

Coconino County, Arizona



**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010**

Coconino County, Arizona
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010

COCONINO COUNTY BOARD OF SUPERVISORS

Carl Taylor
District 1

Elizabeth C. Archuleta
Vice - Chairman
District 2

Matthew G. Ryan
Chairman
District 3

Mandy Metzger
District 4

Lena Fowler
District 5

Steve Peru
County Manager

Michael Townsend, CPA
Deputy County Manager, Chief Operations Officer

Sandra Schulz, CPA
Chief Financial Officer

Prepared By:
Holly Lindfors, CPA
Financial Reporting and Audit Manager

Coconino County
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 Year Ended June 30, 2010
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INTRODUCTORY SECTION



COCONINO COUNTY ARIZONA

OFFICE OF THE COUNTY MANAGER

The Honorable Board of Supervisors and Citizens of Coconino County, Arizona:

We are pleased to provide you the Comprehensive Annual Financial Report (CAFR) of Coconino County for the fiscal year ended June 30, 2010. The CAFR provides additional information to the Board and the citizens on the County's financial position and results of operations. Pursuant to Arizona Revised Statute (A.R.S.) 41-1279.21 the Coconino County CAFR was audited in accordance with generally accepted auditing standards for the year ended June 30, 2010 and has been issued an unqualified ("clean") opinion.

This report consists of management's representations concerning the finances of Coconino County. Consequently management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls 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.

Fester & Chapman, P.C., a firm of licensed certified public accountants, have audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified ("clean") opinion that the County's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

The report is prepared in accordance with generally accepted accounting principles (GAAP), in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB), and using the guidelines established by the Government Finance Officers Association of the United States and Canada (GFOA). GAAP requires that management provide an analysis, narrative introduction, and overview to accompany the basic financial statements, called the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report in the financial section of this report.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Coconino County Profile

Coconino County was established on February 19, 1891 by the 16th Territorial Assembly with an initial population count of 4,000. The County encompasses approximately 18,661 square miles – is the largest county in Arizona and the second largest in the United States. Despite its size, Coconino County is one of the most sparsely populated counties in Arizona with a population of 6.9 per square mile. Only 13% of the County's total square miles is private property. The remainder is a combination of state, federal and reservation land.

The June 30, 2010 population of the County was estimated to be 141,457. Flagstaff is the County seat and the largest city in the County. The County is home to the Grand Canyon, four other federal recreation areas and three state parks. The County is also home to reservation land belonging to the Navajo, Hopi, Havasupai, Hualapai and Paiute tribes.

Coconino County's government consists of an elected Board of Supervisors (Board). There are five districts, each represented by a Supervisor who resides in the district. The Board holds the policy-making and legislative authority for the County. It is responsible for the overall management and approval of all departmental budgets and tax rates. The Board appoints a County Manager who serves as the Chief Administrative Officer for the County. Departments are either headed by an appointed official, appointed by the Board, or an elected official. Elected offices are statutorily determined and include the Sheriff, County Attorney, Recorder, Treasurer, Assessor, Superintendent of Schools, Constable, Clerk of the Superior Court, and the Judiciary.

Coconino County provides a full range of services including law enforcement and public safety, health services, sanitation, welfare programs, highway construction and maintenance, parks and recreation, and education.

The financial reporting entity includes all the funds of the primary government. Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Additional information can be found in the notes to the financial statements (See Note 1.A.).

The Board and the County Manager use a ten-year financial plan, along with fiscal policies, budget management policies, and strategic goals and priorities to guide the overall development and management of the budget. Annually, departments are required to provide revenue and expenditure estimates for the current fiscal year and planned

revenues for the following year. These estimates are used to update the ten-year financial plan. Departments submit their budgets in the form of a “Program Funding Request”, which are evaluated using criteria and strategies adopted by the Board of Supervisors and budget recommendations are based on these evaluations. Final budget decisions are also subject to the availability of funds; conformance with fiscal and budget management policies; and meeting the County’s strategic goals and priorities.

The final budget must be adopted by the Board on or before the third Monday in July. The tax rate and levy must be set on or before the third Monday in August each year. The level of budgetary control is at the department level within a fund. Transfers between these levels must be approved by the Board. Additionally, actual expenditures may legally not exceed the final budget.

Assessing Coconino County’s Economic Condition

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy. The economy of Coconino County is based primarily on public administration, the service industry, wholesale and retail trade, and tourism. The City of Flagstaff (the County seat) is the center of educational, governmental and scientific employment. Major employers include Northern Arizona University, City of Flagstaff, Coconino Community College, the unified school districts, the U.S. Forest Service, the U.S. National Park Service, the Navajo Nation, Flagstaff Medical Center, W.L. Gore and Associates, ARA Leisure Services, Nestle-Purina, Walgreens and SCA Tissues.

Tourism significantly impacts the local economy. Old Route 66 runs across most of the County as well as US Route 40. Attractions include the Grand Canyon, Sedona/Oak Creek Canyon, Glen Canyon National Recreation Area, Wupatki National Monument, Sunset Crater National Monument, Walnut Canyon Monument, and Slide Rock State Park. Over 6.8 million people visited these attractions in 2009.

Strategic Budget Process and Financial Planning. The County has had a comprehensive long-term financial planning process in place since fiscal year 2007. During FY10 the County began the first phase in implementation of the Strategic Budget Process and Financial Planning. The goal of the Strategic Budget Process is to align resources with the Board of Supervisors’ adopted Strategic Priority Areas and to determine if the County is funding the right things. The process includes identifying and defining what is important to County citizens, reviewing the impacts and outcomes of programs and services provided by the County, and allocating resources accordingly.

Impact of State Economic Condition. Although the County’s sound long-term financial planning considered and included a recessionary growth model based on prior recessions, the depth and breadth of economic downturn to both the State and local economies continues to impact County revenues. The level and impact of State declining revenues

resulted in the further shifting of costs, reductions in program funding and reduced revenue allocations to the County in FY10 and additional impacts are expected during FY11. As of the date of this letter, State cost shifts, reductions in program funding and reductions in revenue allocations and the related financial impact to the County for FY11 are yet unknown. The State currently projects revenue shortfalls for FY11 and in FY12. The State has utilized most one-time options available to close the gaps in prior years. The ongoing shortfall is structural in nature and causes continued uncertainty for Counties across the state and into the foreseeable future. The County will continue to work with the Governor, State Legislators, and County Supervisors Association to find solutions to the state budget shortfall that have the least impact to counties. In addition to these efforts, the County is actively pursuing solutions to decrease reliance on state controlled revenues and to increase locally controlled sources. Additional details are included in Management's Discussion and Analysis (MD&A) under "Economic Factors and Next Year's Budget" which can be found in the Financial section of the CAFR.

Economic Outlook. The County's local revenues as well as those allocated by and received from the State continue to be impacted by the economic downturn. However, these revenues are showing small signs of improvement in recent months. Arizona was among the states hardest hit by the recession with economists continuing to predict that the economic recovery in Arizona will span several years and include years of no growth or slow growth levels. Further, Arizona is likely to fare worse than the national economy in upcoming years due to continued weakness in the housing market, dependence on growth industries and the uncertainty with regard to the budget outcome within the state. The County will continue to address this outlook through the strategic budget process, mid-year budget reviews, expenditure cuts, potential new revenue sources and the ongoing long-term financial planning process. Additional details are included in the MD&A under "Economic Factors and Next Year's Budget".

Significant Financial Policies. Coconino County's financial policies include:

Operating Budget Policies. The operating budget is a plan for allocating resources.

Capital Budget Policies. The capital budget provides resources for capital maintenance and future capital needs, without adversely affecting the operating budget.

Revenue Policies. Funding for public programs should be derived from a fair, equitable and adequate resource base, while minimizing tax differential burdens.

Reserve Policies. Responsible reserve policies will provide adequate resources for cash flow and contingency purposes, while maintaining reasonable tax rates. The County maintains a contingency for cash liquidity purposes in the County General Fund equal to at least 10% of its annual operating budget.

Debt Policies. Responsible debt management policy maintains the County's ability to incur present and future debt at minimal interest rates in amounts needed for

infrastructure and economic development without endangering its ability to finance essential County services.

Budget Management Policies. The Board uses the approved County fiscal policies and priorities to guide the budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.

Major Initiatives

Public Health Services District (PHSD)

On December 15, 2009, the Coconino County Board of Supervisors formed a Public Health Services District through unanimous vote of the Board. The decision was made to form the PHSD in 2010 as part of a three-prong approach to balancing the structural deficit that has resulted from the recession and the shifting of State costs to the counties. Additional details are included in the MD&A under “FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2010” and “ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS”.

Performance Measures

Performance measures are a main component of the Strategic Budget Process. These measures are now tied specifically to programs, and in the future will be used to evaluate the strength of funding requests.

Repair and Replacement (R&R)

The County maintains a Facilities Repair and Replacement Fund for the routine maintenance of County facilities. This fund is used for carpet replacement, HVA repairs and replacements, painting, window replacements, and many other projects. The current economic situation caused an evaluation of all projects based on both current and future costs. The decision was made to delay R & R projects that would not increase future costs. Overall expenditures for R & R projects decreased in FY10.

Facilities Master Plan

Beginning four years ago, the Facilities Plan Advisory Team (FPAT) shepherded the mission of the Facilities Master Plan (FMP) to provide Coconino County citizens and staff with facilities that promote the delivery of quality services. Goals included aligning facility improvements and investments with the County’s future development and growth, critical needs, funding strategies, and environmental responsibility. Guiding principles established by the plan were efficiency, and environmentally and culturally sound governance. An FMP has been adopted that will result in overall cost containment, by planning our facility needs in a flexible manner that can work for multiple levels of service delivery. An update to the plan is currently underway and the County will consider funding critical components of the plan during the FY 12 budget process.

EXODUS Program

The EXODUS program is the in-custody drug and alcohol treatment program that was implemented in May 2007 following the increase in the Jail District sales tax. The goals of the program are: to reduce the jail recidivism rate; to provide a proactive response to substance abuse; to create a safer community; to assist inmates in recognizing their substance abuse problem; and to help them make positive changes in their lives, so they may become productive citizens in the community. The EXODUS program is becoming a leader in combating substance abuse issues in Coconino County and has received strong support from the community.

Other Initiatives

The County has implemented many web-based solutions, including an on-line job application system and an on-line system for receiving required food handler training and permits. These web-based solutions result not only in decreased staff and operating costs for the County, but decreased costs to our citizens who may otherwise expend time and money for travel.

Other

Single Audit

The independent audit of the financial statements of the County included the federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the audited government’s internal controls and compliance with legal requirements in addition to the fair presentation of the financial statements. This “Single Audit” puts special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the County’s separately issued Single Audit report.

Expenditure Limitation

Arizona voters approved a proposition amending the state constitution in 1980 that established expenditure limitations for local governments, including Coconino County. The County has not exceeded the limitation. The County has accumulated expenditure limit carryforwards from prior years when actual expenditures were less than the limit and used some of these this year when expenditures would otherwise exceed the limit for this year. The County is required by state statute to prepare an Annual Expenditure Limitation Report (AELR), in conjunction with the required annual financial statements. The AELR must be audited and an opinion rendered on whether the AELR presents fairly, in all material respects, the information required by the Uniform Expenditure Reporting System. This report is available in the County’s separately issued Annual Expenditure Limitation Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Coconino

County for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, Coconino County has received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal years 2001 through 2010. The annual budget for fiscal year 2011 has been submitted and we look forward to receiving this award for the eleventh consecutive year. In order to qualify for the award, the County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

Acknowledgments

Preparation of this report could not be accomplished without the dedicated service of the staff of the County's Finance Department, the assistance of personnel in the various departments, and the assistance of our auditors Fester & Chapman, P.C., Certified Public Accountants. We also wish to recognize that preparation of this report could not be accomplished without the interest and support of the Board of Supervisors and their continued commitment to professional and fiscally responsible financial management and planning.

Respectfully submitted,

Steven B. Peru
County Manager

Sandra A. Schulz
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coconino County
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

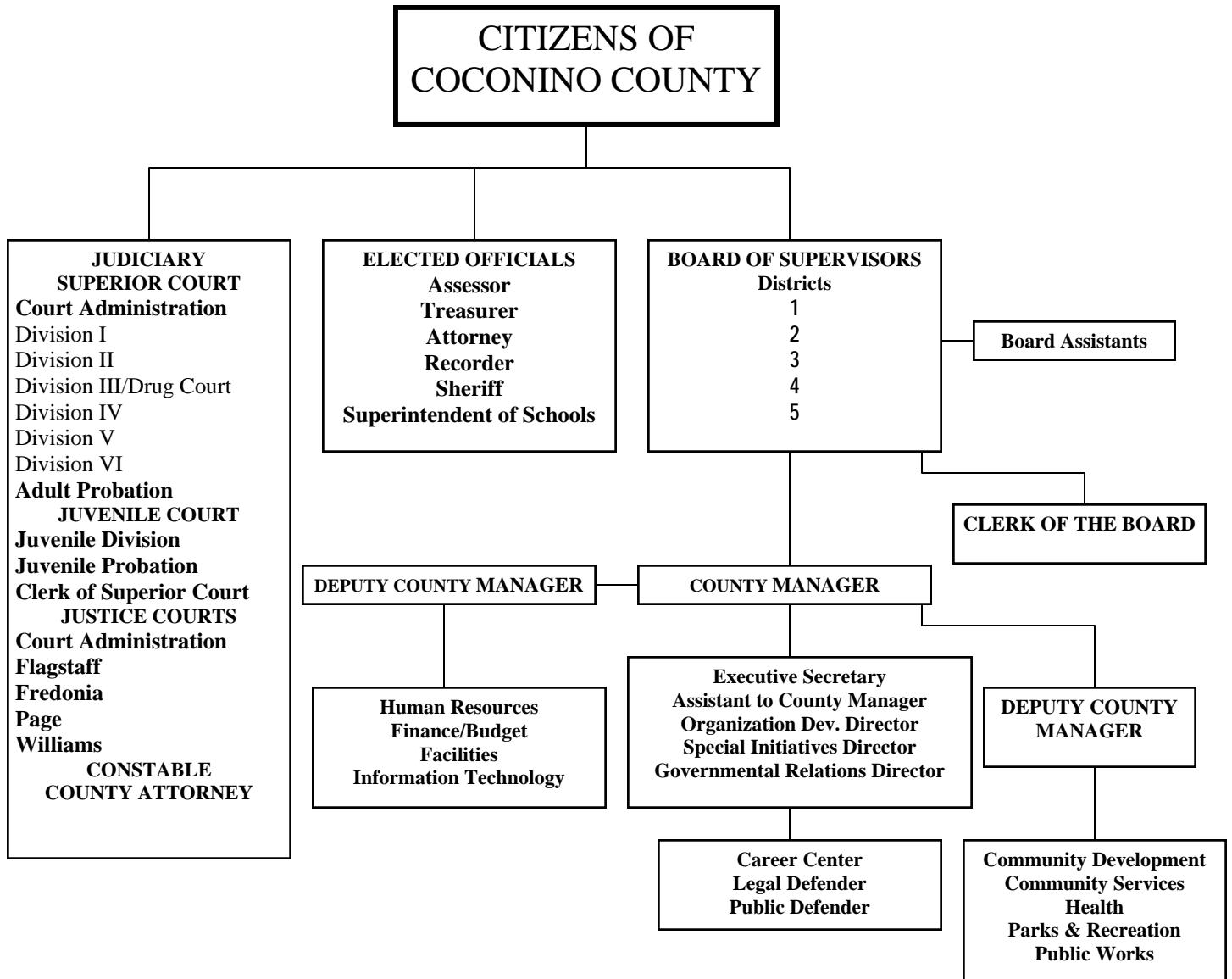


President

Executive Director

COCONINO COUNTY

Organization Chart



COCONINO COUNTY

Officials

BOARD OF SUPERVISORS

District 1..... Carl Taylor
District 2..... Elizabeth C. Archuleta, Vice Chairman
District 3..... Matthew G. Ryan, Chairman
District 4..... Mandy Metzger
District 5..... Lena Fowler
County Manager..... Steve Peru
Deputy County Manager..... Michael Townsend
Deputy County Manager..... Larry Dannenfeldt
Clerk of the Board..... Wendy Escoffier

