,159</td>
<td></td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>$ 623,697</td>
<td>$ 28,773</td>
<td>$ 77,497</td>
<td>$ 574,973</td>
<td>$ 60,368</td>
</tr>
</tbody>
</table>

* There was a debt disclosure reclassification as a result of the implementation of GASB Statement No.88. (See Note 1)
** There was a restatement of net position as a result of the implementation of GASB Statement No.83. (See Note 2).

The County’s debt consists of various issues of general obligation bonds including bonds from direct placements, transportation revenue bonds, certificates of participation, sewer revenue bonds and obligations including obligations from direct placements, and a loan from direct borrowing that are generally callable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. Bonds have also been issued to advance-refund previously issued bonds. The County repays general obligation bonds from voter-approved property taxes. Transportation revenue bonds are repaid from net highway user revenues in the Transportation fund. Certificates of participation are repaid from General fund and other various funds’ revenues. Sewer revenue bonds, obligations, including obligations from direct placement, and the loan from direct borrowing are repaid from the charges for services in the Regional Wastewater Reclamation fund.
Note 7: Long-Term Liabilities (continued)

GENERAL OBLIGATION BONDS

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

General obligation bonds payable at June 30, 2019, consisted of the outstanding general obligation bonds presented below.

The following table presents amounts outstanding by issue.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Amount</th>
<th>Interest Rates</th>
<th>Maturities</th>
<th>Call Date</th>
<th>Outstanding June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of 2009</td>
<td>75,000</td>
<td>4.00%</td>
<td>2020</td>
<td>July 1, 2019</td>
<td>$ 4,000</td>
</tr>
<tr>
<td>Series of 2009A</td>
<td>90,000</td>
<td>3.50%</td>
<td>2020-21</td>
<td>July 1, 2019</td>
<td>13,045</td>
</tr>
<tr>
<td>Series of 2011</td>
<td>75,000</td>
<td>5.00%</td>
<td>2020-22</td>
<td>July 1, 2021</td>
<td>10,980</td>
</tr>
<tr>
<td>Series of 2012A</td>
<td>60,000</td>
<td>3.00 - 4.00%</td>
<td>2020-27</td>
<td>July 1, 2022</td>
<td>29,700</td>
</tr>
<tr>
<td>Series of 2013A</td>
<td>50,000</td>
<td>2.00 - 4.00%</td>
<td>2020-28</td>
<td>July 1, 2023</td>
<td>32,080</td>
</tr>
<tr>
<td>Series of 2013B Refunding</td>
<td>38,575</td>
<td>3.00%</td>
<td>2020</td>
<td></td>
<td>5,155</td>
</tr>
<tr>
<td>Series of 2014</td>
<td>10,000</td>
<td>3.00 - 5.00%</td>
<td>2020-28</td>
<td>July 1, 2023</td>
<td>6,770</td>
</tr>
<tr>
<td>Series of 2015</td>
<td>15,000</td>
<td>2.25 - 4.00%</td>
<td>2020-29</td>
<td>July 1, 2025</td>
<td>8,590</td>
</tr>
<tr>
<td>Series of 2016 Refunding</td>
<td>122,070</td>
<td>2.00 - 4.00%</td>
<td>2020-26</td>
<td></td>
<td>105,705</td>
</tr>
</tbody>
</table>

Subtotal 216,025

Series of 2017 - Direct placement | 25,680 | 1.83% | 2020-21 | 11,310

G.O. bonds outstanding | 227,335

Plus unamortized premium/discount: | 9,237

Total G.O. bonds outstanding | $ 236,572

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2019.

During fiscal year 2016-17, the County issued General Obligation Refunding Bonds, Series 2016 to defease certain General Obligation Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments of the defeased debts. Accordingly, the trust account assets and liability for the defeased bonds are not included in the County’s financial statements. At June 30, 2019, $17,380 of Series 2011 was considered defeased.
PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2019  
(in thousands)  

Note 7: Long-Term Liabilities (continued)  

TRANSPORTATION BONDS  
Governmental Activities  
(Payments made from street and highway revenues)  

Pima County transportation revenue bonds were issued to provide monies to construct improvements to the County’s streets and highways. Of the total amount originally authorized, $37,375 from the November 4, 1997 bond election remains unissued.  

On April 25, 2019, the County issued Transportation Bonds, Series 2019 for $25,000 to finance various street and highway improvements within the County.  

The following table presents amounts outstanding by issue.  

<table>
<thead>
<tr>
<th>Issue</th>
<th>Issue Amount</th>
<th>Interest Rates</th>
<th>Maturities</th>
<th>Call Date</th>
<th>Outstanding June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of 2009</td>
<td>$15,000</td>
<td>4.00%</td>
<td>2020</td>
<td>July 1, 2019</td>
<td>$1,755</td>
</tr>
<tr>
<td>Series of 2009 Refunding</td>
<td>8,420</td>
<td>4.00%</td>
<td>2020</td>
<td>July 1, 2019</td>
<td>820</td>
</tr>
<tr>
<td>Series of 2012</td>
<td>18,425</td>
<td>3.00 - 4.00%</td>
<td>2020-27</td>
<td>July 1, 2022</td>
<td>11,085</td>
</tr>
<tr>
<td>Series of 2014</td>
<td>16,000</td>
<td>3.00 - 5.00%</td>
<td>2020-28</td>
<td>July 1, 2023</td>
<td>11,475</td>
</tr>
<tr>
<td>Series of 2015 Refunding</td>
<td>13,685</td>
<td>5.00%</td>
<td>2020-24</td>
<td></td>
<td>5,280</td>
</tr>
<tr>
<td>Series of 2016 Refunding</td>
<td>28,315</td>
<td>1.75 - 5.00%</td>
<td>2020-24</td>
<td></td>
<td>24,915</td>
</tr>
<tr>
<td>Series of 2018</td>
<td>11,000</td>
<td>5.00%</td>
<td>2020-33</td>
<td>July 1, 2028</td>
<td>10,180</td>
</tr>
<tr>
<td>Series of 2019</td>
<td>25,000</td>
<td>2.00 - 4.00%</td>
<td>2020-33</td>
<td>July 1, 2028</td>
<td>25,000</td>
</tr>
<tr>
<td>Transportation bonds outstanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>90,510</td>
</tr>
<tr>
<td>Plus unamortized premium/discount:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,406</td>
</tr>
<tr>
<td>Total transportation bonds outstanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$96,916</td>
</tr>
</tbody>
</table>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2019.  

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$14,405</td>
<td>$3,686</td>
</tr>
<tr>
<td>2021</td>
<td>12,755</td>
<td>3,016</td>
</tr>
<tr>
<td>2022</td>
<td>12,195</td>
<td>2,450</td>
</tr>
<tr>
<td>2023</td>
<td>7,730</td>
<td>1,885</td>
</tr>
<tr>
<td>2024</td>
<td>7,955</td>
<td>1,657</td>
</tr>
<tr>
<td>2025-2029</td>
<td>23,010</td>
<td>5,115</td>
</tr>
<tr>
<td>2030-2033</td>
<td>12,460</td>
<td>1,360</td>
</tr>
<tr>
<td>Total</td>
<td>$90,510</td>
<td>$19,169</td>
</tr>
</tbody>
</table>

Pima County has pledged future street and highway revenues, to repay $90,510 in transportation revenue bonds issued between 2009 and 2019. Proceeds from the bonds provide financing for construction of various highways and streets within Pima County. The bonds are payable from transportation revenues and are payable through 2033. Total principal and interest remaining to be paid on the bonds is $109,679. It is expected that approximately 12 percent of total future revenues will be used to pay annual principal and interest on the bonds. Prior year street and highway revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for bonds in the current year, and total current year street and highway revenues were $18,346 and $65,565, respectively.
Note 7: Long-Term Liabilities (continued)

CERTIFICATES OF PARTICIPATION

Governmental Activities
(Payments made from General Fund revenues)

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

On May 7, 2019, the County issued Certificates of Participation Series 2019 for $20,940 to finance the expansion and improvements of sports fields and facilities at the County’s Kino Sports Complex and for other capital improvement projects of the County.

The following schedule details outstanding Certificates of Participation payable at June 30, 2019.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Amount</th>
<th>Rates</th>
<th>Maturities</th>
<th>Call Date</th>
<th>Outstanding June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of 2013A</td>
<td>80,175</td>
<td>5.00%</td>
<td>2020-23</td>
<td></td>
<td>$ 10,460</td>
</tr>
<tr>
<td>Series of 2014</td>
<td>52,160</td>
<td>5.00%</td>
<td>2020-29</td>
<td>December 1, 2023</td>
<td>39,355</td>
</tr>
<tr>
<td>Series of 2016A Refunding</td>
<td>9,640</td>
<td>5.00%</td>
<td>2020-22</td>
<td></td>
<td>8,765</td>
</tr>
<tr>
<td>Series of 2016B</td>
<td>15,185</td>
<td>1.93 - 4.04%</td>
<td>2020-31</td>
<td>June 1, 2026</td>
<td>12,840</td>
</tr>
<tr>
<td>Series of 2018A</td>
<td>23,265</td>
<td>4.00 - 5.00%</td>
<td>2020-21</td>
<td></td>
<td>15,265</td>
</tr>
<tr>
<td>Taxable Series 2018B</td>
<td>39,395</td>
<td>2.50 - 2.70%</td>
<td>2020-21</td>
<td></td>
<td>9,700</td>
</tr>
<tr>
<td>Series of 2019</td>
<td>20,940</td>
<td>5.00%</td>
<td>2020-34</td>
<td>December 1, 2028</td>
<td>20,940</td>
</tr>
</tbody>
</table>

Certificates of participation outstanding: 117,325
Plus unamortized premium/discount: 7,242
Total certificates of participation outstanding: $124,567

The following schedule details debt service requirements to maturity for the County’s Certificates of Participation payable at June 30, 2019.

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 22,535</td>
<td>$ 4,947</td>
</tr>
<tr>
<td>2021</td>
<td>23,120</td>
<td>3,917</td>
</tr>
<tr>
<td>2022</td>
<td>11,085</td>
<td>3,142</td>
</tr>
<tr>
<td>2023</td>
<td>8,515</td>
<td>2,675</td>
</tr>
<tr>
<td>2024</td>
<td>6,010</td>
<td>2,333</td>
</tr>
<tr>
<td>2025-2029</td>
<td>34,645</td>
<td>7,016</td>
</tr>
<tr>
<td>2030-2034</td>
<td>11,415</td>
<td>1,258</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$117,325</td>
<td>$25,288</td>
</tr>
</tbody>
</table>
Note 7: Long-Term Liabilities (continued)

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

<table>
<thead>
<tr>
<th>COPS Issuance</th>
<th>Building Collateral</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Justice Building</td>
</tr>
</tbody>
</table>

Installment Notes from Direct Borrowing

During the year ended June 30, 2019, the County acquired computer equipment under a contract agreement for a purchase price of $170. The following schedule details debt service requirements to maturity for the County’s installment notes from direct borrowing at June 30, 2019.

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>Installment Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
</tr>
<tr>
<td>2020</td>
<td>$622</td>
</tr>
<tr>
<td>2021</td>
<td>57</td>
</tr>
<tr>
<td>2022</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$724</strong></td>
</tr>
</tbody>
</table>

The installment notes from direct borrowing are collateralized by the acquired assets, which consists of land and computer equipment.

SEWER REVENUE BONDS, OBLIGATIONS AND LOAN
Business-type Activities
(Payments made from user charges received in the RWR)

Pima County sewer revenue bonds, obligations and loan were issued to provide monies to construct improvements to the County’s Regional Wastewater Reclamation system.

During the year ended June 30, 2019, the County defeased $2,860 of Sewer Revenue Bonds Series 2009 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. Accordingly, the related liabilities are not included in the County’s financial statements. The County placed $2,925 of existing cash in an irrevocable trust to provide resources for the future debt service payments of $2,914 on the defeased debt.

In April 2019, the County issued $21,245 in Sewer Revenue Obligations Series 2019. The net proceeds of the issuance were used primarily to provide funds for the acquisition, construction and improvement of sewer treatment facilities and conveyance systems.
Note 7: Long-Term Liabilities (continued)

During the year ended June 30, 2019, the County defeased $9,000 of Sewer Revenue Obligations Series 2010 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases.

Accordingly, the related liabilities are not included in the County’s financial statements. The County placed $9,363 of existing cash in an irrevocable trust to provide resources for the future debt service payments of $9,675 on the defeased debt.

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

<table>
<thead>
<tr>
<th>Issue</th>
<th>Amount</th>
<th>Rates</th>
<th>Maturities</th>
<th>Call Date</th>
<th>Outstanding June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of 2010</td>
<td>$165,000</td>
<td>4.00 - 5.00%</td>
<td>2020-21</td>
<td>July 1, 2020</td>
<td>$18,935</td>
</tr>
<tr>
<td>Series of 2011B</td>
<td>$189,160</td>
<td>5.00%</td>
<td>2020-22</td>
<td>July 1, 2021</td>
<td>$36,360</td>
</tr>
<tr>
<td>Series of 2012A</td>
<td>$128,795</td>
<td>2.00 - 5.00%</td>
<td>2020-27</td>
<td>July 1, 2022</td>
<td>$80,390</td>
</tr>
<tr>
<td>Series of 2014</td>
<td>$48,500</td>
<td>5.00%</td>
<td>2020-28</td>
<td>July 1, 2023</td>
<td>$34,740</td>
</tr>
<tr>
<td>Series 2016 Refunding</td>
<td>$211,595</td>
<td>5.00%</td>
<td>2020-26</td>
<td></td>
<td>207,280</td>
</tr>
<tr>
<td>Series 2018</td>
<td>$38,205</td>
<td>5.00%</td>
<td>2026-33</td>
<td>July 1, 2028</td>
<td>$38,205</td>
</tr>
<tr>
<td>Series 2019</td>
<td>$21,245</td>
<td>5.00%</td>
<td>2020-32</td>
<td>July 1, 2029</td>
<td>$21,245</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>437,155</td>
</tr>
<tr>
<td>Series 2017 - Direct placement</td>
<td>$45,000</td>
<td>2.77%</td>
<td>2020-31</td>
<td></td>
<td>39,575</td>
</tr>
<tr>
<td>Sewer Revenue Obligations outstanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>476,730</td>
</tr>
<tr>
<td>Plus unamortized premium/discount:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49,301</td>
</tr>
<tr>
<td>Total sewer revenue obligations outstanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$526,031</td>
</tr>
</tbody>
</table>

The following schedule details sewer revenue obligation debt service requirements to maturity at June 30, 2019.

<table>
<thead>
<tr>
<th>Year Ending June 30, 2019</th>
<th>Principal</th>
<th>Interest</th>
<th>Obligations from Direct Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Principal</td>
</tr>
<tr>
<td>2020</td>
<td>$44,060</td>
<td>$21,632</td>
<td>$2,825</td>
</tr>
<tr>
<td>2021</td>
<td>$56,045</td>
<td>$19,495</td>
<td>$2,905</td>
</tr>
<tr>
<td>2022</td>
<td>$58,255</td>
<td>$16,773</td>
<td>$2,985</td>
</tr>
<tr>
<td>2023</td>
<td>$61,215</td>
<td>$13,939</td>
<td>$3,065</td>
</tr>
<tr>
<td>2024</td>
<td>$54,650</td>
<td>$10,879</td>
<td>$3,150</td>
</tr>
<tr>
<td>2025 - 2029</td>
<td>$136,770</td>
<td>$20,629</td>
<td>$17,120</td>
</tr>
<tr>
<td>2030 - 2033</td>
<td>$26,160</td>
<td>$3,148</td>
<td>$7,525</td>
</tr>
<tr>
<td>Total</td>
<td>$437,155</td>
<td>$106,495</td>
<td>$39,575</td>
</tr>
</tbody>
</table>

In prior years, the County defeased certain Sewer Revenue Obligations by placing the proceeds of Sewer Revenue Refunding Obligations Series 2016 in an irrevocable trust to provide for all future debt service payments on the defeased debts. Accordingly, the trust account assets and the liability for these defeased obligations are not included in the County’s financial statements. At June 30, 2019, $85,495 of Sewer Revenue Obligations Series 2010, and $71,000 of Sewer Revenue Obligations Series 2011B were considered defeased.
Note 7: Long-Term Liabilities (continued)

Loan from Direct Borrowing

The following table presents the loan from direct borrowing outstanding amount.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Amount</th>
<th>Rate</th>
<th>Maturities</th>
<th>Outstanding June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 Loan payable</td>
<td>$8,002</td>
<td>0.96%</td>
<td>2020-24</td>
<td>$2,998</td>
</tr>
<tr>
<td>Total loan from direct borrowing</td>
<td></td>
<td></td>
<td></td>
<td>$2,998</td>
</tr>
</tbody>
</table>

The following schedule details loan from direct borrowing debt service requirements to maturity at June 30, 2019.

<table>
<thead>
<tr>
<th>Loan from Direct Borrowing</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$571</td>
<td>$74</td>
</tr>
<tr>
<td></td>
<td>585</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>599</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>614</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>629</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>$2,998</td>
<td>$225</td>
</tr>
</tbody>
</table>

All sewer revenue obligations, including direct placements, were issued and the loan from the direct borrowing was executed with a first lien on the pledge of the RWR net revenues and have restrictive covenants, primarily related to minimum utility rates and limitations on future bond issues. The bond covenants also require the RWR to either maintain a surety bond guaranteeing the payment of annual debt service or to maintain in the Bond Reserve Account monies in amounts set by each debt issue. At June 30, 2019, the RWR met the requirements of the debt covenants. The County is also authorized to issue for the RWR additional parity bonds or revenue obligations if certain conditions are met, primarily that net revenues for parity bonds and pledged revenues for revenue obligations for the fiscal year immediately preceding issuance of the new debt exceed 120 percent of the maximum annual debt service requirements immediately after such issuance.

Pima County has pledged future user charges, net of specified operating expenses, to repay $437,155 in sewer obligations and $39,575 in sewer obligations from direct placement issued between 2010 and 2019, and $2,998 in the loan from direct borrowing issued in 2009. Proceeds from the obligations, direct placement and direct borrowing provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The obligations, direct placement and direct borrowing are payable from total customer net revenues and are payable through fiscal year 2033. It is expected that approximately 23 percent of total future customer net revenues will be used to pay annual principal and interest payments on the obligations, direct placement and direct borrowing. Total principal and interest remaining to be paid on the obligations, direct placement and direct borrowing are $543,650, $47,056 and $3,223, respectively. Principal and interest paid in the current year on revenue bonds, obligations and direct placement totaled $68,892, and principal and interest paid on the direct borrowing totaled $645. Total customer net revenues in the current year were $106,185.
PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2019
(in thousands)

Note 7: Long-Term Liabilities (continued)

ASSET RETIREMENT OBLIGATION
Business-type Activities

Pima County’s asset retirement obligation is a legally enforceable liability associated with the retirement and clean closure of a wastewater treatment facility as required by State laws and regulations. The estimates used in calculating this liability are based on actual historical clean-up costs associated with the retirement and clean closure of a recently closed wastewater treatment facility. The clean closure costs estimate is adjusted annually using an inflation factor. The estimated remaining useful lives of the associated wastewater treatment facilities range between 2 to 25 years.

CONTRACTS AND NOTES
Business-type Activities
(Payments made from restricted assets in the RWR)

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

COMPENSATED ABSENCES

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During the fiscal year 2019, the County paid for compensated absences from governmental funds with 72 percent from the General Fund, 25 percent from Other Special Revenue funds and 3 percent from internal service funds. The County also paid compensated absences from business-type activity funds with 86 percent from the Regional Wastewater Reclamation fund and 14 percent from other enterprise funds.

LEGAL DEBT MARGIN
County General Obligation Bonds

General obligation debt may not exceed 6 percent of the value of the County’s taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Pima County has received voter approval for all general obligation debt. The legal debt margin at June 30, 2019, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assessed valuation</td>
<td>$ 9,030,169</td>
</tr>
<tr>
<td>Debt limit (15% of net assessed valuation):</td>
<td>$ 1,354,525</td>
</tr>
<tr>
<td>Less amount of debt applicable to debt limit:</td>
<td></td>
</tr>
<tr>
<td>General obligation bonds outstanding</td>
<td>$ 227,335</td>
</tr>
<tr>
<td>Less fund balance in debt service fund available for payment of general obligation bond principal</td>
<td>(2,639)</td>
</tr>
<tr>
<td>Legal debt margin available</td>
<td>$ 1,129,829</td>
</tr>
</tbody>
</table>
Note 8: Landfill Liabilities

Solid Waste Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require the County to place a final cover on its solid waste landfill sites when these sites stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after their closure. Although closure and post-closure care costs will not be paid until near or after the date the landfills stop accepting waste, the County records a portion of these closure and post-closure care costs as a long-term liability in each period, based on landfill capacity used as of each balance sheet date. The $10,111 reported as landfill closure and post-closure care long-term liability within the governmental activities represents the cumulative amount reported to date, based on the percentage used of each landfill's total estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of $4,184 as the remaining estimated capacities are used. These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended June 30, 2019; actual costs may change due to inflation, changes in technology, or changes in regulations.

<table>
<thead>
<tr>
<th>Landfill Site</th>
<th>Estimated Remaining Service Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ajo</td>
<td>35 Years</td>
</tr>
<tr>
<td>Sahuarita*</td>
<td>25 Years</td>
</tr>
<tr>
<td>Tangerine</td>
<td>Closed</td>
</tr>
</tbody>
</table>

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

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

According to State and Federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, post-closure, and corrective action when needed. The County is in compliance with these requirements. The Ina Road Landfill facility is closed to municipal solid waste and only receives green waste and construction debris. It is not subject to the closure and post-closure cost requirements referred to above. Pima County estimates that it will cost approximately $11,870 when closure occurs and plans to fund the costs with General Fund monies. At this time, there is no closure date available.

On June 1, 2013, Tucson Recycling and Waste Services was contracted to operate the Landfill and Transfer Station operations on behalf of Pima County in an agency capacity. The closure and post closure costs remain the liability of Pima County.
Note 9: Operating Leases

The County leases land, buildings, vehicles, parking spaces, machinery, and office equipment under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases were $8,107 for the year ended June 30, 2019. These operating leases have remaining lease terms from one to thirty-six years. Also, they provide renewal options and are contingent on budgetary appropriations each fiscal year. The future estimated maximum rental payments under these operating leases as of June 30, 2019, are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Governmental Activities</th>
<th>$</th>
<th>Business-type Activities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$3,734</td>
<td></td>
<td>$542</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>3,317</td>
<td></td>
<td>542</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>2,074</td>
<td></td>
<td>542</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>1,203</td>
<td></td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>469</td>
<td></td>
<td>244</td>
<td></td>
</tr>
<tr>
<td>2025-29</td>
<td>64</td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2030-34</td>
<td>30</td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2035-39</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2040-44</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2045-49</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2050-54</td>
<td></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2055</td>
<td></td>
<td></td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Total maximum lease payments</td>
<td>$10,891</td>
<td></td>
<td>$8,340</td>
<td></td>
</tr>
</tbody>
</table>
Note 10: Pensions and Other Postemployment Benefits

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

At June 30, 2019, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<table>
<thead>
<tr>
<th>Statement of net position and Statement of activities</th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension and OPEB assets</td>
<td>$ 3,302</td>
<td>$ 94</td>
<td>$ 3,396</td>
</tr>
<tr>
<td>Net pension and OPEB liabilities</td>
<td>708,300</td>
<td>35,938</td>
<td>744,238</td>
</tr>
<tr>
<td>Deferred outflows of resources related to pensions and OPEB</td>
<td>121,465</td>
<td>5,237</td>
<td>126,702</td>
</tr>
<tr>
<td>Deferred inflows of resources related to pensions and OPEB</td>
<td>89,827</td>
<td>5,352</td>
<td>95,179</td>
</tr>
<tr>
<td>Pension and OPEB expense</td>
<td>24,180</td>
<td>(942)</td>
<td>23,238</td>
</tr>
</tbody>
</table>

The County’s accrued payroll and employee benefits includes $1,223 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2019. Also, the County reported $58,603 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

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

A. Arizona State Retirement System

Plan description - County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.
Note 10: Pensions and Other Postemployment Benefits (continued)

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

<table>
<thead>
<tr>
<th>ASRS</th>
<th>Retirement Initial membership date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before July 1, 2011</td>
</tr>
<tr>
<td>Years of service and age required to receive benefit</td>
<td>Sum of years and age equals 80</td>
</tr>
<tr>
<td></td>
<td>10 years, age 62</td>
</tr>
<tr>
<td></td>
<td>5 years, age 50*</td>
</tr>
<tr>
<td></td>
<td>any years, age 65</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Final average salary is based on</td>
<td>Highest 36 consecutive months of last 120 months</td>
</tr>
<tr>
<td>Benefit percent per year of service</td>
<td>2.1% to 2.3%</td>
</tr>
</tbody>
</table>

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.64 percent of the members’ annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.18 percent of the active members’ annual covered payroll.

In addition, the County was required by statute to contribute at the actuarially determined rate of 10.41 percent of the annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill.

The County’s total contributions to the pension plan for the year ended June 30, 2019, was $26,908.

During fiscal year 2019, the County paid for ASRS pension contributions as follows: 60 percent from the General Fund, 9 percent from major funds, and 31 percent from other funds.
Note 10: Pensions and Other Postemployment Benefits (continued)

Liability - At June 30, 2019, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

<table>
<thead>
<tr>
<th>ASRS</th>
<th>Net pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>$ 328,958</td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2018. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total pension liability as of June 30, 2018, reflects changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The County's proportions measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

<table>
<thead>
<tr>
<th>ASRS</th>
<th>Proportion</th>
<th>Decrease from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2018</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Pension</td>
<td>2.36%</td>
<td>(0.05)</td>
</tr>
</tbody>
</table>

Expense - For the year ended June 30, 2019, the County recognized the following pension expense.

<table>
<thead>
<tr>
<th>ASRS</th>
<th>Pension expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>($ 3,740)</td>
</tr>
</tbody>
</table>
Note 10: Pensions and Other Postemployment Benefits (continued)

Deferred outflows/inflows of resources - At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>ASRS</th>
<th>Deferred outflows of resources</th>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 9,063</td>
<td>$ 1,813</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>8,705</td>
<td>29,167</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td></td>
<td>7,911</td>
</tr>
<tr>
<td>Changes in proportion and differences between county contributions and proportionate share of contributions</td>
<td>16</td>
<td>7,750</td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>26,908</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 44,692</strong></td>
<td><strong>$ 46,641</strong></td>
</tr>
</tbody>
</table>

The $26,908 reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ (2,226)</td>
</tr>
<tr>
<td>2021</td>
<td>(11,084)</td>
</tr>
<tr>
<td>2022</td>
<td>(12,000)</td>
</tr>
<tr>
<td>2023</td>
<td>(3,547)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>ASRS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial valuation date</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td>Actuarial roll forward date</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.5%</td>
</tr>
<tr>
<td>Projected salary increases</td>
<td>2.7-7.2%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.3%</td>
</tr>
<tr>
<td>Permanent benefit increase</td>
<td>Included</td>
</tr>
<tr>
<td>Mortality rates</td>
<td>2017 SRA Scale U-MP</td>
</tr>
</tbody>
</table>

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.
Note 10: Pensions and Other Postemployment Benefits (continued)

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Target allocation</th>
<th>Long-term expected geometric real rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>50%</td>
<td>5.50%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>30%</td>
<td>3.83%</td>
</tr>
<tr>
<td>Real estate</td>
<td>20%</td>
<td>5.85%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Discount rate** - At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate** - The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

<table>
<thead>
<tr>
<th>ASRS</th>
<th>1% Decrease (6.5%)</th>
<th>Current discount rate (7.5%)</th>
<th>1% Increase (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$ 468,938</td>
<td>$ 328,958</td>
<td>$ 212,008</td>
</tr>
</tbody>
</table>

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

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

**Plan descriptions** - County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. County sheriff employees who are PSPRS members participate in the agent plans.
Note 10: Pensions and Other Postemployment Benefits (continued)

County attorney investigators who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County's financial statements.

