For the Fiscal Year Ended June 30, 2021 • Pima County, Arizona
PIMA COUNTY, ARIZONA
Wireless Integrated Network – Special Revenue Fund
June 30, 2021

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Independent Auditor’s Report

The Board of Supervisors
of Pima County, Arizona

Report on Audit of Financial Statements

Opinion
We have audited the accompanying financial statements of the Pima County Wireless Integrated Network, a special revenue fund of Pima County, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pima County Wireless Integrated Network, a special revenue fund of Pima County, Arizona, as of June 30, 2021, and the respective changes in financial position and the respective budgetary information for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pima County Wireless Integrated Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pima County Wireless Integrated Network’s ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Pima County Wireless Integrated Network’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pima County Wireless Integrated Network’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Fund Financial Statements**
As discussed in Note 1, the financial statements of the Pima County Wireless Integrated Network are reported as a special revenue fund of Pima County, Arizona, and are intended to present the financial position and the changes in financial position of only that portion of Pima County, Arizona that is attributable to the transactions of the Pima County Wireless Integrated Network. They do not purport to, and do not, present fairly the financial position of Pima County, Arizona as of June 30, 2021, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**
In accordance with Government Auditing Standards, we have also issued our report dated October 20, 2021, on our consideration of Pima County Wireless Integrated Network’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. 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 Pima County Wireless Integrated Network’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 Pima County Wireless Integrated Network’s internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
October 20, 2021
### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,509,718</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>1,105</td>
</tr>
<tr>
<td>Inventory</td>
<td>138,752</td>
</tr>
<tr>
<td>Prepaid expenditures</td>
<td>17,210</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$3,666,785</strong></td>
</tr>
</tbody>
</table>

### Liabilities and fund balance

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$173,958</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>22,913</td>
</tr>
<tr>
<td>Loan payable</td>
<td>1,300,000</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>90,508</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>127,510</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,714,889</strong></td>
</tr>
</tbody>
</table>

#### Fund balance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>155,962</td>
</tr>
<tr>
<td>Restricted</td>
<td>1,795,934</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td><strong>1,951,896</strong></td>
</tr>
</tbody>
</table>

| **Total liabilities and fund balance** | **$3,666,785** |
PIMA COUNTY, ARIZONA
Wireless Integrated Network - Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

Revenues:
Charges for services $ 3,686,457
Investment earnings 26,656
Miscellaneous 79,408
Total revenues 3,792,521

Expenditures:
Employee compensation 902,977
Repairs and maintenance 1,112,070
General and administrative 464,973
Operating supplies and services 8,685
Consultants and professional services 34,263
Total expenditures 2,522,968

Excess of revenues over expenditures 1,269,553

Net change in fund balance 1,269,553

Fund balance at beginning of year 682,343

Fund balance at end of year $ 1,951,896

See accompanying notes to financial statements
PIMA COUNTY, ARIZONA  
Wireless Integrated Network - Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
For the Year Ended June 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>Original and Final 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>Charges for services</td>
<td>$3,568,468</td>
<td>$3,686,457</td>
<td>$117,989</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>13,191</td>
<td>26,656</td>
<td>13,465</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>65,677</td>
<td>79,408</td>
<td>13,731</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,647,336</td>
<td>3,792,521</td>
<td>145,185</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee compensation</td>
<td>847,369</td>
<td>902,977</td>
<td>(55,608)</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>1,135,334</td>
<td>1,112,070</td>
<td>23,264</td>
</tr>
<tr>
<td>General and administrative</td>
<td>470,532</td>
<td>464,973</td>
<td>5,559</td>
</tr>
<tr>
<td>Operating supplies and services</td>
<td>320,367</td>
<td>8,685</td>
<td>311,682</td>
</tr>
<tr>
<td>Consultants and professional services</td>
<td>24,178</td>
<td>34,263</td>
<td>(10,085)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,797,780</td>
<td>2,522,968</td>
<td>274,812</td>
</tr>
<tr>
<td>Excess of revenues over expenditures</td>
<td>849,556</td>
<td>1,269,553</td>
<td>419,997</td>
</tr>
<tr>
<td><strong>Other financing uses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers (out)</td>
<td>(1,300,000)</td>
<td></td>
<td>1,300,000</td>
</tr>
<tr>
<td>Total other financing uses</td>
<td>(1,300,000)</td>
<td></td>
<td>1,300,000</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(450,444)</td>
<td>1,269,553</td>
<td>1,719,997</td>
</tr>
<tr>
<td>Fund balance at beginning of year</td>
<td>(758,594)</td>
<td>682,343</td>
<td>1,440,937</td>
</tr>
<tr>
<td><strong>Fund balance at end of year</strong></td>
<td>$ (1,209,038)</td>
<td>$1,951,896</td>
<td>$3,160,934</td>
</tr>
</tbody>
</table>