ELECTED OFFICIALS

Clerk of the Superior Court..... Debbie Young
Constable..... Linda Kuczynski
County Assessor..... Chris Mazon
County Attorney..... David Rozema
County Recorder..... Candace Owens
County Sheriff..... William Pribil
County Superintendent of Schools..... Cecilia Owen
County Treasurer..... Bonny Lynn
Justice of the Peace Flagstaff..... Brian Kolb
 Fredonia..... Mark R. Baron
 Page..... Donald G. Roberts
 Williams..... William B. Sutton, Jr.
Superior Court Division I..... Jacqueline Hatch
 Division II..... Dan Slayton
 Division III/Drug Court..... Mark Moran
 Division IV..... Charles D. Adams
 Division V..... Pro Tem
 Division VI..... Elaine Fridlund-Horne
 Juvenile Court Judge/Commissioner..... Margaret Mc Cullough

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer)..... Cindy Winn
Career Center..... Carol Curtis
Community Development..... William Towler
Community Services..... Verna Fischer
Court Administrator..... Gary Krcmarik
Facilities Management..... Susan Brown
Health..... Barbara Worgess
Human Resources..... Allison Eckert
Finance..... Sandra Schulz
Information Technology..... Maureen Jackson
Juvenile Court Services..... Bryon Matsuda
Legal Defender..... Gary Pearlmutter
Parks and Recreation..... Todd Graeff
Public Defender..... H. Allen Gerhardt
Public Works..... Andrew Bertelsen

FINANCIAL SECTION

Independent Auditors' Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Coconino County, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Coconino County as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 13 through 22, the Schedule of Agent Retirement Plan and Coconino County Retiree Insurance Program's Funding Progress on page 67, and the Budgetary Comparison Schedules on pages 68 through 74 are not required parts of the basic financial statements, but are supplementary information required by the Governmental

Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to use highway user revenue fund monies received by the County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the County solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

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

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Auditor General of the State of Arizona, the Board of Supervisors, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Fester & Chapman P.C.

January 21, 2011

MANAGEMENTS'S DISCUSSION AND ANALYSIS (MD&A)

(Required Supplementary Information)

Coconino County
Management's Discussion and Analysis
June 30, 2010

The management of Coconino County (the County) offers the following narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2010. It is designed to give the reader an easy-to-understand discussion of the County's financial position and results of operations for the current fiscal year. Please consider this information in conjunction with the County's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2010

- The assets of the County exceeded its liabilities at the close of fiscal year 2010 by \$210.39 million (net assets). Of these \$53.63 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The increase in the County's net assets was \$.10 million in fiscal year 2010. Net assets increased \$.84 million as a result of normal operations. However, the cost of the implicit subsidy for retiree health insurance, \$.74 million, reduced the net increase to \$.10 million.
- At the close of fiscal year 2010, the County's governmental funds reported combined ending fund balances of \$81.75 million, an increase of \$2.61 million.
- The General Fund reported an unreserved fund balance of \$22.21 million at the close of fiscal year 2010, a decrease of \$2.88 million. The primary reason for this decrease was increases in expenditures that were not offset by increases in revenues.
- On December 15, 2009, the Coconino County Board of Supervisors formed a Public Health Services District (PHSD) through unanimous vote of the Board. The Board authorized a maximum PHSD secondary property tax rate of \$.025 per \$100 of value. Fiscal year 2011 is the first year this tax will be assessed. The General Fund will be required to continue to provide a minimum support level to PHSD, at 60% of the average support provided over the past three years. The PHSD is authorized by Arizona Revised Statutes as a Special Taxing District (A.R.S. 48-5801).

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 are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

Coconino County
Management's Discussion and Analysis
June 30, 2010

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets are one indicator of whether the County's financial condition is improving or deteriorating. In addition to this change, other non-financial factors will need to be considered.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

All of the County's basic services are considered to be governmental activities, including general government, health and welfare, public safety, highways and streets, culture and recreation, education and sanitation. Sales taxes, property taxes, intergovernmental revenues and user fees finance most of these activities. *The government-wide financial statements can be found on pages 23-25 of this report.*

Fund Financial Statements

The fund financial statements provide detailed information about the most significant County funds—not the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the Board of Supervisors establishes other funds to help control and manage money for particular purposes or to show that legal responsibilities are being achieved for using certain taxes, grants and other money. All of the County's funds can be divided into three categories: *governmental, proprietary and fiduciary.*

Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's operations and the basic services it provides. Governmental fund information helps determine financial resources that can be spent in the near future to finance the County's programs.

Coconino County
Management's Discussion and Analysis
June 30, 2010

Because the focus of the governmental funds is more narrow than that of the government-wide statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. Reconciliations between governmental activities, as reported in the Statement of Net Assets and the Statement of Activities, and the governmental funds, as reported in the fund financial statements, is provided to facilitate this comparison.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Public Works/HURF Fund, Jail District Fund, Parks and Open Spaces Tax Fund, and the Public Health Services District Fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single aggregate presentation. *The basic governmental fund financial statements can be found on pages 26-32 of this report.*

Proprietary funds—The County has one proprietary fund, an internal service fund, to report fleet service activities provided to the County's other programs and activities. The County's internal service fund only provides services to County departments, as such it is reported as a governmental activity in the Statement of Net Assets and the Statement of Activities. *The basic proprietary fund financial statements can be found on pages 33-35 of this report.*

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the County's programs. *The basic fiduciary funds financial statements can be found on pages 36-37 of this report.*

Notes to the Financial Statements and Required Supplementary Information

Notes to the financial statements—The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. *The notes to the financial statements can be found on pages 38- 66 of this report.*

Required supplementary information—In addition to the basic statements and accompanying notes, the report presents required supplementary information on the County's budgeting and budgetary control and the County's progress in funding its obligation to provide pension benefits to its employees. *Required supplementary information can be found on pages 67-74 of this report.*

Coconino County
Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a County's financial position. The following table reflects the condensed Statement of Net Assets of the County for June 30, 2010 compared to the prior year.

	Governmental Activities (in millions)	
	2010	2009
Current and other assets	\$ 98.86	\$ 97.21
Capital assets	136.53	140.40
Total assets	235.39	237.61
Current liabilities	9.93	10.46
Long-term liabilities outstanding	15.07	16.86
Total liabilities	25.00	27.32
Net assets:		
Invested in capital assets, net of related debt	128.37	129.69
Restricted	28.39	28.35
Unrestricted	53.63	52.25
Total net assets	\$ 210.39	\$ 210.29

The County's net assets from governmental activities at the end of the fiscal year were \$210.39 million. The increase of \$.10 million comes from the change in net assets as recorded in the Statement of Activities. A large portion of the County's net assets (61.02%) reflects its investment in capital assets net of accumulated depreciation and related debt. The County uses these assets to provide services, but these assets are not available for future spending.

Invested in capital assets, net of related debt

61.02% of the County net assets (\$128.37 million) are invested in capital assets (e.g. land, buildings, equipment, and infrastructure), net of related debt. These assets are used to provide services to citizens, but are not available for future spending. The County's invested in capital assets, net of related debt, decreased by 1.02% (\$1.32 million) in the current fiscal year.

Restricted Net Assets

13.49% of the County's net assets (\$28.39 million) are subject to external restrictions on how they may be used. The County's restricted net assets increased by .14% (\$.04 million) in the current fiscal year.

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Unrestricted Net Assets

The remaining balance of the County's net assets, 25.49% (\$53.63 million), is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants or other legal requirements. Unrestricted net assets increased by 2.64% (\$1.38 million) in the current fiscal year.

Statement of Activities

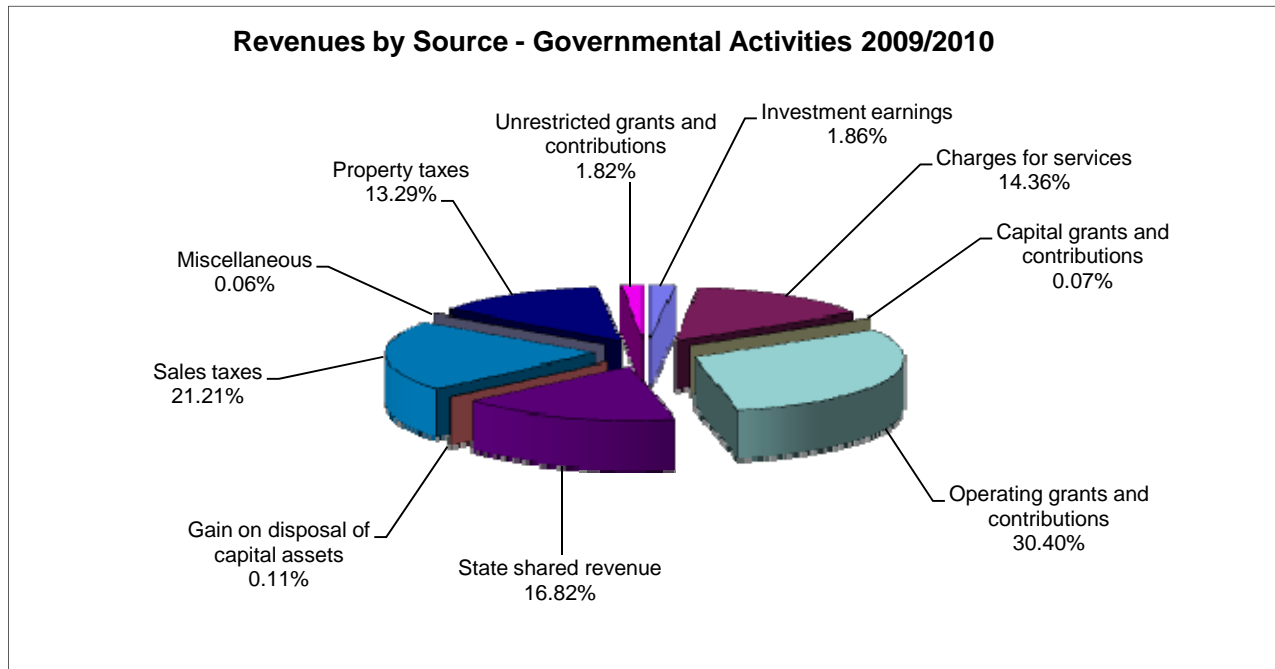
The Statement of Activities presents information on how the County's net assets changed during the most current fiscal year. The following table reflects the condensed Statement of Activities of the County for the fiscal year 2010 compared to the prior year.

	Governmental Activities (in millions)	
	2010	2009
Revenues		
Program revenues:		
Charges for services	\$ 16.50	\$ 17.11
Operating grants and contributions	34.92	34.58
Capital grants and contributions	0.08	0.12
Total program revenue	51.50	51.81
General revenues:		
State shared revenue	19.32	20.53
Sales taxes	24.37	25.99
Property taxes	15.26	14.84
Grants and contributions not restricted to specific programs	2.09	2.87
Investment earnings	2.14	2.39
Gain on disposal of capital assets	0.13	
Miscellaneous	0.07	0.38
Total general revenue	63.38	67.00
Total revenues	114.88	118.81
Program expenses		
General government	31.50	32.36
Public safety	31.59	33.17
Highways and streets	15.64	16.66
Sanitation	3.14	3.27
Health	11.22	12.69
Welfare	8.27	7.62
Culture and recreation	7.72	7.82
Education	5.29	4.89
Interest on long-term debt	0.41	0.51
Total program expenses	114.78	118.99
Change in net assets	0.10	(0.18)
Net assets, beginning	210.29	210.47
Net assets, ending	\$ 210.39	\$ 210.29

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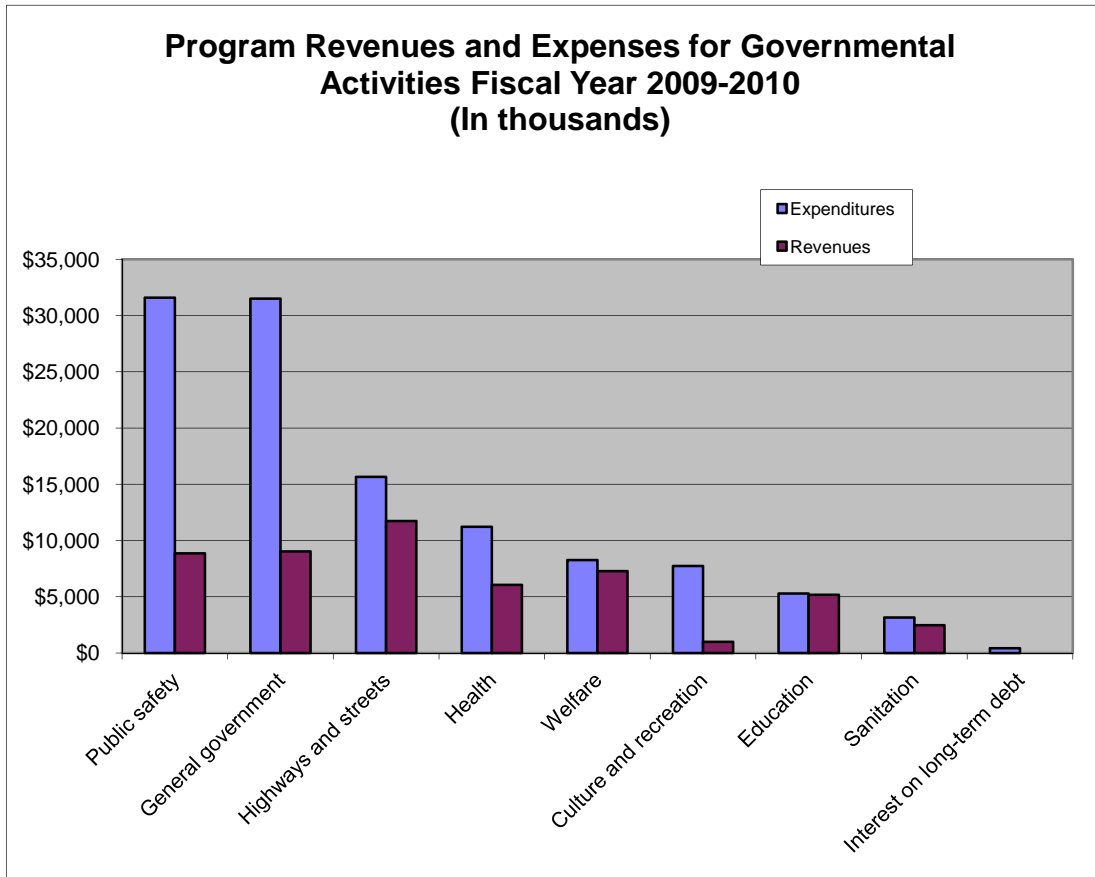
Overall program revenues decreased by less than 1% in the current fiscal year. Program expenses decreased 3.53% (\$4.21 million) in the current fiscal year. This decrease in expenditures is the result of county-wide expenditure reductions made in response to the decline in revenues brought about by the continuing economic recession.