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

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

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

<table>
<thead>
<tr>
<th>PSPRS</th>
<th>Initial membership date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before January 1, 2012</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirement and Disability</th>
<th>Before January 1, 2012</th>
<th>On or after January 1, 2012 and before July 1, 2017</th>
<th>On or after July 1, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of service and age required to receive benefit</td>
<td>20 years of service, any age 15 years of service, age 62</td>
<td>25 years of service or 15 years of credited service, age 52.5</td>
<td>15 years of credited service, age 52.5* 15 or more years of service, age 55</td>
</tr>
<tr>
<td>Final average salary is based on</td>
<td>Highest 36 consecutive months of last 20 years</td>
<td>Highest 60 consecutive months of last 20 years</td>
<td>Highest 60 consecutive months of last 15 years</td>
</tr>
</tbody>
</table>

* With actuarially reduced benefits
PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2019
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

<table>
<thead>
<tr>
<th>PSPRS</th>
<th>Initial membership date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On or after</td>
</tr>
<tr>
<td></td>
<td>Before January 1, 2012</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Benefit percent

<table>
<thead>
<tr>
<th>Normal retirement</th>
<th>50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%</th>
<th>1.5% to 2.5% per year of credited service, not to exceed 80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidental disability retirement</td>
<td>50% or normal retirement, whichever is greater</td>
<td>50% or normal retirement, whichever is greater</td>
</tr>
<tr>
<td>Catastrophic disability retirement</td>
<td>90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater</td>
<td>90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater</td>
</tr>
<tr>
<td>Ordinary disability retirement</td>
<td>Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20</td>
<td>Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20</td>
</tr>
</tbody>
</table>

Survivor Benefit

| Retired members | 80% to 100% of retired member’s pension benefit |
| Active members | 80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job |
Note 10: Pensions and Other Postemployment Benefits (continued)

**CORP**

<table>
<thead>
<tr>
<th>Initial membership date:</th>
<th>Before January 1, 2012</th>
<th>On or after January 1, 2012 and before July 1, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement and Disability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years of service and age required to receive benefit</td>
<td>Sum of years and age equals 80</td>
<td>25 years, age 52.5</td>
</tr>
<tr>
<td></td>
<td>20 years, any age</td>
<td>10 years, age 62</td>
</tr>
<tr>
<td>Final average salary is based on</td>
<td>Highest 36 consecutive months of last 10 years</td>
<td>Highest 60 consecutive months of last 10 years</td>
</tr>
<tr>
<td>Benefit percent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normal retirement</td>
<td>2.0% to 2.5% per year of credited service, not to exceed 80%</td>
<td></td>
</tr>
<tr>
<td>Accidental disability retirement</td>
<td>50% or normal retirement if more than 20 years of credited service</td>
<td>50% or normal retirement if more than 25 years of credited service</td>
</tr>
<tr>
<td>Total and permanent disability retirement</td>
<td>50% or normal retirement if more than 25 years of credited service</td>
<td></td>
</tr>
<tr>
<td>Ordinary disability retirement</td>
<td></td>
<td>2.5% per year of credited service</td>
</tr>
</tbody>
</table>

**Survivor benefit**

| Retired members | 80% of retired member’s pension benefit |
| Active members | 40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member’s contributions. |

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

**Employees covered by benefit terms** - At June 30, 2019, the following employees were covered by the agent plans’ benefit terms:

<table>
<thead>
<tr>
<th>PSPRS Sheriff</th>
<th>CORP Detention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive employees or beneficiaries currently receiving benefits</td>
<td>403</td>
</tr>
<tr>
<td>Inactive employees entitled to but not yet receiving benefits</td>
<td>129</td>
</tr>
<tr>
<td>Active employees</td>
<td>455</td>
</tr>
<tr>
<td>Total</td>
<td>987</td>
</tr>
</tbody>
</table>
Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions - State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

<table>
<thead>
<tr>
<th>Active member - pension</th>
<th>County - pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSPRS Sheriff</td>
<td>7.65% - 11.65%</td>
</tr>
<tr>
<td>CORP Detention</td>
<td>8.41%</td>
</tr>
<tr>
<td>CORP AOC</td>
<td>8.41%</td>
</tr>
</tbody>
</table>

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

<table>
<thead>
<tr>
<th>Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSPRS Sheriff</td>
</tr>
<tr>
<td>CORP Detention</td>
</tr>
<tr>
<td>CORP AOC</td>
</tr>
</tbody>
</table>

The County’s contributions to the plans for the ended June 30, 2019, were:

<table>
<thead>
<tr>
<th>Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSPRS Sheriff</td>
</tr>
<tr>
<td>CORP Detention</td>
</tr>
<tr>
<td>CORP AOC</td>
</tr>
</tbody>
</table>

During fiscal year 2019, the County paid for PSPRS and CORP pension contributions as follows: 92 percent from the General Fund and 8 percent from other non-major funds.

Liability - At June 30, 2019, the County reported the following liabilities:

<table>
<thead>
<tr>
<th>Net pension liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSPRS Sheriff</td>
</tr>
<tr>
<td>CORP Detention</td>
</tr>
<tr>
<td>CORP AOC (County’s proportionate share)</td>
</tr>
</tbody>
</table>

The net pension liabilities were measured as of June 30, 2018, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total CORP pension liabilities as of June 30, 2018, reflect statutory changes in benefit terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustments was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.
Note 10: Pensions and Other Postemployment Benefits (continued)

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

**PSPRS and CORP - Pension**
- Actuarial valuation date: June 30, 2018
- Actuarial cost method: Entry age normal
- Investment rate of return: 7.4%
- Wage inflation: 3.5%
- Price Inflation: 2.5%
- Cost-of-living adjustment: Included
- Mortality rates: RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Target allocation</th>
<th>Long-term expected geometric real rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term investments</td>
<td>2%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Risk parity</td>
<td>4%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>5%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Real assets</td>
<td>9%</td>
<td>4.52%</td>
</tr>
<tr>
<td>GTS</td>
<td>12%</td>
<td>3.96%</td>
</tr>
<tr>
<td>Private credit</td>
<td>16%</td>
<td>6.75%</td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Private equity</td>
<td>12%</td>
<td>5.83%</td>
</tr>
<tr>
<td>Non-U.S. equity</td>
<td>14%</td>
<td>8.70%</td>
</tr>
<tr>
<td>U.S. equity</td>
<td>16%</td>
<td>7.60%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Discount rate** - At June 30, 2018, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.4 percent, which is the same as the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
## Note 10: Pensions and Other Postemployment Benefits (continued)

### Changes in the net pension liability

#### PSPRS – Sheriff

<table>
<thead>
<tr>
<th></th>
<th>Increase (decrease)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total pension liability (a)</td>
<td>Plan fiduciary net position (b)</td>
<td>Net pension liability / (asset) (a) – (b)</td>
<td></td>
</tr>
<tr>
<td>Balances at June 30, 2018</td>
<td>$ 384,706</td>
<td>$ 152,923</td>
<td>$ 231,783</td>
<td></td>
</tr>
<tr>
<td>Changes for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>6,125</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>27,905</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience in the measurement of the pension liability</td>
<td>(2,730)</td>
<td>(2,730)</td>
<td>(2,730)</td>
<td></td>
</tr>
<tr>
<td>Contributions—employer</td>
<td>18,847</td>
<td></td>
<td>(18,847)</td>
<td></td>
</tr>
<tr>
<td>Contributions—employee</td>
<td>2,787</td>
<td></td>
<td>(2,787)</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>10,343</td>
<td></td>
<td>(10,343)</td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(21,357)</td>
<td>(21,357)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hall/Parker settlement</td>
<td>(4,953)</td>
<td></td>
<td>(4,953)</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(158)</td>
<td></td>
<td>158</td>
<td></td>
</tr>
<tr>
<td>Other changes</td>
<td>(223)</td>
<td></td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>Net changes</td>
<td>9,943</td>
<td>5,286</td>
<td>4,657</td>
<td></td>
</tr>
<tr>
<td>Balances at June 30, 2019</td>
<td>$ 394,649</td>
<td>$ 158,209</td>
<td>$ 236,440</td>
<td></td>
</tr>
</tbody>
</table>

#### CORP – Detention

|                                | Increase (decrease) |                  |                  |                  |
|                                | Total pension liability (a) | Plan fiduciary net position (b) | Net pension liability / (asset) (a) – (b) |
| Balances at June 30, 2018      | $ 132,538           | $ 55,833         | $ 76,705         |
| Changes for the year:          |                     |                  |                  |                  |
| Service cost                   | 3,359               |                  | 3,359            |
| Interest on the total pension liability | 9,683              |                  | 9,683            |
| Changes of benefit terms       | (7,525)             |                  | (7,525)          |
| Differences between expected and actual experience in the measurement of the pension liability | (2,679)              | (2,679)          |                  |
| Contributions—employer         | 5,167               |                  | (5,167)          |
| Contributions—employee         | 1,771               |                  | (1,771)          |
| Net investment income          | 3,970               |                  | (3,970)          |
| Benefit payments, including refunds of employee contributions | (6,741)              | (6,741)          |                  |
| Administrative expense         | (61)                |                  | 61               |
| Other changes                  | (76)                |                  | 76               |
| Net changes                    | (3,903)             | 4,030            | (7,933)          |
| Balances at June 30, 2019      | $ 128,635           | $ 59,863         | $ 68,772         |
Note 10: Pensions and Other Postemployment Benefits (continued)

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2018. The County's proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

<table>
<thead>
<tr>
<th>CORP AOC</th>
<th>Proportion June 30, 2018</th>
<th>Decrease from June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>11.51%</td>
<td>(0.44)</td>
</tr>
</tbody>
</table>

Sensitivity of the County’s net pension liability to changes in the discount rate - The following table presents the County's net pension liabilities calculated using the discount rate of 7.4 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

<table>
<thead>
<tr>
<th>PSPRS Sheriff</th>
<th>1% Decrease (6.4%)</th>
<th>Current discount Rate (7.4%)</th>
<th>1% Increase (8.4%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net pension liability</td>
<td>$286,748</td>
<td>$236,440</td>
<td>$195,076</td>
</tr>
<tr>
<td>CORP Detention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$87,267</td>
<td>$68,772</td>
<td>$53,830</td>
</tr>
<tr>
<td>CORP AOC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$54,208</td>
<td>$41,436</td>
<td>$31,072</td>
</tr>
</tbody>
</table>

Plan fiduciary net position - Detailed information about the pension plans’ fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

Pension expense - For the year ended June 30, 2019, the County recognized the following pension expense:

<table>
<thead>
<tr>
<th>Pension Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PSPRS Sheriff</td>
<td>$33,549</td>
</tr>
<tr>
<td>CORP Detention</td>
<td>1,652</td>
</tr>
<tr>
<td>CORP AOC (County’s proportionate share)</td>
<td>57</td>
</tr>
</tbody>
</table>

Pension deferred outflows/inflows of resources - At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>PSPRS – Sheriff</th>
<th>Deferred outflows of resources</th>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td></td>
<td>$7,909</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>$18,636</td>
<td></td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>2,243</td>
<td></td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>18,766</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$39,645</td>
<td>$7,909</td>
</tr>
</tbody>
</table>
Note 10: Pensions and Other Postemployment Benefits (continued)

<table>
<thead>
<tr>
<th>CORP – Detention</th>
<th>Deferred outflows of resources</th>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 4,420</td>
<td>$ 4,420</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>$ 5,024</td>
<td></td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>629</td>
<td></td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>6,515</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 12,168</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CORP – AOC</th>
<th>Deferred outflows of resources</th>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$ 155</td>
<td>$ 2,131</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>2,748</td>
<td></td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>750</td>
<td></td>
</tr>
<tr>
<td>Changes in proportion and differences between county contributions and proportionate share of contributions</td>
<td>12</td>
<td>1,959</td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>4,258</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 7,923</td>
<td>$ 4,090</td>
</tr>
</tbody>
</table>

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>PSPRS Sheriff</th>
<th>CORP Detention</th>
<th>CORP AOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$ 8,788</td>
<td>$ 1,539</td>
<td>$ 855</td>
</tr>
<tr>
<td>2021</td>
<td>2,908</td>
<td>451</td>
<td>(70)</td>
</tr>
<tr>
<td>2022</td>
<td>1,122</td>
<td>(252)</td>
<td>(762)</td>
</tr>
<tr>
<td>2023</td>
<td>152</td>
<td>(414)</td>
<td>(448)</td>
</tr>
<tr>
<td>2024</td>
<td>(91)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 12,970</td>
<td>$ 1,233</td>
<td>$ (425)</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA  
Notes to Financial Statements  
June 30, 2019  
(in thousands)  

Note 10: Pensions and Other Postemployment Benefits (continued)  

C. Elected Officials Retirement Plan  

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

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

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

* With reduced benefits of 0.25% for each month early retirement precedes the member’s normal retirement age, with a maximum reduction of 30%.
Note 10: Pensions and Other Postemployment Benefits (continued)

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

**Contributions** - State statutes establish active member and employer contribution requirements. Statute also appropriates $5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2019, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 61.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.86 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, and 55.5 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County’s required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 30.16 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill.

The County’s contributions to the pension plan for the year ended June 30, 2019, were $4,168.

During fiscal year 2019, the County paid for EORP pension contributions entirely from the General Fund.

**Liability** - At June 30, 2019, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportionate share of the EORP net pension liability</td>
<td>$ 64,495</td>
</tr>
<tr>
<td>State’s proportionate share of the EORP net pension liability associated with the County</td>
<td>$ 11,051</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 75,546</strong></td>
</tr>
</tbody>
</table>

The net pension liability was measured as of June 30, 2018, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2018, reflects statutory changes in benefit terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustments was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

The County’s proportion of the net pension liability was based on the County’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2018. The County’s proportion measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

<table>
<thead>
<tr>
<th>EORP</th>
<th>Proportion June 30, 2018</th>
<th>Increase from June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>10.24%</td>
<td>2.81</td>
</tr>
</tbody>
</table>

**Expense** - For the year ended June 30, 2019, the County recognized pension expense for EORP of ($9,767), and revenue of ($3,142) for the County's proportionate share of the State's appropriation to EORP and the designated court fees.
Note 10: Pensions and Other Postemployment Benefits (continued)

Deferred outflows/inflows of resources - At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th>EORP</th>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences between expected and actual experience</td>
<td>$1,006</td>
<td>$26,850</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>$402</td>
<td>$26,850</td>
</tr>
<tr>
<td>Net difference between projected and actual earnings on pension plan investments</td>
<td>560</td>
<td></td>
</tr>
<tr>
<td>Changes in proportion and differences between county contributions and proportionate share of contributions</td>
<td>12,938</td>
<td></td>
</tr>
<tr>
<td>County contributions subsequent to the measurement date</td>
<td>4,168</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$18,068</td>
<td>$27,856</td>
</tr>
</tbody>
</table>

The amounts reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Deferred Outflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$(12,862)</td>
</tr>
<tr>
<td>2021</td>
<td>$(865)</td>
</tr>
<tr>
<td>2022</td>
<td>$(237)</td>
</tr>
<tr>
<td>2023</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>$(13,956)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>EORP</th>
<th>Actuarial valuation date</th>
<th>Actuarial cost method</th>
<th>Investment rate of return</th>
<th>Wage inflation</th>
<th>Price inflation</th>
<th>Cost of living adjustment</th>
<th>Mortality rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2018</td>
<td>Entry age normal</td>
<td>7.4%</td>
<td>3.5%</td>
<td>2.5%</td>
<td>Included</td>
<td>RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience</td>
</tr>
</tbody>
</table>

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.
PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2019
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The long-term expected rate of return on EORP plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<table>
<thead>
<tr>
<th>EORP</th>
<th>Target allocation</th>
<th>Long-term expected geometric real rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset class</td>
<td></td>
<td>has real rate</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>2%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Risk parity</td>
<td>4%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>5%</td>
<td>1.25%</td>
</tr>
<tr>
<td>Real assets</td>
<td>9%</td>
<td>4.52%</td>
</tr>
<tr>
<td>GTS</td>
<td>12%</td>
<td>3.96%</td>
</tr>
<tr>
<td>Private credit</td>
<td>16%</td>
<td>6.75%</td>
</tr>
<tr>
<td>Real estate</td>
<td>10%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Private equity</td>
<td>12%</td>
<td>5.83%</td>
</tr>
<tr>
<td>Non-U.S. equity</td>
<td>14%</td>
<td>8.70%</td>
</tr>
<tr>
<td>U.S. equity</td>
<td>16%</td>
<td>7.60%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Discount rate** - At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent, which was an increase of 3.49 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate** - The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

<table>
<thead>
<tr>
<th>EORP</th>
<th>1% Decrease 6.4%</th>
<th>Current Discount Rate 7.4%</th>
<th>1% Increase 8.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$74,055</td>
<td>$64,495</td>
<td>$56,369</td>
</tr>
</tbody>
</table>

**Plan fiduciary net position** - Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.
### Note 11: Due from Other Governments

Governmental activities:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Capital Projects Fund</th>
<th>Other Governmental Funds</th>
<th>Internal Service Funds</th>
<th>Total Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$ 11</td>
<td>$ 2,398</td>
<td></td>
<td>$ 2,409</td>
<td></td>
</tr>
<tr>
<td>State of Arizona:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes and shared revenues</td>
<td>20,729</td>
<td>$ 1,299</td>
<td>6,198</td>
<td></td>
<td>28,226</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td></td>
<td></td>
<td>6,241</td>
<td></td>
<td>6,241</td>
</tr>
<tr>
<td>Cities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement for services</td>
<td>1,472</td>
<td>163</td>
<td>1,896</td>
<td>$ 3</td>
<td>3,534</td>
</tr>
<tr>
<td>Other governments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursement for services</td>
<td>60</td>
<td>75</td>
<td>17</td>
<td>3</td>
<td>155</td>
</tr>
<tr>
<td>Total due from other governments:</td>
<td>$ 22,272</td>
<td>$ 1,537</td>
<td>$ 16,750</td>
<td>$ 6</td>
<td>$ 40,565</td>
</tr>
</tbody>
</table>
Note 12: Interfund Transactions

A. Interfund Assets/Liabilities

Interfund Receivables/Payables - interfund balances at June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th>Receivable fund</th>
<th>Payable fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Other Governmental – Wireless Integrated Network</td>
<td>$ 3,100</td>
</tr>
<tr>
<td>Total General Fund interfund receivable</td>
<td></td>
<td>$ 3,100</td>
</tr>
</tbody>
</table>

The interfund receivable of $3,100 within the General Fund was established to fund the replacement of the aging microwave backhaul system of the County’s Wireless Integrated Network. The interfund loan is payable over a 5-year period with no interest, of which $2,500 is due in more than one year.

Due from/Due to other funds for the year ended June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th>Due from/Due to other funds</th>
<th>Amount recorded as due to:</th>
<th>Regional Wastewater</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$</td>
<td>$ 19</td>
<td>$ 4,041</td>
</tr>
<tr>
<td>Other Governmental</td>
<td>$ 617</td>
<td>1</td>
<td>778</td>
</tr>
<tr>
<td>Other Enterprise</td>
<td></td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>$ 617</td>
<td>$ 20</td>
<td>$ 4,851</td>
</tr>
</tbody>
</table>

Due from/Due to other funds are used to record short-term loans or unpaid operating transfers between funds. Outstanding due to/due from amounts between General and Other Governmental funds represent cash deficits that were the result of timing differences from grant revenues received in the subsequent year and cash transfers that had not occurred at the end of the year. All due to/due from amounts are expected to be paid in one year.
### Note 12: Interfund Transactions (continued)

#### B. Interfund Transfers

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

Interfund transfers for the year ended June 30, 2019 were as follows:

<table>
<thead>
<tr>
<th>Amounts recorded as transfers out:</th>
<th>Regional Wastewater Reclamation</th>
<th>Other Governmental</th>
<th>Capital Projects</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$1,138$</td>
<td>$237$</td>
<td>$750$</td>
<td>$58$</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$15,520$</td>
<td>$30,781$</td>
<td>$500$</td>
<td>$153$</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$8,368$</td>
<td>$8,917$</td>
<td>$38,855$</td>
<td>$29,036$</td>
</tr>
<tr>
<td>Other Governmental</td>
<td>$27,904$</td>
<td>$1,584$</td>
<td>$2,170$</td>
<td>$114$</td>
</tr>
<tr>
<td>Regional Wastewater Reclamation</td>
<td>$19,433$</td>
<td>$19,512$</td>
<td>$79$</td>
<td></td>
</tr>
<tr>
<td>Internal Service</td>
<td>$7,788$</td>
<td>$75$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$59,580$</td>
<td>$29,934$</td>
<td>$72,944$</td>
<td>$29,462$</td>
</tr>
</tbody>
</table>

The table above does not include transfers of capital assets from the proprietary funds to the governmental activities because these are not reported in the governmental funds.

The following is a summary of the significant transfer activity for the fiscal year ended June 30, 2019:

The transfers out of the General Fund were made to the Capital Projects Fund for facilities renovations and to the Other Governmental Funds to subsidize the operations of the Health department and the Stadium District. The General Fund also transferred monies to the Internal Service Funds for acquisitions of computer hardware, servers, and data storage by the Information Technology department.

The transfers out of the Other Governmental Funds and the Regional Wastewater Reclamation enterprise fund to the Debt Service Fund were to provide monies for debt-service requirements as payments become due. The transfers out of the Other Governmental Funds to the Capital Projects Fund were primarily to fund projects for the Transportation department and Flood Control District.
Note 13: Construction and Other Significant Commitments

At June 30, 2019, Pima County had the following major contractual commitments:

**Community Services**

The Community Services Department had contractual commitments related to service contracts of $14,438. Funding for these expenditures will be provided from reimbursements on intergovernmental grant awards, including federal and state entities.

**Facilities Management**

The Facilities Management Department had construction contractual commitments of $13,801 and other contractual commitments related to service contracts of $4,816. Funding for these expenditures will be provided from general fund and building rental revenues.

**General Government**

The Office of Medical Services had contractual commitments related to service contracts of $5,271. The Behavioral Health department had contractual commitments related to service contracts of $91,112. Funding for these expenditures will be provided from general fund revenues.

**Natural Resources, Parks and Recreation**

The Natural Resources, Parks and Recreation Department had commitments related to service contracts of $5,772. Funding for these expenditures will be provided from general fund revenues.

**Regional Flood Control**

The Regional Flood Control fund had construction contractual commitments of $3,485 and other contractual commitments related to service contracts of $1,664. Funding for these expenditures will be primarily from Regional Flood Control District tax levy revenues.

**Regional Wastewater Reclamation**

The Regional Wastewater Reclamation enterprise fund had construction contractual commitments of $32,637 and other contractual commitments related to services of $20,198. Funding for these expenses will be primarily from the Sewer Revenue Obligations and sewer user fees.

**Stadium District**

The Stadium District fund had construction contractual commitments of $14,720. Funding for these expenditures will be primarily from general fund revenues and various taxes, such as Hotel/Motel tax revenues.

**Transportation**

The Transportation Department had construction commitments of $61,611 and other contractual commitments related to services of $305. Funding for these expenditures will be primarily provided from Transportation Revenue bonds, federal grants funding and state Highway User Tax Revenue, which is the primary source of revenue for the Transportation Department.
Note 14: Deficit Fund Balance

At June 30, 2019, the following nonmajor funds reported a deficit in fund balance:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Grants</td>
<td>$4,153</td>
</tr>
<tr>
<td>School Reserve</td>
<td>195</td>
</tr>
</tbody>
</table>

Note 15: Subsequent Events

Certificates of Participation – On October 30, 2019, the County issued Certificates of Participation, Series 2019A in the amount of $12,975 to fund a portion of the construction of an approximately 2.6 mile extension of Valencia Road, a major arterial County road, and related bridge and bank protection improvements.

Sewer System Revenue Obligations – On November 7, 2019, the County defeased $18,935 of Sewer System Revenue Obligations, Series 2010 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. The County purchased State and Local Government Securities in the amount of $19,694 and placed them in an account with the Trustee, Bank of New York Mellon, for future debt service payments of $19,868 on the defeased debt.
REQUIRED SUPPLEMENTARY INFORMATION
Other Than Management’s Discussion & Analysis
## PIMA COUNTY, ARIZONA

Schedule of Revenues, Expenditures and Changes in 
Fund Balance – Budget and Actual – General Fund 
For the Year Ended June 30, 2019 

(in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$341,184</td>
<td>$341,184</td>
<td>$343,841</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>3,524</td>
<td>3,524</td>
<td>3,263</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>163,052</td>
<td>163,052</td>
<td>173,772</td>
</tr>
<tr>
<td>Charges for services</td>
<td>37,675</td>
<td>37,675</td>
<td>39,099</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>3,611</td>
<td>3,611</td>
<td>3,281</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>923</td>
<td>923</td>
<td>1,788</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,542</td>
<td>4,542</td>
<td>5,268</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$554,511</td>
<td>$554,511</td>
<td>$570,312</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budgeted Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessor</td>
<td>8,727</td>
<td>8,727</td>
<td>7,062</td>
</tr>
<tr>
<td>Board of Supervisors</td>
<td>2,600</td>
<td>2,600</td>
<td>2,237</td>
</tr>
<tr>
<td>Clerk of Superior Court</td>
<td>10,975</td>
<td>10,975</td>
<td>10,553</td>
</tr>
<tr>
<td>Constables</td>
<td>1,599</td>
<td>1,599</td>
<td>1,571</td>
</tr>
<tr>
<td>County Administration:</td>
<td>101,989</td>
<td>101,989</td>
<td>173,772</td>
</tr>
<tr>
<td>County Attorney</td>
<td>23,686</td>
<td>23,686</td>
<td>23,755</td>
</tr>
<tr>
<td>Grants Management and Innovation</td>
<td>3,849</td>
<td>3,849</td>
<td>2,975</td>
</tr>
<tr>
<td>Justice Courts</td>
<td>8,814</td>
<td>8,814</td>
<td>8,701</td>
</tr>
<tr>
<td>Juvenile Courts</td>
<td>24,466</td>
<td>24,466</td>
<td>24,464</td>
</tr>
<tr>
<td>Juvenile &amp; Law Enforcement</td>
<td>32,846</td>
<td>32,846</td>
<td>32,211</td>
</tr>
<tr>
<td>Public Works (Facilities Management)</td>
<td>26,005</td>
<td>26,005</td>
<td>22,721</td>
</tr>
<tr>
<td>Recorder</td>
<td>5,577</td>
<td>5,577</td>
<td>4,728</td>
</tr>
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<td>Superior Court</td>
<td>32,225</td>
<td>32,225</td>
<td>32,301</td>
</tr>
<tr>
<td>Superior Court Mandated Services</td>
<td>1,759</td>
<td>1,759</td>
<td>1,718</td>
</tr>
<tr>
<td>Treasurer</td>
<td>2,601</td>
<td>2,601</td>
<td>2,243</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$585,335</td>
<td>$585,335</td>
<td>$517,017</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over (under) expenditures: 
(30,824) (30,824) 53,295 84,119

Other financing sources (uses):

| Proceeds from sale of capital assets | 8 | 8 |
| Transfers in | 2,127 | 2,127 | 2,183 |
| Transfers (out) | (61,978) | (61,978) | (59,580) |
| Total other financing uses | (59,851) | (59,851) | (57,389) |

Net change in fund balances: 
(90,675) (90,675) (4,094) 86,581

Fund balances at beginning of year: 
90,675 90,675 113,492 22,817

Fund balances at end of year: 
$ 109,398 $ 109,398 $ 109,398 $ 109,398
Note 1- Budgeting and Budgetary Control