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

The accounting policies of Pima County (County) and its Wireless Integrated Network’s (PCWIN) Special Revenue Fund (Fund), formerly known as the Office of Emergency Management’s Radio System, conform to U.S. generally accepted accounting principles (GAAP) applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the regulatory requirements of the State of Arizona. A summary of the County’s significant accounting policies affecting the Fund follows.

A. Reporting Entity

The Fund was formed April 1, 2014, 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. The network enables agencies to communicate in real time on a single system, regardless of jurisdiction boundaries. An Intergovernmental Agreement (IGA) dated November 13, 2012, established the legal basis for Fund activity.

The Fund is reported as a governmental fund of Pima County, Arizona, and the ultimate financial accountability for the Fund remains with Pima County. The financial statements present only the PCWIN’s Radio System Special Revenue Fund as one of the governmental funds of Pima County, and are not intended to present the balances and activity of Pima County in its entirety.

The IGA provided for an Executive Management Committee (EMC), appointed by the Board of Supervisors that was responsible for the implementation of the network and the administration of the bond. The governance of the Fund has transitioned from the EMC to the Pima County Wireless Integrated Network (PCWIN) Board of Directors.

B. Fund Financial Statements

The basic financial statements are fund financial statements. The fund financial statements (the Balance Sheet; the Statement of Revenues, Expenditures and Changes in Fund Balance; and the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual) are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which this fund is normally budgeted.

C. Basis of Accounting

Basis of accounting relates to the timing of the measurements made and determines when revenues, expenditures, assets, and liabilities are recognized in the accounts and reported in the financial statements.

The financial statements of the Fund are reported using the modified accrual basis of accounting. Revenues are recorded when susceptible to accrual whereas expenditures are recorded when the fund liability is incurred.

In applying the susceptible to accrual concept under the modified accrual basis, revenue sources are deemed both measurable and available if collectible within the current year or within 60 days of year-end and available to pay obligations of the current period.

D. Basis of Presentation

The Fund’s accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Fund’s available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for those resources.
Note 1: Summary of Significant Accounting Policies (continued)

D. Basis of Presentation

The Fund’s financial transactions are recorded and reported as a special revenue fund which is used to account for the proceeds of specific revenue sources that are assigned to expenditures for specified purposes. The fund balance of the Fund is nonspendable for the amount of inventory and prepaid expenditures, with the remaining amount classified as restricted to public safety.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with the Pima County Treasurer and investments with the State Treasurer. Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value.

F. Accounts Receivable

Accounts receivable consists primarily of amounts due for PCWIN quarterly membership fees.

G. Inventory

The County accounts for its inventories in the Fund using the purchase method. Inventories of the 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.

H. Prepaid

The prepaid account consists of expenditures for maintenance and support for the following fiscal year paid in the current year.

I. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, unavailable revenue is reported only in the governmental fund balance sheet, as applicable. There are no deferred inflows at June 30, 2021.