Sales taxes decreased by 6.23% and state shared revenue decreased by 5.89% due to the economic recession. The 27.18% decrease in grants and contributions not restricted to specific programs was from a decrease in federal Payments-In-Lieu of Taxes. The current fiscal year investment earnings decrease of 10.46% was from a decrease in the average earnings rate.



Health expenses decreased 11.58% in the current fiscal year due to decreases in state grant funding. Welfare expenses increased 8.53% primarily due to increases in projects by the Coconino Rural Environment Corps. Education expenses increased 8.18% as a result of increased expenses for the County Regional Accommodation School.

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As shown in the “Revenues by Source for Governmental Activities” chart and “Program Revenues and Expenses for Governmental Activities” chart, for governmental activities overall, without regard to program, operating grants and contributions are the largest single source of funds (30.40%), followed by sales tax (21.21%), and state shared revenue (16.82%). Public safety is the largest function in expense (\$31.59 million), followed by general government (\$31.50 million), and highways and streets (\$15.64 million).

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

The County reported five major funds for this fiscal year – General Fund, Public Works/HURF, Jail District, Public Health Services District, and Parks and Open Spaces. At year-end the County’s governmental funds reported combined fund balances of \$81.75 million, which is an increase of \$2.61 million from last year, or an increase 3.30%. Of the total, \$81.11 million (99.22%) constitutes unreserved fund balance.

Revenues for governmental functions overall decreased by \$2.65 million, a decrease of 2.24%, and expenditures for governmental functions decreased by \$7.05 million, a decrease of 5.89%, in the current fiscal year. The decrease in revenues was the result of the continued economic recession and reductions in state funding for grants. The decrease in expenditures was from county-wide

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expenditure reductions in response to the decline in revenues brought about by the continuing economic recession. Governmental Fund revenues exceeded governmental fund expenditures by \$2.58 million in the current fiscal year and the fund balance increased by \$2.61 million.

The General Fund is the County's primary operating fund. At the end of the current fiscal year the unreserved fund balance of the General Fund was \$22.21 million. Unreserved fund balance represents 99.82% of the General Fund's total fund balance. The General Fund's fund balance decreased by \$2.88 million. The primary reason for this decrease was increases in expenditures that were not offset by increases in revenues.

The Public Works/HURF Fund's fund balance increased by \$.21 million in the current fiscal year.

The Jail District Fund's fund balance increased by \$1.26 million in the current fiscal year as a result of normal operations.

The Parks and Open Spaces Tax Fund's fund balance increased by \$1.85 million in the current fiscal year. The increase was due to a decrease in expenditures for projects in the current fiscal year.

The Public Health Services District Fund's fund balance increased by \$.69 million in the current fiscal year.

General Fund Budgetary Highlights

- The final budgeted expenditures for the General Fund, at year-end were only \$715 thousand more than the original adopted budget. For the General Fund, actual revenues were under the final budget by \$2.28 million while actual expenditures were \$22.62 million less than the final budget.
- The budget variance for revenues in the General Fund was primarily due to an unanticipated decrease in state shared sales tax/intergovernmental revenue (\$1.4 million) and county sales tax (\$.15 million). Both of these decreases were the result of the continuing economic recession. The expenditures variance was primarily unexpended contingency funds and fiscal reserves (\$19.41 million).

Capital Assets and Debt Administration

Capital Assets

During the current fiscal year, the County completed and continued various construction projects that added \$.12 million to the County's land inventory, \$.27 million to the County's buildings inventory, \$1.12 million to the County's machinery and equipment inventory, and \$2.99 million to the County's infrastructure inventory. The County's overall estimated value of capital asset inventory decreased \$3.87 million net of increases in depreciation.

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The following table reflects the changes in capital assets for the County for the fiscal year 2010 compared to fiscal year 2009.

	Governmental Activities (net of depreciation) (in millions)	
	2010	2009
Land	\$ 23.80	\$ 23.68
Buildings	57.57	59.52
Machinery and Equipment	8.61	10.21
Infrastructure	44.07	43.96
Construction in Progress	2.48	3.03
Total	\$ 136.53	\$ 140.40

Long-term Debt

At the end of the current fiscal year the County has \$6.14 million in revenue bonds and \$2.02 million in special assessment debt outstanding. There were no new bond issues in the current year. The long-term liability for future postemployment health benefit liability has increased by \$.74 million to \$2.04 million in the current year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The County utilizes a Ten-Year Financial Plan, which is updated quarterly, to forecast the County's financial future. The largest single revenue source is State shared sales taxes. Local and State shared sales taxes constitute around 30% of the County's government-wide general revenues and approximately 55% of General Fund revenues. This makes the County's revenues sensitive to slumps in the economy. County staff incorporated historical trends, local economic trends and national and global economic trends into the County's fiscal 2011 budget. The fiscal year ended June 30, 2010 was another difficult financial year for the County, especially for sales tax revenues. Our State shared sales taxes ended 20% below where they were at their high in the fiscal year ended in 2007. Local sales tax is down over 13% from the high. The financial planning process began in the fiscal year ended 2007 where we presented a future need for increased County revenue options. After several years of discussion and planning with the Board of Supervisors, combined with double – digit declines in our revenues, the Board of Supervisors acted on a recommendation from staff to form a Public Health Services District in FY10. The Board of Supervisors set the tax rate at the maximum allowable rate of \$0.025 per \$100 of value, which is estimated to bring in an additional \$5 million in property taxes during the 2011 fiscal year. Coconino County has the lowest tax rate of all counties in the State of Arizona, and in forming the district we were able to bring a little more diversity to stabilize our revenues.

Given how far sales tax revenues have fallen, and trend data we are seeing that is slowly inching positive, we are anticipating some recovery to begin in FY11. County staff is forecasting conservative increases to county sales taxes (5%), reflecting our projections on near-term inflation and stabilized economy. The same projection is estimated for our State shared sales taxes. During

Coconino County
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the development of the budget, there was continued uncertainty about the budget for the State of Arizona. The County receives funding from the State to offset the cost of many of our mandated programs, and the State put forth a sales tax increase that would have resulted in automatic cost shifts and revenue sweeps from Counties if it failed. This proposition did pass, but we are still projecting over \$4.5 million in State budget impacts for FY11. Overall revenues and General Fund revenues are estimated to increase by approximately \$4 million due to the increased Public Health Services District property tax. Some of this tax increase will be offset in projected State budget impacts to our revenues, including a total loss of general lottery dollars and reductions to our State funded programs. General Fund revenues are anticipated to increase \$2.5 million due to the ability to recapture indirect costs from the new Public Health Services District (PHSD) that were previously unpaid. The increased revenue from the PHSD is not sufficient to balance our long-term forecast, so additional budgeted expenditure reductions of 3% were made to General Fund programs for the 2011 fiscal year budget. Our cumulative reductions to the General Fund between fiscal year 2008 and 2011 have resulted in a 5% recurring reduction and a 20% one-time reduction through lapsed appropriations, a hiring "chill", and mid-year cuts.

We took a three-prong approach to balancing our fiscal year 2011 budget, including:

1. Review and prioritization of all County services to eliminate and/or reduce costs
2. Strategically use limited reserves
3. Develop additional reserves

The major issues addressed in the fiscal 2011 budget are:

- Impacts from the State shifting costs to the County while reducing County revenues to plug the State budget deficit
- Maintaining levels of service with reduced revenues
- Keeping employee pay as "whole" as possible after retirement and benefit rate changes, by not requiring pay cuts or furloughs
- Continued capital funding an Assessor system in response to the loss of a State supported system
- Matching recurring expenditures so as not to exceed recurring revenue streams

The County's financial planning is based on conservative revenue estimates and the use of a strategic planning process to focus the expenditure of limited resources on meeting the current and future needs of its citizens.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Finance Department, Coconino County, 219 East Cherry Avenue, Flagstaff, Arizona 86001.

BASIC FINANCIAL STATEMENTS

Coconino County
Statement of Net Assets
June 30, 2010

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 77,348,388
Investments	538,140
Cash and investments held by trustee	2,447,558
Receivables (net of allowances for uncollectibles):	
Property taxes	522,079
Accounts	1,272,261
Special assessments	1,964,178
Jail district sales tax	2,054,784
Accrued interest	403,602
Due from other governments	11,878,811
Inventories	274,490
Prepaid items	153,938
Capital assets, not being depreciated	26,283,436
Capital assets, being depreciated, net	110,250,559
Total assets	235,392,224
Liabilities	
Accounts payable	4,449,628
Accrued payroll and employee benefits	3,411,603
Due to other governments	417,881
Deposits held for others	1,509,559
Deferred revenues	1,303
Bond interest payable	139,475
Noncurrent liabilities:	
Due within one year	5,950,680
Due in more than one year	9,116,703
Total liabilities	24,996,832
Net Assets	
Invested in capital assets, net of related debt	128,372,030
Restricted for:	
Highways and streets	19,905,642
Education	890,320
Debt service	7,141,610
Capital projects	449,257
Unrestricted	53,636,533
Total net assets	\$ 210,395,392

See accompanying notes to financial statements.

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Coconino County
Statement of Activities
Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Primary government:					
Governmental activities:					
General government	\$ 31,501,241	\$ 7,169,300	\$ 1,860,079		\$ (22,471,862)
Public safety	31,592,406	3,679,918	5,161,253	\$ 6,858	(22,744,377)
Highways and streets	15,639,291	69,689	11,620,853	31,526	(3,917,223)
Sanitation	3,138,985	1,321,418	1,139,748	419	(677,400)
Health	11,216,546	1,247,031	4,798,954		(5,170,561)
Welfare	8,273,139	2,101,024	5,118,885	36,008	(1,017,222)
Culture and recreation	7,725,556	794,306	177,452	10,000	(6,743,798)
Education	5,278,556	116,020	5,045,617		(116,919)
Interest on long-term debt	414,902				(414,902)
Total governmental activities	<u>\$ 114,780,622</u>	<u>\$ 16,498,706</u>	<u>\$ 34,922,841</u>	<u>\$ 84,811</u>	<u>(63,274,264)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					8,185,332
Property taxes, levied for library					5,107,399
Property taxes, levied for flood control					1,959,193
Property taxes, levied for accommodation school					4,310
General county sales tax					10,774,208
Jail district sales tax					10,791,078
Parks and open spaces sales tax					2,689,346
Excise tax					68,688
Franchise tax					39,207
Shared revenue - state sales tax					14,353,390
Shared revenue - state vehicle license tax					4,971,307
Grants and contributions not restricted to specific programs					2,090,720
Investment earnings					2,139,437
Gain on disposal of capital assets					130,889
Miscellaneous					73,066
Total general revenues					<u>63,377,570</u>
Change in net assets					103,306
Net assets, July 1, 2009					210,292,086
Net assets, June 30, 2010					<u>\$ 210,395,392</u>

See accompanying notes to financial statements.

Coconino County
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Public Works/HURF Fund	Jail District Fund
Assets			
Cash and cash equivalents	\$ 17,753,370	\$ 16,830,183	\$ 7,025,735
Investments			
Cash and investments held by trustee			2,430,682
Receivables (net of allowances for uncollectibles):			
Property taxes	263,164		
Accounts	52,492	2,974	101,409
Special assessments			
Jail district sales tax			2,054,784
Accrued interest	100,580	84,731	37,850
Advances to other funds	435,320		
Due from:			
Other funds	7,917,718	165,970	100,785
Other governments	5,284,272	1,817,291	329,161
Inventories	5,529		
Prepaid items	35,191		50,102
Total assets	<u>\$ 31,847,636</u>	<u>\$ 18,901,149</u>	<u>\$ 12,130,508</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,025,533	\$ 463,078	\$ 338,680
Accrued payroll and employee benefits	1,613,374	285,440	425,445
Advances from other funds			
Due to:			
Other funds	4,252,090	442,919	364,620
Other governments	68,602		30,330
Deposits held for others	1,426,612		
Bond interest payable			139,475
Revenue bonds payable			2,290,000
Deferred revenue	214,133		
Total liabilities	<u>9,600,344</u>	<u>1,191,437</u>	<u>3,588,550</u>
Fund balances:			
Reserved for:			
Inventories	5,529		
Prepaid items	35,191		50,102
Debt service			
Unreserved, reported in:			
General fund	22,206,572		
Special revenue funds		17,709,712	8,491,856
Capital projects funds			
Total fund balances	<u>22,247,292</u>	<u>17,709,712</u>	<u>8,541,958</u>
Total liabilities and fund balances	<u>\$ 31,847,636</u>	<u>\$ 18,901,149</u>	<u>\$ 12,130,508</u>

See accompanying notes to financial statements.

<u>Parks and Open Spaces Tax Fund</u>	<u>Public Health Services District Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 12,805,494		\$ 20,739,588	\$ 75,154,370
		538,140	538,140
		16,876	2,447,558
		258,915	522,079
	\$ 5,820	1,056,713	1,219,408
		1,964,178	1,964,178
			2,054,784
62,155		108,134	393,450
		356,445	791,765
	2,619,989	3,280,533	14,084,995
513,550	1,147,185	2,787,352	11,878,811
			5,529
	65,113	3,532	153,938
<u>\$ 13,381,199</u>	<u>\$ 3,838,107</u>	<u>\$ 31,110,406</u>	<u>\$ 111,209,005</u>
	\$ 188,724	\$ 1,307,655	\$ 4,323,670
	333,355	638,120	3,295,734
		791,765	791,765
\$ 1,177,482	2,624,732	5,471,413	14,333,256
	2,389	316,560	417,881
		82,947	1,509,559
			139,475
			2,290,000
		2,145,138	2,359,271
<u>1,177,482</u>	<u>3,149,200</u>	<u>10,753,598</u>	<u>29,460,611</u>
			5,529
	65,113	3,532	153,938
		473,389	473,389
			22,206,572
12,203,717	623,794	19,037,339	58,066,418
		842,548	842,548
<u>12,203,717</u>	<u>688,907</u>	<u>20,356,808</u>	<u>81,748,394</u>
<u>\$ 13,381,199</u>	<u>\$ 3,838,107</u>	<u>\$ 31,110,406</u>	<u>\$ 111,209,005</u>

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Coconino County
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2010

Fund balances—total governmental funds	\$ 81,748,394
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	135,762,564
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,357,968
Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.	3,303,849
Some liabilities, including bonds payable, compensated absences payable, and claims and judgments payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(12,777,383)</u>
Net assets of governmental activities	<u><u>\$ 210,395,392</u></u>

See accompanying notes to financial statements.