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

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, Other Special Revenue, and Other Special Revenue – Grants, each fund includes only one department.
PIMA COUNTY, ARIZONA
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportion of the net pension liability</td>
<td>2.36%</td>
<td>2.41%</td>
<td>2.44%</td>
<td>2.51%</td>
<td>2.56%</td>
<td>Information not available</td>
<td></td>
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<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$328,958</td>
<td>$375,197</td>
<td>$393,174</td>
<td>$391,629</td>
<td>$379,139</td>
<td>Information not available</td>
<td></td>
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<tr>
<td>County’s covered payroll</td>
<td>$233,929</td>
<td>$235,375</td>
<td>$228,129</td>
<td>$231,570</td>
<td>$229,907</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability as a percentage of its covered payroll</td>
<td>140.62%</td>
<td>159.40%</td>
<td>172.35%</td>
<td>169.12%</td>
<td>164.91%</td>
<td>Information not available</td>
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</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>73.40%</td>
<td>69.92%</td>
<td>67.06%</td>
<td>68.35%</td>
<td>69.49%</td>
<td>Information not available</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportion of the net pension liability</td>
<td>11.51%</td>
<td>11.95%</td>
<td>12.42%</td>
<td>12.45%</td>
<td>12.43%</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$41,436</td>
<td>$47,929</td>
<td>$35,046</td>
<td>$30,274</td>
<td>$27,888</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s covered payroll</td>
<td>$13,346</td>
<td>$13,400</td>
<td>$13,681</td>
<td>$13,857</td>
<td>$13,114</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability as a percentage of its covered payroll</td>
<td>310.48%</td>
<td>357.68%</td>
<td>256.17%</td>
<td>218.47%</td>
<td>212.66%</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>53.72%</td>
<td>49.21%</td>
<td>54.81%</td>
<td>57.89%</td>
<td>58.59%</td>
<td>Information not available</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>County’s proportion of the net pension liability</td>
<td>10.24%</td>
<td>7.42%</td>
<td>7.96%</td>
<td>7.55%</td>
<td>7.64%</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability</td>
<td>$64,495</td>
<td>$90,478</td>
<td>$74,615</td>
<td>$59,037</td>
<td>$51,259</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>State's proportionate share of the net pension liability associated with the County Total</td>
<td>$11,051</td>
<td>$29,292</td>
<td>$15,406</td>
<td>$18,405</td>
<td>$15,717</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s covered payroll</td>
<td>$6,984</td>
<td>$7,050</td>
<td>$6,617</td>
<td>$6,391</td>
<td>$6,932</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>County’s proportionate share of the net pension liability as a percentage of its covered payroll</td>
<td>923.47%</td>
<td>1283.38%</td>
<td>1127.63%</td>
<td>923.75%</td>
<td>739.45%</td>
<td>Information not available</td>
<td></td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>30.36%</td>
<td>19.66%</td>
<td>23.42%</td>
<td>28.32%</td>
<td>31.91%</td>
<td>Information not available</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to pension schedules

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## Public Safety Personnel Retirement System - Sheriff

<table>
<thead>
<tr>
<th></th>
<th>Reporting Fiscal Year (Measurement Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$7,025</td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>27,905</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>4,033</td>
</tr>
<tr>
<td>Differences between expected and actual experience in the measurement of the pension liability</td>
<td>(2,730)</td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td>12,797</td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(21,357)</td>
</tr>
<tr>
<td>Net change in total pension liability</td>
<td>$9,943</td>
</tr>
<tr>
<td>Total pension liability - beginning</td>
<td>$384,706</td>
</tr>
<tr>
<td>Total pension liability - ending (a)</td>
<td>$394,649</td>
</tr>
</tbody>
</table>

### Plan fiduciary net position

| Contributions - employer | $18,847 | $16,871 | $15,122 | $11,490 | $10,627 |               |
| Contributions - employee | 2,787 | 3,900 | 3,877 | 3,505 | 3,415 |               |
| Net investment income | 10,343 | 16,189 | 808 | 5,053 | 17,221 |               |
| Benefit payments, including refunds of employee contributions | (21,357) | (20,634) | (22,727) | (19,209) | (17,811) |               |
| Hall/Parker settlement | (4,953) |       |       |       |       |               |
| Administrative expense | (158) | (144) | (117) | (124) | (139) |               |
| Other changes | (223) | (238) | (397) | (148) | (92) |               |
| Net change in plan fiduciary net position | $5,286 | $15,944 | (3,434) | 567 | 13,221 |               |
| Plan fiduciary net position - beginning | $152,923 | $136,979 | $140,413 | $139,846 | $126,625 |               |
| Plan fiduciary net position - ending (b) | $158,209 | $152,923 | $136,979 | $140,413 | $139,846 |               |

### County's net pension liability - ending (a) - (b)

| $236,440 | $231,783 | $218,444 | $192,042 | $184,979 |               |

### Plan fiduciary net position as a percentage of the total pension liability

| 40.09% | 39.75% | 38.54% | 42.24% | 43.05% |               |

### Covered payroll

| $29,261 | $32,156 | $30,384 | $31,515 | $31,543 |               |

### County's net pension liability as a percentage of covered payroll

| 808.04% | 720.81% | 718.94% | 609.37% | 586.43% |               |
### PIMA COUNTY, ARIZONA
#### Schedule of Changes in the County's Net Pension Liability and Related Ratios
##### Agent Pension Plans
##### June 30, 2019

**Corrections Officer Retirement Plan - Detention**

<table>
<thead>
<tr>
<th>Reporting Fiscal Year (Measurement Date)</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014 thru 2010</th>
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</thead>
<tbody>
<tr>
<td><strong>Total pension liability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$3,359</td>
<td>$3,235</td>
<td>$2,893</td>
<td>$2,798</td>
<td>$2,852</td>
<td></td>
</tr>
<tr>
<td>Interest on the total pension liability</td>
<td>9,683</td>
<td>8,091</td>
<td>7,911</td>
<td>7,751</td>
<td>6,623</td>
<td></td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>(7,525)</td>
<td>15,675</td>
<td>181</td>
<td></td>
<td>1,459</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience in the measurement of the pension liability</td>
<td>(2,679)</td>
<td>(1,044)</td>
<td>(1,930)</td>
<td>(2,557)</td>
<td>(609)</td>
<td></td>
</tr>
<tr>
<td>Changes of assumptions or other inputs</td>
<td></td>
<td>3,566</td>
<td>4,125</td>
<td></td>
<td>10,555</td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(6,741)</td>
<td>(6,489)</td>
<td>(6,013)</td>
<td>(5,988)</td>
<td>(6,975)</td>
<td></td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>(3,903)</td>
<td>23,034</td>
<td>7,167</td>
<td>2,004</td>
<td>13,905</td>
<td></td>
</tr>
<tr>
<td><strong>Total pension liability - beginning</strong></td>
<td>132,538</td>
<td>109,504</td>
<td>102,337</td>
<td>100,333</td>
<td>86,428</td>
<td></td>
</tr>
<tr>
<td><strong>Total pension liability - ending (a)</strong></td>
<td>$128,635</td>
<td>$132,538</td>
<td>$109,504</td>
<td>$102,337</td>
<td>$100,333</td>
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<tr>
<td><strong>Plan fiduciary net position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions - employer</td>
<td>$5,167</td>
<td>$4,871</td>
<td>$4,634</td>
<td>$3,441</td>
<td>$2,970</td>
<td></td>
</tr>
<tr>
<td>Contributions - employee</td>
<td>1,771</td>
<td>1,814</td>
<td>1,730</td>
<td>1,737</td>
<td>1,686</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>3,970</td>
<td>5,953</td>
<td>302</td>
<td>1,765</td>
<td>6,030</td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(6,741)</td>
<td>(6,489)</td>
<td>(6,013)</td>
<td>(5,988)</td>
<td>(6,975)</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(61)</td>
<td>(52)</td>
<td>(43)</td>
<td>(44)</td>
<td>(48)</td>
<td></td>
</tr>
<tr>
<td>Other changes</td>
<td>(76)</td>
<td>(38)</td>
<td>(38)</td>
<td>(69)</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>4,030</td>
<td>6,059</td>
<td>572</td>
<td>842</td>
<td>3,674</td>
<td></td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - beginning</strong></td>
<td>55,833</td>
<td>49,774</td>
<td>49,202</td>
<td>48,360</td>
<td>44,686</td>
<td></td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - ending (b)</strong></td>
<td>$59,863</td>
<td>$55,833</td>
<td>$49,774</td>
<td>$49,202</td>
<td>$48,360</td>
<td></td>
</tr>
<tr>
<td>County's net pension liability - ending (a) - (b)</td>
<td>$68,772</td>
<td>$76,705</td>
<td>$59,730</td>
<td>$53,135</td>
<td>$51,973</td>
<td></td>
</tr>
<tr>
<td><strong>Plan fiduciary net position as a percentage of the total pension liability</strong></td>
<td>46.54%</td>
<td>42.13%</td>
<td>45.45%</td>
<td>48.08%</td>
<td>48.20%</td>
<td></td>
</tr>
<tr>
<td><strong>Covered payroll</strong></td>
<td>$20,738</td>
<td>$21,574</td>
<td>$20,263</td>
<td>$20,816</td>
<td>$20,051</td>
<td></td>
</tr>
<tr>
<td>County's net pension liability as a percentage of covered payroll</td>
<td>331.62%</td>
<td>355.54%</td>
<td>294.77%</td>
<td>255.26%</td>
<td>259.20%</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to pension schedules

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### Arizona State Retirement System

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$ 18,766</td>
<td>$ 18,771</td>
<td>$ 16,861</td>
<td>$ 15,119</td>
<td>$ 11,490</td>
<td>$ 10,627</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's contributions in relation to the actuarially determined contribution</td>
<td>18,766</td>
<td>18,771</td>
<td>16,861</td>
<td>15,119</td>
<td>11,490</td>
<td>10,627</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's contribution deficiency (excess)</td>
<td>6,284</td>
<td>4,355</td>
<td>2,624</td>
<td>4,988</td>
<td>5,582</td>
<td>5,995</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's covered payroll</td>
<td>$ 25,660</td>
<td>$ 25,725</td>
<td>$ 23,535</td>
<td>$ 22,023</td>
<td>$ 18,072</td>
<td>$ 17,622</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's contributions as a percentage of covered payroll</td>
<td>69.09%</td>
<td>69.63%</td>
<td>70.93%</td>
<td>84.13%</td>
<td>88.23%</td>
<td>90.63%</td>
<td>Information not available</td>
</tr>
</tbody>
</table>

### Corrections Officer Retirement Plan - Sheriff

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$ 6,515</td>
<td>$ 5,155</td>
<td>$ 4,174</td>
<td>$ 4,616</td>
<td>$ 3,441</td>
<td>$ 2,970</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's contributions in relation to the actuarially determined contribution</td>
<td>6,515</td>
<td>5,155</td>
<td>4,174</td>
<td>4,616</td>
<td>3,441</td>
<td>2,970</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's contribution deficiency (excess)</td>
<td>$ 21,842</td>
<td>$ 20,578</td>
<td>$ 20,574</td>
<td>$ 20,264</td>
<td>$ 20,816</td>
<td>$ 20,051</td>
<td>Information not available</td>
</tr>
<tr>
<td>County's covered payroll</td>
<td>30.53%</td>
<td>24.86%</td>
<td>22.58%</td>
<td>22.79%</td>
<td>16.53%</td>
<td>14.81%</td>
<td>Information not available</td>
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</table>

### Corrections Officer Retirement Plan - Detention

<table>
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</thead>
<tbody>
<tr>
<td>Actuarially determined contribution</td>
<td>$ 4,258</td>
<td>$ 3,003</td>
<td>$ 2,691</td>
<td>$ 2,613</td>
<td>$ 2,062</td>
<td>$ 1,933</td>
<td>Information not available</td>
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<tr>
<td>County's contributions in relation to the actuarially determined contribution</td>
<td>4,258</td>
<td>3,003</td>
<td>2,691</td>
<td>2,613</td>
<td>2,062</td>
<td>1,933</td>
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<tr>
<td>County's contribution deficiency (excess)</td>
<td>$ 13,470</td>
<td>$ 13,346</td>
<td>$ 13,400</td>
<td>$ 13,681</td>
<td>$ 13,857</td>
<td>$ 13,114</td>
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<tr>
<td>County's covered payroll</td>
<td>31.61%</td>
<td>22.50%</td>
<td>20.08%</td>
<td>19.10%</td>
<td>14.88%</td>
<td>14.74%</td>
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</tbody>
</table>
Note 1 – Actuarially Determined Contribution Rates

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

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
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<tr>
<td>Amortization method</td>
<td>Level percent-of-pay, closed</td>
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<tr>
<td>Remaining amortization period as of the 2017 actuarial valuation</td>
<td>21 years for unfunded actuarial accrued liability, 20 years for excess</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>7-year smoothed market value; 80% / 120% market corridor</td>
</tr>
</tbody>
</table>

Actuarial assumptions:

- Investment rate of return: PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%.

- Projected salary increases: In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.

- Wage growth: In the 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.

- Retirement age: Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.

- Mortality: In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Note 2 – Factors that affect trends

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

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.
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2019 Comprehensive Annual FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona

COMBINING STATEMENTS AND OTHER SCHEDULES
Other (Nonmajor) Governmental Funds
OTHER GOVERNMENTAL FUNDS (NONMAJOR)

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

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

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

Other Special Revenue Fund — to account for resources specifically identified to be expended for the various other programs of the County. These include various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

Other Special Revenue Grants Fund — to account for Federal and State grants received by the County not required to be accounted for in a separate fund. Each grant has a specific project objective and the grant funds must be used for a stated purpose.

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

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

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

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

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

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

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

Rocking K South CFD Fund — to account for the purchase of eligible infrastructure of the Rocking K South master plan development through the issuance of bonds, and to fund the operation, maintenance and administration of the District through the levy of ad valorem tax on property in the District.
### PIMA COUNTY, ARIZONA
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Transportation</th>
<th>Health</th>
<th>Flood Control</th>
<th>Other</th>
<th>Other Grants</th>
<th>Wireless Integrated Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$9,492</td>
<td>$8,663</td>
<td>$11,295</td>
<td>$38,331</td>
<td>$4,857</td>
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<tr>
<td>Property taxes receivable (net)</td>
<td>94</td>
<td>503</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>67</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td>32</td>
<td></td>
<td></td>
<td>193</td>
<td>408</td>
<td></td>
</tr>
<tr>
<td>Due from other governments</td>
<td>5,430</td>
<td>1,153</td>
<td>5</td>
<td>857</td>
<td>8,229</td>
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</tr>
<tr>
<td>Accounts receivable</td>
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<td>214</td>
<td>60</td>
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<td>1,708</td>
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<tr>
<td>Inventory</td>
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<td></td>
<td>116</td>
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<tr>
<td>Prepaid expenditures</td>
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<td>55</td>
<td>29</td>
<td>248</td>
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<tr>
<td>Loan receivable</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash equivalents</td>
<td></td>
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<td></td>
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<tr>
<td>Total assets</td>
<td>$18,252</td>
<td>$10,132</td>
<td>$11,908</td>
<td>$40,823</td>
<td>$10,562</td>
<td>$4,988</td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities, deferred inflows of resources and fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Interest payable</td>
</tr>
<tr>
<td>Employee compensation</td>
</tr>
<tr>
<td>Due to other funds</td>
</tr>
<tr>
<td>Due to other governments</td>
</tr>
<tr>
<td>Deposits and rebates</td>
</tr>
<tr>
<td>Interfund payable</td>
</tr>
<tr>
<td>Unearned revenue</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred inflows of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue - intergovernmental</td>
</tr>
<tr>
<td>Unavailable revenue - property taxes</td>
</tr>
<tr>
<td>Unavailable revenue - other</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
</tr>
<tr>
<td>Total liabilities and deferred inflows of resources</td>
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</table>

<table>
<thead>
<tr>
<th>Fund balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
</tr>
<tr>
<td>Restricted</td>
</tr>
<tr>
<td>Committed</td>
</tr>
<tr>
<td>Assigned</td>
</tr>
<tr>
<td>Unassigned</td>
</tr>
<tr>
<td>Total fund balances (deficit)</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources and fund balances</td>
</tr>
</tbody>
</table>
### Exhibit C - 1

#### Special Revenue Funds

<table>
<thead>
<tr>
<th>School Reserve</th>
<th>Environmental Quality</th>
<th>Waste Tire</th>
<th>Library District</th>
<th>Stadium District</th>
<th>Rocking K South CFD</th>
<th>Improvement &amp; Other Districts</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,700</td>
<td>$1,870</td>
<td>$16,036</td>
<td>$1,002</td>
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<td>$8</td>
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<td>66</td>
<td>79</td>
<td>523</td>
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<td>4,964</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$539</td>
<td>$3,791</td>
<td>$2,186</td>
<td>$18,140</td>
<td>$2,647</td>
<td>$21</td>
<td>$93</td>
<td>$124,082</td>
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<tr>
<td>$59</td>
<td>$15</td>
<td>$276</td>
<td>$1,059</td>
<td>$266</td>
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<td>397</td>
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<td>30</td>
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<td>397</td>
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<td>842</td>
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<tr>
<td>734</td>
<td>92</td>
<td>276</td>
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<tr>
<td>254</td>
<td>2,021</td>
<td>1,910</td>
<td>15,218</td>
<td>2,540</td>
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<td>77,122</td>
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<tr>
<td>293</td>
<td>1,673</td>
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<td>2,136</td>
<td>3,993</td>
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<td></td>
<td>10,578</td>
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<tr>
<td>(742)</td>
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<td></td>
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<td>(5,112)</td>
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<tr>
<td>(195)</td>
<td>3,699</td>
<td>1,910</td>
<td>15,755</td>
<td>89</td>
<td></td>
<td>89,121</td>
<td></td>
</tr>
</tbody>
</table>

| $539           | $3,791               | $2,186     | $18,140          | $2,647           | $21                 | $93                         | $124,082                 |

103
PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Transportation</th>
<th>Health</th>
<th>Flood Control District</th>
<th>Other</th>
<th>Other Grants</th>
<th>Integrated Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$308</td>
<td>$25,133</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1,339</td>
<td>3,193</td>
<td>1</td>
<td>$1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>66,002</td>
<td>4,774</td>
<td>58</td>
<td>21,102</td>
<td>$41,151</td>
<td>$3,089</td>
</tr>
<tr>
<td>Charges for services</td>
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<td>2,629</td>
<td>322</td>
<td>7,596</td>
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<td></td>
</tr>
<tr>
<td>Fines and forfeits</td>
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<td>54</td>
<td>2</td>
<td>3,132</td>
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<td></td>
</tr>
<tr>
<td>Investment earnings</td>
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<td>152</td>
<td>245</td>
<td>712</td>
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<td>48</td>
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<tr>
<td>Miscellaneous</td>
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<td>586</td>
<td>138</td>
<td>9,659</td>
<td>3,756</td>
<td>68</td>
</tr>
<tr>
<td>Total revenues</td>
<td>68,674</td>
<td>11,388</td>
<td>25,899</td>
<td>42,202</td>
<td>44,943</td>
<td>3,205</td>
</tr>
</tbody>
</table>

|                      |                |        |                        |       |              |                    |
| Expenditures:        |                |        |                        |       |              |                    |
| General government   | 30,425         | 6,287  |                        |       |              |                    |
| Public safety        | 15,070         | 1,803  | 3,965                  | 2,786 |              |                    |
| Highways and streets | 39,925         |        |                        |       |              |                    |
| Sanitation           |                |        |                        |       |              |                    |
| Health               | 23,155         |        | 20                     | 12,302|              |                    |
| Culture and recreation|               | 1,274  | 212                    |       |              |                    |
| Education and economic opportunity | 3,140 | 23,151 |
| Debt service         | - principal    | 618    |                        |       |              |                    |
| - interest           |                |        |                        |       |              |                    |
| Total expenditures   | 39,925         | 23,155 | 15,070                 | 37,282| 45,945       | 2,786              |

| Excess (deficiency) of revenues over (under) expenditures | 28,749 | (11,767) | 10,829 | 4,920 | (1,002) | 419 |

| Other financing sources (uses): |                |        |                        |       |              |                    |
| Installment note              |                |        |                        |       |              |                    |
| Proceeds from sale of capital assets | 1,435 | 170 |
| Transfers in                  | 1,761          | 13,583 | 6                      | 4,191 | 3,443        | 44                |
| Transfers (out)               | (45,471)       | (1,907)| (9,018)                | (6,274)| (3,147)      | (1,000)          |
| Total other financing sources (uses) | (43,710) | 11,676 | (9,012) | (478) | 296 | (956) |

| Net change in fund balances  | (14,961)       | (91)   | 1,817                  | 4,442 | (706)        | (537)             |

| Fund balances at beginning of year | 27,762 | 7,983 | 9,141 | 32,134 | (3,447) | 2,169 |

| Fund balances at end of year     | $12,801       | $7,892 | $10,958 | $36,576 | ($4,153) | $1,632 |
### Special Revenue Funds

<table>
<thead>
<tr>
<th>School Reserve</th>
<th>Environmental Quality</th>
<th>Waste Tire</th>
<th>Library District</th>
<th>Stadium District</th>
<th>Rocking K Improvement &amp; Governmental Funds</th>
<th>Total Other Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>42,773</td>
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</tr>
<tr>
<td>$</td>
<td>2,464</td>
<td>$</td>
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<td></td>
</tr>
<tr>
<td>$</td>
<td>1,990</td>
<td>$ 1,281</td>
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<td>$ 1,506</td>
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</tr>
<tr>
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<td>1,316</td>
<td>44,775</td>
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<td>39,953</td>
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<td>1,116</td>
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<tr>
<td></td>
<td>(398)</td>
<td>(378)</td>
<td>200</td>
<td>(1,830)</td>
<td>53</td>
<td>35,562</td>
</tr>
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<td>170</td>
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<td>32,269</td>
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<td>(35)</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
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</tr>
<tr>
<td></td>
<td>(398)</td>
<td>200</td>
<td>5,767</td>
<td>(1,830)</td>
<td>53</td>
<td>35,562</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>203</td>
<td>3,342</td>
<td>1,710</td>
<td>15,027</td>
<td>(3,487)</td>
<td>$ 21</td>
<td>71</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>92,629</td>
</tr>
<tr>
<td>$</td>
<td>(195)</td>
<td>$ 3,699</td>
<td>$ 1,910</td>
<td>$ 15,755</td>
<td>$ 2,136</td>
<td>$ 21</td>
</tr>
<tr>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 89</td>
</tr>
<tr>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 89,121</td>
</tr>
</tbody>
</table>
COMBINING STATEMENTS AND OTHER SCHEDULES

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual – Other Governmental Funds
<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$20,904</td>
<td>$14,736</td>
<td>$(6,168)</td>
</tr>
<tr>
<td>Charges for services</td>
<td>5,448</td>
<td>6,358</td>
<td>910</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>370</td>
<td>3,079</td>
<td>2,709</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,270</td>
<td>309</td>
<td>(961)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>27,992</td>
<td>24,482</td>
<td>(3,510)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>164,329</td>
<td>118,275</td>
<td>46,054</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>164,329</td>
<td>118,275</td>
<td>46,054</td>
</tr>
<tr>
<td><strong>Deficiency of revenues under expenditures</strong></td>
<td>$(136,337)</td>
<td>$(93,793)</td>
<td>42,544</td>
</tr>
<tr>
<td><strong>Other financing sources (uses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium on bonds</td>
<td></td>
<td>3,560</td>
<td>3,560</td>
</tr>
<tr>
<td>Face amount of long-term debt issued</td>
<td>60,000</td>
<td>45,940</td>
<td>$(14,060)</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td></td>
<td>233</td>
<td>233</td>
</tr>
<tr>
<td>Transfers in</td>
<td>60,035</td>
<td>46,954</td>
<td>(13,081)</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(11,762)</td>
<td>(29,934)</td>
<td>(18,172)</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>108,273</td>
<td>66,753</td>
<td>$(41,520)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(28,064)</td>
<td>(27,040)</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>43,197</td>
<td>146,381</td>
<td>103,184</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$15,133</td>
<td>$119,341</td>
<td>$104,208</td>
</tr>
</tbody>
</table>
### PIMA COUNTY, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