J. Fund Balance Classifications

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

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.
Note 1: Summary of Significant Accounting Policies (continued)

K. Charges for Services

Charges for services are received from a variety of governmental agencies and medical service entities. The Fund has intergovernmental agreements with police departments, fire districts, and local governments. Area medical providers such as medical centers, hospitals, and ambulance providers also have agreements with the Fund. Charges for services are also received from Pima County departments such as the Sheriff’s Department, Juvenile Courts, Transportation, and the Regional Wastewater Reclamation Department.

Revenues from both intergovernmental and interdepartmental sources are generated from an annual membership fee which is assessed, billed and paid on a quarterly basis. The quarterly fees are based upon the number of radios an agency maintains.

L. Budgetary Accounting

The County annually adopts budgets, on a modified accrual basis, for all governmental fund types. Budgetary control is legally maintained at the fund level.

The budget information presented in the financial statements reflects the original budget and the amended budget (which may be adjusted for legally authorized revisions of the annual budget during the year). Appropriation balances, including all outstanding encumbrances, lapse at the end of the fiscal year. Any item ordered in a fiscal year but not received is charged against an appropriation in the year that the item is received.

M. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: Fund Balance Classifications

The table below details the fund balance categories and classifications:

<table>
<thead>
<tr>
<th>Fund Balance:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nonspendable:</strong></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$138,752</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>17,210</td>
</tr>
<tr>
<td>Total nonspendable</td>
<td>155,962</td>
</tr>
<tr>
<td><strong>Restricted:</strong></td>
<td></td>
</tr>
<tr>
<td>Public Safety</td>
<td>1,795,934</td>
</tr>
<tr>
<td>Total restricted</td>
<td>1,795,934</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>$1,951,896</td>
</tr>
</tbody>
</table>
Note 3: Cash and Investments

The County Treasurer holds cash on deposit for the Fund. The Treasurer pools this deposit with other County monies for investment within the County Treasurer’s pool. Investments in the County Treasurer’s investment pool are valued at the pool’s share price multiplied by the number of shares the Fund holds. The fair value of the Fund’s position in the pool approximates the value of that Fund’s pool shares. The Fund’s deposits are included in the Treasurer’s investment pool but are not identified with specific investments.

Fair Value Measurements – The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

The State Treasurer’s pools are external investment pools, the LGIP (Pool 5), LGIP-Government (Pool 7) and LGIP (Pool 500), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission (SEC). The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

The County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the SEC. The fair value of each participant’s position in the County Treasurer investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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. The County Treasurer’s investment pool is unrated.

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. The County Treasurer’s investments had a weighted average maturity of 179 days at June 30, 2021.

Legal Provisions – Arizona Revised Statutes authorize counties to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk—Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
Note 3: Cash and Investments (continued)

2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated “A” or better by at least two nationally recognized rating agencies.

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

Custodial Credit Risk – Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 102 percent of all deposits not covered by federal depository insurance.

Concentration of Credit Risk – Statutes do not include any requirements for concentration of credit risk.

Interest Rate Risk – Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that the public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Foreign Currency Risk – Statutes do not allow foreign investments.

Note 4: Related Party Transactions

Administrative and Fiscal Services – For the year ended June 30, 2021, the Fund incurred expenditures from Pima County for a variety of administrative and fiscal services totaling $284,521. Of that amount, $144,199 was for administrative overhead, $61,902 was for interdepartmental supplies and services, $33,554 was for motor pool charges, $32,987 was for interdepartmental staffing and $11,879 was for self-insurance premiums.

PECOC Building – The Fund occupies a portion of the PECOC building and pays rent equivalent to its pro rata share of the building expenses incurred by the Pima County Facilities Management Department. For the year ended June 30, 2021, rent expense for the Fund totaled $66,055.