Coconino County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2010

	General Fund	Public Works/HURF Fund	Jail District Fund	Parks and Open Spaces Tax Fund
Revenues:				
Property taxes	\$ 8,198,895			
Other taxes	13,961,700	\$ 1,892,189	\$ 10,791,078	\$ 2,689,346
Special assessments				
Licenses and permits	847,683	24,270		
Fees, fines, and forfeits	1,165,450			
Intergovernmental	17,800,070	9,325,678	64,977	
Charges for services	2,484,953		2,477,561	
Investment earnings	684,591	543,404	232,404	383,802
Contributions	136,481			
Miscellaneous	202,630	10,583	61	
Total revenues	<u>45,482,453</u>	<u>11,796,124</u>	<u>13,566,081</u>	<u>3,073,148</u>
Expenditures:				
Current:				
General government	27,513,146			
Public safety	11,400,458		12,043,430	
Highways and streets	663,083	12,416,483		
Sanitation				
Health	1,536,433			
Welfare	872,271			
Culture and recreation	1,410,292			
Education	416,352			
Capital outlay				
Debt service:				
Principal			2,290,000	
Interest and other charges			284,622	
Total expenditures	<u>43,812,035</u>	<u>12,416,483</u>	<u>14,618,052</u>	
Excess (deficiency) of revenues over expenditures	<u>1,670,418</u>	<u>(620,359)</u>	<u>(1,051,971)</u>	<u>3,073,148</u>
Other financing sources (uses):				
Sale of capital assets		17,125		
Transfers in	3,026,920	1,838,065	2,325,435	
Transfers out	(7,580,143)	(1,019,476)	(16,790)	(1,221,562)
Total other financing sources (uses)	<u>(4,553,223)</u>	<u>835,714</u>	<u>2,308,645</u>	<u>(1,221,562)</u>
Net change in fund balances	(2,882,805)	215,355	1,256,674	1,851,586
Fund balances, July 1, 2009	25,130,097	17,494,357	7,285,284	10,352,131
Fund balances, June 30, 2010	<u>\$ 22,247,292</u>	<u>\$ 17,709,712</u>	<u>\$ 8,541,958</u>	<u>\$ 12,203,717</u>

See accompanying notes to financial statements.

Public Health Services District Fund	Other Governmental Funds	Total Governmental Funds
	\$ 7,088,019	\$ 15,286,914
	491	29,334,804
	567,822	567,822
\$ 289,287	370,183	1,531,423
	1,309,597	2,475,047
2,075,527	21,769,062	51,035,314
255,617	6,203,123	11,421,254
2,721	700,264	2,547,186
79,670	438,378	654,529
6,338	191,540	411,152
<u>2,709,160</u>	<u>38,638,479</u>	<u>115,265,445</u>
	3,024,076	30,537,222
246,765	6,645,721	30,336,374
	102,309	13,181,875
	2,978,416	2,978,416
4,817,101	4,602,824	10,956,358
99,276	7,177,816	8,149,363
	6,197,606	7,607,898
	4,694,148	5,110,500
	771,393	771,393
	347,213	2,637,213
	130,280	414,902
<u>5,163,142</u>	<u>36,671,802</u>	<u>112,681,514</u>
<u>(2,453,982)</u>	<u>1,966,677</u>	<u>2,583,931</u>
	11,054	28,179
3,173,690	4,678,468	15,042,578
<u>(30,801)</u>	<u>(5,173,806)</u>	<u>(15,042,578)</u>
<u>3,142,889</u>	<u>(484,284)</u>	<u>28,179</u>
688,907	1,482,393	2,612,110
	18,874,415	79,136,284
<u>\$ 688,907</u>	<u>\$ 20,356,808</u>	<u>\$ 81,748,394</u>

Coconino County
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances to the Statement of Activities
 Governmental Funds
 Year Ended June 30, 2010

Net change in fund balances—total governmental funds \$ 2,612,110

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,004,868	
Depreciation expense	<u>(7,365,627)</u>	(3,360,759)

Governmental funds do not report the gain/loss on the disposal of capital. However, in the Statement of Activities the gain or loss on the disposal of capital assets is reported. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold.

(24,508)

Governmental funds do not report income from the donation of capital assets. However, in the Statement of Activities income from the donation of capital assets is reported.

(22,633)

Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

(601,340)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repaid		2,637,213
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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 governmental funds.

Decrease in compensated absences	146,133	
Increase in claims and judgments	(151,404)	
Increase in future postemployment health benefits	<u>(743,007)</u>	(748,278)

Internal service funds are used by management to charge the costs of certain activities, such as automotive maintenance, to individual funds. The net expense of the internal service fund is reported with governmental activities in the Statement of Activities.

(388,499)

Change in net assets of governmental activities		<u><u>\$ 103,306</u></u>
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See accompanying notes to financial statements.

Coconino County
Statement of Net Assets
Proprietary Fund
June 30, 2010

	<u>Governmental Activities - Internal Service Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,194,018
Receivables (net of allowances for uncollectibles):	
Accounts	52,853
Accrued interest	10,152
Due from other funds	249,771
Inventories	268,961
Total current assets	<u>2,775,755</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation:	
Buildings, net	67,642
Equipment, net	703,789
Total capital assets, net	<u>771,431</u>
Total noncurrent assets	<u>771,431</u>
Total assets	<u>3,547,186</u>
Liabilities	
Current liabilities:	
Accounts payable	125,958
Accrued payroll and employee benefits	115,869
Due to other funds	1,510
Total current liabilities	<u>243,337</u>
Total liabilities	<u>243,337</u>
Net Assets	
Invested in capital assets, net of related debt	771,431
Unrestricted	2,532,418
Total net assets	<u>\$ 3,303,849</u>

See accompanying notes to financial statements.

Coconino County
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 2,752,792
Total operating revenues	<u>2,752,792</u>
Operating expenses:	
Personal services	708,769
Professional services	132,174
Supplies	1,836,168
Utilities	19,968
Repairs and maintenance	116,898
Travel	3,394
Depreciation	442,120
Total operating expenses	<u>3,259,491</u>
Operating loss	<u>(506,699)</u>
Nonoperating revenues:	
Investment earnings	66,298
Gain on disposal of capital assets	51,902
Total nonoperating revenues	<u>118,200</u>
Decrease in net assets	(388,499)
Total net assets, July 1, 2009	<u>3,692,348</u>
Total net assets, June 30, 2010	<u>\$ 3,303,849</u>

See accompanying notes to financial statements.

Coconino County
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2010

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Receipts from other funds for services provided	\$ 2,749,261
Payments to suppliers and providers of goods and services	(2,084,849)
Payments to employees	(714,242)
Net cash used for operating activities	(49,830)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	66,953
Net cash provided by capital and related financing activities	66,953
Cash flows from investing activities:	
Interest received on investments	65,793
Net cash provided by investing activities	65,793
Net increase in cash and cash equivalents	82,916
Cash and cash equivalents, July 1, 2009	2,111,102
Cash and cash equivalents, June 30, 2010	\$ 2,194,018
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (506,699)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	442,120
Changes in assets and liabilities:	
Increase in:	
Accounts payable	46,076
Accounts receivable	(40,513)
Inventories	(25,717)
Decrease in:	
Due from other funds	39,768
Due to other funds	(2,786)
Accrued payroll and employee benefits	(2,079)
Net cash used for operating activities	\$ (49,830)

See accompanying notes to financial statements.

Coconino County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Investment Trust Funds	Agency Fund
Assets		
Cash and cash equivalents	\$ 100,737,647	\$ 1,160,956
Cash and investments held by trustee		807,619
Interest and dividends receivable	477,756	
Total assets	101,215,403	\$ 1,968,575
Liabilities		
Deposits held for others		\$ 1,729,800
Due to other governments		238,775
Total liabilities		\$ 1,968,575
Net Assets		
Held in trust for investment trust participants	\$ 101,215,403	

See accompanying notes to financial statements.

Coconino County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2010

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 358,331,853
Investment earnings	4,969,509
Total additions	363,301,362
Deductions:	
Distributions to participants	362,991,464
Total deductions	362,991,464
Change in net assets	309,898
Net assets, July 1, 2009	100,905,505
Net assets, June 30, 2010	\$ 101,215,403

See accompanying notes to financial statements.

Coconino County
Notes to Financial Statements
June 30, 2010

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Coconino County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

During the year ended June 30, 2010, Coconino County implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Implementation had no affect on the financial statements.

A. Reporting Entity

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

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County’s operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County’s component units:

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Coconino County	A tax-levying district that provides flood control systems; the County’s Board of Supervisors serves as the board of directors	Blended	Not available

Coconino County
Notes to Financial Statements
June 30, 2010

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Coconino County Library District	Provides and maintains library services for County's residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Special Assessment Districts	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Coconino County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Public Health Services District	A tax-levying district that provides and maintains health services for County residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available

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

Coconino County
Notes to Financial Statements
June 30, 2010

that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

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

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

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

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

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

Coconino County
Notes to Financial Statements
June 30, 2010

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

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Public Works/HURF Fund is used to account for highway user fees restricted to the construction, repair and maintenance of county roads.

The Jail District Fund is used to account for jail operations and jail capital improvements that are funded by a one-half cent sales tax.

The Parks and Open Spaces Tax Fund is used to account for the collection of a one-eighth cent sales tax to be used for parks and open space acquisitions and improvements.

The Public Health Services District Fund is used to account for health services for County residents that are funded by a one-quarter cent property tax.

The County reports the following fund types:

The internal service fund accounts for automotive maintenance and operation provided to the County's departments or to other governments on a cost-reimbursement basis.

The investment trust funds account for pooled and nonpooled assets held and invested by the County Treasurer on behalf of other governmental entities.

Coconino County
Notes to Financial Statements
June 30, 2010

The agency fund accounts for assets held by the County as an agent for the State and various local governments, and for property taxes collected and distributed to the State, local school districts, community college districts, and special districts.

C. Basis of Accounting

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are subject to accrual are state-shared sales taxes and fuel taxes, county sales tax, property taxes, and grants from the federal and state governments. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

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

Coconino County
Notes to Financial Statements
June 30, 2010

D. Cash and Investments

For purposes of its statement of cash flows, the County considers cash on hand, demand deposits, cash on deposit with the County Treasurer, and only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories

The County accounts for its inventories in the governmental funds using the consumption method. Inventories of the governmental funds are recorded as assets when purchased and expensed when consumed. Amounts on hand at year-end are shown on the balance sheet as assets for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute “available spendable resources.” These inventories are stated at cost using the first-in, first-out method of valuation.

Inventories in the government-wide and the proprietary fund’s financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out, and moving weighted average methods of valuation, for the government-wide financial statements and the weighted average method of valuation for the proprietary fund’s financial statement.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the governmental-wide and fund financial statements.

Coconino County
Notes to Financial Statements
June 30, 2010

G. 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.

H. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Construction in progress	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-Line	25-40 Years
Machinery and equipment	5,000	Straight-Line	3-25 Years
Infrastructure	5,000	Straight-Line	15-50 Years

I. Investment Earnings

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

Coconino County
Notes to Financial Statements
June 30, 2010

J. Compensated Absences

Compensated absences consist of vacation leave, compensatory time, and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 240 hours of vacation. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements.

Non-exempt, eligible employees may accumulate up to 60 hours of compensatory time. Accruals beyond 60 hours require approval by the county manager. The Fair Labor Standards Act requires the pay off of any compensatory time balance above 240 hours for most non-exempt positions and 480 hours for public safety positions. This is done periodically throughout the year. Upon termination all unused compensatory time is paid to the employee. Accordingly, compensatory time is accrued as a liability in the government-wide and proprietary funds' financial statements.

Employees may accumulate up to 1,040 of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, for employees who terminate with a minimum of 20 years of continuous service, sick leave benefits do vest. Such eligible terminating employees are compensated at the rate of one day for each four sick days accrued. Accordingly, this vested sick leave is accrued as a liability in the government-wide and proprietary funds' financial statements.

Coconino County
Notes to Financial Statements
June 30, 2010

Note 2 – Stewardship, Compliance, and Accountability

Deficit fund balances—At June 30, 2010, the Career Center Grants fund reported a \$2,498 deficit in fund balance.

The County expects this fund deficit to be corrected through normal operations in fiscal year 2011.

Note 3 – Deposits and Investments

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

Credit Risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investor's service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated A or better by Moody's investor's service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investor's 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 or demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Coconino County
Notes to Financial Statements
June 30, 2010

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 five years and that public operating fund monies invested in securities and deposits have a maximum maturity of three years. Investment in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk

Statutes do not allow for foreign investments.

Deposits—At June 30, 2010, the carrying amount of the County’s deposits was \$30,836,265 and the bank balance was \$28,974,910. The County does not have a formal policy with respect to custodial credit risk.

Investments— The County’s investments at June 30, 2010, were as follows:

Investment Type	Amount
U.S. agency securities	\$ 109,921,738
State Treasurer's investment pools	23,147,601
Corporate bonds	15,840,176
Commercial paper	347,021
Municipal bonds	922,981
Money market mutual funds	416,186
Mutual funds-equity	14,888
	<u>\$ 150,610,591</u>

The State Board of Investment provides oversight for the State Treasurer’s pools. The fair value of a participant’s position in the pool approximates the value of the participant’s pool shares and the participant’s shares are not identified with specific investments.

Coconino County
Notes to Financial Statements
June 30, 2010

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2010, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 109,443,285
State Treasurer's investment pool #7	Unrated	Not applicable	23,137,667
Corporate bonds	Aaa	Moody's	3,155,053
Corporate bonds	A3	Moody's	5,039,276
Corporate bonds	A1	Moody's	2,774,902
Corporate bonds	A2	Moody's	2,114,362
Corporate bonds	Aa2	Moody's	1,974,816
Commercial paper	Unrated	Not applicable	347,021
Municipal bonds	Unrated	Not Applicable	876,011
Corporate bonds	Aa3	Moody's	587,679
U.S. agency securities	Unrated	Not applicable	478,453
Mutual funds-debt	Unrated	Not Applicable	416,186
Corporate bonds	Aa1	Moody's	194,088
Municipal bonds	Aa3	Moody's	46,970
State Treasurer's investment pool #5	AAAf/S1	Standard and Poor's	9,934
			\$ 150,595,703

Custodial credit risk— For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy with respect to custodial credit risk. At June 30, 2010, the County had \$109,921,738 of U.S. agency securities, \$922,981 of municipal bonds, \$347,021 of commercial paper and \$15,840,176 of corporate bonds uninsured and held by the counterparty.