**Debt Service Fund**

For the Year Ended June 30, 2019

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$ 56,958</td>
<td>$ 57,304</td>
<td>$ 346</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>16</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>245</td>
<td>873</td>
<td>628</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>57,203</td>
<td>58,198</td>
<td>995</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service - principal</td>
<td>137,955</td>
<td>128,350</td>
<td>9,605</td>
</tr>
<tr>
<td>- interest</td>
<td>22,974</td>
<td>18,674</td>
<td>4,300</td>
</tr>
<tr>
<td>- miscellaneous</td>
<td>21</td>
<td>620</td>
<td>(599)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>160,950</td>
<td>147,644</td>
<td>13,306</td>
</tr>
<tr>
<td><strong>Deficiency of revenues under expenditures</strong></td>
<td>(103,747)</td>
<td>(89,446)</td>
<td>14,301</td>
</tr>
<tr>
<td><strong>Other financing sources:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium on bonds</td>
<td></td>
<td>3,149</td>
<td>3,149</td>
</tr>
<tr>
<td>Transfers in</td>
<td>102,960</td>
<td>88,138</td>
<td>(14,822)</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>102,960</td>
<td>91,287</td>
<td>(11,673)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(787)</td>
<td>1,841</td>
<td>2,628</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>5,363</td>
<td>5,004</td>
<td>(359)</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$ 4,576</td>
<td>$ 6,845</td>
<td>$ 2,269</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Transportation - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$357</td>
<td>$308</td>
<td>$(49)</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1,307</td>
<td>1,339</td>
<td>32</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>62,171</td>
<td>66,002</td>
<td>3,831</td>
</tr>
<tr>
<td>Charges for services</td>
<td>197</td>
<td>106</td>
<td>(91)</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>18</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>45</td>
<td>216</td>
<td>171</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>203</td>
<td>685</td>
<td>482</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>64,280</td>
<td>68,674</td>
<td>4,394</td>
</tr>
</tbody>
</table>

| Expenditures:              |        |        |          |
| Highways and streets       | 43,449 | 39,925 | 3,524    |
| **Total expenditures**     | 43,449 | 39,925 | 3,524    |

| Excess of revenues over expenditures | 20,831 | 28,749 | 7,918 |

| Other financing sources (uses): |        |        |          |
| Proceeds from sale of capital assets |        |        |          |
| Transfers in                  | 1,696  | 1,761  | 65       |
| Transfers (out)               | (46,378)| (45,471)| 907     |
| **Total other financing uses**| (44,682)| (43,710)| 972     |

| Net change in fund balance | (23,851) | (14,961) | 8,890 |

| Fund balance at beginning of year | $26,036 | $27,762 | 1,726 |
| Fund balance at end of year       | $2,185  | $12,801 | $10,616 |
PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Health - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses and permits</td>
<td>$2,684</td>
<td>$3,193</td>
<td>$509</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>4,693</td>
<td>4,774</td>
<td>81</td>
</tr>
<tr>
<td>Charges for services</td>
<td>2,883</td>
<td>2,629</td>
<td>(254)</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>49</td>
<td>54</td>
<td>5</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>5</td>
<td>152</td>
<td>147</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,033</td>
<td>586</td>
<td>(447)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>11,347</td>
<td>11,388</td>
<td>41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>25,517</td>
<td>23,155</td>
<td>2,362</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>25,517</td>
<td>23,155</td>
<td>2,362</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deficiency of revenues under expenditures</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(14,170)</td>
<td>(11,767)</td>
<td>2,403</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>13,089</td>
<td>13,583</td>
<td>494</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(2,875)</td>
<td>(1,907)</td>
<td>968</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>10,214</td>
<td>11,676</td>
<td>1,462</td>
</tr>
</tbody>
</table>

| Net change in fund balance               | (3,956) | (91)   | 3,865    |

| Fund balance at beginning of year         | 4,464   | 7,983  | 3,519    |
| Fund balance at end of year               | $508    | $7,892 | $7,384   |
PIMA COUNTY, ARIZONA  
Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Regional Flood Control District - Special Revenue Fund  
For the Year Ended June 30, 2019  
(in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$25,017</td>
<td>$25,133</td>
<td>$116</td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>50</td>
<td>58</td>
<td>8</td>
</tr>
<tr>
<td>Charges for services</td>
<td>1,072</td>
<td>322</td>
<td>(750)</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>45</td>
<td>245</td>
<td>200</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>89</td>
<td>138</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>26,276</strong></td>
<td><strong>25,899</strong></td>
<td><strong>(377)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood control</td>
<td>16,914</td>
<td>15,070</td>
<td>1,844</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td><strong>16,914</strong></td>
<td><strong>15,070</strong></td>
<td><strong>1,844</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess of revenues over expenditures</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,362</td>
<td>10,829</td>
<td>1,467</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses):</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>18</td>
<td>6</td>
<td>(12)</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(9,389)</td>
<td>(9,018)</td>
<td>371</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>(9,371)</td>
<td>(9,012)</td>
<td>359</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net change in fund balance</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9)</td>
<td>1,817</td>
<td>1,826</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund balance at beginning of year</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,574</td>
<td>9,141</td>
<td>1,567</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund balance at end of year</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$7,565</td>
<td>$10,958</td>
<td>$3,393</td>
</tr>
</tbody>
</table>
## PIMA COUNTY, ARIZONA
### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
#### Other - Special Revenue Fund
##### For the Year Ended June 30, 2019
###### (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>$26,557</td>
<td>$21,102</td>
<td>$(5,455)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$6,795</td>
<td>$7,596</td>
<td>801</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$3,274</td>
<td>$3,132</td>
<td>(142)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>$213</td>
<td>$712</td>
<td>499</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$8,489</td>
<td>$9,659</td>
<td>1,170</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$45,328</td>
<td>$42,202</td>
<td>$(3,126)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$44,415</td>
<td>$30,425</td>
<td>13,990</td>
</tr>
<tr>
<td>Public safety</td>
<td>$5,697</td>
<td>$1,803</td>
<td>3,894</td>
</tr>
<tr>
<td>Health</td>
<td>$65</td>
<td>$20</td>
<td>45</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>$2,013</td>
<td>$1,274</td>
<td>739</td>
</tr>
<tr>
<td>Education and economic opportunity</td>
<td>$3,842</td>
<td>$3,140</td>
<td>702</td>
</tr>
<tr>
<td>Debt service - principal</td>
<td>$605</td>
<td>$618</td>
<td>(13)</td>
</tr>
<tr>
<td>- interest</td>
<td></td>
<td>$2</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$56,637</td>
<td>$37,282</td>
<td>19,355</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues over (under) expenditures</strong></td>
<td>$(11,309)</td>
<td>4,920</td>
<td>16,229</td>
</tr>
<tr>
<td>Other financing sources (uses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installment note</td>
<td></td>
<td>$170</td>
<td>170</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td></td>
<td>$1,435</td>
<td>1,435</td>
</tr>
<tr>
<td>Transfers in</td>
<td>$2,609</td>
<td>$4,191</td>
<td>1,582</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>$(7,557)</td>
<td>$(6,274)</td>
<td>1,283</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>$(4,948)</td>
<td>$(478)</td>
<td>4,470</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$(16,257)</td>
<td>4,442</td>
<td>20,699</td>
</tr>
<tr>
<td>Fund balance at beginning of year</td>
<td>$19,025</td>
<td>$32,134</td>
<td>$13,109</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td>$2,768</td>
<td>$36,576</td>
<td>$33,808</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Other Grants - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$61,290</td>
<td>$41,151</td>
<td>$(20,139)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>9</td>
<td>36</td>
<td>27</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,454</td>
<td>3,756</td>
<td>(698)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>65,753</td>
<td>44,943</td>
<td>(20,810)</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Administration</td>
<td>2,548</td>
<td>1,468</td>
<td>1,080</td>
</tr>
<tr>
<td>Clerk of the Court</td>
<td>26</td>
<td>22</td>
<td>4</td>
</tr>
<tr>
<td>Community Development</td>
<td>6,914</td>
<td>3,870</td>
<td>3,044</td>
</tr>
<tr>
<td>Community Services</td>
<td>16,935</td>
<td>18,851</td>
<td>(1,916)</td>
</tr>
<tr>
<td>County Attorney</td>
<td>4,514</td>
<td>2,714</td>
<td>1,800</td>
</tr>
<tr>
<td>Elections</td>
<td>54</td>
<td>32</td>
<td>22</td>
</tr>
<tr>
<td>Environmental Quality</td>
<td>1,038</td>
<td>928</td>
<td>110</td>
</tr>
<tr>
<td>Finance</td>
<td>6,060</td>
<td>169</td>
<td>5,891</td>
</tr>
<tr>
<td>Flood Control</td>
<td></td>
<td>31</td>
<td>(31)</td>
</tr>
<tr>
<td>Forensic Sciences Center</td>
<td>50</td>
<td></td>
<td>(50)</td>
</tr>
<tr>
<td>Grants Management &amp; Innovation</td>
<td>1,250</td>
<td>429</td>
<td>821</td>
</tr>
<tr>
<td>Health</td>
<td>10,925</td>
<td>10,417</td>
<td>508</td>
</tr>
<tr>
<td>Justice Court</td>
<td>9</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Juvenile Court</td>
<td>1,311</td>
<td>805</td>
<td>506</td>
</tr>
<tr>
<td>Natural Resources, Parks and Recreation</td>
<td>186</td>
<td>212</td>
<td>(26)</td>
</tr>
<tr>
<td>Office of Emergency Management</td>
<td>1,170</td>
<td>1,115</td>
<td>55</td>
</tr>
<tr>
<td>Office of Sustainability and Conservation</td>
<td>42</td>
<td></td>
<td>(42)</td>
</tr>
<tr>
<td>Pima Animal Care</td>
<td>1,831</td>
<td>907</td>
<td>924</td>
</tr>
<tr>
<td>Public Works Administration</td>
<td>14</td>
<td></td>
<td>(14)</td>
</tr>
<tr>
<td>Sheriff</td>
<td>5,041</td>
<td>2,820</td>
<td>2,221</td>
</tr>
<tr>
<td>Superior Court</td>
<td>988</td>
<td>1,020</td>
<td>(32)</td>
</tr>
<tr>
<td>Transportation</td>
<td>240</td>
<td>28</td>
<td>212</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>61,040</td>
<td>45,945</td>
<td>15,095</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>4,713</td>
<td>(1,002)</td>
<td>(5,715)</td>
</tr>
<tr>
<td>Other financing sources (uses):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>5,103</td>
<td>3,443</td>
<td>(1,660)</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(15,345)</td>
<td>(3,147)</td>
<td>12,198</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(10,242)</td>
<td>296</td>
<td>10,538</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(5,529)</td>
<td>(706)</td>
<td>4,823</td>
</tr>
<tr>
<td>Fund balance at beginning of year</td>
<td>(12,622)</td>
<td>(3,447)</td>
<td>9,175</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td>$18,151</td>
<td>$4,153</td>
<td>$13,998</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$ 2,997</td>
<td>$ 3,089</td>
<td>$ 92</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>10</td>
<td>48</td>
<td>38</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>69</td>
<td>68</td>
<td>(1)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,076</td>
<td>3,205</td>
<td>129</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety</td>
<td>3,024</td>
<td>2,786</td>
<td>238</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>3,024</td>
<td>2,786</td>
<td>238</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>52</td>
<td>419</td>
<td>367</td>
</tr>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>44</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(1,000)</td>
<td>(1,000)</td>
<td></td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>44</td>
<td>(956)</td>
<td>(1,000)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>96</td>
<td>(537)</td>
<td>(633)</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>1,830</td>
<td>2,169</td>
<td>339</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$ 1,926</td>
<td>$ 1,632</td>
<td>$ (294)</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
School Reserve - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$1,669</td>
<td>$1,990</td>
<td>$321</td>
</tr>
<tr>
<td>Total revenues</td>
<td>1,669</td>
<td>1,990</td>
<td>321</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Reserve grants</td>
<td>1,669</td>
<td>2,388</td>
<td>(719)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>1,669</td>
<td>2,388</td>
<td>(719)</td>
</tr>
<tr>
<td>Deficiency of revenues under expenditures</td>
<td>(398)</td>
<td>(398)</td>
<td></td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(398)</td>
<td>(398)</td>
<td></td>
</tr>
<tr>
<td>Fund balance at beginning of year</td>
<td>821</td>
<td>203</td>
<td>(618)</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td>$821</td>
<td>$ (195)</td>
<td>$(1,016)</td>
</tr>
</tbody>
</table>
## PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Environmental Quality - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>$2,246</td>
<td>$2,464</td>
<td>$218</td>
</tr>
<tr>
<td>Charges for services</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>8</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>23</td>
<td>71</td>
<td>48</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>27</td>
<td>18</td>
<td>(9)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,296</td>
<td>2,562</td>
<td>266</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Quality</td>
<td>3,503</td>
<td>2,940</td>
<td>563</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,503</td>
<td>2,940</td>
<td>563</td>
</tr>
<tr>
<td><strong>Deficiency of revenues under expenditures</strong></td>
<td>(1,207)</td>
<td>(378)</td>
<td>829</td>
</tr>
<tr>
<td><strong>Other financing sources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>710</td>
<td>735</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total other financing sources</strong></td>
<td>710</td>
<td>735</td>
<td>25</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(497)</td>
<td>357</td>
<td>854</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>2,848</td>
<td>3,342</td>
<td>494</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$2,351</td>
<td>$3,699</td>
<td>$1,348</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------</td>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$1,274</td>
<td>$1,281</td>
<td>$7</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>14</td>
<td>35</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,288</td>
<td>1,316</td>
<td>28</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sanitation</td>
<td>1,308</td>
<td>1,116</td>
<td>192</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>1,308</td>
<td>1,116</td>
<td>192</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues</strong></td>
<td>(20)</td>
<td>200</td>
<td>220</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(20)</td>
<td>200</td>
<td>220</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>1,636</td>
<td>1,710</td>
<td>74</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$1,616</td>
<td>$1,910</td>
<td>$294</td>
</tr>
</tbody>
</table>
# PIMA COUNTY, ARIZONA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Library District - Special Revenue Fund

For the Year Ended June 30, 2019

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$42,511</td>
<td>$42,773</td>
<td>$262</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>208</td>
<td>290</td>
<td>82</td>
</tr>
<tr>
<td>Charges for services</td>
<td>400</td>
<td>440</td>
<td>40</td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td>600</td>
<td>509</td>
<td>(91)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>85</td>
<td>300</td>
<td>215</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>558</td>
<td>463</td>
<td>(95)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>44,362</td>
<td>44,775</td>
<td>413</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>42,781</td>
<td>39,008</td>
<td>3,773</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>42,781</td>
<td>39,008</td>
<td>3,773</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenditures</strong></td>
<td>1,581</td>
<td>5,767</td>
<td>4,186</td>
</tr>
<tr>
<td><strong>Other financing uses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(4,994)</td>
<td>(5,039)</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>(4,994)</td>
<td>(5,039)</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>(3,413)</td>
<td>728</td>
<td>4,141</td>
</tr>
<tr>
<td>Fund balance at beginning of year</td>
<td>12,062</td>
<td>15,027</td>
<td>2,965</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td>$8,649</td>
<td>$15,755</td>
<td>$7,106</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Stadium District - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>$1,480</td>
<td>$1,506</td>
<td>$26</td>
</tr>
<tr>
<td>Charges for services</td>
<td>910</td>
<td>1,531</td>
<td>621</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>5</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>25</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,395</td>
<td>3,069</td>
<td>674</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and recreation</td>
<td>5,164</td>
<td>4,899</td>
<td>265</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>5,164</td>
<td>4,899</td>
<td>265</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deficiency of revenues under expenditures</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(2,769)</td>
<td>(1,830)</td>
<td>939</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>8,493</td>
<td>8,506</td>
<td>13</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(940)</td>
<td>(1,053)</td>
<td>(113)</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>7,553</td>
<td>7,453</td>
<td>(100)</td>
</tr>
</tbody>
</table>

| Net change in fund balance              | 4,784  | 5,623  | 839      |
| Fund balance at beginning of year       | (3,911)| (3,487)| 424      |
| Fund balance at end of year             | $ 873  | $ 2,136| $1,263   |
Revenues:

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expenditures:

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and economic opportunity</td>
<td>$100</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenues under expenditures</td>
<td>(100)</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Other financing sources:

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of debt</td>
<td>100</td>
<td></td>
<td>(100)</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>100</td>
<td></td>
<td>(100)</td>
</tr>
</tbody>
</table>

Net change in fund balance

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance at beginning of year</td>
<td>79</td>
<td>$21</td>
<td>(58)</td>
</tr>
<tr>
<td>Fund balance at end of year</td>
<td>$79</td>
<td>$21</td>
<td>$ (58)</td>
</tr>
</tbody>
</table>
### PIMA COUNTY, ARIZONA

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Improvement and Other Districts - Special Revenue Fund
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>$232</td>
<td>$246</td>
<td>$14</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$232</td>
<td>$248</td>
<td>$16</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>247</td>
<td>195</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>247</td>
<td>195</td>
<td>52</td>
</tr>
<tr>
<td><strong>Excess (deficiency) of revenues</strong></td>
<td>(15)</td>
<td>53</td>
<td>68</td>
</tr>
<tr>
<td>over (under) expenditures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other financing uses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td></td>
<td>(35)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Total other financing uses</strong></td>
<td>(35)</td>
<td>(35)</td>
<td>(35)</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(15)</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td><strong>Fund balance at beginning of year</strong></td>
<td>$71</td>
<td></td>
<td>71</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$ (15)</td>
<td>$89</td>
<td>$104</td>
</tr>
</tbody>
</table>
COMBINING STATEMENTS AND OTHER SCHEDULES
Other (Nonmajor) Enterprise Funds
OTHER (NONMAJOR) ENTERPRISE FUNDS

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

Parking Garages — to account for the management and operation of seven public parking garages located in downtown Tucson.
### PIMA COUNTY, ARIZONA

**Combining Statement of Net Position**

**Nonmajor Enterprise Funds**

**June 30, 2019**

(in thousands)

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$6,293</td>
<td>$1,802</td>
<td>$8,095</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>10</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>32</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>4</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>110</td>
<td>44</td>
<td>154</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>12</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>6,457</strong></td>
<td><strong>1,853</strong></td>
<td><strong>8,310</strong></td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net OPEB asset</td>
<td>12</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td><strong>Capital assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,768</td>
<td></td>
<td>1,768</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>27,608</td>
<td></td>
<td>27,608</td>
</tr>
<tr>
<td>Equipment</td>
<td>2,152</td>
<td></td>
<td>2,152</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(12,676)</td>
<td></td>
<td>(12,676)</td>
</tr>
<tr>
<td><strong>Total capital assets (net)</strong></td>
<td><strong>18,852</strong></td>
<td><strong>18,852</strong></td>
<td><strong>18,852</strong></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>12</strong></td>
<td><strong>18,853</strong></td>
<td><strong>18,865</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>6,469</strong></td>
<td><strong>20,706</strong></td>
<td><strong>27,175</strong></td>
</tr>
</tbody>
</table>

#### Deferred outflows of resources

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension/OPEB</td>
<td>652</td>
<td>43</td>
<td>695</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td><strong>652</strong></td>
<td><strong>43</strong></td>
<td><strong>695</strong></td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>59</td>
<td>299</td>
<td>358</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>82</td>
<td>4</td>
<td>86</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>86</td>
<td></td>
<td>86</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>280</td>
<td>7</td>
<td>287</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>421</strong></td>
<td><strong>397</strong></td>
<td><strong>818</strong></td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>143</td>
<td></td>
<td>143</td>
</tr>
<tr>
<td>Net Pension/OPEB liability</td>
<td><strong>4,472</strong></td>
<td><strong>296</strong></td>
<td><strong>4,768</strong></td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td><strong>4,615</strong></td>
<td><strong>296</strong></td>
<td><strong>4,911</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>5,036</strong></td>
<td><strong>693</strong></td>
<td><strong>5,729</strong></td>
</tr>
</tbody>
</table>

#### Deferred inflows of resources

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension/OPEB</td>
<td>665</td>
<td>44</td>
<td>709</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td><strong>665</strong></td>
<td><strong>44</strong></td>
<td><strong>709</strong></td>
</tr>
</tbody>
</table>

#### Net position

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>18,852</td>
<td></td>
<td>18,852</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>1,420</td>
<td>1,160</td>
<td>2,580</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td><strong>$1,420</strong></td>
<td><strong>$20,012</strong></td>
<td><strong>$21,432</strong></td>
</tr>
</tbody>
</table>
# Combining Statement of Revenues, Expenses and Changes in Fund Net Position

## Nonmajor Enterprise Fund

For the Year Ended June 30, 2019

(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$8,859</td>
<td>$2,605</td>
<td>$11,464</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>16</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>8,871</td>
<td>2,621</td>
<td>11,492</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td>3,814</td>
<td>394</td>
<td>4,208</td>
</tr>
<tr>
<td>Operating supplies and services</td>
<td>26</td>
<td>96</td>
<td>122</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>4</td>
<td>238</td>
<td>242</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,136</td>
<td>1,295</td>
<td>3,431</td>
</tr>
<tr>
<td>Consultants and professional services</td>
<td>207</td>
<td>136</td>
<td>343</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>799</td>
<td>799</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>6,187</td>
<td>2,958</td>
<td>9,145</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>2,684</td>
<td>(337)</td>
<td>2,347</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>176</td>
<td>34</td>
<td>210</td>
</tr>
<tr>
<td>Loss on disposal of capital assets</td>
<td>(5)</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues</strong></td>
<td>176</td>
<td>29</td>
<td>205</td>
</tr>
<tr>
<td><strong>Income (Loss) before Transfers</strong></td>
<td>2,860</td>
<td>(308)</td>
<td>2,552</td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(1,265)</td>
<td>(640)</td>
<td>(1,905)</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>1,595</td>
<td>(948)</td>
<td>647</td>
</tr>
<tr>
<td><strong>Net Position at Beginning of Year</strong></td>
<td>(175)</td>
<td>20,960</td>
<td>20,785</td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td>$1,420</td>
<td>$20,012</td>
<td>$21,432</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2019  
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers for goods and services</td>
<td>$ 8,870</td>
<td>$ 2,600</td>
<td>$ 11,470</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(323)</td>
<td>(1,608)</td>
<td>(1,931)</td>
</tr>
<tr>
<td>Cash payments to other funds for goods and services</td>
<td>(2,055)</td>
<td>(161)</td>
<td>(2,216)</td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(4,302)</td>
<td>(391)</td>
<td>(4,693)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>2,190</td>
<td>440</td>
<td>2,630</td>
</tr>
</tbody>
</table>

Cash flows from noncapital financing activities:  
Cash transfers out to other funds:  
Loans with other funds  
Net cash used for noncapital financing activities  
Cash flows from capital and related financing activities:  
Purchase of capital assets  
Net cash used for capital and related financing activities  
Cash flows from investing activities:  
Interest received on cash and investments  
Net cash provided by investing activities  
Net increase (decrease) in cash and cash equivalents  
Cash and cash equivalents at beginning of year  
Cash and cash equivalents at end of year

(continued)
PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019
(in thousands)

(continued)

Reconciliation of operating income (loss) to net cash provided by operating activities

<table>
<thead>
<tr>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss) $2,684</td>
<td>$(337)</td>
<td>$2,347</td>
</tr>
</tbody>
</table>

Adjustments to reconcile operating income (loss) to net cash provided by operating activities:

- Depreciation and amortization $799 $799

Changes in assets and deferred outflows of resources:

- Decrease (increase) in assets:
  - Accounts receivable $(1) $(12) $(13)
  - Due from other governments $(4) $(4)
  - Inventory and other assets
  - Prepaid expense $(3) $(3)
  - Net OPEB asset $6 $6

- Decrease in deferred outflows of resources:
  - Pension/OPEB plans $(16) $(6) $(22)

Changes in liabilities and deferred inflows of resources:

- Increase (decrease) in liabilities:
  - Accounts payable $(2) $(38) $(40)
  - Due to other governments
  - Net Pension/OPEB liability $(732) $(3) $(735)
  - Other liabilities $38 $(11) $27

- Increase in deferred inflows of resources:
  - Pension/OPEB plans $216 $18 $234

Net cash provided by operating activities

<table>
<thead>
<tr>
<th>Development Services</th>
<th>Parking Garages</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,190</td>
<td>$440</td>
<td>$2,630</td>
</tr>
</tbody>
</table>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2019:

- Development Services Fund donated a fully depreciated capital asset with an original cost of $18.
- Parking Garages Fund disposed of capital assets with a net book value of $4.
2019 Comprehensive Annual FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona

COMBINING STATEMENTS AND OTHER SCHEDULES
Internal Service Funds
INTERNAL SERVICE FUNDS

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

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

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

**Other Internal Service** — to account for the provision of technology infrastructure, telecommunication services, and procurement of software and hardware resources utilized by County departments.
## Combining Statements of Net Position
### Internal Service Funds
**June 30, 2019**
*(in thousands)*

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Services</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$82,152</td>
<td>$27,257</td>
<td>$36,085</td>
<td>$12,483</td>
<td>$157,977</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>31</td>
<td>8</td>
<td>22</td>
<td>21</td>
<td>82</td>
</tr>
<tr>
<td>Due from other governments</td>
<td></td>
<td>6</td>
<td></td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>25</td>
<td>39</td>
<td>877</td>
<td>6</td>
<td>947</td>
</tr>
<tr>
<td>Inventory</td>
<td>622</td>
<td></td>
<td>253</td>
<td></td>
<td>875</td>
</tr>
<tr>
<td>Prepaid expense</td>
<td>843</td>
<td>35</td>
<td>44</td>
<td>8,728</td>
<td>9,650</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>83,051</td>
<td>27,961</td>
<td>37,028</td>
<td>21,497</td>
<td>169,537</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net OPEB asset</td>
<td>4</td>
<td>9</td>
<td>2</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td><strong>Capital assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>449</td>
<td></td>
<td>449</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>23,011</td>
<td>224</td>
<td>23,235</td>
<td></td>
<td>23,235</td>
</tr>
<tr>
<td>Equipment</td>
<td>218</td>
<td>17,289</td>
<td>(9,023)</td>
<td>(37,712)</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(181)</td>
<td>(28,508)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction in progress</td>
<td>8</td>
<td></td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total capital assets (net)</strong></td>
<td>486</td>
<td>45,737</td>
<td>8,490</td>
<td>54,713</td>
<td></td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>490</td>
<td>45,746</td>
<td>2</td>
<td>8,505</td>
<td>54,743</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>83,541</td>
<td>73,707</td>
<td>37,030</td>
<td>30,002</td>
<td>224,280</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Services</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>545</td>
<td>1,133</td>
<td>450</td>
<td>4,287</td>
<td>6,415</td>
</tr>
<tr>
<td>Contracts retention</td>
<td>57</td>
<td></td>
<td></td>
<td></td>
<td>57</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>19</td>
<td>63</td>
<td>161</td>
<td>110</td>
<td>353</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>3</td>
<td>29</td>
<td>1</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>61</td>
<td>178</td>
<td>43</td>
<td>326</td>
<td>608</td>
</tr>
<tr>
<td>Reported but unpaid losses</td>
<td>3,232</td>
<td>713</td>
<td></td>
<td>3,945</td>
<td></td>
</tr>
<tr>
<td>Incurred but not reported losses</td>
<td>2,730</td>
<td>4,039</td>
<td></td>
<td></td>
<td>6,769</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>6,590</td>
<td>1,460</td>
<td>5,407</td>
<td>4,724</td>
<td>18,181</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>42</td>
<td></td>
<td>183</td>
<td></td>
<td>225</td>
</tr>
<tr>
<td>Reported but unpaid losses</td>
<td>14,281</td>
<td>7</td>
<td></td>
<td></td>
<td>14,288</td>
</tr>
<tr>
<td>Incurred but not reported losses</td>
<td>13,566</td>
<td>41</td>
<td></td>
<td></td>
<td>13,607</td>
</tr>
<tr>
<td>Net Pension/OPEB liability</td>
<td>1,578</td>
<td>3,321</td>
<td>789</td>
<td>5,918</td>
<td>11,606</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>29,425</td>
<td>3,363</td>
<td>837</td>
<td>6,101</td>
<td>39,726</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>36,015</td>
<td>4,823</td>
<td>6,244</td>
<td>10,825</td>
<td>57,907</td>
</tr>
</tbody>
</table>

### Deferred outflows of resources

<table>
<thead>
<tr>
<th></th>
<th>Pension/OPEB</th>
<th>230</th>
<th>484</th>
<th>116</th>
<th>1,192</th>
<th>2,022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>230</td>
<td>484</td>
<td>116</td>
<td>1,192</td>
<td>2,022</td>
<td></td>
</tr>
</tbody>
</table>

### Deferred inflows of resources

<table>
<thead>
<tr>
<th></th>
<th>Pension/OPEB</th>
<th>235</th>
<th>494</th>
<th>117</th>
<th>881</th>
<th>1,727</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>235</td>
<td>494</td>
<td>117</td>
<td>881</td>
<td>1,727</td>
<td></td>
</tr>
</tbody>
</table>

### Net position

<table>
<thead>
<tr>
<th></th>
<th>Net investment in capital assets</th>
<th>486</th>
<th>45,737</th>
<th>8,490</th>
<th>54,713</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for healthcare</td>
<td>47,035</td>
<td>23,137</td>
<td>30,785</td>
<td>30,785</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>47,035</td>
<td>23,137</td>
<td></td>
<td>10,998</td>
<td>81,170</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$47,521</td>
<td>$68,874</td>
<td>$30,785</td>
<td>$19,488</td>
<td>$166,668</td>
</tr>
</tbody>
</table>
### Operating Revenues:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for services</td>
<td>$15,732</td>
<td>$20,083</td>
<td>$57,141</td>
<td>$28,254</td>
<td>$121,210</td>
</tr>
<tr>
<td>Other</td>
<td>257</td>
<td>294</td>
<td>3,895</td>
<td>84</td>
<td>4,530</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>15,989</td>
<td>20,377</td>
<td>61,036</td>
<td>28,338</td>
<td>125,740</td>
</tr>
</tbody>
</table>

### Operating Expenses:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee compensation</td>
<td>1,693</td>
<td>3,175</td>
<td>903</td>
<td>8,030</td>
<td>13,801</td>
</tr>
<tr>
<td>Operating supplies and services</td>
<td>253</td>
<td>5,200</td>
<td>25</td>
<td>8,154</td>
<td>13,632</td>
</tr>
<tr>
<td>Incurred losses</td>
<td>5,262</td>
<td>57,486</td>
<td>62,748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance premiums</td>
<td>3,838</td>
<td>1,166</td>
<td>5,123</td>
<td>27</td>
<td>10,154</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,558</td>
<td>1,707</td>
<td>672</td>
<td>7,245</td>
<td>11,182</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>342</td>
<td>698</td>
<td>2,188</td>
<td>3,228</td>
<td></td>
</tr>
<tr>
<td>Consultants and professional services</td>
<td>1,059</td>
<td>83</td>
<td>2,743</td>
<td>2,808</td>
<td>6,693</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6</td>
<td>5,113</td>
<td></td>
<td>1,656</td>
<td>6,775</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>14,011</td>
<td>17,142</td>
<td>66,952</td>
<td>30,108</td>
<td>128,213</td>
</tr>
</tbody>
</table>

### Operating Income (Loss):

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>1,978</td>
<td>3,235</td>
<td>(5,916)</td>
<td>(1,770)</td>
<td>(2,473)</td>
</tr>
</tbody>
</table>

### Nonoperating Revenues (Expenses):

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings</td>
<td>2,453</td>
<td>851</td>
<td>1,243</td>
<td>179</td>
<td>4,726</td>
</tr>
<tr>
<td>Gain (loss) on disposal of capital assets</td>
<td>68</td>
<td></td>
<td>(107)</td>
<td>(39)</td>
<td></td>
</tr>
<tr>
<td>Total nonoperating revenues</td>
<td>2,453</td>
<td>919</td>
<td>1,243</td>
<td>72</td>
<td>4,687</td>
</tr>
</tbody>
</table>