Note 5: Interfund Balances and Activity

Interfund payable – For the year ended June 30, 2021, the Fund had a long-term interfund payable of $1,300,000 with the General Fund. This is classified as Loan payable on the balance sheet. The interfund loan is payable over a 5-year period with no interest, of which $600,000 is due within one year.

Note 6: Claims, Judgments and Risk Management

The Fund is a participant in Pima County’s self-insurance program. The County’s self-insurance program covers the Fund for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In the opinion of the Fund’s management, any unfavorable outcomes from these types of risks would be covered by that self-insurance program. Accordingly, the Fund has no risk of loss beyond adjustments to future years’ premium payments to Pima County’s self-insurance program. All estimated losses for unsettled claims and actions of Pima County are determined on an actuarial basis and are included in the Pima County Annual Comprehensive Financial Report.

Risks of loss arising from contractual breaches are not covered by the County’s self-insurance program or commercial insurance. The Fund’s management does not believe that these types of losses would be material to the financial statements; therefore, no accrual of losses has been reported in the financial statements. At June 30, 2021, there were no material lawsuits related to contractual breaches.
Note 7: Pension and Other Postemployment Benefits

The County contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan administered by the Arizona State Retirement System (ASRS) that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. Although the County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan (CORP), the Public Safety Personnel Retirement System (PSPRS), and the Elected Officials Retirement Plan (EORP), all component units of the State of Arizona, the Fund employees only participate in the Arizona State Retirement System (ASRS).

Plan Description – The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) 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 web site at www.azasrs.gov.

Benefits provided—The ASRS provides retirement, health insurance, premium supplement, long-term disability 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>Retirement Initial membership date</th>
<th>Before July 1, 2011</th>
<th>On or after July 1, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of service and age required to receive benefit</td>
<td>Sum of years and age equals 80</td>
<td>30 years, age 55</td>
</tr>
<tr>
<td></td>
<td>10 years, age 62</td>
<td>25 years, age 60</td>
</tr>
<tr>
<td></td>
<td>5 years, age 50*</td>
<td>10 years, age 62</td>
</tr>
<tr>
<td></td>
<td>any years, age 65</td>
<td>5 years, age 50*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>any years, age 65</td>
</tr>
<tr>
<td>Final average salary is based on</td>
<td>Highest 36 consecutive months of last 120 months</td>
<td>Highest 60 consecutive months of last 120 months</td>
</tr>
<tr>
<td>Benefit percent per year of service</td>
<td>2.1% to 2.3%</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 contribution and employer’s contributions, plus interest earned.
Note 7: Pension and Other Postemployment Benefits (continued)

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The Arizona State Legislature establishes and may amend active plan members’ and the County’s contribution rates. 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, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members’ annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of active members’ annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement and 0.07 percent for long-term disability) 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 measurement and calculation of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position are recorded in the government-wide financial statements of the County’s Annual Comprehensive Financial Report.

The Fund’s contributions for the current and prior years, all of which were equal to the required contributions, were as follows:

<table>
<thead>
<tr>
<th>Year ended June 30</th>
<th>Retirement Fund</th>
<th>Health Benefit Fund</th>
<th>Long-Term Disability Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$72,755</td>
<td>$2,435</td>
<td>$1,124</td>
<td>$76,314</td>
</tr>
<tr>
<td>2020</td>
<td>$78,969</td>
<td>$3,380</td>
<td>$1,172</td>
<td>$83,521</td>
</tr>
<tr>
<td>2019</td>
<td>$75,584</td>
<td>$3,110</td>
<td>$1,082</td>
<td>$79,776</td>
</tr>
</tbody>
</table>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor’s Report

The Board of Supervisors of Pima County, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the of Pima County Wireless Integrated Network, a special revenue fund of Pima County, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2021.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Pima County Wireless Integrated Network’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pima County Wireless Integrated Network’s internal control. Accordingly, we do not express an opinion on the effectiveness of Pima County Wireless Integrated Network’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.
Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Pima County Wireless Integrated Network’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
October 20, 2021