Concentration of credit risk— The County does not have a formal policy with respect to concentration of credit risk. The County had investments at June 30, 2010, of five percent or more in Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank. These investments were 31.5 percent, 19.8 percent, 13.4 percent, and 7.8 percent, respectively, of the County’s total investments.

Coconino County
Notes to Financial Statements
June 30, 2010

Interest rate risk— The County does not have a formal policy with respect to interest rate risk. At June 30, 2010, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. agency securities	\$ 109,443,285	4.006
State Treasurer's investment pool #7	23,137,667	0.080
Corporate bonds	3,080,920	0.332
Corporate bonds	5,039,276	1.160
Corporate bonds	2,774,902	0.353
Corporate bonds	2,114,362	0.324
Corporate bonds	1,974,816	0.366
Commercial paper	347,021	0.868
Municipal bonds	876,011	3.039
Corporate bonds	587,679	0.128
U.S. agency securities	478,453	0.008
Mutual funds-debt	224,611	2.260
Corporate bonds	194,088	0.045
Mutual funds-debt	168,878	4.200
Corporate bonds	74,133	0.015
Municipal bonds	46,970	0.109
Mutual funds-debt	22,697	4.513
State Treasurer's investment pool #5	9,934	0.060
	<u>\$ 150,595,703</u>	

Coconino County
Notes to Financial Statements
June 30, 2010

A reconciliation of cash and investments to amounts shown on the Statement of Net Assets follows:

Cash, deposits, and investments:

Cash on hand	\$ 1,593,452
Amount of deposits	30,836,265
Amount of investments	150,610,591
Total	<u><u>\$ 183,040,308</u></u>

Statement of Net Assets:	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 77,348,388	\$ 100,737,647	\$ 1,160,956	\$179,246,991
Investments	538,140			538,140
Cash and investments held by trustee	2,447,558		807,619	3,255,177
Total	<u><u>\$ 80,334,086</u></u>	<u><u>\$ 100,737,647</u></u>	<u><u>\$1,968,575</u></u>	<u><u>\$183,040,308</u></u>

Note 4– Receivables

Due from other governments—Amounts due from other governments at June 30, 2010, include \$2,354,843 and \$1,617,477 in state-shared revenue from sales taxes and fuel taxes, respectively; \$444,123 from the State of Arizona for state vehicle license tax; \$2,057,180 in county sales tax; \$513,550 in parks and open space sales tax; \$2,243,877 in grants from the federal government; and \$824,544 in grants from various state agencies. The balance of \$1,823,217 is composed of miscellaneous receivables from federal, state, and local governments.

Coconino County
Notes to Financial Statements
June 30, 2010

Note 5– Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

<u>Governmental activities:</u>	<u>Balance 7/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/2010</u>
Capital assets not being depreciated:				
Land	\$ 23,677,626	\$ 122,829		\$ 23,800,455
Construction in progress	3,031,031	2,573,794	\$ 3,121,844	2,482,981
Total capital assets not being depreciated	26,708,657	2,696,623	3,121,844	26,283,436
Capital assets being depreciated:				
Buildings	84,433,913	268,465	76,674	84,625,704
Machinery and equipment	34,319,324	1,126,338	840,877	34,604,785
Infrastructure	84,576,002	2,992,336		87,568,338
Total capital assets being depreciated	203,329,239	4,387,139	917,551	206,798,827
Less accumulated depreciation for:				
Buildings	24,917,328	2,214,421	76,674	27,055,075
Machinery and equipment	24,110,070	2,706,235	821,634	25,994,671
Infrastructure	40,611,431	2,887,091		43,498,522
Total accumulated depreciation	89,638,829	7,807,747	898,308	96,548,268
Total capital assets being depreciated, net	113,690,410	(3,420,608)	19,243	110,250,559
Total	<u>\$ 140,399,067</u>	<u>\$ (723,985)</u>	<u>\$ 3,141,087</u>	<u>\$ 136,533,995</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 785,842
Public safety	983,149
Highways and streets	4,381,625
Sanitation	389,917
Health	128,246
Welfare	91,340
Culture and recreation	503,718
Education	101,790
Internal service fund	442,120
Total governmental activities depreciation expense	<u>\$ 7,807,747</u>

Construction and Other Significant Commitments—The County had major contractual commitments related to a capital project at June 30, 2010, for the construction of a public park. At June 30, 2010, the County had spent \$206,204 on this project and had a remaining contractual commitment with contractors of \$807,177. Parks and Open Spaces sales tax is funding this project. The County also had a major contractual commitment related to a new software implementation at June 30, 2010. At June 30, 2010, the County had spent \$147,750 on this project and had a remaining contractual commitment of \$587,835. General fund revenue is funding this project.

Coconino County
Notes to Financial Statements
June 30, 2010

Note 6 – Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2010:

<u>Governmental Activities</u>	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Due within 1 year</u>
Bonds payable:					
Revenue bonds	\$ 8,340,000		\$ 2,195,000	\$ 6,145,000	\$2,290,000
Special assessment bonds with governmental commitment	<u>2,364,178</u>		<u>347,213</u>	<u>2,016,965</u>	<u>365,223</u>
Total bonds payable	<u>10,704,178</u>		<u>2,542,213</u>	<u>8,161,965</u>	<u>2,655,223</u>
Compensated absences payable	4,570,026	\$ 2,785,840	2,931,973	4,423,893	3,182,436
Claims and judgments payable	286,392	282,501	131,097	437,796	113,021
Future postemployment health benefit liability (Note 8)	<u>1,300,722</u>	<u>1,062,833</u>	<u>319,826</u>	<u>2,043,729</u>	
Total governmental activities long-term liabilities	<u>\$ 16,861,318</u>	<u>\$ 4,131,174</u>	<u>\$ 5,925,109</u>	<u>\$ 15,067,383</u>	<u>\$5,950,680</u>

Revenue Bonds—The County’s revenue bonds were issued specifically to finance a jail and related facilities. Future revenues from a voter-approved sales tax are pledged to repay \$21,130,000 and \$3,630,000 in revenue bonds issued in 1998 and 2000, respectively. The revenue bonds are payable from Jail District sales tax revenues through 2013. At June 30, 2010, \$6,145,000 in principal remains outstanding, along with future interest payments totaling \$401,601, to be repaid by future Jail District sales tax revenues. For the fiscal year ended June 30, 2010, net revenues available for service of this debt was \$10,791,078. The principal and interest paid in fiscal year 2010 was \$2,574,622 (23.86% of available net revenues). The annual principal and interest payments on the revenue bonds are expected to require approximately 21% of net revenues. They are generally noncallable with interest payable semiannually.

Coconino County
Notes to Financial Statements
June 30, 2010

Revenue bonds outstanding at June 30, 2010, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Revenue bonds	\$ 24,760,000	7/1/2006-12	4.25-5.0%	\$ 6,145,000

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2010:

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 2,290,000	\$ 226,213
2012	1,885,000	131,063
2013	1,970,000	44,325
Total	<u>\$ 6,145,000</u>	<u>\$ 401,601</u>

Certificates of participation—In prior years the County defeased certain certificates of participation debt by depositing funds in an irrevocable trust to provide for all future debt service on the certificates of participation. Accordingly, the trust account and the liability for these defeased certificates of participation are not included in the County's financial statements. At June 30, 2010, the following certificates of participation were considered defeased:

Series 2001 \$ 5,460,000

Special Assessment Bonds—Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Proceeds from special assessment bonds are used for improvements such as paving, street lighting, and sewers. Payment made by the assessed property owners are pledged as collateral. In the event of default by the property owner, the lien created by the assessment is sold at public auction and the proceeds are used to offset the default assessment. At June 30, 2010, \$2,016,965 in principal remains outstanding, along with future interest payments totaling \$353,726, to be paid by special assessment revenues. For the fiscal year ended June 30, 2010, net revenues available for debt service of this debt was \$567,822. The principal and interest paid in fiscal year 2010 was \$477,493 (84.09% of available net revenues). Annual

Coconino County
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principal and interest on the bonds are expected to require 100% of net revenues. The original amounts of special assessment bonds issued in prior years were \$5,186,217. The total principal and interest to be paid is generally noncallable with interest payable semiannually.

Special Assessment bonds outstanding at June 30, 2010, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Special assessment bonds with governmental commitment	\$ 5,186,217	7/1/2006-19	2.47-7.50%	\$ 2,016,965

The following schedule details debt service requirements to maturity for the County's special assessment bonds payable at June 30, 2010:

Year Ending June 30	Governmental Activities	
	Special	
	Assessment Bonds	
	Principal	Interest
2011	\$ 365,223	\$ 99,029
2012	384,774	81,290
2013	398,339	62,599
2014	417,014	43,241
2015	106,614	22,654
2016 - 2020	345,001	44,913
Total	\$ 2,016,965	\$ 353,726

Insurance Claims—The County provides life, health and disability benefits to its employees and their dependents through the Northern Arizona Public Employee Benefit Trust (Trust), currently composed of seven members. The Trust provides benefits through a self-funding agreement with its participants and administers the program. The County is responsible for paying the premium and requires its employees to contribute a portion of that premium. If it withdraws from the Trust, the County is responsible for any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

Coconino County
Notes to Financial Statements
June 30, 2010

Compensated Absences and Claims and Judgments—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2010, the County paid for compensated absences as follows: 49.60 percent from the General Fund, 25.67 percent from major funds, and 24.73 percent from other funds. The County paid for claims and judgments from the General Fund.

Note 7 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. These risks of loss are accounted for and financed by the following described insurance coverage and internal risk management program.

The County contracts with the State Compensation Fund of Arizona to provide workers compensation coverage for employees. There is no deductible associated with this coverage and the maximum coverage is \$500,000 per occurrence. Claims over this amount are covered by the County's liability insurance policy up to \$10 million. No settled claims exceeded the State Compensation Fund of Arizona coverage limits in any of the past three years.

The County self-insures on commercial general liability for the first \$125,000 per occurrence. A self-insurance retention fund is set up for these losses. The County then purchases coverage from insurers up to \$30 million. For real property and business personal property damage coverage the County has a \$25,000 deductible with blanket coverage up to the property values. Crime coverage is also a \$25,000 deductible with limits of \$1,000,000. Settled claims for commercial general liability and crime coverage have not exceeded the either the self insurance retention or the \$25,000 deductible in the past three fiscal years. Four claims for property losses have exceeded the \$25,000 deductible in the past three fiscal years. No settled claims for general liability, crime coverage or property damage exceeded commercial insurance coverage in the past three years.

Note 8 – Pensions and Other Postemployment Benefits

Pension Plan Descriptions—The County contributes to four plans, two of which are described below. The other two, the Elected Officials Retirement Plan and the Corrections Officer Retirement Plan, are not described due to their relative insignificance to the County’s financial statements. Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees’ average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee’s monthly compensation. Health insurance premium benefits are generally paid as a fixed dollar amount per month towards the retiree’s healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers 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, that covers employees of the State of Arizona and participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System* (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona and participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as the Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

Coconino County
Notes to Financial Statements
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ASRS

3300 North Central Avenue
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or (800) 621-3778

PSPRS

3010 E. Camelback Road, Suite 200
Phoenix, AZ 85016-4416
(602) 255-5575

Funding Policy—The Arizona State Legislature establishes and may amend active plan members’ and the County’s contribution rates for the ASRS and PSPRS.

Cost-sharing plan—For the year ended June 30, 2010, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.40 percent (9.00 percent for retirement and 0.40 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 9.40 percent (8.34 percent retirement, .66 percent for health insurance premium, and 0.40 percent long-term disability) of the members’ annual covered payroll. The County’s contributions to ASRS for the current and two preceding years, all of which equal the required contributions, were as follows:

Years ended June 30,	Retirement Fund	Health Benefit Supplemental Fund	Long-Term Disability Fund
2010	\$2,991,032	\$ 236,700	\$ 143,455
2009	2,974,352	357,369	186,131
2008	2,928,708	382,005	181,908

Agent plan—For the year ended June 30, 2010, active PSPRS members were required by statute to contribute 7.65 percent of the members’ annual covered payroll and the County was required to contribute at the actuarially determined rate of 27.82 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.62 percent of covered payroll.

Actuarial Methods and Assumptions—The contribution requirements for the year ended June 30, 2010 were established by the June 30, 2008 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Coconino County
Notes to Financial Statements
June 30, 2010

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on 1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2010 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	28 years for unfunded actuarial liability, 20 years for excess
Asset valuation	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	5.5% - 8.5%
includes inflation at	5.5%
Cost-of-living adjustments	None

Coconino County
Notes to Financial Statements
June 30, 2010

Annual Pension Cost—The County’s pension cost for the agent plan for the year ended June 30, 2010, and related information follows. This is an estimate based on what was actually paid.

	<u>PSPRS Pension</u>	<u>PSPRS Health Insurance</u>
Contribution rates	27.20%	0.62%
Annual pension cost	\$ 815,845	\$ 28,101
Contributions made	\$ 815,845	\$ 28,101

Trend Information—Annual pension cost information for the current and two preceding years follows for the PSPRS. Annual cost information for the current year and two preceding years is as follows.

<u>Year Ended June 30,</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
Pension			
2010	\$ 815,845	100%	\$0
2009	907,249	100%	0
2008	764,755	100%	0
Health Insurance			
2010	28,101	100%	0
2009	36,329	100%	0
2008	25,169	100%	0
Pension and Health Insurance			
2010	843,946	100%	0
2009	943,578	100%	0
2008	789,924	100%	0

Coconino County
Notes to Financial Statements
June 30, 2010

Funded Status— The funded status of the plan as of the most recent valuation date, June 30, 2010, along with the actuarial assumptions and methods used in that valuation follows.

	<u>Pension</u>	<u>Health Insurance</u>
Actuarial accrued liability (a)	\$ 27,056,998	\$ 793,837
Actuarial value of assets (b)	12,697,494	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	14,359,504	793,837
Funded ratio (b)/(a)	46.90%	0.0%
Cover payroll (c)	2,854,136	2,854,136
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll [(a) - (b)]/(c)	503.10%	27.8%

The actuarial methods and assumptions used for the most recent valuation date are as follows:

Actuarial valuation date	June 30, 2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	26 years for unfunded actuarial accrued liability 20 years for excess
Asset valuation	7- year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases includes inflation at	5.5% - 8.5% 5.5%

Coconino County
Notes to Financial Statements
June 30, 2010

Postemployment Healthcare Plan

Plan Description—Employees retiring from Coconino County service, who receive monthly income from any of the Arizona State individual retirement plans, are eligible to continue insurance coverage through the same plan as active employees and their beneficiaries up to the age of 65 through the Northern Arizona Public Employees Benefit Trust (NAPEBT). Coconino County is a member of NAPEBT and the benefits and premium rates are approved by the Trust and the Board of Supervisors on an annual basis for active and retired members. NAPEBT issues a publicly available financial report that may be obtained on their website. Although Coconino County does not explicitly pay a portion of the retiree’s premiums, because of the inclusion of this class in the insured pool, there is an implicit subsidy or “premium rate differential” that is incurred by the County.