### Income (Loss) before contributions and transfers:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) before contributions and transfers</td>
<td>4,431</td>
<td>4,154</td>
<td>(4,673)</td>
<td>(1,698)</td>
<td>2,214</td>
</tr>
</tbody>
</table>

### Capital contributions:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital contributions</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(734)</td>
<td>(2,351)</td>
<td></td>
<td></td>
<td>(3,094)</td>
</tr>
</tbody>
</table>

### Change in net position:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position</td>
<td>3,697</td>
<td>1,883</td>
<td>(4,673)</td>
<td>6,081</td>
<td>6,988</td>
</tr>
</tbody>
</table>

### Net position at beginning of year:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of year</td>
<td>43,824</td>
<td>66,991</td>
<td>35,458</td>
<td>13,407</td>
<td>159,680</td>
</tr>
</tbody>
</table>

### Net position at end of year:

<table>
<thead>
<tr>
<th></th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at end of year</td>
<td>$47,521</td>
<td>$68,874</td>
<td>$30,785</td>
<td>$19,488</td>
<td>$166,668</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2019  
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Self-Health Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from other funds for goods and services provided</td>
<td>$15,732</td>
<td>$20,083</td>
<td>$57,141</td>
<td>$28,254</td>
<td>$121,210</td>
</tr>
<tr>
<td>Cash received from miscellaneous operations</td>
<td>241</td>
<td>282</td>
<td>3,073</td>
<td>372</td>
<td>3,968</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(5,465)</td>
<td>(7,221)</td>
<td>(7,656)</td>
<td>(18,685)</td>
<td>(39,027)</td>
</tr>
<tr>
<td>Cash payments to other funds for goods and services</td>
<td>(1,482)</td>
<td>(2,384)</td>
<td>(639)</td>
<td>(1,379)</td>
<td>(5,884)</td>
</tr>
<tr>
<td>Cash payments for incurred losses</td>
<td>(6,510)</td>
<td></td>
<td>(57,186)</td>
<td></td>
<td>(63,696)</td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(1,871)</td>
<td>(3,339)</td>
<td>(946)</td>
<td>(6,165)</td>
<td>(12,321)</td>
</tr>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>645</td>
<td>7,421</td>
<td>(6,213)</td>
<td>2,397</td>
<td>4,250</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash transfers in from other funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash transfers out to other funds</td>
<td>(837)</td>
<td>(2,272)</td>
<td></td>
<td>(9)</td>
<td>(3,118)</td>
</tr>
<tr>
<td>Loans with other funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by (used for) noncapital financing activities</td>
<td>(837)</td>
<td>(2,272)</td>
<td></td>
<td>7,775</td>
<td>4,666</td>
</tr>
<tr>
<td>Cash flows from capital and related financing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(9)</td>
<td>(7,305)</td>
<td></td>
<td>(1,767)</td>
<td>(9,081)</td>
</tr>
<tr>
<td>Net cash used for capital and related financing activities</td>
<td>(9)</td>
<td>(6,934)</td>
<td></td>
<td>(1,767)</td>
<td>(8,710)</td>
</tr>
<tr>
<td>Cash flows from investing activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received on cash and investments</td>
<td>2,455</td>
<td>853</td>
<td>1,248</td>
<td>166</td>
<td>4,722</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>2,455</td>
<td>853</td>
<td>1,248</td>
<td>166</td>
<td>4,722</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>2,254</td>
<td>(932)</td>
<td>(4,965)</td>
<td>8,571</td>
<td>4,928</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>79,898</td>
<td>28,189</td>
<td>41,050</td>
<td>3,912</td>
<td>153,049</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>$82,152</td>
<td>$27,257</td>
<td>$36,085</td>
<td>$12,483</td>
<td>$157,977</td>
</tr>
</tbody>
</table>

(continued)
PIMA COUNTY, ARIZONA  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2019  
(in thousands)

(continued)

<table>
<thead>
<tr>
<th>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</th>
<th>Self-Insurance Trust</th>
<th>Fleet Services</th>
<th>Health Benefit Trust</th>
<th>Other Internal Service Trust</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$ 1,978</td>
<td>$ 3,235</td>
<td>$ (5,916)</td>
<td>$ (1,770)</td>
<td>$ (2,473)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

- **Depreciation and amortization**: $6,5113,166,61

Changes in assets and deferred outflows of resources:

- **Decrease (increase) in assets**:
  - Accounts receivable: (16)
  - Due from other governments
  - Inventory and other assets: (7)
  - Prepaid expense: (58)
  - Net OPEB assets: 2

- **Increase (decrease) in deferred outflows of resources**:
  - Pension/OPEB plans: (10)

Changes in liabilities and deferred inflows of resources:

- **Increase (decrease) in liabilities**:
  - Accounts payable: 160
  - Due to other governments: 3
  - Reported but unpaid losses: (3,589)
  - Incurred but not reported losses: 2,341
  - Net pension/OPEB liability: (219)

- **Increase in deferred inflows of resources**:
  - Pension/OPEB plans: 80

Net cash provided by (used for) operating activities: $645, 7,421, (6,213), 2,397, 4,250

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2019:

- **Fleet Services**: Sold capital assets with a net book value of $303.

- **Other Internal Service**: Disposed of capital assets with a net book value of $101 and transferred out to General Government capital assets with a net book value of $6.
2019
Comprehensive Annual
FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019 • Pima County, Arizona

COMBINING STATEMENTS AND OTHER SCHEDULES
Fiduciary Funds
PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Treasurer's Investment Pool</th>
<th>Individual Investment Accounts</th>
<th>Total Investment Trust Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 55,384</td>
<td>$ 128,235</td>
<td>$ 183,619</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>164</td>
<td></td>
<td>164</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 55,548</td>
<td>$ 128,235</td>
<td>$ 183,783</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held in trust for pool participants</td>
<td>$ 55,548</td>
<td>$ 128,235</td>
<td>$ 183,783</td>
</tr>
</tbody>
</table>
PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2019
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Treasurer's Investment Pool</th>
<th>Individual Investment Accounts</th>
<th>Total Investment Trust Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from participants</td>
<td>$ 1,842,531</td>
<td>$ 158,701</td>
<td>$ 2,001,232</td>
</tr>
<tr>
<td>Total contributions</td>
<td>1,842,531</td>
<td>158,701</td>
<td>2,001,232</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,579</td>
<td>2,866</td>
<td>5,445</td>
</tr>
<tr>
<td>Total investment earnings</td>
<td>2,579</td>
<td>2,866</td>
<td>5,445</td>
</tr>
<tr>
<td><strong>Total additions</strong></td>
<td>1,845,110</td>
<td>161,567</td>
<td>2,006,677</td>
</tr>
</tbody>
</table>

| **Deductions**            |                             |                                |                            |
| Distributions to participants | 1,862,491                  | 132,834                        | 1,995,325                  |
| **Total deductions**      | 1,862,491                   | 132,834                        | 1,995,325                  |
| Change in net position    | (17,381)                    | 28,733                         | 11,352                     |
| Net position held in trust July 1, 2018 | 72,929                    | 99,502                         | 172,431                    |
| Net position held in trust June 30, 2019 | $ 55,548                  | $ 128,235                      | $ 183,783                  |
## PIMA COUNTY, ARIZONA
### Combining Statement of Fiduciary Net Position
#### Agency Funds
##### June 30, 2019
##### (in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Payroll Clearing</th>
<th>Treasurer's Clearing</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,969</td>
<td>$4,198</td>
<td>$67,393</td>
<td>$73,560</td>
</tr>
<tr>
<td>Due from other governments</td>
<td></td>
<td>$1,124</td>
<td></td>
<td>1,124</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,969</td>
<td>5,322</td>
<td>67,393</td>
<td>74,684</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Payroll Clearing</th>
<th>Treasurer's Clearing</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee compensation</td>
<td>1,969</td>
<td></td>
<td></td>
<td>1,969</td>
</tr>
<tr>
<td>Due to other governments</td>
<td></td>
<td>55,362</td>
<td>55,362</td>
<td></td>
</tr>
<tr>
<td>Deposits and rebates</td>
<td></td>
<td>5,322</td>
<td>12,031</td>
<td>17,353</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$1,969</td>
<td>5,322</td>
<td>67,393</td>
<td>74,684</td>
</tr>
</tbody>
</table>

131
## Combining Statement of Changes in Fiduciary Net Position
### Agency Funds
#### For the Year Ended June 30, 2019
##### (in thousands)

### PIMA COUNTY, ARIZONA

#### Payroll Clearing

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/2018</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,869</td>
<td>$298,123</td>
<td>$299,023</td>
<td>$1,969</td>
</tr>
<tr>
<td>Total assets</td>
<td>$2,869</td>
<td>$298,123</td>
<td>$299,023</td>
<td>$1,969</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td>2,869</td>
<td>298,123</td>
<td>299,023</td>
<td>1,969</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,869</td>
<td>298,123</td>
<td>299,023</td>
<td>1,969</td>
</tr>
</tbody>
</table>

#### Treasurer's Clearing

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/2018</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4,287</td>
<td>1,809,831</td>
<td>1,809,920</td>
<td>4,198</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>1,611</td>
<td></td>
<td>487</td>
<td>1,124</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,898</td>
<td>1,809,831</td>
<td>1,810,407</td>
<td>5,322</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other governments</td>
<td>1,218,409</td>
<td></td>
<td>1,218,409</td>
<td></td>
</tr>
<tr>
<td>Deposits and rebates</td>
<td>5,898</td>
<td>591,422</td>
<td>591,998</td>
<td>5,322</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>5,898</td>
<td>1,809,831</td>
<td>1,810,407</td>
<td>5,322</td>
</tr>
</tbody>
</table>

#### Other

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/2018</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>78,153</td>
<td>235,928</td>
<td>246,688</td>
<td>67,393</td>
</tr>
<tr>
<td>Total assets</td>
<td>78,153</td>
<td>235,928</td>
<td>246,688</td>
<td>67,393</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other governments</td>
<td>56,613</td>
<td>198,347</td>
<td>199,598</td>
<td>55,362</td>
</tr>
<tr>
<td>Deposits and rebates</td>
<td>21,540</td>
<td>37,581</td>
<td>47,090</td>
<td>12,031</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>78,153</td>
<td>235,928</td>
<td>246,688</td>
<td>67,393</td>
</tr>
</tbody>
</table>

#### Totals - All Agency Funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/2018</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>85,309</td>
<td>2,343,882</td>
<td>2,355,631</td>
<td>73,560</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>1,611</td>
<td></td>
<td>487</td>
<td>1,124</td>
</tr>
<tr>
<td>Total assets</td>
<td>86,920</td>
<td>2,343,882</td>
<td>2,356,118</td>
<td>74,684</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td>2,869</td>
<td>298,123</td>
<td>299,023</td>
<td>1,969</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>56,613</td>
<td>1,416,756</td>
<td>1,418,007</td>
<td>55,362</td>
</tr>
<tr>
<td>Deposits and rebates</td>
<td>27,438</td>
<td>629,003</td>
<td>639,088</td>
<td>17,353</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$86,920</td>
<td>$2,343,882</td>
<td>$2,356,118</td>
<td>$74,684</td>
</tr>
</tbody>
</table>
INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

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

### Net Position by Component
#### Last Ten Fiscal Years
(in thousands)
(accrual basis of accounting)

### Fiscal Year

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$1,048,821</td>
<td>$1,136,033</td>
<td>$1,245,227</td>
<td>$1,308,057</td>
<td>$1,354,456</td>
<td>$1,385,996</td>
<td>$1,376,761</td>
<td>$1,429,607</td>
<td>$1,452,111</td>
<td>$1,517,465</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities, justice, library, and community development</td>
<td>64,991</td>
<td>64,446</td>
<td>103,592</td>
<td>100,423</td>
<td>61,936</td>
<td>60,285</td>
<td>58,269</td>
<td>66,828</td>
<td>68,636</td>
<td>63,103</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>25,749</td>
<td>32,906</td>
<td>32,322</td>
<td>27,033</td>
<td>10,988</td>
<td>8,039</td>
<td>8,269</td>
<td>5,416</td>
<td>28,365</td>
<td>13,337</td>
</tr>
<tr>
<td>Capital projects</td>
<td>57,939</td>
<td>60,381</td>
<td>30,224</td>
<td>9,853</td>
<td>66,885</td>
<td>64,612</td>
<td>62,386</td>
<td>76,278</td>
<td>80,619</td>
<td>34,549</td>
</tr>
<tr>
<td>Healthcare</td>
<td>3,405</td>
<td>4,074</td>
<td>1,360</td>
<td>1,163</td>
<td>3,591</td>
<td>28,610</td>
<td>34,342</td>
<td>40,686</td>
<td>44,032</td>
<td>39,545</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>149,966</td>
<td>164,606</td>
<td>157,315</td>
<td>145,618</td>
<td>84,514</td>
<td>(507,127)</td>
<td>(494,395)</td>
<td>(503,936)</td>
<td>(530,253)</td>
<td>(425,478)</td>
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<tr>
<td>Total governmental activities net position</td>
<td>$1,350,871</td>
<td>$1,462,446</td>
<td>$1,570,040</td>
<td>$1,592,147</td>
<td>$1,582,370</td>
<td>$1,040,415</td>
<td>$1,045,632</td>
<td>$1,114,879</td>
<td>$1,143,410</td>
<td>$1,232,521</td>
</tr>
</tbody>
</table>

### Business-type activities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>$550,540</td>
<td>$575,525</td>
<td>$564,561</td>
<td>$531,945</td>
<td>$586,868</td>
<td>$592,351</td>
<td>$636,369</td>
<td>$654,186</td>
<td>$686,418</td>
<td>$717,994</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>13,454</td>
<td>12,567</td>
<td>22,538</td>
<td>29,100</td>
<td>31,615</td>
<td>36,686</td>
<td>36,666</td>
<td>38,247</td>
<td>40,271</td>
<td>41,762</td>
</tr>
<tr>
<td>Capital projects</td>
<td>11,623</td>
<td>24,236</td>
<td>31,680</td>
<td>42,841</td>
<td>22,720</td>
<td>7,980</td>
<td>3,440</td>
<td>1,667</td>
<td>2,267</td>
<td>6,447</td>
</tr>
<tr>
<td>Regional Wastewater</td>
<td>16,110</td>
<td>17,161</td>
<td>18,449</td>
<td>17,785</td>
<td>18,820</td>
<td>19,419</td>
<td>19,223</td>
<td>19,668</td>
<td>19,351</td>
<td>19,158</td>
</tr>
<tr>
<td>Healthcare</td>
<td>15,943</td>
<td>23,562</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>29,914</td>
<td>33,448</td>
<td>66,470</td>
<td>101,759</td>
<td>117,425</td>
<td>87,010</td>
<td>88,906</td>
<td>75,231</td>
<td>56,307</td>
<td>55,035</td>
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<tr>
<td>Total business-type activities net position</td>
<td>$657,584</td>
<td>$686,499</td>
<td>$703,698</td>
<td>$723,430</td>
<td>$777,448</td>
<td>$745,443</td>
<td>$784,604</td>
<td>$788,981</td>
<td>$804,614</td>
<td>$840,396</td>
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</tbody>
</table>

### Primary government

<table>
<thead>
<tr>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>$1,599,361</td>
<td>$1,711,558</td>
<td>$1,809,788</td>
<td>$1,840,002</td>
<td>$1,941,324</td>
<td>$1,978,347</td>
<td>$2,013,130</td>
<td>$2,083,775</td>
<td>$2,138,529</td>
<td>$2,235,459</td>
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<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities, justice, library, and community development</td>
<td>64,991</td>
<td>64,446</td>
<td>103,592</td>
<td>100,423</td>
<td>61,936</td>
<td>60,285</td>
<td>58,269</td>
<td>66,828</td>
<td>68,636</td>
<td>63,103</td>
</tr>
<tr>
<td>Highways and streets</td>
<td>25,749</td>
<td>32,906</td>
<td>32,322</td>
<td>27,033</td>
<td>10,988</td>
<td>8,039</td>
<td>8,269</td>
<td>5,416</td>
<td>28,365</td>
<td>13,337</td>
</tr>
<tr>
<td>Debt service</td>
<td>13,454</td>
<td>12,567</td>
<td>22,538</td>
<td>29,100</td>
<td>31,615</td>
<td>36,686</td>
<td>36,666</td>
<td>38,247</td>
<td>40,271</td>
<td>41,762</td>
</tr>
<tr>
<td>Capital projects</td>
<td>69,562</td>
<td>84,617</td>
<td>61,904</td>
<td>52,694</td>
<td>89,605</td>
<td>72,992</td>
<td>65,826</td>
<td>77,945</td>
<td>52,866</td>
<td>49,996</td>
</tr>
<tr>
<td>Regional Wastewater</td>
<td>16,110</td>
<td>17,161</td>
<td>18,449</td>
<td>17,785</td>
<td>18,820</td>
<td>19,419</td>
<td>19,223</td>
<td>19,668</td>
<td>19,351</td>
<td>19,158</td>
</tr>
<tr>
<td>Healthcare</td>
<td>19,348</td>
<td>27,636</td>
<td>1,360</td>
<td>1,163</td>
<td>3,591</td>
<td>28,610</td>
<td>34,342</td>
<td>40,686</td>
<td>44,032</td>
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<td>201,939</td>
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<td>(403,489)</td>
<td>(428,705)</td>
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<td>$1,850,236</td>
<td>$1,913,860</td>
<td>$1,948,024</td>
<td>$2,072,917</td>
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</table>

### Note:
Due to the implementation of GASB Statement No. 83, Certain Asset Retirement Obligations, in fiscal year 2019, net position for the year ended June 30, 2018 was restated, however this change is not reflected in this schedule.
Due to the implementation of GASB Statement No. 82, Pension Issues, in fiscal year 2016, net position for the year ended June 30, 2015 was restated, however this change is not reflected in this schedule.
Due to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015, net position for the year ended June 30, 2014 was restated, however this change is not reflected in this schedule.

### Source:
Pima County Finance & Risk Management
## PIMA COUNTY, ARIZONA

### Changes in Net Position
#### Last Ten Fiscal Years

(accural basis of accounting)

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<td>102,461</td>
<td>86,886</td>
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<td>85,618</td>
<td>102,461</td>
<td>86,886</td>
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<td>12,894</td>
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<td>577</td>
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<td>127,536</td>
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<td>$ 233,240</td>
<td>$ 235,147</td>
<td>$ 235,355</td>
<td>$ 225,444</td>
<td>$ 229,627</td>
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</table>

Source: Pima County Finance & Risk Management

(continued)
### Program Revenues

**Business-type activities:**

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<tbody>
<tr>
<td>Charges for services</td>
<td>$127,889</td>
<td>$148,010</td>
<td>$156,573</td>
<td>$171,650</td>
<td>$172,597</td>
<td>$170,255</td>
<td>$176,856</td>
<td>$170,108</td>
<td>$180,118</td>
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<tr>
<td>Regional Wastewater Reclamation</td>
<td>$5,886</td>
<td>$5,688</td>
<td>$6,073</td>
<td>$7,553</td>
<td>6,324</td>
<td>6,212</td>
<td>8,076</td>
<td>8,791</td>
<td>8,859</td>
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<tr>
<td>Development Services</td>
<td>$1,985</td>
<td>$2,071</td>
<td>$2,083</td>
<td>$2,073</td>
<td>2,271</td>
<td>2,209</td>
<td>2,299</td>
<td>2,524</td>
<td>2,605</td>
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<td>4,691</td>
<td>1,275</td>
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<td>35</td>
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<tr>
<td>Capital grants and contributions</td>
<td>9,319</td>
<td>4,192</td>
<td>2,676</td>
<td>4,522</td>
<td>5,843</td>
<td>7,297</td>
<td>5,119</td>
<td>7,354</td>
<td>10,968</td>
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<tr>
<td>Total business-type activities program revenues</td>
<td>$354,676</td>
<td>$372,304</td>
<td>$225,430</td>
<td>$169,079</td>
<td>$188,372</td>
<td>$187,081</td>
<td>$183,609</td>
<td>$185,849</td>
<td>$194,777</td>
<td></td>
</tr>
</tbody>
</table>

**Operating grants and contributions**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

**Capital grants and contributions**

| Source                          | 9,319   | 4,192   | 2,676   | 4,522   | 5,843   | 7,297   | 5,119   | 7,354   | 10,968  |

**Total primary government program revenues**

| Source                          | $354,676 | $372,304 | $225,430 | $169,079 | $188,372 | $187,081 | $183,609 | $185,849 | $194,777 |

### Net Expense Revenue

**Governmental activities**

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<th>Source</th>
<th>$172,889</th>
<th>$148,010</th>
<th>$156,573</th>
<th>$171,650</th>
<th>$172,597</th>
<th>$170,255</th>
<th>$176,856</th>
<th>$170,108</th>
<th>$180,118</th>
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<tbody>
<tr>
<td>Charges for services</td>
<td>$5,886</td>
<td>$5,688</td>
<td>$6,073</td>
<td>$7,553</td>
<td>6,324</td>
<td>6,212</td>
<td>8,076</td>
<td>8,791</td>
<td>8,859</td>
</tr>
<tr>
<td>Development Services</td>
<td>$1,985</td>
<td>$2,071</td>
<td>$2,083</td>
<td>$2,073</td>
<td>2,271</td>
<td>2,209</td>
<td>2,299</td>
<td>2,524</td>
<td>2,605</td>
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<tr>
<td>Operating grants and contributions</td>
<td>4,421</td>
<td>4,691</td>
<td>1,275</td>
<td>35</td>
<td>35</td>
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<td>35</td>
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<tr>
<td>Capital grants and contributions</td>
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<td>4,192</td>
<td>2,676</td>
<td>4,522</td>
<td>5,843</td>
<td>7,297</td>
<td>5,119</td>
<td>7,354</td>
<td>10,968</td>
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<tr>
<td>Total business-type activities program revenues</td>
<td>$354,676</td>
<td>$372,304</td>
<td>$225,430</td>
<td>$169,079</td>
<td>$188,372</td>
<td>$187,081</td>
<td>$183,609</td>
<td>$185,849</td>
<td>$194,777</td>
</tr>
</tbody>
</table>

**Business-type activities:**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

| Total governmental activities net expense | $172,889 | $148,010 | $156,573 | $171,650 | $172,597 | $170,255 | $176,856 | $170,108 | $180,118 |

**General revenues and other changes in net position**

**Governmental activities:**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

**Business-type activities:**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

| Total governmental activities | $354,676 | $372,304 | $225,430 | $169,079 | $188,372 | $187,081 | $183,609 | $185,849 | $194,777 |

**General revenues and other changes in net position:**

**Taxes:**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

**Miscellaneous:**

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

## Changes in Net Position

| Source                          | 4,421   | 4,691   | 1,275   | 35      | 35      | 35      | 35      | 35      | 35      | 35      |

Source:

Pima County Finance & Risk Management
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Reserved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Unreserved, reported in:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Special revenue funds</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>$2,011</td>
<td>$2,011</td>
<td>$1,550</td>
<td>$1,939</td>
<td>$1,894</td>
<td>$2,515</td>
<td>$2,323</td>
<td>$2,496</td>
<td>$2,676</td>
<td>$2,540</td>
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<tr>
<td>Restricted</td>
<td>82,957</td>
<td>94,567</td>
<td>105,468</td>
<td>76,570</td>
<td>60,984</td>
<td>53,155</td>
<td>57,141</td>
<td>62,263</td>
<td>90,924</td>
<td>77,122</td>
</tr>
<tr>
<td>Committed</td>
<td>15,305</td>
<td>37,978</td>
<td>10,264</td>
<td>7,746</td>
<td>6,308</td>
<td>6,320</td>
<td>6,962</td>
<td>2,821</td>
<td>1,972</td>
<td>3,993</td>
</tr>
<tr>
<td>Assigned</td>
<td>3,221</td>
<td>4,368</td>
<td>16,682</td>
<td>23,784</td>
<td>4,204</td>
<td>3,769</td>
<td>3,389</td>
<td>9,421</td>
<td>4,747</td>
<td>10,578</td>
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<tr>
<td>Unassigned</td>
<td>(5,793)</td>
<td>(9,180)</td>
<td>(9,013)</td>
<td>(8,385)</td>
<td>(6,536)</td>
<td>(4,770)</td>
<td>(9,097)</td>
<td>(7,006)</td>
<td>(7,690)</td>
<td>(5,112)</td>
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<tr>
<td>Capital projects funds</td>
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<tr>
<td>Nonspendable</td>
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<td>12</td>
<td></td>
<td></td>
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<tr>
<td>Restricted</td>
<td>124,830</td>
<td>112,668</td>
<td>157,688</td>
<td>187,855</td>
<td>145,256</td>
<td>126,827</td>
<td>104,274</td>
<td>96,228</td>
<td>136,889</td>
<td>78,107</td>
</tr>
<tr>
<td>Committed</td>
<td>1,487</td>
<td>6,639</td>
<td>7,234</td>
<td>6,958</td>
<td>3,836</td>
<td>3,065</td>
<td>1,508</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assigned</td>
<td>52</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>195</td>
<td>209</td>
</tr>
<tr>
<td>Unassigned</td>
<td>(227)</td>
<td>(791)</td>
<td>(3,553)</td>
<td>(83)</td>
<td>(80)</td>
<td>(57)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service: Assigned</td>
<td>40,868</td>
<td>35,903</td>
<td>28,298</td>
<td>25,640</td>
<td>7,848</td>
<td>8,424</td>
<td>6,656</td>
<td>3,127</td>
<td>5,004</td>
<td>6,845</td>
</tr>
<tr>
<td>Total</td>
<td>$264,729</td>
<td>$284,175</td>
<td>$314,618</td>
<td>$322,024</td>
<td>$223,714</td>
<td>$199,248</td>
<td>$173,251</td>
<td>$169,559</td>
<td>$244,014</td>
<td>$215,307</td>
</tr>
</tbody>
</table>

Source:
Pima County Finance & Risk Management
### Changes in Fund Balances - Governmental Funds

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Revenues</th>
<th>Total Expenditures</th>
<th>Deficiency of revenues under expenditures</th>
<th>Other Financing Sources (Uses)</th>
<th>Change in Reserves - Net</th>
<th>Net Change in Fund Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$423,443</td>
<td>$417,711</td>
<td>(74,038)</td>
<td>15.24%</td>
<td>70</td>
<td>$54,028</td>
</tr>
<tr>
<td>2011</td>
<td>$411,371</td>
<td>$407,711</td>
<td>(78,653)</td>
<td>13.54%</td>
<td>(27)</td>
<td>$15,460</td>
</tr>
<tr>
<td>2012</td>
<td>$450,054</td>
<td>$441,866</td>
<td>(88,188)</td>
<td>13.35%</td>
<td>(33,710)</td>
<td>$33,710</td>
</tr>
<tr>
<td>2013</td>
<td>$460,312</td>
<td>$461,763</td>
<td>(142,822)</td>
<td>11.67%</td>
<td>(13,053)</td>
<td>(13,053)</td>
</tr>
<tr>
<td>2014</td>
<td>$481,222</td>
<td>$476,275</td>
<td>(158,047)</td>
<td>16.44%</td>
<td>(110,424)</td>
<td>85,911</td>
</tr>
<tr>
<td>2015</td>
<td>$469,605</td>
<td>$463,776</td>
<td>(14,526)</td>
<td>13.51%</td>
<td>(20,575)</td>
<td>(20,575)</td>
</tr>
<tr>
<td>2016</td>
<td>$450,054</td>
<td>$433,526</td>
<td>(14,526)</td>
<td>13.41%</td>
<td>2,682</td>
<td>2,682</td>
</tr>
<tr>
<td>2017</td>
<td>$460,312</td>
<td>$451,553</td>
<td>(8,759)</td>
<td>14.94%</td>
<td>17,666</td>
<td>17,666</td>
</tr>
<tr>
<td>2018</td>
<td>$481,222</td>
<td>$465,304</td>
<td>(15,918)</td>
<td>13.74%</td>
<td>85,911</td>
<td>85,911</td>
</tr>
<tr>
<td>2019</td>
<td>$469,605</td>
<td>$456,329</td>
<td>(13,276)</td>
<td>16.11%</td>
<td>(32,801)</td>
<td>(32,801)</td>
</tr>
</tbody>
</table>