Funding Policy—The contribution requirements of plan members and the County are established and may be amended by the NAPEBT board. Eligible retirees up to the age of 65 have the option to participate in the healthcare plan that is currently being offered to active employees and must pay 100% of the premium less any reimbursement from the Arizona State individual retirement plans. The program is currently funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation—The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 1,062,833	\$ 319,826	30.09%	\$ 743,007
6/30/2009	1,386,909	86,187	6.21%	1,300,722
6/30/2008	(1)	(1)	(1)	(1)

(1) Information not available

Coconino County
Notes to Financial Statements
June 30, 2010

Funding Status and Funding Progress—The latest actuarial valuation done was as of June 30, 2009. The funded status of the plan as of June 30, 2009, was as follows:

Actuarial Valuation Date	(1) Actuarial value of plan assets	(2) Actuarial accrued liability (AAL)	(3) Funded ratio (1) / (2)	(4) Unfunded AAL (2) - (1)	(5) Covered payroll	(6) Unfunded AAL as a percentage of covered payroll (4) / (5)
6/30/2009		\$ 7,887,569	0.00%	\$ 7,887,569	\$ 51,641,941	15.27%

Actuarial Methods and Assumptions -- Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of the funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. Projections of benefits are based on 1) the plan as understood by the County and plan's members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used for most recent valuation date are as follows:

Valuation date	July 1, 2009
Actuarial cost method	Entry Age Normal, Level Dollar
Amortization method	30-Year Amortization Open
Remaining amortization period	30
Investment rate of return	4.50%
Medicare coverage age	65
Retirement and disability age	Based on the assumptions for the ASRS actuarial valuation as of June 30, 2008
Active members	63
Retirees, beneficiaries, and dependents	1,053

Coconino County
Notes to Financial Statements
June 30, 2010

Note 9 – Interfund Balances and Activity

Interfund Receivables and Payables—Interfund balances at June 30, 2010, were as follows:

	Payable to						Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	Internal Service Fund	
Payable from							
General Fund		\$ 773	\$ 100,669	\$ 2,619,353	\$ 1,447,753	\$ 83,542	\$ 4,252,090
Public Works/HURF Fund	\$ 194,348				122,434	126,137	442,919
Jail District Fund	326,018			266	31,437	6,899	364,620
Parks and Open Spaces Tax Fund	476,092				701,390		1,177,482
Public Health Services District Fund	2,608,603				5,001	11,128	2,624,732
Nonmajor Governmental Funds	4,312,257	164,087	116	370	972,518	22,065	5,471,413
Internal Service Fund	400	1,110					1,510
Total	\$ 7,917,718	\$ 165,970	\$ 100,785	\$ 2,619,989	\$ 3,280,533	\$ 249,771	\$ 14,334,766

The interfund balances resulted from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers—Interfund transfers for the year ended June 30, 2010, were as follows:

	Transfer to					Total
	General Fund	Public Works/HURF Fund	Jail District Fund	Public Health Services District Fund	Nonmajor Governmental Funds	
Transfer from						
General Fund		\$ 25,000	\$ 2,325,435	\$ 2,391,408	\$ 2,838,300	\$ 7,580,143
Public Works/HURF Fund	\$ 920,973				98,503	1,019,476
Jail District Fund					16,790	16,790
Parks and Open Spaces Tax Fund	476,092				745,470	1,221,562
Public Health Services District Fund	28,601				2,200	30,801
Nonmajor Governmental Funds	1,601,254	1,813,065		782,282	977,205	5,173,806
Total	\$ 3,026,920	\$ 1,838,065	\$ 2,325,435	\$ 3,173,690	\$ 4,678,468	\$ 15,042,578

Interfund transfers are used to move revenues from the fund that collects them to the fund that expends them.

Coconino County
Notes to Financial Statements
June 30, 2010

Advances From/To Other Funds

Advances from/to other funds represent monies owed from various County Road Improvement Districts (nonmajor governmental funds) to the Forest Fee Revolving Fund (nonmajor governmental fund) to assist citizens with road improvements. The amount of advances as of June 30, 2010 was \$791,765. The County Road Improvement Districts are paying interest on the advances. The interest rates range from 2.510% to 4.0299%.

Advances To	Forest Fees
	<u>Revolving Fund</u>
Buckboard Trail	\$ 22,393
Kiowa Commanche	68,925
Lupine	64,072
Oakwood Pines	25,200
Pawnee	54,530
Pinon Improvement	34,336
Shoshone	13,982
Tonowanda	23,007
Toho Tolani	485,320
Total advances	<u>\$ 791,765</u>

Note 10 – County Treasurer’s Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer’s investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The pool’s structure does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants’ investments.

The Treasurer allocates interest earnings to each of the pool’s participants.

Coconino County
Notes to Financial Statements
June 30, 2010

Substantially all deposits and investments of the County's primary government are included in the County Treasurer's investment pool, except for \$4,661,672 of deposits, \$416,186 of investments in Mutual Funds-debt, \$23,121,396 in the State Treasurer's Investment Pool, and \$14,888 of investments in equities; therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 3 for the disclosure of the County's deposit and investment risks.

Details of each major investment classification follow.

Investment Type	Principal	Rates	Maturities	Amount
State Treasurer's investment pools	\$ 26,205	None stated	None stated	\$ 26,205
U.S. agency securities	109,156,918	1.000-5.000%	7/15/2010-6/15/2015	109,921,738
Municipal bonds	921,047	4.125-6.000%	5/01/2010-6/01/2014	922,981
Commercial paper	346,106	1.157%	5/13/2011	347,021
Corporate bonds	15,562,887	.390-6.500%	7/26/2010-4/15/2015	15,840,176

A condensed statement of the investment pool's net assets and changes in net assets follows.

Statement of Net Assets

Assets	\$ 154,107,635
Net assets	<u>\$ 154,107,635</u>

Net assets held in trust for:

Internal participants	\$ 74,531,794
External participants	79,575,841
Total net assets held in trust	<u>\$ 154,107,635</u>

Statement of Changes in Net Assets

Total additions	\$ 477,595,086
Total deletions	479,070,233
Net decrease	<u>(1,475,147)</u>
Net assets held in trust	
July 1, 2009	155,582,782
June 30, 2010	<u>\$ 154,107,635</u>

Coconino County
Notes to Financial Statements
June 30, 2010

Note 11 – Maintenance of Effort Payments

In accordance with A.R.S. Section 48-4024, Coconino County is required to make annual maintenance of effort payments (MOE) to the Coconino County Jail District, a special revenue fund type. The payments will be made through fiscal year 2027, and are determined by first establishing a base expenditure which was used as the initial fiscal year 1998 MOE payment. Subsequent payments are determined by adjusting the base expenditure by the annual change in the gross domestic product price deflator, obtained from the State of Arizona Economic Estimates Commission. These payments are recorded by the jail district as transfers. The MOE payment for fiscal year 2010 was \$2,325,435.

REQUIRED SUPPLEMENTARY INFORMATION

Coconino County
 Required Supplementary Information
 Schedule of Agent Retirement Plan and Coconino County Retiree Insurance
 Program's Funding Progress
 June 30, 2010

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentages of Covered Payroll [(a-b)/c]
Public Safety Retirement System							
Pension							
	6/30/2010	\$ 12,697,494	\$ 27,056,998	\$ (14,359,504)	46.9%	\$ 2,854,136	503.1%
	6/30/2009	13,206,756	26,050,300	(12,843,544)	50.7%	3,216,304	399.3%
	6/30/2008	12,743,038	24,374,917	(11,631,879)	52.3%	3,557,390	327.0%
Health Insurance							
	6/30/2010		793,837	(793,837)	0.0%	2,854,136	27.81%
	6/30/2009		769,572	(769,572)	0.0%	3,216,304	23.93%
	6/30/2008		768,655	(768,655)	0.0%	3,557,390	21.61%
Pension and Health Insurance							
	6/30/2010	12,697,494	27,850,835	(15,153,341)	45.6%	5,708,272	265.5%
	6/30/2009	13,206,756	26,819,872	(13,613,116)	49.2%	3,216,304	423.3%
	6/30/2008	12,743,038	25,143,572	(12,400,534)	50.7%	3,557,390	348.6%
Coconino County Retiree Insurance Program							
Health Insurance							
	6/30/2010	(1)	(1)	(1)	(1)	(1)	(1)
	6/30/2009		7,887,569	(7,887,569)	0.0%	51,641,941	15.27%

(1) Information not available

Note 1: Actuarial Information Available

Actuarial measurements were not made for Coconino County's Postemployment Healthcare Plan prior to the implementation of GASB Statement 45 in fiscal year 2009. New actuarial measurements are required by GASB 45 to be made biannually, so in fiscal year 2011 and future years when additional actuarial measurements are made, trend information for the County's Postemployment Healthcare Plan will be presented.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 7,763,399	\$ 7,763,399	\$ 8,198,895	\$ 435,496
Other taxes	15,312,000	15,312,000	13,961,700	(1,350,300)
Licenses and permits	889,300	889,300	847,683	(41,617)
Fees, fines, and forfeits	1,176,288	1,176,288	1,165,450	(10,838)
Intergovernmental	19,397,301	19,490,000	17,800,070	(1,689,930)
Charges for services	2,497,569	2,507,893	2,484,953	(22,940)
Investment earnings	379,210	379,210	684,591	305,381
Contributions	131,460	131,460	136,481	5,021
Miscellaneous	113,790	113,790	202,630	88,840
Total revenues	<u>47,660,317</u>	<u>47,763,340</u>	<u>45,482,453</u>	<u>(2,280,887)</u>
Expenditures:				
General government				
Assessor	1,823,511	1,744,711	1,658,221	86,490
Board of Supervisors	1,122,583	1,096,927	1,054,342	42,585
Clerk of the Superior Court	1,100,677	1,100,677	1,051,640	49,037
Community development	1,593,215	1,541,215	1,370,339	170,876
Community initiatives	274,977	296,259	167,046	129,213
County Attorney	2,840,160	2,840,160	2,627,324	212,836
County Manager	1,888,087	1,692,886	1,565,007	127,879
Facilities	3,332,885	3,229,816	2,695,416	534,400
Finance/budget	1,565,254	1,568,492	1,471,428	97,064
Flagstaff Justice Court	1,233,246	1,233,246	1,128,911	104,335
Fredonia Justice Court	148,462	148,462	149,563	(1,101)
Human resources	1,330,981	1,311,498	1,305,465	6,033
Information technology	2,407,734	2,499,523	2,283,786	215,737
Legal Defender	792,489	792,489	734,086	58,403
Non-departmental	16,595,391	19,972,230	564,412	19,407,818
Page Justice Court	330,034	335,902	324,420	11,482
Public Defender	2,272,608	2,272,608	2,212,143	60,465
Recorder	1,393,648	1,461,034	1,475,420	(14,386)
Superior Courts	2,659,548	2,657,048	2,823,719	(166,671)
Treasurer	608,484	572,470	523,160	49,310
Williams Justice Court	329,654	329,654	327,298	2,356
Total general government	<u>45,643,628</u>	<u>48,697,307</u>	<u>27,513,146</u>	<u>21,184,161</u>

See accompanying notes to Budgetary Comparison Schedule.

(Continued)