#### Source:
Pima County Finance & Risk Management

---

The report details the changes in fund balances over the last ten fiscal years, including total revenues, total expenditures, deficiency of revenues under expenditures, other financing sources (uses), change in reserves - net, and net change in fund balances. The table also shows the percentage of debt service as a percentage of non-capital expenditures.
REVENUE CAPACITY:
The revenue capacity information is intended to assist users to understand and assess the factors affecting a government’s ability to generate its own-source revenues. The presentation here is not limited to property tax revenues, but certain other revenues are presented to comply with debt disclosure requirements, e.g., hotel taxes, car rental taxes, and street and highway revenues.
### Pima County, Arizona

Taxable Assessed Value and Estimated Actual Value of Property

Last Ten Tax Years

(in thousands)

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Commercial Property</th>
<th>Residential Property</th>
<th>Vacant Land</th>
<th>Other</th>
<th>Taxable Assessed Value</th>
<th>Total Direct Tax Value</th>
<th>Estimated Limited Value</th>
<th>Assessed Value as a Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$2,473,320</td>
<td>$5,889,572</td>
<td>$536,958</td>
<td>$39,797</td>
<td>$8,939,647</td>
<td>$4.6798</td>
<td>$82,348,215</td>
<td>10.86%</td>
</tr>
<tr>
<td>2011</td>
<td>$2,436,692</td>
<td>$5,332,608</td>
<td>$500,836</td>
<td>$39,984</td>
<td>$8,310,120</td>
<td>$4.8491</td>
<td>78,036,208</td>
<td>10.65%</td>
</tr>
<tr>
<td>2012</td>
<td>$2,514,310</td>
<td>$5,036,810</td>
<td>$472,558</td>
<td>$50,260</td>
<td>$8,073,938</td>
<td>$4.8520</td>
<td>76,085,641</td>
<td>10.61%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,375,969</td>
<td>$4,701,881</td>
<td>$429,967</td>
<td>$51,312</td>
<td>$7,559,129</td>
<td>$5.1309</td>
<td>73,262,703</td>
<td>10.32%</td>
</tr>
<tr>
<td>2014</td>
<td>$2,308,924</td>
<td>$4,752,612</td>
<td>$407,857</td>
<td>$49,090</td>
<td>$7,518,482</td>
<td>$5.7639</td>
<td>74,402,882</td>
<td>10.11%</td>
</tr>
<tr>
<td>2015</td>
<td>$2,230,175</td>
<td>$4,952,757</td>
<td>$385,043</td>
<td>$52,386</td>
<td>$7,620,361</td>
<td>$5.9632</td>
<td>76,489,654</td>
<td>9.96%</td>
</tr>
<tr>
<td>2016</td>
<td>$2,246,501</td>
<td>$5,172,264</td>
<td>$345,099</td>
<td>$52,536</td>
<td>$7,816,700</td>
<td>$5.8852</td>
<td>78,911,345</td>
<td>9.91%</td>
</tr>
<tr>
<td>2017</td>
<td>$2,323,580</td>
<td>$5,374,744</td>
<td>$321,022</td>
<td>$55,611</td>
<td>$8,074,958</td>
<td>$6.0243</td>
<td>80,459,900</td>
<td>10.04%</td>
</tr>
<tr>
<td>2018</td>
<td>$2,316,227</td>
<td>$5,634,554</td>
<td>$323,278</td>
<td>$59,834</td>
<td>$8,333,893</td>
<td>$5.6525</td>
<td>82,745,384</td>
<td>10.07%</td>
</tr>
<tr>
<td>2019</td>
<td>$2,408,207</td>
<td>$5,948,604</td>
<td>$311,735</td>
<td>$61,418</td>
<td>$8,729,964</td>
<td>$5.6014</td>
<td>86,441,657</td>
<td>10.10%</td>
</tr>
</tbody>
</table>

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

**Source:**
- Pima County Finance & Risk Management
### County Direct Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Flood County Control</th>
<th>Library District</th>
<th>Fire District</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>3.3133</td>
<td>0.7500</td>
<td>0.2635</td>
<td>4.6798</td>
</tr>
<tr>
<td>2011</td>
<td>3.4178</td>
<td>0.7800</td>
<td>0.2635</td>
<td>4.8491</td>
</tr>
<tr>
<td>2012</td>
<td>3.4178</td>
<td>0.7800</td>
<td>0.3460</td>
<td>4.8520</td>
</tr>
<tr>
<td>2013</td>
<td>3.6665</td>
<td>0.7800</td>
<td>0.3753</td>
<td>5.1309</td>
</tr>
<tr>
<td>2014</td>
<td>4.2779</td>
<td>0.7000</td>
<td>0.4353</td>
<td>5.7639</td>
</tr>
<tr>
<td>2015</td>
<td>4.3877</td>
<td>0.7000</td>
<td>0.5153</td>
<td>5.9632</td>
</tr>
<tr>
<td>2016</td>
<td>4.2896</td>
<td>0.7000</td>
<td>0.5153</td>
<td>5.8852</td>
</tr>
<tr>
<td>2017</td>
<td>4.4596</td>
<td>0.7000</td>
<td>0.0441</td>
<td>6.0243</td>
</tr>
<tr>
<td>2018</td>
<td>4.0696</td>
<td>0.6900</td>
<td>0.5153</td>
<td>5.6525</td>
</tr>
<tr>
<td>2019</td>
<td>3.9996</td>
<td>0.6900</td>
<td>0.0430</td>
<td>5.6014</td>
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</table>

### Overlapping Rates

<table>
<thead>
<tr>
<th>Year</th>
<th>State of Arizona Assistance</th>
<th>Community College District</th>
<th>City of Tucson</th>
<th>City of South Tucson</th>
<th>Street Lighting District</th>
<th>Central AZ Conservation District</th>
<th>Flowing Wells Irrigation District</th>
<th>Silverbell Irrigation District</th>
<th>Cortaro-Marana Irrigation District</th>
<th>Mobile Home Relocation District</th>
<th>Gladden Farms Community Facilities District</th>
<th>Vanderbilt Farms Community Facilities District</th>
<th>Quail Creek Community Facilities District</th>
<th>Gladden Farms Phase II Community Facilities District</th>
<th>Saguaro Springs Community Facilities District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0.0000</td>
<td>0.3564</td>
<td>1.0848</td>
<td>0.9550</td>
<td>0.1999</td>
<td>0.1000</td>
<td>19.3500</td>
<td>3.0000</td>
<td>66.0000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
<td>0.3000</td>
<td>3.3000</td>
<td>0.3000</td>
</tr>
<tr>
<td>2011</td>
<td>0.0000</td>
<td>0.4259</td>
<td>1.1094</td>
<td>1.1621</td>
<td>2.6603</td>
<td>0.1000</td>
<td>19.3500</td>
<td>3.0000</td>
<td>66.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2012</td>
<td>0.0000</td>
<td>0.4717</td>
<td>1.1741</td>
<td>1.2639</td>
<td>2.7640</td>
<td>9.6038</td>
<td>0.1000</td>
<td>19.3500</td>
<td>3.0000</td>
<td>66.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2013</td>
<td>0.0000</td>
<td>0.3123</td>
<td>1.2933</td>
<td>1.4304</td>
<td>2.9776</td>
<td>10.1900</td>
<td>0.1400</td>
<td>19.3500</td>
<td>3.0000</td>
<td>69.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2014</td>
<td>0.0000</td>
<td>0.5089</td>
<td>1.3344</td>
<td>1.4606</td>
<td>0.2528</td>
<td>12.0787</td>
<td>0.1400</td>
<td>19.3500</td>
<td>3.0000</td>
<td>69.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2015</td>
<td>0.0000</td>
<td>0.5054</td>
<td>1.3689</td>
<td>1.9606</td>
<td>0.2528</td>
<td>12.3345</td>
<td>0.1400</td>
<td>19.3500</td>
<td>3.0000</td>
<td>72.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2016</td>
<td>0.0000</td>
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<td>1.3733</td>
<td>1.5982</td>
<td>0.2528</td>
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<td>0.1400</td>
<td>19.3500</td>
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<td>75.0000</td>
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<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2017</td>
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<td>0.4875</td>
<td>1.3890</td>
<td>1.4342</td>
<td>0.2487</td>
<td>12.4505</td>
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<td>19.3500</td>
<td>3.0000</td>
<td>75.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2018</td>
<td>0.0000</td>
<td>0.4741</td>
<td>1.3983</td>
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<td>0.2512</td>
<td>15.3127</td>
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<td>19.3500</td>
<td>3.0000</td>
<td>78.0000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.4000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
<tr>
<td>2019</td>
<td>0.0000</td>
<td>0.4566</td>
<td>1.3758</td>
<td>1.3810</td>
<td>0.2434</td>
<td>17.9248</td>
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<td>19.3500</td>
<td>3.0000</td>
<td>79.5000</td>
<td>2.8000</td>
<td>0.5000</td>
<td>2.8000</td>
<td>0.3000</td>
<td>3.3000</td>
</tr>
</tbody>
</table>

Notes:

1. The Pima County Flood Control District tax levy applies only to real property.
2. Irrigation Districts’ tax rates shown are levied on a per acre basis.
3. Mobile Home Relocation levy applies only to unsecured mobile homes.

Source:
Pima County Finance & Risk Management
## Direct and Overlapping Property Tax Rates - School Districts
### Last Ten Tax Years

(per $100 of assessed value)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphitheater Unified (#10)</td>
<td>5.0511</td>
<td>5.4033</td>
<td>5.5539</td>
<td>5.9226</td>
<td>5.8044</td>
<td>5.6725</td>
<td>5.4917</td>
<td>5.6311</td>
<td>5.4919</td>
<td>5.4507</td>
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<tr>
<td>Tanque Verde Unified (#13)</td>
<td>3.3545</td>
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<td>4.1538</td>
<td>5.0012</td>
<td>5.0329</td>
<td>5.3069</td>
<td>5.2329</td>
<td>5.7574</td>
<td>5.4150</td>
<td>5.3974</td>
</tr>
<tr>
<td>Vail Elementary (#20)</td>
<td>4.8839</td>
<td>4.6550</td>
<td>5.9120</td>
<td>7.1703</td>
<td>7.3000</td>
<td>7.0189</td>
<td>7.0523</td>
<td>7.2630</td>
<td>7.1643</td>
<td>7.4759</td>
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<tr>
<td>Empire Elementary (#37)</td>
<td>2.9195</td>
<td>2.7531</td>
<td>1.2484</td>
<td>1.1287</td>
<td>2.1687</td>
<td>1.7677</td>
<td>2.4363</td>
<td>5.4021</td>
<td>6.4884</td>
<td>3.7643</td>
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<tr>
<td>Continental Elementary (#39)</td>
<td>1.6945</td>
<td>2.0258</td>
<td>1.5729</td>
<td>1.7027</td>
<td>2.6146</td>
<td>2.6512</td>
<td>2.4626</td>
<td>2.4991</td>
<td>2.5037</td>
<td>2.3785</td>
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<tr>
<td>Unorganized¹</td>
<td>1.4797</td>
<td>1.7682</td>
<td>1.9585</td>
<td>2.1265</td>
<td>2.1123</td>
<td>2.0977</td>
<td>2.0793</td>
<td>2.0234</td>
<td>1.9679</td>
<td>1.8954</td>
</tr>
</tbody>
</table>

Notes:

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

Source:
Pima County Finance & Risk Management
### Principal Property Taxpayers

Last Ten Fiscal Years

(2010 - 2014)

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Value</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Rank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Total Assessed Value</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td><em>Unisource/Tucson Electric Power Co.</em></td>
<td>$164,363</td>
<td>1</td>
<td>1.8%</td>
<td>$168,510</td>
<td>1</td>
</tr>
<tr>
<td><em>Southwest Gas Corporation</em></td>
<td>65,879</td>
<td>3</td>
<td>0.7%</td>
<td>64,533</td>
<td>3</td>
</tr>
<tr>
<td><em>Phelps Dodge Corporation - Sierrita Mine</em></td>
<td>89,289</td>
<td>2</td>
<td>1.0%</td>
<td>99,048</td>
<td>2</td>
</tr>
<tr>
<td><em>ASARCO LLC - Mission Mine</em></td>
<td>28,878</td>
<td>5</td>
<td>0.3%</td>
<td>58,585</td>
<td>4</td>
</tr>
<tr>
<td><em>QWEST Corporation</em></td>
<td>55,076</td>
<td>4</td>
<td>0.7%</td>
<td>51,942</td>
<td>5</td>
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<tr>
<td><em>Northwest Hospital LLC</em></td>
<td>17,097</td>
<td>8</td>
<td>0.2%</td>
<td>17,390</td>
<td>9</td>
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<tr>
<td><em>SMSJ Tucson Holdings, LLC</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>DND Neffson Co. (Tucson Mall)</em></td>
<td>17,715</td>
<td>7</td>
<td>0.2%</td>
<td>17,931</td>
<td>7</td>
</tr>
<tr>
<td><em>Wal-Mart Stores, Inc.</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Raytheon</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Trico Electric Co-Op Inc.</em></td>
<td>21,208</td>
<td>6</td>
<td>0.3%</td>
<td>22,133</td>
<td>6</td>
</tr>
<tr>
<td><em>JW Marriott Starr Pass Resort</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Verizon Wireless</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Starr Pass Resort Developments LLC</em></td>
<td>16,582</td>
<td>10</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Arizona Portland Cement</em></td>
<td>16,635</td>
<td>9</td>
<td>0.2%</td>
<td>21,217</td>
<td>6</td>
</tr>
<tr>
<td><em>ASARCO Mining</em></td>
<td>16,153</td>
<td>10</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Westin La Paloma</em></td>
<td>17,519</td>
<td>8</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Top Ten</strong></td>
<td>$ 492,722</td>
<td>5.3%</td>
<td>$ 532,828</td>
<td>6.3%</td>
<td>$ 608,128</td>
</tr>
</tbody>
</table>

**Notes:**

1. Secondary Assessed Valuation for Tax Year

**Source:**

Pima County Assessor's Office

Arizona Department of Revenue

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest Gas Corporation</td>
<td>$70,297</td>
<td>$36,696</td>
<td>$75,306</td>
<td>$85,118</td>
<td>$92,775</td>
<td>$92,775</td>
<td>$92,775</td>
<td>$92,775</td>
<td>$92,775</td>
<td>$92,775</td>
</tr>
<tr>
<td>Phelps Dodge Corporation</td>
<td>$93,847</td>
<td>$81,988</td>
<td>$84,212</td>
<td>$70,987</td>
<td>$7,172</td>
<td>$7,172</td>
<td>$7,172</td>
<td>$7,172</td>
<td>$7,172</td>
<td>$7,172</td>
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<tr>
<td>ASARCO, LLC</td>
<td>$48,496</td>
<td>$42,290</td>
<td>$43,258</td>
<td>$34,984</td>
<td>$34,984</td>
<td>$34,984</td>
<td>$34,984</td>
<td>$34,984</td>
<td>$34,984</td>
<td>$34,984</td>
</tr>
<tr>
<td>Qwest Corporation</td>
<td>$37,877</td>
<td>$33,114</td>
<td>$35,990</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
</tr>
<tr>
<td>Northwest Hospital, LLC</td>
<td>$17,058</td>
<td>$16,858</td>
<td>$31,995</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
<td>$32,521</td>
</tr>
<tr>
<td>Sierrita Gas Pipeline LLC</td>
<td>$30,769</td>
<td>$29,920</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
<td>$28,751</td>
</tr>
<tr>
<td>SMSJ Tucson Holdings, LLC</td>
<td>$17,471</td>
<td>$23,629</td>
<td>$29,729</td>
<td>$25,005</td>
<td>$25,005</td>
<td>$25,005</td>
<td>$25,005</td>
<td>$25,005</td>
<td>$25,005</td>
<td>$25,005</td>
</tr>
<tr>
<td>DND Neffson Co. (Tucson Mall)</td>
<td>$15,695</td>
<td>$15,668</td>
<td>$22,561</td>
<td>$22,667</td>
<td>$23,150</td>
<td>$23,150</td>
<td>$23,150</td>
<td>$23,150</td>
<td>$23,150</td>
<td>$23,150</td>
</tr>
<tr>
<td>DDR Tucson Spectrum II, LLC</td>
<td>$14,703</td>
<td>$12,499</td>
<td>$20,703</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
</tr>
<tr>
<td>Raytheon Company</td>
<td>$9,436</td>
<td>$7,639</td>
<td>$13,431</td>
<td>$14,131</td>
<td>$14,131</td>
<td>$14,131</td>
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<td>$14,131</td>
<td>$14,131</td>
</tr>
<tr>
<td>Verizon Wireless</td>
<td>$14,131</td>
<td>$12,499</td>
<td>$20,703</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
<td>$23,411</td>
</tr>
</tbody>
</table>

Notes:
- Secondary Assessed Valuation for Tax Year
- Source: Pima County Assessor's Office

Exhibit D-7

Percent of Estimated Assessed Value

<table>
<thead>
<tr>
<th>Year</th>
<th>% Total</th>
<th>% Top Ten</th>
<th>% Top Ten</th>
<th>% Top Ten</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.7%</td>
<td>6.7%</td>
<td>6.7%</td>
<td>6.7%</td>
</tr>
<tr>
<td>2016</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
<tr>
<td>2017</td>
<td>6.4%</td>
<td>6.4%</td>
<td>6.4%</td>
<td>6.4%</td>
</tr>
<tr>
<td>2018</td>
<td>6.3%</td>
<td>6.3%</td>
<td>6.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>2019</td>
<td>6.2%</td>
<td>6.2%</td>
<td>6.2%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Total Top Ten: $530,942

Source: Pima County Assessor's Office

Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$906,190</td>
</tr>
<tr>
<td>2016</td>
<td>$900,990</td>
</tr>
<tr>
<td>2017</td>
<td>$904,365</td>
</tr>
<tr>
<td>2018</td>
<td>$904,365</td>
</tr>
<tr>
<td>2019</td>
<td>$904,365</td>
</tr>
</tbody>
</table>

Note: Secondary Assessed Valuation for Tax Year
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Primary Property Tax Levy and Secondary Property Tax Levy for Flood Control and Library District</th>
<th>Original Real Levy</th>
<th>Real Property Roll</th>
<th>Percent of Collections</th>
<th>Percent of Delinquent Taxes</th>
<th>Collected to June 30, End of Tax Fiscal Year</th>
<th>Collected to June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$353,594</td>
<td>$402,062</td>
<td>$16,468</td>
<td>$384,983</td>
<td>95.75%</td>
<td>$401,956</td>
<td>$400,273</td>
</tr>
<tr>
<td>2010-11</td>
<td>$352,276</td>
<td>$402,532</td>
<td>$70,256</td>
<td>95.39%</td>
<td>16,295</td>
<td>$402,148</td>
<td>$383,978</td>
</tr>
<tr>
<td>2011-12</td>
<td>$335,467</td>
<td>$383,709</td>
<td>383,709</td>
<td>96.19%</td>
<td>13,041</td>
<td>$382,141</td>
<td>$369,401</td>
</tr>
<tr>
<td>2012-13</td>
<td>$324,786</td>
<td>$370,922</td>
<td>370,922</td>
<td>96.40%</td>
<td>11,845</td>
<td>$369,222</td>
<td>$366,797</td>
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<tr>
<td>2013-14</td>
<td>$323,026</td>
<td>$368,313</td>
<td>368,313</td>
<td>96.48%</td>
<td>11,459</td>
<td>$367,128</td>
<td>$360,213</td>
</tr>
<tr>
<td>2014-15</td>
<td>$359,298</td>
<td>$411,404</td>
<td>411,404</td>
<td>96.64%</td>
<td>11,243</td>
<td>$410,141</td>
<td>$397,141</td>
</tr>
<tr>
<td>2015-16</td>
<td>$374,101</td>
<td>$433,549</td>
<td>433,549</td>
<td>96.58%</td>
<td>13,645</td>
<td>$433,261</td>
<td>$439,087</td>
</tr>
<tr>
<td>2016-17</td>
<td>$378,249</td>
<td>$440,894</td>
<td>440,894</td>
<td>97.67%</td>
<td>9,853</td>
<td>$439,481</td>
<td>$439,481</td>
</tr>
<tr>
<td>2017-18</td>
<td>$382,611</td>
<td>$464,383</td>
<td>464,383</td>
<td>97.73%</td>
<td>9,443</td>
<td>$463,265</td>
<td>$463,265</td>
</tr>
<tr>
<td>2018-19</td>
<td>$383,920</td>
<td>$450,951</td>
<td>450,951</td>
<td>97.83%</td>
<td>9,797</td>
<td>$441,154</td>
<td>$441,154</td>
</tr>
</tbody>
</table>

Note:
1. Amounts collected are on a cash basis rather than the modified accrual basis used in the financial statements.
2. Represents the difference between the adjusted levy and collected to June 30, 2019.
3. Fiscal Year 2017-18 includes Transportation road property.
4. Fiscal Year 2018-19 includes Improvement & Other Districts.

Source:
Pima County Finance & Risk Management
Pima County Treasurer's Office
## PIMA COUNTY, ARIZONA

### Assessed, Limited and Full Cash (Secondary) Value of Taxable Property

#### Last Ten Fiscal Years

*(in thousands)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Assessed Value</th>
<th>Limited and Full Cash Value</th>
<th>Ratio of Net Assessed to Full Cash Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10 Primary</td>
<td>$8,985,712</td>
<td>$80,593,121</td>
<td>11.15%</td>
</tr>
<tr>
<td>2009-10 Secondary</td>
<td>9,860,981</td>
<td>88,095,754</td>
<td>11.19%</td>
</tr>
<tr>
<td>2010-11 Primary</td>
<td>8,939,647</td>
<td>82,348,221</td>
<td>10.86%</td>
</tr>
<tr>
<td>2010-11 Secondary</td>
<td>9,342,561</td>
<td>86,228,902</td>
<td>10.83%</td>
</tr>
<tr>
<td>2011-12 Primary</td>
<td>8,310,120</td>
<td>78,036,208</td>
<td>10.65%</td>
</tr>
<tr>
<td>2011-12 Secondary</td>
<td>8,448,282</td>
<td>80,152,473</td>
<td>10.54%</td>
</tr>
<tr>
<td>2012-13 Primary</td>
<td>8,073,938</td>
<td>76,085,641</td>
<td>10.61%</td>
</tr>
<tr>
<td>2012-13 Secondary</td>
<td>8,171,212</td>
<td>77,731,086</td>
<td>10.51%</td>
</tr>
<tr>
<td>2013-14 Primary</td>
<td>7,559,129</td>
<td>73,262,703</td>
<td>10.32%</td>
</tr>
<tr>
<td>2013-14 Secondary</td>
<td>7,623,691</td>
<td>74,590,067</td>
<td>10.22%</td>
</tr>
<tr>
<td>2014-15 Primary</td>
<td>7,518,482</td>
<td>74,402,882</td>
<td>10.11%</td>
</tr>
<tr>
<td>2014-15 Secondary</td>
<td>7,579,899</td>
<td>75,389,155</td>
<td>10.05%</td>
</tr>
<tr>
<td>2015-16 Primary</td>
<td>7,620,361</td>
<td>76,489,654</td>
<td>9.96%</td>
</tr>
<tr>
<td>2015-16 Secondary</td>
<td>7,906,190</td>
<td>79,550,159</td>
<td>9.94%</td>
</tr>
<tr>
<td>2016-17 Primary</td>
<td>7,816,700</td>
<td>78,911,345</td>
<td>9.91%</td>
</tr>
<tr>
<td>2016-17 Secondary</td>
<td>8,262,665</td>
<td>83,520,548</td>
<td>9.89%</td>
</tr>
<tr>
<td>2017-18 Primary</td>
<td>8,074,958</td>
<td>80,459,900</td>
<td>10.04%</td>
</tr>
<tr>
<td>2017-18 Secondary</td>
<td>8,508,990</td>
<td>84,772,588</td>
<td>10.04%</td>
</tr>
<tr>
<td>2018-19 Primary</td>
<td>8,333,893</td>
<td>82,745,384</td>
<td>10.07%</td>
</tr>
<tr>
<td>2018-19 Secondary</td>
<td>9,030,169</td>
<td>89,027,208</td>
<td>10.14%</td>
</tr>
</tbody>
</table>

**Notes:**

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

**Source:**
Pima County Finance & Risk Management
## PIMA COUNTY, ARIZONA
### Comparative Net Valuations and Tax Rates
(per $100 assessed value)
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Valuation</td>
<td>Rate</td>
</tr>
<tr>
<td>State of Arizona</td>
<td>$8,333,893</td>
<td>0</td>
</tr>
<tr>
<td>Pima County</td>
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<td></td>
</tr>
<tr>
<td>General Fund - Primary</td>
<td>8,333,893</td>
<td>4.0696</td>
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<tr>
<td>Debt Service - Secondary</td>
<td>8,333,893</td>
<td>0.6900</td>
</tr>
<tr>
<td>Free Library - Secondary</td>
<td>8,333,893</td>
<td>0.5153</td>
</tr>
<tr>
<td>Total County - Primary</td>
<td>8,333,893</td>
<td>4.0696</td>
</tr>
<tr>
<td>Total County - Secondary</td>
<td>3,433,893</td>
<td>1.2053</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>5.2749</td>
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<tr>
<td>Education Assistance</td>
<td>8,333,893</td>
<td>0.4741</td>
</tr>
<tr>
<td>Flood Control District - Secondary</td>
<td>7,576,148</td>
<td>0.3335</td>
</tr>
<tr>
<td>Fire District Assistance - Secondary</td>
<td>8,333,893</td>
<td>0.0441</td>
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<tr>
<td>Pima Community College District</td>
<td></td>
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<tr>
<td>Primary</td>
<td>8,333,893</td>
<td>1.3983</td>
</tr>
<tr>
<td>Secondary</td>
<td>3,433,893</td>
<td>0.9508</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1.3983</td>
</tr>
<tr>
<td>Central Arizona Water Conservation District</td>
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<tr>
<td>Cities &amp; Towns</td>
<td></td>
<td></td>
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<tr>
<td>City of Tucson</td>
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<tr>
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<td>School Districts</td>
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Source:
Pima County Finance & Risk Management (continued)
### Comparative Net Valuations and Tax Rates

_(per $100 assessed value)_

(in thousands)

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<tr>
<th></th>
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</tr>
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<tbody>
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<td>Tanque Verde Unified (District #13)</td>
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<td>18,120</td>
<td>4.5585</td>
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<td>Secondary</td>
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<td>Catalina Foothills Unified (District #16)</td>
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<td>Secondary</td>
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<tr>
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<td>492,663</td>
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<td>Secondary</td>
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<td>3.0145</td>
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<td>Total</td>
<td>$7,1643</td>
<td>7.4759</td>
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</table>

Source:
Pima County Finance & Risk Management
## Comparative Net Valuations and Tax Rates (per $100 assessed value) (in thousands)

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<thead>
<tr>
<th></th>
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<th></th>
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<td>San Fernando Elementary (District #35)</td>
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<td>10,725</td>
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<tr>
<td>Secondary</td>
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<tr>
<td>Total</td>
<td>4.3145</td>
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<tr>
<td>Empire Elementary (District #37)</td>
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<tr>
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<td>6,862</td>
<td>6.4884</td>
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<tr>
<td>Secondary</td>
<td>6,862</td>
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<tr>
<td>Total</td>
<td>6.4884</td>
<td></td>
</tr>
<tr>
<td>Continental Elementary (District #39)</td>
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<td></td>
</tr>
<tr>
<td>Primary</td>
<td>342,029</td>
<td>2.0416</td>
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<tr>
<td>Secondary</td>
<td>342,029</td>
<td>0.4621</td>
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<td>Baboquivari Unified School (District #40)</td>
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</tr>
<tr>
<td>Primary</td>
<td>2,139</td>
<td>0</td>
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<tr>
<td>Secondary</td>
<td>2,139</td>
<td>0</td>
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<tr>
<td>Total</td>
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</tr>
<tr>
<td>Redington Elementary (District #44)</td>
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<tr>
<td>Primary</td>
<td>1,398</td>
<td>8.6853</td>
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<td>Secondary</td>
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<tr>
<td>Total</td>
<td>8.6853</td>
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<td>Altar Valley Elementary (District #51)</td>
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<tr>
<td>Primary</td>
<td>45,414</td>
<td>5.0640</td>
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<td>Secondary</td>
<td>45,414</td>
<td>0.9212</td>
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<td>Total</td>
<td>5.9852</td>
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Source:
Pima County Finance & Risk Management
### Historical Collections - Hotel Excise Tax

**Car Rental Surcharge and Recreational Vehicle Tax**

*Last Ten Fiscal Years*

(in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Hotel Excise Tax¹</th>
<th>Car Rental Surcharges²</th>
<th>Recreational Vehicle Tax³, ⁴</th>
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<tbody>
<tr>
<td>2009-10</td>
<td>$5,637</td>
<td>$1,521</td>
<td>$181</td>
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<tr>
<td>2010-11</td>
<td>5,887</td>
<td>1,538</td>
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<td>2011-12</td>
<td>6,626</td>
<td>1,464</td>
<td>146</td>
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<td>2012-13</td>
<td>6,286</td>
<td>1,399</td>
<td>136</td>
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<td>2013-14</td>
<td>6,276</td>
<td>1,390</td>
<td>122</td>
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<tr>
<td>2014-15</td>
<td>6,105</td>
<td>1,384</td>
<td>137</td>
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<tr>
<td>2015-16</td>
<td>6,534</td>
<td>1,468</td>
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<tr>
<td>2016-17</td>
<td>6,958</td>
<td>1,446</td>
<td>161</td>
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<tr>
<td>2017-18</td>
<td>6,345</td>
<td>1,530</td>
<td>71</td>
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<tr>
<td>2018-19</td>
<td>7,196</td>
<td>1,507</td>
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</table>

**Notes:**

1. Tax increased from 1% to 2% January 1, 1997; the additional 1% can only be used for County sports facilities. In January of 2006, the tax increased from 2% to 6%, of which only 34% can be used for sports facilities.