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2010
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Adult probation	1,417,324	1,432,324	1,342,665	89,659
Constable	78,374	80,100	80,505	(405)
Juvenile probation	2,508,346	2,452,871	2,262,331	190,540
Medical Examiner	497,099	277,831	274,357	3,474
Sheriff	7,895,481	7,846,986	7,440,600	406,386
Total public safety	<u>12,396,624</u>	<u>12,090,112</u>	<u>11,400,458</u>	<u>689,654</u>
Highways and streets				
Information technology	767,201	758,082	663,083	94,999
Health				
Health Department	3,840,845	1,843,683	1,536,433	307,250
Welfare				
Community services	978,698	984,021	872,271	111,750
Culture and recreation				
Parks and recreation	1,602,224	1,571,558	1,410,292	161,266
Education				
School Superintendent	484,589	484,589	416,352	68,237
Total expenditures	<u>65,713,809</u>	<u>66,429,352</u>	<u>43,812,035</u>	<u>22,617,317</u>
Excess (deficiency) of revenues over (under) expenditures	(18,053,492)	(18,666,012)	1,670,418	20,336,430
Other financing sources (uses):				
Transfers in	2,810,837	3,241,342	3,026,920	(214,422)
Transfers out	(7,516,854)	(8,940,700)	(7,580,143)	1,360,557
Total other financing sources and (uses)	<u>(4,706,017)</u>	<u>(5,699,358)</u>	<u>(4,553,223)</u>	<u>(1,146,135)</u>
Net change in fund balances	(22,759,509)	(24,365,370)	(2,882,805)	21,482,565
Fund balance, July 1, 2009	<u>22,759,509</u>	<u>22,759,509</u>	<u>25,130,097</u>	<u>2,370,588</u>
Fund balance, June 30, 2010	<u><u>\$ 22,759,509</u></u>	<u><u>\$ (1,605,861)</u></u>	<u><u>\$ 22,247,292</u></u>	<u><u>\$ 23,853,153</u></u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Works/HURF Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Other taxes	\$ 2,148,978	\$ 2,148,978	\$ 1,892,189	\$ (256,789)
Licenses and permits	24,025	24,025	24,270	245
Intergovernmental	21,492,150	10,642,150	9,325,678	(1,316,472)
Investment earnings	300,000	300,000	543,404	243,404
Miscellaneous	250,000	250,000	10,583	10,583
Total revenues	<u>24,215,153</u>	<u>13,115,153</u>	<u>11,796,124</u>	<u>(1,319,029)</u>
Expenditures:				
Highways and streets				
Public Works	<u>29,341,218</u>	<u>19,397,404</u>	<u>12,416,483</u>	<u>6,980,921</u>
Total expenditures	<u>29,341,218</u>	<u>19,397,404</u>	<u>12,416,483</u>	<u>6,980,921</u>
Excess (deficiency) of revenues over (under) expenditures	(5,126,065)	(6,282,251)	(620,359)	5,661,892
Other financing sources (uses):				
Sale of capital assets			17,125	17,125
Transfers in	2,655,000	2,655,000	1,838,065	(816,935)
Transfers out	<u>(987,873)</u>	<u>(987,873)</u>	<u>(1,019,476)</u>	<u>(758,344)</u>
Total other financing sources (uses)	1,667,127	1,667,127	835,714	(1,558,154)
Net changes in fund balances	(3,458,938)	(4,615,124)	215,355	4,830,479
Fund balance, July 1, 2009	<u>15,864,428</u>	<u>15,864,428</u>	<u>17,494,357</u>	<u>1,629,929</u>
Fund balance, June 30, 2010	<u>\$12,405,490</u>	<u>\$11,249,304</u>	<u>\$17,709,712</u>	<u>\$ 6,460,408</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Other taxes	\$12,575,250	\$12,575,250	\$10,791,078	\$ (1,784,172)
Intergovernmental	70,000	70,000	64,977	(5,023)
Charges for services	2,305,449	2,305,449	2,477,561	172,112
Investment earnings	164,368	164,368	232,404	68,036
Miscellaneous			61	61
Total revenues	<u>15,115,067</u>	<u>15,115,067</u>	<u>13,566,081</u>	<u>(1,548,986)</u>
Expenditures:				
Current:				
Public safety				
Sheriff	13,909,216	13,258,234	12,043,430	1,214,804
Debt service:				
Principal	6,145,000	6,145,000	2,290,000	3,855,000
Interest and other charges	281,950	281,950	284,622	(2,672)
Total expenditures	<u>20,336,166</u>	<u>19,685,184</u>	<u>14,618,052</u>	<u>5,067,132</u>
Excess (deficiency) of revenues over (under) expenditures	(5,221,099)	(4,570,117)	(1,051,971)	3,518,146
Other financing sources (uses):				
Transfers in	2,426,280	2,426,280	2,325,435	(100,845)
Transfers out	(13,736)	(16,790)	(16,790)	
Total other financing sources (uses)	<u>2,412,544</u>	<u>2,409,490</u>	<u>2,308,645</u>	<u>(100,845)</u>
Net changes in fund balances	(2,808,555)	(2,160,627)	1,256,674	3,417,301
Fund balance, July 1, 2009	7,193,478	7,193,478	7,285,284	91,806
Fund balance, June 30, 2010	<u>\$ 4,384,923</u>	<u>\$ 5,032,851</u>	<u>\$ 8,541,958</u>	<u>\$ 3,509,107</u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Parks and Open Spaces Tax Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Other taxes	\$ 3,062,500	\$ 3,062,500	\$ 2,689,346	\$ (373,154)
Investment earnings	190,000	190,000	383,802	193,802
Total revenues	<u>3,252,500</u>	<u>3,252,500</u>	<u>3,073,148</u>	<u>(179,352)</u>
Other financing sources (uses):				
Transfers out	<u>(1,822,063)</u>	<u>(3,153,626)</u>	<u>(1,221,562)</u>	<u>1,932,064</u>
Total other financing sources (uses)	(1,822,063)	(3,153,626)	(1,221,562)	1,932,064
Net changes in fund balances	1,430,437	98,874	1,851,586	1,752,712
Fund balance, July 1, 2009	<u>9,549,872</u>	<u>9,549,872</u>	<u>10,352,131</u>	<u>802,259</u>
Fund balance, June 30, 2010	<u><u>\$10,980,309</u></u>	<u><u>\$ 9,648,746</u></u>	<u><u>\$12,203,717</u></u>	<u><u>\$ 2,554,971</u></u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Budgetary Comparison Schedule
Public Health Services District Fund
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits		\$ 304,150	\$ 289,287	\$ (14,863)
Intergovernmental		2,459,008	2,075,527	(383,481)
Charges for services		229,804	255,617	25,813
Investment earnings		1,179	2,721	1,542
Contributions		87,869	79,670	(8,199)
Miscellaneous		5,984	6,338	354
Total revenues		<u>3,087,994</u>	<u>2,709,160</u>	<u>(4,277,234)</u>
Expenditures:				
Public safety				
Medical Examiner		219,268	246,765	(27,497)
Health				
Health department		5,715,249	4,817,101	898,148
Welfare				
Community services		120,000	99,276	20,724
Total expenditures		<u>6,054,517</u>	<u>5,163,142</u>	<u>891,375</u>
Excess (deficiency) of revenues over (under) expenditures		(2,966,523)	(2,453,982)	512,541
Other financing sources (uses):				
Transfers in		1,904,387	3,173,690	1,269,303
Transfers out		(24,200)	(30,801)	(6,601)
Total other financing sources (uses)		<u>1,880,187</u>	<u>3,142,889</u>	<u>1,262,702</u>
Net change in fund balances		(1,086,336)	688,907	1,775,243
Fund balance, July 1, 2009		<u>263,296</u>		<u>(263,296)</u>
Fund balance, June 30, 2010		<u><u>\$ (823,040)</u></u>	<u><u>\$ 688,907</u></u>	<u><u>\$ 1,511,947</u></u>

See accompanying notes to Budgetary Comparison Schedule.

Coconino County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2010

Note 1 – Budgeting and Budgetary Control

A.R.S. require 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, each fund includes only one department.

Note 2 – Budgetary Basis of Accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles.

Note 3 – Expenditures in Excess of Appropriations

For the year ended June 30, 2010, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund	
Superior Courts	\$ 166,671
Recorder	14,386
Fredonia Justice Court	1,101
Constable	405
Public Health Services District Fund	
Medical Examiner	27,497

Departments may exceed their department's budget for various reasons, including unexpected events. When departments exceed their budget, this is addressed with the departments in their subsequent budget meetings with the County Manager and the Board of Supervisors.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2010

Special Revenue Funds

Adult Probation Grants and Fees – accounts for various Adult Probation programs provided by a combination of grants and fees.

Assessor Storage and Retrieval – accounts for the collection and use of a special recording surcharge, not to exceed four dollars, to be used to convert the assessor's property information and storage retrieval system to micrographics or computer automation, as established by A.R.S. 11-269.06.

Career Center Grants – accounts for various federal and state employment grants, such as the Workforce Investment Act and the Youthbuild Program.

Clerk of the Superior Court Grants and Fees – accounts for various Clerk of the Court programs provided by a combination of grants and fees.

Community Services Grants and Fees – accounts for various public assistance programs provided by a combination of grants and fees.

Conciliation Court – this program provides a means for the reconciliation of spouses and the amicable settlement of domestic and family controversies. This program is funded by fees collected under A.R.S. 25-311.

County Attorney Grants and Fees – accounts for various County Attorney programs funded by a combination of fees, grants and forfeiture. Programs included Anti-Racketeering, Attorney Enhancement and Victim Rights.

County Improvement Districts – Special Revenue – accounts for the operation of various Road Maintenance Districts and the Kachina Village Water and Wastewater operations.

County Library District – accounts for the provision and maintenance of libraries and library services through the County. Funded by a secondary property tax levy.

Emergency Services Grants – accounts for various federal and state grants that fund purchases of equipment and disaster planning and training.

County Flood Control District – accounts for projects to regulate floodplains and prevent the flooding of property and endangering of lives. Funded by a secondary property tax levy.

Health Programs – accounts for numerous health services programs funded by federal, state and private grants, fees and transfers from the County General Fund.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

Inmate Welfare – accounts for funds held in trust for the benefit and welfare of inmates, established under A.R.S. 31-121. Revenues are derived from sales of commissary items to inmates and pay phone usage.

Jail Enhancement – accounts for state funds established under A.R.S. 41-2401.D.9. to be used to enhance county jail facilities and operations.

Justice Courts Grants and Fees – accounts for various Justice Court programs provided by a combination of grants and fees

Juvenile Court Grants and Fees – accounts for various Juvenile Probation programs, including Juvenile Court, provided by a combination of grants and fees

Legal Defender Grants and Fees – accounts for various Legal Defender programs provided by a combination of grants and fees

National Forest Fees – accounts for funds received under the federal Secure Rural Schools and Community Self-Determination Act of 2000. These funds may be used to fund schools, roads, search and rescue, wildfire protection, and wildlife protection.

Parks Open Space Tax Projects – accounts primarily the use of the Parks and Open Spaces Tax for the operation, acquisition, construction or enhancement of County parks.

Parks and Recreation Grants and Fees – accounts for various parks programs funded by federal and state grants, fees and General Fund transfers. These programs include the County Fair and the County Horse Races.

Public Defender Grants and Fees – accounts for various Public Defender programs provided by a combination of grants and fees

Recorder Storage and Retrieval – accounts for a recording surcharge, established by A.R.S. 11-475.01, to be used to defray the cost of converting the Recorder's document and storage retrieval system to micrographics or computer automation.

School Superintendent Grants and Fees – accounts for various Schools programs, including the Accommodation School, provided by a combination of grants and fees

Sheriff Grants and Fees – accounts for various Sheriff programs provided by a combination of grants and fees

Solid Waste – accounts for the costs of providing solid waste services, including the operation of transfer stations and payments for the use of the City of Flagstaff landfill. Funded by a combination of grants, fees and General Fund transfers.

Coconino County
Listing of Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

Superior Court Grants and Fees – accounts for various Superior Court programs provided by a combination of grants and fees

Taxpayer Information Fund – accounts for fees collected by the County Treasurer, established by A.R.S. 11-495, to be used to upgrade an automated taxpayer information system.

Other Special Revenue Funds – accounts for other small grants and fees.

Debt Service Fund

County Improvement Districts – Debt Service – accounts for special assessment collected for the payment of principal and interest on the revenue bonds issued for special assessment bonds issued by various county improvement districts, or National Forest Fees loans, for road improvements.

Capital Projects Funds

Accommodation School – accounts for various grants used to fund capital improvements for the Accommodation School.

County Improvement Districts – Capital Projects – accounts for the construction of road improvements in various county improvement districts, funded by special assessment bonds, assessment payments by benefiting property owners and National Forest Fees contributions or loans.

Parks Capital Projects – accounts for federal and state grants for the acquisition and construction of County parks.

Other Capital Projects Funds – accounts for other small capital projects funded by fees, grants and transfers from the General Fund.

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

Special Revenue

	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Assets				
Cash and cash equivalents	\$ 851,264	\$ 326,361		\$ 413,662
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts			\$ 963	
Special assessments				
Accrued interest				
Advances to other funds				
Due from:				
Other funds	38,636			
Other governments			252,515	
Prepaid items				
Total assets	<u>\$ 889,900</u>	<u>\$ 326,361</u>	<u>\$ 253,478</u>	<u>\$ 413,662</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 10,588	\$ 2,395	\$ 63,926	\$ 31
Accrued payroll and employee benefits	115,943		45,515	4,243
Advances from other funds				
Due to:				
Other funds	77,811	186,202	146,535	30,000
Other governments	13,123			
Deposits held for others				
Deferred revenue				
Total liabilities	<u>217,465</u>	<u>188,597</u>	<u>255,976</u>	<u>34,274</u>
Fund balances:				
Reserved for:				
Prepaid items				
Debt service				
Unreserved, reported in:				
Special revenue funds	672,435	137,764	(2,498)	379,388
Capital projects funds				
Total fund balances	<u>672,435</u>	<u>137,764</u>	<u>(2,498)</u>	<u>379,388</u>
Total liabilities and fund balances	<u>\$ 889,900</u>	<u>\$ 326,361</u>	<u>\$ 253,478</u>	<u>\$ 413,662</u>

Special Revenue

Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue	County Library District
	\$ 160,644	\$ 2,108,459 393,489 16,876	\$ 986,032	\$ 611,453
\$ 862,873			147,607	183,381
			13	
556,190		220,655	21,426	
940,996		44,165		
630				
<u>\$ 2,360,689</u>	<u>\$ 160,644</u>	<u>\$ 2,783,644</u>	<u>\$ 1,155,078</u>	<u>\$ 794,834</u>
\$ 266,611	\$ 4,546	\$ 14,483	\$ 72,925	
179,755	850	34,894	22,519	
1,283,673	40,000	173,596	2,294	\$ 282,195
		1,534	9,930	127,237
15,629			67,318	
1,303				139,752
<u>1,746,971</u>	<u>45,396</u>	<u>224,507</u>	<u>174,986</u>	<u>549,184</u>
630				
613,088	115,248	2,559,137	980,092	245,650
<u>613,718</u>	<u>115,248</u>	<u>2,559,137</u>	<u>980,092</u>	<u>245,650</u>
<u>\$ 2,360,689</u>	<u>\$ 160,644</u>	<u>\$ 2,783,644</u>	<u>\$ 1,155,078</u>	<u>\$ 794,834</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(Continued)

	Special Revenue			
	Emergency Services Grants	County Flood Control District	Inmate Welfare	Jail Enhancement
Assets				
Cash and cash equivalents		\$ 2,869,572	\$ 202,624	\$ 367,468
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes		75,534		
Accounts	\$ 6		21,006	
Special assessments				
Accrued interest				
Advances to other funds				
Due from:				
Other funds	116,681	2,886		5,829
Other governments	25,413			21,737
Prepaid items			775	2,127
Total assets	\$ 142,100	\$ 2,947,992	\$ 224,405	\$ 397,161
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 8,468	\$ 81,202	\$ 9,274	\$ 1,714
Accrued payroll and employee benefits	5,971	19,258	5,788	
Advances from other funds				
Due to:				
Other funds	99,823	160,788	1,015	116
Other governments		42,736		
Deposits held for others				
Deferred revenue		55,995		
Total liabilities	114,262	359,979	16,077	1,830
Fund balances:				
Reserved for:				
Prepaid items			775	2,127
Debt service				
Unreserved, reported in:				
Special revenue funds	27,838	2,588,013	207,553	393,204
Capital projects funds				
Total fund balances	27,838	2,588,013	208,328	395,331
Total liabilities and fund balances	\$ 142,100	\$ 2,947,992	\$ 224,405	\$ 397,161

Special Revenue

Justice Courts Grants and Fees	Juvenile Court Grants and Fees	Legal Defender Grants and Fees	National Forest Fees	Parks Open Space Tax Projects
\$ 747,924	\$ 934,349	\$ 12,035	\$ 4,662,289	\$ 1,201,173
			356,445	
	34,649 13,908	5,386 732		484,657
<u>\$ 747,930</u>	<u>\$ 982,906</u>	<u>\$ 18,153</u>	<u>\$ 5,018,734</u>	<u>\$ 1,685,830</u>
\$ 8,967 2,000	\$ 33,791 82,912	\$ 1,194		\$ 99,564 8,101
347,100	23,613 122,000	6,551	\$ 464,150	809
<u>358,067</u>	<u>262,316</u>	<u>7,745</u>	<u>464,150</u>	<u>108,474</u>
389,863	720,590	10,408	4,554,584	1,577,356
<u>389,863</u>	<u>720,590</u>	<u>10,408</u>	<u>4,554,584</u>	<u>1,577,356</u>
<u>\$ 747,930</u>	<u>\$ 982,906</u>	<u>\$ 18,153</u>	<u>\$ 5,018,734</u>	<u>\$ 1,685,830</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(Continued)

	Special Revenue			
	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval	School Superintendent Grants and Fees
Assets				
Cash and cash equivalents	\$ 397,765	\$ 100,863	\$ 327,019	\$ 674,800
Investments				
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts		255		11,414
Special assessments				
Accrued interest				
Advances to other funds				
Due from:				
Other funds	256,627	50,314		675
Other governments		6,471		342,435
Prepaid items				
Total assets	\$ 654,392	\$ 157,903	\$ 327,019	\$ 1,029,324
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 14,503	\$ 4,080		\$ 171,043
Accrued payroll and employee benefits	12,702		\$ 5,356	16,850
Advances from other funds				
Due to:				
Other funds	353,482	54,582		
Other governments				
Deposits held for others				
Deferred revenue				
Total liabilities	380,687	58,662	5,356	187,893
Fund balances:				
Reserved for:				
Prepaid items				
Debt service				
Unreserved, reported in:				
Special revenue funds	273,705	99,241	321,663	841,431
Capital projects funds				
Total fund balances	273,705	99,241	321,663	841,431
Total liabilities and fund balances	\$ 654,392	\$ 157,903	\$ 327,019	\$ 1,029,324