2. Car rental surcharges increased from $2.50 to $3.50 per rental contract July 1, 1996. Usage is restricted to County sports facilities.

3. Recreational vehicle taxes apply at the rate of $0.50 per vehicle per night and became effective July 1, 1997. Usage of this tax is limited to athletic activities.


**Source:**

Pima County Finance and Risk Management Department
## PIMA COUNTY, ARIZONA

### Streets and Highways Revenues

Last Ten Fiscal Years

(in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
<th>Highway User Revenue</th>
<th>Vehicle License Tax</th>
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<tr>
<td>2009-10</td>
<td>$50,535</td>
<td>$38,739</td>
<td>$11,796</td>
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<tr>
<td>2010-11</td>
<td>50,460</td>
<td>38,974</td>
<td>11,486</td>
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<td>2011-12</td>
<td>44,890</td>
<td>33,665</td>
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<td>2012-13</td>
<td>47,449</td>
<td>36,860</td>
<td>10,589</td>
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<tr>
<td>2013-14</td>
<td>49,212</td>
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<td>2014-15</td>
<td>53,212</td>
<td>40,762</td>
<td>12,450</td>
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<td>2015-16</td>
<td>56,006</td>
<td>42,543</td>
<td>13,463</td>
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<td>2016-17</td>
<td>59,443</td>
<td>45,356</td>
<td>14,087</td>
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<td>2017-18</td>
<td>61,552</td>
<td>46,553</td>
<td>14,999</td>
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<tr>
<td>2018-19</td>
<td>65,564</td>
<td>49,718</td>
<td>15,846</td>
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</table>

Source:
Pima County Finance and Risk Management Department
DEBT CAPACITY:

The debt capacity information is intended to assist users to understand and assess a government’s debt burden and ability to issue debt. Debt capacity information is cited as being very useful for assessing economic condition as frequently as revenue or tax capacity. Five of the schedules presented provide ten-year comparisons.

Certain schedules, for example, leases, lease-purchase installment notes payable, and purchase agreements, are provided to comply with debt disclosure requirements.
### Ratios of Outstanding Debt by Type to Personal Income and Per Capita

#### Last Ten Fiscal Years

#### (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>General Obligation Bonds</th>
<th>Transportation Revenue Bonds</th>
<th>Certificates of Participation</th>
<th>Capital Leases</th>
<th>Installment Note Payable</th>
<th>Sewer Revenue Bonds</th>
<th>Wastewater Revenue Leases</th>
<th>Contracts and Obligations</th>
<th>Total Government</th>
<th>Percentage of Personal Income</th>
<th>Population at July 1</th>
<th>Debt per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$420,261</td>
<td>$142,226</td>
<td>$72,638</td>
<td>$19,387</td>
<td></td>
<td>$166,935</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2010-11</td>
<td>455,856</td>
<td>131,375</td>
<td>48,235</td>
<td>17,775</td>
<td>184,782</td>
<td>176,849</td>
<td>27,390</td>
<td>4,657</td>
<td>1,046,919</td>
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<tr>
<td>2011-12</td>
<td>461,557</td>
<td>141,536</td>
<td>39,772</td>
<td>16,431</td>
<td>155,514</td>
<td>510,975</td>
<td>21,169</td>
<td>12,645</td>
<td>1,431,672</td>
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<td>2012-13</td>
<td>467,368</td>
<td>128,604</td>
<td>134,494</td>
<td>298</td>
<td>138,431</td>
<td>540,288</td>
<td>19,680</td>
<td>7,942</td>
<td>1,405,771</td>
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<td>2013-14</td>
<td>416,006</td>
<td>133,081</td>
<td>149,703</td>
<td>640</td>
<td>120,361</td>
<td>510,763</td>
<td>18,145</td>
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<td>391,298</td>
<td>118,770</td>
<td>177,771</td>
<td>11,912</td>
<td>104,153</td>
<td>510,486</td>
<td>16,563</td>
<td>1,577</td>
<td>1,245,339</td>
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<td>2015-16</td>
<td>350,135</td>
<td>103,961</td>
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<td>2,863</td>
<td>565,708</td>
<td>3,555</td>
<td>763</td>
<td>1,115,312</td>
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<tr>
<td>2016-17</td>
<td>336,954</td>
<td>89,689</td>
<td>141,194</td>
<td>88</td>
<td>2,535</td>
<td>574,486</td>
<td>4,630</td>
<td>1,564</td>
<td>1,172,737</td>
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<td>2017-18</td>
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<td>166,617</td>
<td>38</td>
<td>2,863</td>
<td>565,708</td>
<td>3,555</td>
<td>763</td>
<td>1,115,312</td>
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<td>124,567</td>
<td>724</td>
<td>2,535</td>
<td>574,486</td>
<td>4,630</td>
<td>1,564</td>
<td>1,172,737</td>
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</table>

#### Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 62-70.

1Personal income and population statistics are based on calendar year.

#### Source:

Pima County Finance & Risk Management
Office of Economic Opportunity
## Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bond Debt</th>
<th>Debt Service Funds Available for General Fund Principal</th>
<th>Net General Fund Debt</th>
<th>Secondary Debt to General Fiscal Obligation Available for General Net Assessed Assessed Population Bond Debt</th>
<th>Percent Net General Bond Debt to Assessed Value</th>
<th>Population at July 1</th>
<th>Net General Bond Debt per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$420,261</td>
<td>$11,396</td>
<td>$408,865</td>
<td>$9,860,981</td>
<td>4.15%</td>
<td>981,168</td>
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<td>2010-11</td>
<td>455,856</td>
<td>27,904</td>
<td>427,952</td>
<td>9,342,561</td>
<td>4.58%</td>
<td>986,081</td>
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<tr>
<td>2011-12</td>
<td>461,557</td>
<td>22,602</td>
<td>438,955</td>
<td>8,448,282</td>
<td>5.20%</td>
<td>990,380</td>
<td>443</td>
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<td>2012-13</td>
<td>467,368</td>
<td>22,900</td>
<td>444,468</td>
<td>8,171,212</td>
<td>5.44%</td>
<td>996,046</td>
<td>447</td>
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<td>2013-14</td>
<td>416,006</td>
<td>5,326</td>
<td>410,680</td>
<td>7,623,691</td>
<td>5.39%</td>
<td>1,007,162</td>
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<td>2014-15</td>
<td>391,298</td>
<td>6,037</td>
<td>385,261</td>
<td>7,579,899</td>
<td>5.08%</td>
<td>1,022,079</td>
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<td>350,135</td>
<td>5,606</td>
<td>344,529</td>
<td>7,906,190</td>
<td>4.36%</td>
<td>1,016,743</td>
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<td>2016-17</td>
<td>336,954</td>
<td>2,793</td>
<td>334,161</td>
<td>8,262,665</td>
<td>4.04%</td>
<td>1,025,044</td>
<td>326</td>
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<tr>
<td>2017-18</td>
<td>288,182</td>
<td>2,911</td>
<td>285,271</td>
<td>8,508,990</td>
<td>3.35%</td>
<td>1,033,781</td>
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<td>2018-19</td>
<td>236,572</td>
<td>2,639</td>
<td>233,933</td>
<td>9,030,169</td>
<td>2.59%</td>
<td>1,042,475</td>
<td>224</td>
</tr>
</tbody>
</table>

**Notes:**
- Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 62-70.
- Population statistics are based on calendar year.
- Debt per Capita is shown in actual dollars and not in thousands.

**Source:**
- Pima County Finance & Risk Management
- Office of Economic Opportunity
### Ratio of Direct and Overlapping Debt to Property Values and Per Capita
#### Last Ten Fiscal Years
(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Overlapping Debt</th>
<th>Secondary Net Assessed Value</th>
<th>Percentage of Assessed Value</th>
<th>Population at July 1&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Debt per Capita&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$1,302,802</td>
<td>$9,860,981</td>
<td>13.21%</td>
<td>981,168</td>
<td>$1,328</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,335,431</td>
<td>9,342,561</td>
<td>14.29%</td>
<td>986,081</td>
<td>1,354</td>
</tr>
<tr>
<td>2011-12</td>
<td>1,284,219</td>
<td>8,448,282</td>
<td>15.20%</td>
<td>990,380</td>
<td>1,297</td>
</tr>
<tr>
<td>2012-13</td>
<td>1,311,417</td>
<td>8,171,212</td>
<td>16.05%</td>
<td>996,046</td>
<td>1,317</td>
</tr>
<tr>
<td>2013-14</td>
<td>1,153,220</td>
<td>7,623,691</td>
<td>15.13%</td>
<td>1,007,162</td>
<td>1,145</td>
</tr>
<tr>
<td>2014-15</td>
<td>1,501,691</td>
<td>7,579,899</td>
<td>19.81%</td>
<td>1,022,079</td>
<td>1,469</td>
</tr>
<tr>
<td>2015-16</td>
<td>1,445,104</td>
<td>7,906,190</td>
<td>18.28%</td>
<td>1,016,743</td>
<td>1,421</td>
</tr>
<tr>
<td>2016-17</td>
<td>1,393,757</td>
<td>8,262,665</td>
<td>16.87%</td>
<td>1,025,044</td>
<td>1,360</td>
</tr>
<tr>
<td>2017-18</td>
<td>1,337,556</td>
<td>8,508,990</td>
<td>15.72%</td>
<td>1,033,781</td>
<td>1,294</td>
</tr>
<tr>
<td>2018-19</td>
<td>1,325,724</td>
<td>9,030,169</td>
<td>14.68%</td>
<td>1,042,475</td>
<td>1,272</td>
</tr>
</tbody>
</table>

**Notes:**
- Overlapping governments are those that coincide (at least in part), with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident and is responsible for the repayment of debt of each overlapping government.

1<sup>1</sup>Population statistics are based on calendar year.
2<sup>2</sup>Debt per Capita is shown in actual dollars and not in thousands.

**Source:**
Pima County Finance & Risk Management
Office of Economic Opportunity
## Computation of Direct and Overlapping

### Governmental Activities Debt Outstanding

**At June 30, 2019**

*(in thousands)*

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Amount Overlapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt repaid with property tax:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Districts</td>
<td>$ 659,085</td>
<td>$ 659,085</td>
</tr>
<tr>
<td>Pima Community College</td>
<td>59,715</td>
<td>59,715</td>
</tr>
<tr>
<td>City of Tucson</td>
<td>148,145</td>
<td>148,145</td>
</tr>
<tr>
<td><strong>Total overlapping</strong></td>
<td></td>
<td><strong>$ 866,945</strong></td>
</tr>
<tr>
<td>Debt repaid with property tax Direct:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pima County*</td>
<td>$ 236,572</td>
<td>$ 236,572</td>
</tr>
<tr>
<td><strong>Total direct repaid with property tax</strong></td>
<td></td>
<td><strong>$ 236,572</strong></td>
</tr>
<tr>
<td>Other Debt:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of participation</td>
<td>$ 124,567</td>
<td>$ 124,567</td>
</tr>
<tr>
<td>Installment note payable</td>
<td>724</td>
<td>724</td>
</tr>
<tr>
<td>Transportation bonds</td>
<td>96,916</td>
<td>96,916</td>
</tr>
<tr>
<td><strong>Total other debt</strong></td>
<td></td>
<td><strong>$ 222,207</strong></td>
</tr>
<tr>
<td><strong>Total direct</strong></td>
<td></td>
<td><strong>$ 458,779</strong></td>
</tr>
<tr>
<td><strong>Total direct and overlapping debt</strong></td>
<td></td>
<td><strong>$ 1,325,724</strong></td>
</tr>
</tbody>
</table>

### Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and is responsible for the repayment of debt of each overlapping government.

*Excludes improvement districts.

### Source:

Pima County Finance & Risk Management  
City of Tucson Finance Department  
Pima Community College District Finance Office
## PIMA COUNTY, ARIZONA

**Legal Debt Margin**  
Last Ten Fiscal Years  
(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Cash Net Assessed Value</th>
<th>Legal Debt Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$9,860,981</td>
<td>$1,479,147</td>
</tr>
<tr>
<td>2011</td>
<td>$9,342,561</td>
<td>$1,401,384</td>
</tr>
<tr>
<td>2012</td>
<td>$8,448,282</td>
<td>$1,267,242</td>
</tr>
<tr>
<td>2013</td>
<td>$8,171,212</td>
<td>$1,225,682</td>
</tr>
<tr>
<td>2014</td>
<td>$7,623,691</td>
<td>$1,143,554</td>
</tr>
<tr>
<td>2015</td>
<td>$7,579,899</td>
<td>$1,136,985</td>
</tr>
<tr>
<td>2016</td>
<td>$7,906,190</td>
<td>$1,185,929</td>
</tr>
<tr>
<td>2017</td>
<td>$8,262,665</td>
<td>$1,239,400</td>
</tr>
<tr>
<td>2018</td>
<td>$8,508,990</td>
<td>$1,276,349</td>
</tr>
<tr>
<td>2019</td>
<td>$9,030,169</td>
<td>$1,354,525</td>
</tr>
</tbody>
</table>

### Debt limit (15% of assessed value)

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt limit</th>
<th>Debt applicable to limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,479,147</td>
<td>$417,995</td>
</tr>
<tr>
<td>2011</td>
<td>$1,401,384</td>
<td>$452,750</td>
</tr>
<tr>
<td>2012</td>
<td>$1,267,242</td>
<td>$456,145</td>
</tr>
<tr>
<td>2013</td>
<td>$1,225,682</td>
<td>$456,690</td>
</tr>
<tr>
<td>2014</td>
<td>$1,143,554</td>
<td>$407,275</td>
</tr>
<tr>
<td>2015</td>
<td>$1,136,985</td>
<td>$383,935</td>
</tr>
<tr>
<td>2016</td>
<td>$1,185,929</td>
<td>$344,620</td>
</tr>
<tr>
<td>2017</td>
<td>$1,239,400</td>
<td>$321,285</td>
</tr>
<tr>
<td>2018</td>
<td>$1,276,349</td>
<td>$275,990</td>
</tr>
<tr>
<td>2019</td>
<td>$1,354,525</td>
<td>$227,335</td>
</tr>
</tbody>
</table>

### Legal Debt Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Legal Debt Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,072,548</td>
</tr>
<tr>
<td>2011</td>
<td>$976,538</td>
</tr>
<tr>
<td>2012</td>
<td>$833,699</td>
</tr>
<tr>
<td>2013</td>
<td>$791,892</td>
</tr>
<tr>
<td>2014</td>
<td>$741,605</td>
</tr>
<tr>
<td>2015</td>
<td>$759,087</td>
</tr>
<tr>
<td>2016</td>
<td>$846,915</td>
</tr>
<tr>
<td>2017</td>
<td>$920,908</td>
</tr>
<tr>
<td>2018</td>
<td>$1,003,270</td>
</tr>
<tr>
<td>2019</td>
<td>$1,129,829</td>
</tr>
</tbody>
</table>

The total net debt applicable to the limit as a percentage of debt limit is as follows:

- 2010: 27.49%
- 2011: 30.32%
- 2012: 34.21%
- 2013: 35.39%
- 2014: 35.15%
- 2015: 33.24%
- 2016: 28.59%
- 2017: 25.70%
- 2018: 21.40%
- 2019: 16.59%

Please see Note 7 to the Financial Statements, page 76 for additional details on calculation of the legal debt margin for the current year.

Source:  
Pima County Finance & Risk Management
### Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage

**Last Ten Fiscal Years**

(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sewer User Revenues¹</th>
<th>Less: Operating Expense²</th>
<th>Available Net Revenue</th>
<th>Pledged Fiscal Year Revenues³</th>
<th>Debt Service⁴</th>
<th>Coverage Ratio⁵</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>$128,622</td>
<td>$69,904</td>
<td>$58,718</td>
<td>$20,163</td>
<td>$78,881</td>
<td>2.94</td>
</tr>
<tr>
<td>2010-11</td>
<td>150,515</td>
<td>74,638</td>
<td>75,877</td>
<td>11,260</td>
<td>87,137</td>
<td>2.55</td>
</tr>
<tr>
<td>2011-12</td>
<td>155,614</td>
<td>73,241</td>
<td>82,373</td>
<td>32,806</td>
<td>115,179</td>
<td>2.71</td>
</tr>
<tr>
<td>2012-13</td>
<td>157,907</td>
<td>73,577</td>
<td>84,330</td>
<td>99,491</td>
<td>183,821</td>
<td>2.71</td>
</tr>
<tr>
<td>2013-14</td>
<td>174,271</td>
<td>77,893</td>
<td>96,378</td>
<td>128,735</td>
<td>225,113</td>
<td>3.17</td>
</tr>
<tr>
<td>2014-15</td>
<td>173,977</td>
<td>84,492</td>
<td>89,485</td>
<td>121,426</td>
<td>210,911</td>
<td>2.96</td>
</tr>
<tr>
<td>2015-16</td>
<td>169,730</td>
<td>83,423</td>
<td>86,307</td>
<td>110,741</td>
<td>197,048</td>
<td>2.86</td>
</tr>
<tr>
<td>2016-17</td>
<td>173,058</td>
<td>80,165</td>
<td>92,893</td>
<td>110,451</td>
<td>203,344</td>
<td>2.73</td>
</tr>
<tr>
<td>2017-18</td>
<td>178,933</td>
<td>79,208</td>
<td>99,725</td>
<td>89,316</td>
<td>189,041</td>
<td>2.71</td>
</tr>
<tr>
<td>2018-19</td>
<td>185,142</td>
<td>78,957</td>
<td>106,185</td>
<td>78,192</td>
<td>184,377</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Notes:

¹Includes sewer connection fees, interest income, and other miscellaneous revenues.
²Excludes grants, depreciation, interest expense and amortization.
³Pledged revenues defined by BOS Resolution 2010-50.
⁴Sewer revenue debt rate covenants require minimum coverage of 120%.
⁵For fiscal year 2009-2010, a new Debt Coverage calculation was implemented.
⁶Debt service requirements include principal and interest payable during the Bond Fiscal Year. Per the bond resolution, Bond Fiscal Year is defined as 7/2/20XX to 7/1/20XX.

Source:
Pima County Finance & Risk Management
PIMA COUNTY, ARIZONA
Transportation Revenue Bonds - Pledged Revenue Bond Coverage
Last Ten Fiscal Years
(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Transportation Revenue</th>
<th>Operating Expense</th>
<th>Available Net Revenue</th>
<th>Debt Service¹</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$ 54,897</td>
<td>$ 34,214</td>
<td>$ 20,683</td>
<td>$ 10,530</td>
<td>$ 5,709</td>
</tr>
<tr>
<td>2010-11</td>
<td>52,711</td>
<td>34,552</td>
<td>18,159</td>
<td>11,015</td>
<td>5,244</td>
</tr>
<tr>
<td>2011-12</td>
<td>46,834</td>
<td>33,335</td>
<td>13,499</td>
<td>12,055</td>
<td>5,537</td>
</tr>
<tr>
<td>2012-13</td>
<td>49,874</td>
<td>35,041</td>
<td>14,833</td>
<td>12,425</td>
<td>4,969</td>
</tr>
<tr>
<td>2013-14</td>
<td>50,997</td>
<td>37,295</td>
<td>13,702</td>
<td>13,685</td>
<td>5,197</td>
</tr>
<tr>
<td>2014-15</td>
<td>55,466</td>
<td>39,022</td>
<td>16,444</td>
<td>13,210</td>
<td>4,711</td>
</tr>
<tr>
<td>2015-16</td>
<td>57,976</td>
<td>39,798</td>
<td>18,178</td>
<td>14,585</td>
<td>4,146</td>
</tr>
<tr>
<td>2016-17</td>
<td>61,217</td>
<td>40,780</td>
<td>20,437</td>
<td>15,105</td>
<td>3,598</td>
</tr>
<tr>
<td>2017-18</td>
<td>63,604</td>
<td>41,801</td>
<td>21,803</td>
<td>14,820</td>
<td>3,354</td>
</tr>
<tr>
<td>2018-19</td>
<td>68,366</td>
<td>39,925</td>
<td>28,441</td>
<td>14,405</td>
<td>3,686</td>
</tr>
</tbody>
</table>

Notes:
Details regarding outstanding debt can be found in Note 7 to the Financial Statements, page 70. Operating expenditures do not include interest, depreciation or amortization.

¹Debt Service requirements include principal and interest payable in the 12 months following each fiscal year.

Source:
Pima County Finance & Risk Management
<table>
<thead>
<tr>
<th>Function/Department</th>
<th>FY 10-11</th>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerk of Superior Court - Equipment</td>
<td>$37</td>
<td>$63</td>
<td>$84</td>
<td>$96</td>
<td>$73</td>
<td>$51</td>
<td>$38</td>
<td>$55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jail†</td>
<td>3,004</td>
<td>3,004</td>
<td>$3,427</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheriff - Equipment</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td>160</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste - Equipment</td>
<td>298</td>
<td>298</td>
<td>298</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Administration - Culture &amp; Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

†Funds derived from a sale/leaseback of the County’s Adult Corrections Facility provided funding for construction of Kino Veteran’s Memorial Sportspark & Tucson Electric Park Stadium.

Source:

Pima County Finance & Risk Management
PIMA COUNTY, ARIZONA

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years
(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total Debt Service</th>
<th>Total General Expenditures*</th>
<th>Ratio of Debt Service To General Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$83,565</td>
<td>$24,097</td>
<td>$107,662</td>
<td>$730,379</td>
<td>14.7%</td>
</tr>
<tr>
<td>2010-11</td>
<td>72,525</td>
<td>23,945</td>
<td>96,470</td>
<td>730,278</td>
<td>13.2%</td>
</tr>
<tr>
<td>2011-12</td>
<td>78,390</td>
<td>24,762</td>
<td>103,152</td>
<td>767,261</td>
<td>13.4%</td>
</tr>
<tr>
<td>2012-13</td>
<td>67,885</td>
<td>23,903</td>
<td>91,788</td>
<td>756,959</td>
<td>12.1%</td>
</tr>
<tr>
<td>2013-14</td>
<td>112,835</td>
<td>26,758</td>
<td>139,593</td>
<td>806,007</td>
<td>17.3%</td>
</tr>
<tr>
<td>2014-15</td>
<td>81,705</td>
<td>26,424</td>
<td>108,129</td>
<td>803,590</td>
<td>13.5%</td>
</tr>
<tr>
<td>2015-16</td>
<td>83,765</td>
<td>25,515</td>
<td>109,280</td>
<td>807,174</td>
<td>13.5%</td>
</tr>
<tr>
<td>2016-17</td>
<td>94,695</td>
<td>23,354</td>
<td>118,049</td>
<td>832,971</td>
<td>14.2%</td>
</tr>
<tr>
<td>2017-18</td>
<td>96,005</td>
<td>20,133</td>
<td>116,138</td>
<td>829,054</td>
<td>14.0%</td>
</tr>
<tr>
<td>2018-19</td>
<td>128,350</td>
<td>18,674</td>
<td>147,024</td>
<td>879,370</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

*Includes General, Special Revenue and Debt Service Funds, while excluding Capital Projects Fund.

Source:
Pima County Finance & Risk Management
(This page intentionally left blank)
DEMOCRATIC AND ECONOMIC INFORMATION:
The dual objectives of the demographic and economic information are to assist users in understanding certain aspects of the environment in which a government operates and to provide information that facilitates the comparisons of financial statement data over time and across governments. Information of this type can help readers assess a government's condition by providing information about community expansion, average age increases or decreases and changes in personal income and unemployment. This type of data is important to readers in assessing economic condition.
### Demographic and Economic Statistics

#### Last Ten Years

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Population</th>
<th>Personal Income</th>
<th>Per Capita Personal Income</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>981,168</td>
<td>$33,883,172</td>
<td>$34,534</td>
<td>9.3%</td>
</tr>
<tr>
<td>2011</td>
<td>986,081</td>
<td>35,132,468</td>
<td>35,628</td>
<td>8.5%</td>
</tr>
<tr>
<td>2012</td>
<td>990,380</td>
<td>36,412,855</td>
<td>36,767</td>
<td>7.4%</td>
</tr>
<tr>
<td>2013</td>
<td>996,046</td>
<td>36,935,363</td>
<td>37,082</td>
<td>7.0%</td>
</tr>
<tr>
<td>2014</td>
<td>1,007,162</td>
<td>38,025,100</td>
<td>37,755</td>
<td>6.4%</td>
</tr>
<tr>
<td>2015</td>
<td>1,022,079</td>
<td>39,106,000</td>
<td>38,261</td>
<td>5.6%</td>
</tr>
<tr>
<td>2016</td>
<td>1,016,743</td>
<td>40,359,300</td>
<td>39,695</td>
<td>5.0%</td>
</tr>
<tr>
<td>2017</td>
<td>1,025,044</td>
<td>41,349,550</td>
<td>40,339</td>
<td>4.5%</td>
</tr>
<tr>
<td>2018</td>
<td>1,033,781</td>
<td>43,223,000</td>
<td>41,811</td>
<td>4.3%</td>
</tr>
<tr>
<td>2019</td>
<td>1,042,475</td>
<td>46,497,700</td>
<td>44,603</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

**Sources:**
- Office of Economic Opportunity (for population data only)
- UA Economic and Business Research Center, Eller College of Management
- Bureau of Labor Statistics
### PIMA COUNTY, ARIZONA

#### Principal Employers

**Current Year and Nine Years Ago**

<table>
<thead>
<tr>
<th>Employer</th>
<th>2010 Employees</th>
<th>Rank</th>
<th>2010 Percent of Total County Employment</th>
<th>2011 Employees</th>
<th>Rank</th>
<th>2011 Percent of Total County Employment</th>
<th>2012 Employees</th>
<th>Rank</th>
<th>2012 Percent of Total County Employment</th>
<th>2013 Employees</th>
<th>Rank</th>
<th>2013 Percent of Total County Employment</th>
<th>2014 Employees</th>
<th>Rank</th>
<th>2014 Percent of Total County Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Arizona</td>
<td>10,363</td>
<td>2</td>
<td>2.1%</td>
<td>10,481</td>
<td>2</td>
<td>2.2%</td>
<td>10,681</td>
<td>1</td>
<td>2.3%</td>
<td>10,846</td>
<td>1</td>
<td>2.4%</td>
<td>11,047</td>
<td>1</td>
<td>2.4%</td>
</tr>
<tr>
<td>Raytheon</td>
<td>12,140</td>
<td>1</td>
<td>2.5%</td>
<td>10,500</td>
<td>1</td>
<td>2.2%</td>
<td>10,300</td>
<td>2</td>
<td>2.3%</td>
<td>8,933</td>
<td>4</td>
<td>2.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davis-Monthan AFB</td>
<td>7,755</td>
<td>4</td>
<td>1.6%</td>
<td>8,462</td>
<td>4</td>
<td>1.7%</td>
<td>8,566</td>
<td>4</td>
<td>1.9%</td>
<td>9,100</td>
<td>3</td>
<td>2.0%</td>
<td>9,933</td>
<td>2</td>
<td>2.2%</td>
</tr>
<tr>
<td>State of Arizona</td>
<td>8,708</td>
<td>3</td>
<td>1.8%</td>
<td>8,866</td>
<td>3</td>
<td>1.8%</td>
<td>9,061</td>
<td>3</td>
<td>2.0%</td>
<td>8,807</td>
<td>4</td>
<td>1.9%</td>
<td>9,439</td>
<td>3</td>
<td>2.1%</td>
</tr>
<tr>
<td>Tucson Unified School District</td>
<td>7,012</td>
<td>6</td>
<td>1.4%</td>
<td>6,709</td>
<td>6</td>
<td>1.4%</td>
<td>6,674</td>
<td>6</td>
<td>1.5%</td>
<td>6,790</td>
<td>6</td>
<td>1.5%</td>
<td>6,525</td>
<td>6</td>
<td>1.4%</td>
</tr>
<tr>
<td>Banner Healthcare - UMC</td>
<td>6,511</td>
<td>7</td>
<td>1.3%</td>
<td>6,403</td>
<td>7</td>
<td>1.3%</td>
<td>6,170</td>
<td>8</td>
<td>1.4%</td>
<td>6,076</td>
<td>9</td>
<td>1.3%</td>
<td>6,329</td>
<td>7</td>
<td>1.4%</td>
</tr>
<tr>
<td>Pima County Government</td>
<td>5,982</td>
<td>9</td>
<td>1.2%</td>
<td>4,930</td>
<td>10</td>
<td>1.0%</td>
<td>4,585</td>
<td>9</td>
<td>1.0%</td>
<td>4,845</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Customs &amp; Border Protection</td>
<td></td>
<td></td>
<td></td>
<td>6,000</td>
<td>9</td>
<td>1.3%</td>
<td>6,500</td>
<td>7</td>
<td>1.4%</td>
<td>4,135</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UA Healthcare Network</td>
<td></td>
<td></td>
<td></td>
<td>5,982</td>
<td>9</td>
<td>1.2%</td>
<td>5,463</td>
<td>10</td>
<td>1.2%</td>
<td>5,600</td>
<td>9</td>
<td>1.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Huachuca</td>
<td>6,236</td>
<td>8</td>
<td>1.3%</td>
<td>6,225</td>
<td>8</td>
<td>1.3%</td>
<td>6,198</td>
<td>7</td>
<td>1.4%</td>
<td>6,198</td>
<td>8</td>
<td>1.4%</td>
<td>5,717</td>
<td>8</td>
<td>1.3%</td>
</tr>
<tr>
<td>Carondelet Health Network</td>
<td>4,566</td>
<td>10</td>
<td>0.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>71,316</td>
<td>14.8%</td>
<td></td>
<td>75,866</td>
<td>15.5%</td>
<td></td>
<td>76,744</td>
<td>17.1%</td>
<td></td>
<td>76,051</td>
<td>16.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Work Force</td>
<td>488,500</td>
<td></td>
<td></td>
<td>485,800</td>
<td></td>
<td></td>
<td>455,900</td>
<td></td>
<td></td>
<td>453,200</td>
<td></td>
<td></td>
<td>452,429</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

**Sources:**

- The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
- Pima Association of Governments (PAG)
- Economic and Business Research Center, Eller College of Management FY2019

(continued)
## Principal Employers

### Current Year and Nine Years Ago

<table>
<thead>
<tr>
<th>Employer</th>
<th>2015 Employees</th>
<th>2016 Employees</th>
<th>2017 Employees</th>
<th>2018 Employees</th>
<th>2019 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Arizona</td>
<td>11,235</td>
<td>11,251</td>
<td>10,846</td>
<td>12,531</td>
<td>16,217</td>
</tr>
<tr>
<td>Raytheon</td>
<td>9,600</td>
<td>9,600</td>
<td>10,300</td>
<td>11,471</td>
<td>11,295</td>
</tr>
<tr>
<td>Pima County Government</td>
<td>7,023</td>
<td>7,023</td>
<td>6,076</td>
<td>5,921</td>
<td>7,697</td>
</tr>
<tr>
<td>Davis-Monthan AFB</td>
<td>8,335</td>
<td>8,406</td>
<td>9,100</td>
<td>11,769</td>
<td>7,211</td>
</tr>
<tr>
<td>Tucson Unified School District</td>
<td>7,134</td>
<td>6,770</td>
<td>7,688</td>
<td>6,879</td>
<td>6,872</td>
</tr>
<tr>
<td>State of Arizona</td>
<td>8,524</td>
<td>8,580</td>
<td>8,807</td>
<td>8,585</td>
<td>6,654</td>
</tr>
<tr>
<td>Banner Healthcare - UMC</td>
<td>6,542</td>
<td>6,272</td>
<td>6,476</td>
<td>6,476</td>
<td>6,499</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>5,400</td>
<td>5,500</td>
<td>7,450</td>
<td>4,341</td>
<td>4,414</td>
</tr>
<tr>
<td>City of Tucson</td>
<td>4,882</td>
<td>4,595</td>
<td>4,093</td>
<td>4,093</td>
<td>3,987</td>
</tr>
<tr>
<td>Tucson Medical Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Customs &amp; Border Protection</td>
<td>6,470</td>
<td>5,739</td>
<td>6,500</td>
<td>6,099</td>
<td>6,099</td>
</tr>
<tr>
<td>UA Healthcare Network</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freeport-McMoran Inc.</td>
<td>5,800</td>
<td>5,530</td>
<td>5,463</td>
<td>5,463</td>
<td>5,463</td>
</tr>
<tr>
<td>Fort Huachuca&lt;sup&gt;1&lt;/sup&gt;</td>
<td>5,314</td>
<td>5,477</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>76,063</td>
<td>74,671</td>
<td>78,329</td>
<td>76,117</td>
<td>74,939</td>
</tr>
</tbody>
</table>

### Total County Work Force

<table>
<thead>
<tr>
<th></th>
<th>467,438</th>
<th>467,438</th>
<th>477,017</th>
<th>481,835</th>
<th>500,018</th>
</tr>
</thead>
</table>

Notes:

<sup>1</sup> Fort Huachuca is located in Cochise County but is listed here due to its role as a large regional employer.

Sources:

- The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
- Pima Association of Governments (PAG)
- Economic and Business Research Center, Eller College of Management FY2019
## PIMA COUNTY, ARIZONA
### Population and Employment
#### Last Ten Calendar Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Civilian Labor Force</th>
<th>Total Unemployment Rate</th>
<th>Mining</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Transportation &amp; Utilities</th>
<th>Financial Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>981,168</td>
<td>479,879</td>
<td>9.4%</td>
<td>1,800</td>
<td>15,100</td>
<td>23,800</td>
<td>57,200</td>
<td>17,200</td>
</tr>
<tr>
<td>2011</td>
<td>986,081</td>
<td>465,640</td>
<td>8.5%</td>
<td>1,900</td>
<td>14,500</td>
<td>23,300</td>
<td>58,000</td>
<td>16,900</td>
</tr>
<tr>
<td>2012</td>
<td>990,380</td>
<td>459,349</td>
<td>7.4%</td>
<td>2,100</td>
<td>14,400</td>
<td>23,200</td>
<td>58,000</td>
<td>16,900</td>
</tr>
<tr>
<td>2013</td>
<td>996,046</td>
<td>449,958</td>
<td>7.0%</td>
<td>2,300</td>
<td>15,400</td>
<td>23,000</td>
<td>59,200</td>
<td>17,300</td>
</tr>
<tr>
<td>2014</td>
<td>1,007,162</td>
<td>452,429</td>
<td>6.4%</td>
<td>2,300</td>
<td>14,800</td>
<td>22,500</td>
<td>60,600</td>
<td>17,500</td>
</tr>
<tr>
<td>2015</td>
<td>1,022,079</td>
<td>467,438</td>
<td>5.6%</td>
<td>2,300</td>
<td>14,600</td>
<td>22,600</td>
<td>60,600</td>
<td>17,600</td>
</tr>
<tr>
<td>2016</td>
<td>1,016,743</td>
<td>476,578</td>
<td>5.0%</td>
<td>2,200</td>
<td>14,300</td>
<td>23,500</td>
<td>60,700</td>
<td>19,600</td>
</tr>
<tr>
<td>2017</td>
<td>1,025,044</td>
<td>477,017</td>
<td>4.6%</td>
<td>1,600</td>
<td>14,900</td>
<td>23,600</td>
<td>59,300</td>
<td>17,600</td>
</tr>
<tr>
<td>2018</td>
<td>1,033,781</td>
<td>481,835</td>
<td>4.3%</td>
<td>1,700</td>
<td>16,700</td>
<td>24,600</td>
<td>61,100</td>
<td>17,700</td>
</tr>
<tr>
<td>2019</td>
<td>1,042,475</td>
<td>496,584</td>
<td>4.7%</td>
<td>1,900</td>
<td>17,500</td>
<td>26,300</td>
<td>59,300</td>
<td>18,300</td>
</tr>
</tbody>
</table>

**Notes:**
All Employment data presented is not seasonally adjusted. Labor Force, Unemployment and Sector Employment for 2019 represent the average through July.

**Sources:**
UA Economic and Business Research Center, Eller College of Management
Office of Economic Opportunity (for population data only)
## Transportation and Real Estate
### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Aircraft Movements</th>
<th>No. of Air Passengers</th>
<th>Bus Ridership</th>
<th>Riders Per Mile</th>
<th>Residential Bldg. Permits</th>
<th>Units Sold</th>
<th>Sales Volume (In thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>169,780</td>
<td>3,709,178</td>
<td>20,483,709</td>
<td>2.22</td>
<td>2,340</td>
<td>12,471</td>
<td>$2,457,147</td>
</tr>
<tr>
<td>2011</td>
<td>164,152</td>
<td>3,676,894</td>
<td>19,746,774</td>
<td>2.18</td>
<td>2,400</td>
<td>11,545</td>
<td>$2,033,702</td>
</tr>
<tr>
<td>2012</td>
<td>145,967</td>
<td>3,649,783</td>
<td>19,971,230</td>
<td>2.15</td>
<td>2,062</td>
<td>13,436</td>
<td>$2,211,369</td>
</tr>
<tr>
<td>2013</td>
<td>138,263</td>
<td>3,308,620</td>
<td>20,352,101</td>
<td>2.16</td>
<td>3,713</td>
<td>13,587</td>
<td>$2,528,609</td>
</tr>
<tr>
<td>2014</td>
<td>139,420</td>
<td>3,239,849</td>
<td>19,713,449</td>
<td>2.06</td>
<td>2,040</td>
<td>13,379</td>
<td>$2,648,443</td>
</tr>
<tr>
<td>2015</td>
<td>141,422</td>
<td>3,181,901</td>
<td>19,657,931</td>
<td>2.06</td>
<td>3,250</td>
<td>13,692</td>
<td>$2,856,957</td>
</tr>
<tr>
<td>2016</td>
<td>139,555</td>
<td>3,228,389</td>
<td>15,743,501</td>
<td>1.84</td>
<td>2,428</td>
<td>13,795</td>
<td>$3,313,078</td>
</tr>
<tr>
<td>2017</td>
<td>132,867</td>
<td>3,413,451</td>
<td>16,388,315</td>
<td>1.71</td>
<td>2,466</td>
<td>15,172</td>
<td>$3,488,123</td>
</tr>
<tr>
<td>2018</td>
<td>131,169</td>
<td>3,551,159</td>
<td>15,205,419</td>
<td>1.55</td>
<td>4,495</td>
<td>15,416</td>
<td>$3,823,877</td>
</tr>
<tr>
<td>2019</td>
<td>131,416</td>
<td>3,783,535</td>
<td>14,262,758</td>
<td>1.73</td>
<td>4,404</td>
<td>15,468</td>
<td>$4,042,995</td>
</tr>
</tbody>
</table>

**Note:**
Tucson International Airport follows the Federal fiscal calendar.

**Sources:**
- UA Economic and Business Research Center, Eller College of Management
- Tucson Airport Authority
- Sun Tran
- Tucson Association of Realtors, Multiple Listing Service, Inc.
PIMA COUNTY, ARIZONA
Economic Indicators by Calendar Year
Last Ten Years
(dollar amounts in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Retail Sales¹</th>
<th>No. of Dwelling Units Awarded²</th>
<th>Change in Real Estate Sales Volume</th>
<th>Commercial Bank Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$10,439,448</td>
<td>2,129</td>
<td>9%</td>
<td>$11,134,000</td>
</tr>
<tr>
<td>2011</td>
<td>10,640,207</td>
<td>1,938</td>
<td>-21%</td>
<td>11,265,000</td>
</tr>
<tr>
<td>2012</td>
<td>11,440,377</td>
<td>2,242</td>
<td>8%</td>
<td>11,501,822</td>
</tr>
<tr>
<td>2013</td>
<td>12,010,672</td>
<td>2,841</td>
<td>13%</td>
<td>12,173,345</td>
</tr>
<tr>
<td>2014</td>
<td>12,317,085</td>
<td>3,491</td>
<td>5%</td>
<td>12,980,645</td>
</tr>
<tr>
<td>2015</td>
<td>12,555,553</td>
<td>3,250</td>
<td>7%</td>
<td>13,760,260</td>
</tr>
<tr>
<td>2016</td>
<td>8,443,626</td>
<td>2,428</td>
<td>14%</td>
<td>14,654,142</td>
</tr>
<tr>
<td>2017</td>
<td>8,558,572</td>
<td>2,466</td>
<td>5%</td>
<td>15,226,977</td>
</tr>
<tr>
<td>2018</td>
<td>8,851,127</td>
<td>4,495</td>
<td>9%</td>
<td>15,716,917</td>
</tr>
<tr>
<td>2019</td>
<td>9,319,711</td>
<td>4,404</td>
<td>5%</td>
<td>15,573,516</td>
</tr>
</tbody>
</table>

Notes:

¹ Prior to FY 2016, Retail Sales statistics were calculated in the aggregate, which included total taxable sales from the following categories: Retail, Restaurant & Bar, Food and Gasoline. As of FY 2016, only retail sales (not including food and fuel) are shown.

² Beginning with calendar year 2011, the number of dwelling units awarded includes both single family and multiple family unit structures combined.

Sources:

UA Economic and Business Research Center, Eller College of Management
Tucson Association of Realtors, Multiple Listing Service, Inc.
Federal Deposit Insurance Corporation
ESTIMATED POPULATION BY AGE

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>57,116</td>
</tr>
<tr>
<td>5-9</td>
<td>60,765</td>
</tr>
<tr>
<td>10-14</td>
<td>64,305</td>
</tr>
<tr>
<td>15-19</td>
<td>74,226</td>
</tr>
<tr>
<td>20-24</td>
<td>79,553</td>
</tr>
<tr>
<td>25-29</td>
<td>71,740</td>
</tr>
<tr>
<td>30-34</td>
<td>64,298</td>
</tr>
<tr>
<td>35-39</td>
<td>61,447</td>
</tr>
<tr>
<td>40-44</td>
<td>58,418</td>
</tr>
<tr>
<td>45-49</td>
<td>58,987</td>
</tr>
<tr>
<td>50-54</td>
<td>57,141</td>
</tr>
<tr>
<td>55-59</td>
<td>66,367</td>
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<td>60-64</td>
<td>67,518</td>
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<td>65-69</td>
<td>63,417</td>
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<td>70-74</td>
<td>52,780</td>
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<td>75+</td>
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<td>Total</td>
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POPULATION PROJECTIONS

<table>
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<th>Year</th>
<th>Projected Population</th>
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<td>2020</td>
<td>1,050,906</td>
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<tr>
<td>2025</td>
<td>1,091,610</td>
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<td>2035</td>
<td>1,164,088</td>
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<tr>
<td>2045</td>
<td>1,222,916</td>
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Source:
Office of Economic Opportunity
### Average Annual Jail Population

**Last Ten Fiscal Years**

<table>
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<tr>
<th>Fiscal Year</th>
<th>Average Jail Population</th>
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<tr>
<td>2010</td>
<td>1,724</td>
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<tr>
<td>2011</td>
<td>1,640</td>
</tr>
<tr>
<td>2012</td>
<td>1,802</td>
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<tr>
<td>2013</td>
<td>2,000</td>
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<tr>
<td>2014</td>
<td>2,061</td>
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<tr>
<td>2015</td>
<td>1,863</td>
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<tr>
<td>2016</td>
<td>1,862</td>
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<td>2017</td>
<td>1,863</td>
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<tr>
<td>2018</td>
<td>1,868</td>
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<tr>
<td>2019</td>
<td>1,853</td>
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**Source:**

Pima County Sheriff's Department, Corrections Bureau
OPERATING INFORMATION:
The objective of the operating information is to provide contextual information about a government’s operations and resources to assist users in using financial information to understand and assess a government’s economic condition. Two types of information are considered important:

1. Basic information about infrastructure assets, utilities, and public works; in essence, the capital resources at the government’s disposal. Examples include miles of streets and sewers and wastewater treatment volume.

2. Descriptive service information, which would help to evaluate the size of the government. This would include types of services, the related demand and volume, and the non-financial resources employed to provide the services.
## Employees by Function
### Last Ten Fiscal Years

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<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
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<td>General government</td>
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<td>2,850</td>
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<td>2,321</td>
<td>2,805</td>
<td>2,753</td>
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<td>1,540</td>
<td>1,468</td>
<td>1,525</td>
<td>1,387</td>
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<td>1,431</td>
<td>1,335</td>
<td>1,443</td>
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<td>262</td>
<td>274</td>
<td>265</td>
<td>258</td>
<td>248</td>
<td>253</td>
<td>262</td>
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<td>Sanitation</td>
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<td>33</td>
<td>32</td>
<td>35</td>
<td>35</td>
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<td>Health</td>
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<td>412</td>
<td>404</td>
<td>174</td>
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<td>282</td>
<td>322</td>
<td>237</td>
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<td>7</td>
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<tr>
<td>Culture and recreation</td>
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<td>461</td>
<td>652</td>
<td>331</td>
<td>442</td>
<td>434</td>
<td>453</td>
<td>526</td>
<td>447</td>
<td>493</td>
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<td>Education and economic opportunity</td>
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<td>170</td>
<td>133</td>
<td>144</td>
<td>112</td>
<td>111</td>
<td>116</td>
<td>136</td>
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<td><strong>Total governmental activities</strong></td>
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<td>5,734</td>
<td>5,877</td>
<td>5,103</td>
<td>5,500</td>
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<td>5,813</td>
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<td><strong>Business-type activities</strong></td>
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<tr>
<td>Regional Wastewater Reclamation</td>
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<td>481</td>
<td>531</td>
<td>413</td>
<td>438</td>
<td>387</td>
<td>406</td>
<td>474</td>
<td>433</td>
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<td>421</td>
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<td>5</td>
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<td><strong>Total business-type activities</strong></td>
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<td>970</td>
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<td>468</td>
<td>501</td>
<td>448</td>
<td>462</td>
<td>545</td>
<td>496</td>
<td>502</td>
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<td>5,782</td>
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<td>6,358</td>
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**Notes:**

¹ Pima Health Systems & Services was sold and the department closed.
## Operating Indicators by Program

### Last Ten Fiscal Years

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</thead>
<tbody>
<tr>
<td><strong>Sheriff</strong></td>
<td></td>
<td></td>
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<tr>
<td>Physical arrests</td>
<td>27,946</td>
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<td>24,841</td>
<td>25,451</td>
<td>24,394</td>
<td>21,233</td>
<td>21,627</td>
<td>16,134</td>
<td>15,944</td>
<td>12,821</td>
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<td>Traffic violations/citations</td>
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<tr>
<td>Criminal</td>
<td>6,417</td>
<td>4,304</td>
<td>4,205</td>
<td>4,291</td>
<td>5,691</td>
<td>8,743</td>
<td>9,026</td>
<td>7,508</td>
<td>7,468</td>
<td>4,551</td>
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<td>Civil</td>
<td>41,800</td>
<td>32,270</td>
<td>32,445</td>
<td>33,837</td>
<td>34,466</td>
<td>30,656</td>
<td>24,855</td>
<td>23,725</td>
<td>27,346</td>
<td>24,316</td>
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<td>36,574</td>
<td>36,650</td>
<td>38,128</td>
<td>40,157</td>
<td>39,399</td>
<td>33,881</td>
<td>31,233</td>
<td>34,814</td>
<td>28,867</td>
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<td><strong>Wastewater</strong></td>
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<tr>
<td>Avg. daily sewage treated (MGD)</td>
<td>65.4</td>
<td>62.7</td>
<td>62.3</td>
<td>60.9</td>
<td>60.2</td>
<td>60.3</td>
<td>59.5</td>
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<td>57.0</td>
<td>57.5</td>
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<td>1,355</td>
<td>1,856</td>
<td>1,804</td>
<td>1,427</td>
<td>1,986</td>
<td>2,887</td>
<td>2,411</td>
<td>2,798</td>
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<td><strong>Cultural and Recreational</strong></td>
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<tr>
<td>Spring training attendance</td>
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<td>21,944</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>Soccer attendance</td>
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<td>N/A</td>
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<td>21,942</td>
<td>36,723</td>
<td>41,259</td>
<td>40,804</td>
<td>76,437</td>
<td>93,144</td>
<td>102,204</td>
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<td><strong>Parks &amp; Recreation</strong></td>
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<td></td>
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</tr>
<tr>
<td>Athletic field permits issued</td>
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<td>161</td>
<td>228</td>
<td>263</td>
<td>326</td>
<td>280</td>
<td>267</td>
<td>276</td>
<td>648</td>
<td>4,885</td>
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<td>Community center admissions</td>
<td>351,692</td>
<td>339,550</td>
<td>347,379</td>
<td>306,841</td>
<td>327,257</td>
<td>318,524</td>
<td>303,293</td>
<td>302,821</td>
<td>282,616</td>
<td>275,936</td>
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<td>Volunteer hours</td>
<td>14,321</td>
<td>12,168</td>
<td>10,787</td>
<td>8,213</td>
<td>11,366</td>
<td>12,108</td>
<td>10,512</td>
<td>11,094</td>
<td>9,483</td>
<td>8,616</td>
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<tr>
<td><strong>Library</strong></td>
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<tr>
<td>Volumes in collection</td>
<td>1,427,089</td>
<td>1,414,928</td>
<td>1,326,375</td>
<td>1,257,821</td>
<td>1,193,357</td>
<td>1,139,730</td>
<td>1,237,281</td>
<td>1,167,135</td>
<td>1,230,771</td>
<td>1,947,628</td>
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<td>Total volumes borrowed</td>
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<td>7,199,809</td>
<td>7,557,865</td>
<td>6,098,216</td>
<td>4,521,039</td>
<td>5,484,961</td>
<td>6,131,049</td>
<td>4,808,467</td>
<td>5,992,306</td>
<td>6,068,832</td>
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<td>Number of cardholders</td>
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<td>452,400</td>
<td>434,841</td>
<td>405,419</td>
<td>405,507</td>
<td>379,631</td>
<td>385,945</td>
<td>374,293</td>
<td>383,777</td>
<td>349,999</td>
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<tr>
<td><strong>Capital Projects</strong></td>
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<tr>
<td>Land</td>
<td>$36,953,802</td>
<td>$5,655,264</td>
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<td>Buildings</td>
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<td>8,595,432</td>
<td>107,899,620</td>
<td>6,367,369</td>
<td>17,107,423</td>
<td>24,749,318</td>
<td>14,780,541</td>
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<td>Total Completed</td>
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</tr>
</tbody>
</table>

**Notes:**

1. MGD: Millions of Gallons per Day
2. For fiscal year 2010-11 there were no Spring Training games in Tucson
3. Field permit totals increased due to ActiveNet creating a permit for each field rather than lumping multiple fields together
4. Volumes include physical and digital copies
## Capital Assets & Infrastructure by Program
### Last Ten Fiscal Years

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<tbody>
<tr>
<td>Sheriff</td>
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<td>Zone offices</td>
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<tr>
<td>Patrol units</td>
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<td>358</td>
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<td>354</td>
<td>371</td>
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<td>344</td>
<td>354</td>
<td>365</td>
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<tr>
<td>Transportation (streets and highways)</td>
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<tr>
<td>Streets (miles)</td>
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<td>1,892</td>
<td>1,897</td>
<td>1,905</td>
<td>1,854</td>
<td>1,854</td>
<td>1,870</td>
<td>1,866</td>
<td>1,891</td>
<td>1,904</td>
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<td>Pothole repair</td>
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<td>$1,767,246</td>
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<td>Bank protection (miles)</td>
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<td>175</td>
<td>195</td>
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<td>201</td>
<td>202</td>
<td>204</td>
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<tr>
<td>Flood plain / drainage way (acres)</td>
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<td>12,027</td>
<td>13,210</td>
<td>13,645</td>
<td>16,538</td>
<td>16,806</td>
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<td>26,832</td>
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<td>32,468</td>
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<td>Parks &amp; Recreation</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Urban parks (acres)</td>
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<td>3,143</td>
<td>3,147</td>
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<td>5,831</td>
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<td>Playgrounds</td>
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<td>38</td>
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<td>Baseball/softball diamonds</td>
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<tr>
<td>Soccer/football fields</td>
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<td>21</td>
<td>24</td>
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<tr>
<td>Community centers</td>
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<td>11</td>
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</tr>
<tr>
<td>Swimming pools / Splashpads</td>
<td>9</td>
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<td>10</td>
<td>10</td>
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<td>10</td>
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<tr>
<td>Wastewater</td>
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</tr>
<tr>
<td>Sanitary sewers (miles)</td>
<td>3,472</td>
<td>3,476</td>
<td>3,440</td>
<td>3,448</td>
<td>3,462</td>
<td>3,466</td>
<td>3,470</td>
<td>3,487</td>
<td>3,500</td>
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<tr>
<td>Treatment capacity (MGD)</td>
<td>94.26</td>
<td>97.76</td>
<td>97.06</td>
<td>97.04</td>
<td>95.04</td>
<td>95.03</td>
<td>95.04</td>
<td>92.00</td>
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<td>County</td>
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<td>Open Space Acquisitions</td>
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<tr>
<td>Properties added</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
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<tr>
<td>Acres</td>
<td>5,390</td>
<td>275</td>
<td>595</td>
<td>1,416</td>
<td>823</td>
<td>389</td>
<td>676</td>
<td>95</td>
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<tr>
<td>Cumulative acreage</td>
<td>57,516</td>
<td>57,791</td>
<td>58,386</td>
<td>59,802</td>
<td>60,625</td>
<td>61,014</td>
<td>61,690</td>
<td>61,785</td>
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<tr>
<td>Total properties</td>
<td>90</td>
<td>94</td>
<td>100</td>
<td>101</td>
<td>104</td>
<td>106</td>
<td>109</td>
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</tr>
</tbody>
</table>

**Notes:**

1. Annexation by other jurisdictions resulted in a decrease of Transportation (Streets and Highways).
2. Pothole repair figures were unavailable in FY 2009-10.
4. Regional Flood Control District maintained acreage only.
5. On Jan. 3, 2012 capacity was reduced when the Town of Marana obtained ownership of the Marana Wastewater Treatment Facility.
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