Special Revenue

Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund	Other Special Revenue Funds
		\$ 630,419	\$ 198,786	\$ 28,721
	\$ 7,341	4,897		345
				108,108
\$ 78,371	658,885	285,694		119,469
199,774	903,329	35,877		
<u>\$ 278,145</u>	<u>\$ 1,569,555</u>	<u>\$ 956,887</u>	<u>\$ 198,786</u>	<u>\$ 256,643</u>
\$ 10,885	\$ 172,337	\$ 32,929	\$ 75	\$ 953
23,636	24,827	20,537		6,463
79,241	1,372,378	133,252	50,000	917
<u>113,762</u>	<u>1,569,542</u>	<u>186,718</u>	<u>50,075</u>	<u>8,333</u>
164,383	13	770,169	148,711	248,310
<u>164,383</u>	<u>13</u>	<u>770,169</u>	<u>148,711</u>	<u>248,310</u>
<u>\$ 278,145</u>	<u>\$ 1,569,555</u>	<u>\$ 956,887</u>	<u>\$ 198,786</u>	<u>\$ 256,643</u>

Coconino County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(Continued)

	Debt Service	Capital Projects		
	County Improvement Districts-Debt Service	Accommoda- tion School	County Improvement Districts-Capital Projects	Parks Capital Projects
Assets				
Cash and cash equivalents	\$ 764,431	\$ 48,886	\$ 871,423	\$ 241,166
Investments			72,889	
Cash and investments held by trustee				
Receivables (net of allowances for uncollectibles):				
Property taxes				
Accounts				
Special assessments	1,964,178			
Accrued interest				
Advances to other funds				
Due from:				
Other funds	441			216,733
Other governments				
Prepaid items				
Total assets	<u>\$ 2,729,050</u>	<u>\$ 48,886</u>	<u>\$ 944,312</u>	<u>\$ 457,899</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable			\$ 10,331	\$ 200,792
Accrued payroll and employee benefits				
Advances from other funds	\$ 306,445		485,320	
Due to:				
Other funds	1,128			
Other governments				
Deposits held for others				
Deferred revenue	1,948,088			
Total liabilities	<u>2,255,661</u>		<u>495,651</u>	<u>200,792</u>
Fund balances:				
Reserved for:				
Prepaid items				
Debt service	473,389			
Unreserved, reported in:				
Special revenue funds				
Capital projects funds		\$ 48,886	448,661	257,107
Total fund balances	<u>473,389</u>	<u>48,886</u>	<u>448,661</u>	<u>257,107</u>
Total liabilities and fund balances	<u>\$ 2,729,050</u>	<u>\$ 48,886</u>	<u>\$ 944,312</u>	<u>\$ 457,899</u>

Capital Projects

<u>Other Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	\$ 20,739,588
\$ 71,762	538,140
	16,876
	258,915
	1,056,713
	1,964,178
13	108,134
	356,445
126,329	3,280,533
	2,787,352
	3,532
<u>\$ 198,104</u>	<u>\$ 31,110,406</u>
\$ 10,048	\$ 1,307,655
	638,120
	791,765
100,162	5,471,413
	316,560
	82,947
	2,145,138
<u>110,210</u>	<u>10,753,598</u>
	3,532
	473,389
	19,037,339
87,894	842,548
<u>87,894</u>	<u>20,356,808</u>
<u>\$ 198,104</u>	<u>\$ 31,110,406</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010

	Special Revenue			
	Adult Probation Grants and Fees	Assessor Storage and Retrieval	Career Center Grants	Clerk of the Superior Court Grants and Fees
Revenues:				
Property taxes				
Other taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				\$ 1,900
Intergovernmental	\$ 1,790,652		\$ 1,327,833	
Charges for services	568,178	\$ 138,768		58,131
Investment earnings	18,851		683	10,459
Contributions				
Miscellaneous	(30)		36	
Total revenues	<u>2,377,651</u>	<u>138,768</u>	<u>1,328,552</u>	<u>70,490</u>
Expenditures:				
Current:				
General government		41,311		118,226
Public safety	2,342,312			
Highways and streets				
Sanitation				
Health				
Welfare			1,355,164	
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>2,342,312</u>	<u>41,311</u>	<u>1,355,164</u>	<u>118,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,339</u>	<u>97,457</u>	<u>(26,612)</u>	<u>(47,736)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	37,954			
Transfers out	(75,675)	(186,202)		(30,000)
Total other financing sources (uses)	<u>(37,721)</u>	<u>(186,202)</u>		<u>(30,000)</u>
Net changes in fund balances	(2,382)	(88,745)	(26,612)	(77,736)
Fund balances, July 1, 2009	674,817	226,509	24,114	457,124
Fund balances, June 30, 2010	<u>\$ 672,435</u>	<u>\$ 137,764</u>	<u>\$ (2,498)</u>	<u>\$ 379,388</u>

Special Revenue

Community Services Grants and Fees	Conciliation Court	County Attorney Grants and Fees	County Improvement Districts-Special Revenue	County Library District
				\$ 5,112,394 253
			\$ 11,000	
		\$ 1,307,697		
\$ 3,624,820	\$ 10,842	481,391		
2,036,041	54,566	44,564	1,193,325	
3,935	3,638	75,046	25,219	20,207
197,622				79,424
15,522			327	
<u>5,877,940</u>	<u>69,046</u>	<u>1,908,698</u>	<u>1,229,871</u>	<u>5,212,278</u>
15,044	61,129	1,361,534		
			13,588	
			1,141,315	
5,822,652				4,790,525
<u>5,837,696</u>	<u>61,129</u>	<u>1,361,534</u>	<u>1,154,903</u>	<u>4,790,525</u>
40,244	7,917	547,164	74,968	421,753
508,046		3,581	4,338	
(100,000)	(40,000)	220,524		
<u>408,046</u>	<u>(40,000)</u>	<u>(179,588)</u>	<u>(77,226)</u>	<u>(371,348)</u>
448,290	(32,083)	44,517	(72,888)	(371,348)
165,428	(32,083)	591,681	2,080	50,405
165,428	147,331	1,967,456	978,012	195,245
<u>\$ 613,718</u>	<u>\$ 115,248</u>	<u>\$ 2,559,137</u>	<u>\$ 980,092</u>	<u>\$ 245,650</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

	Special Revenue			
	Emergency Services Grants	County Flood Control District	Health Programs	Inmate Welfare
Revenues:				
Property taxes		\$ 1,971,315		
Other taxes		238		
Special assessments				
Licenses and permits		2,000	\$ 368,183	
Fees, fines, and forfeits				
Intergovernmental	\$ 186,162		2,623,677	
Charges for services		150	318,982	\$ 67,033
Investment earnings		52,969	3,461	4,402
Contributions		5,662	101,397	
Miscellaneous			8,066	133,658
Total revenues	186,162	2,032,334	3,423,766	205,093
Expenditures:				
Current:				
General government				
Public safety	340,457	698,786	39,712	207,239
Highways and streets				
Sanitation				
Health			4,602,824	
Welfare				
Culture and recreation				
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	340,457	698,786	4,642,536	207,239
Excess (deficiency) of revenues over (under) expenditures	(154,295)	1,333,548	(1,218,770)	(2,146)
Other financing sources (uses):				
Sale of capital assets				
Transfers in	116,681		1,411,233	
Transfers out		(199,815)	(813,082)	
Total other financing sources (uses)	116,681	(199,815)	598,151	
Net changes in fund balances	(37,614)	1,133,733	(620,619)	(2,146)
Fund balances, July 1, 2009	65,452	1,454,280	620,619	210,474
Fund balances, June 30, 2010	\$ 27,838	\$ 2,588,013	\$ 620,619	\$ 208,328

Special Revenue

<u>Jail Enhancement</u>	<u>Justice Courts Grants and Fees</u>	<u>Juvenile Court Grants and Fees</u>	<u>Legal Defender Grants and Fees</u>	<u>National Forest Fees</u>
\$ 268,730		\$ 1,888,018	\$ 3,601	\$ 3,900,827
6,289	\$ 434,350	116,503		
	16,148	19,538	309	108,603
		632		
<u>275,019</u>	<u>450,498</u>	<u>2,024,691</u>	<u>3,910</u>	<u>4,009,430</u>
93,238	136,249	1,963,386	4,237	
				1,714,255
<u>93,238</u>	<u>136,249</u>	<u>1,963,386</u>	<u>4,237</u>	<u>1,714,255</u>
181,781	314,249	61,305	(327)	2,295,175
2,747		7,727	5,386	
	(346,625)		(6,551)	(2,059,034)
<u>2,747</u>	<u>(346,625)</u>	<u>7,727</u>	<u>(1,165)</u>	<u>(2,059,034)</u>
184,528	(32,376)	69,032	(1,492)	236,141
210,803	422,239	651,558	11,900	4,318,443
<u>\$ 395,331</u>	<u>\$ 389,863</u>	<u>\$ 720,590</u>	<u>\$ 10,408</u>	<u>\$ 4,554,584</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

	Special Revenue			
	Parks Open Space Tax Projects	Parks and Recreation Grants and Fees	Public Defender Grants and Fees	Recorder Storage and Retrieval
Revenues:				
Property taxes				
Other taxes				
Special assessments				
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental		\$ 139,696	\$ 31,996	\$ 136,080
Charges for services		511,313		145,824
Investment earnings	\$ 31,439	12,245	2,112	8,954
Contributions				
Miscellaneous		13,137		
Total revenues	<u>31,439</u>	<u>676,391</u>	<u>34,108</u>	<u>290,858</u>
Expenditures:				
Current:				
General government			18,160	233,784
Public safety				
Highways and streets				
Sanitation				
Health				
Welfare				
Culture and recreation	835,369	571,712		
Education				
Capital outlay				
Debt service:				
Principal				
Interest and other charges				
Total expenditures	<u>835,369</u>	<u>571,712</u>	<u>18,160</u>	<u>233,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(803,930)</u>	<u>104,679</u>	<u>15,948</u>	<u>57,074</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	528,737	256,537	48,473	
Transfers out	(74,489)	(353,162)	(58,196)	
Total other financing sources (uses)	<u>454,248</u>	<u>(96,625)</u>	<u>(9,723)</u>	
Net changes in fund balances	(349,682)	8,054	6,225	57,074
Fund balances, July 1, 2009	1,927,038	265,651	93,016	264,589
Fund balances, June 30, 2010	<u>\$ 1,577,356</u>	<u>\$ 273,705</u>	<u>\$ 99,241</u>	<u>\$ 321,663</u>

Special Revenue

School Superintendent Grants and Fees	Sheriff Grants and Fees	Solid Waste	Superior Court Grants and Fees	Taxpayer Information Fund
\$ 4,310				
2,828,009	\$ 890,416	\$ 1,139,748	\$ 442,116	
98,265	76,367	104,453	196,659	\$ 17,214
22,282	3,291		15,329	4,563
16,398	3,300		34,575	
17,755			2,437	
<u>2,987,019</u>	<u>973,374</u>	<u>1,244,201</u>	<u>691,116</u>	<u>21,777</u>
	960,591		975,103	7,518
		1,837,101		
2,979,893				
<u>2,979,893</u>	<u>960,591</u>	<u>1,837,101</u>	<u>975,103</u>	<u>7,518</u>
<u>7,126</u>	<u>12,783</u>	<u>(592,900)</u>	<u>(283,987)</u>	<u>14,259</u>
	74,531	388	342,624	
	(419)	658,885	(86,034)	(50,000)
	74,112	(66,360)	256,590	(50,000)
7,126	86,895	13	(27,397)	(35,741)
834,305	77,488		797,566	184,452
<u>\$ 841,431</u>	<u>\$ 164,383</u>	<u>\$ 13</u>	<u>\$ 770,169</u>	<u>\$ 148,711</u>

Coconino County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2010
(Continued)

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Other Special Revenue Funds</u>	<u>County Improvement Districts-Debt Service</u>	<u>Accommodation School</u>	<u>County Improvement Districts-Capital Projects</u>
Revenues:				
Property taxes				
Other taxes				
Special assessments		\$ 556,822		
Licenses and permits				
Fees, fines, and forfeits				
Intergovernmental			\$ 46,567	
Charges for services	\$ 22,437			
Investment earnings	167,497	23,155	1,754	\$ 31,526
Contributions				
Miscellaneous				
Total revenues	<u>189,934</u>	<u>579,977</u>	<u>48,321</u>	<u>31,526</u>
Expenditures:				
Current:				
General government	51,781			
Public safety				
Highways and streets	88,721			
Sanitation				
Health				
Welfare				
Culture and recreation				
Education				
Capital outlay			67,877	351,075
Debt service:				
Principal		347,213		
Interest and other charges		130,280		
Total expenditures	<u>140,502</u>	<u>477,493</u>	<u>67,877</u>	<u>351,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,432</u>	<u>102,484</u>	<u>(19,556)</u>	<u>(319,549)</u>
Other financing sources (uses):				
Sale of capital assets				
Transfers in	118,068			
Transfers out				
Total other financing sources (uses)	<u>118,068</u>			
Net changes in fund balances	167,500	102,484	(19,556)	(319,549)
Fund balances, July 1, 2009	80,810	370,905	68,442	768,210
Fund balances, June 30, 2010	<u>\$ 248,310</u>	<u>\$ 473,389</u>	<u>\$ 48,886</u>	<u>\$ 448,661</u>

Capital Projects

<u>Parks Capital Projects</u>	<u>Other Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
		\$ 7,088,019
		491
		567,822
		370,183
		1,309,597
\$ 7,881		21,769,062
		6,203,123
5,831	\$ 529	700,264
		438,378
		191,540
<u>13,712</u>	<u>529</u>	<u>38,638,479</u>
		3,024,076
		6,645,721
		102,309
		2,978,416
		4,602,824
		7,177,816
		6,197,606
		4,694,148
226,032	126,409	771,393
		347,213
		130,280
<u>226,032</u>	<u>126,409</u>	<u>36,671,802</u>
<u>(212,320)</u>	<u>(125,880)</u>	<u>1,966,677</u>
		11,054
216,733	126,329	4,678,468
		(5,173,806)
<u>216,733</u>	<u>126,329</u>	<u>(484,284)</u>
4,413	449	1,482,393
252,694	87,445	18,874,415
<u>\$ 257,107</u>	<u>\$ 87,894</u>	<u>\$ 20,356,808</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Adult Probation Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,003,365	\$ 1,881,166	\$ 1,790,652	\$ (90,514)
Charges for services	553,000	560,212	568,178	7,966
Investment earnings	21,700	21,700	18,851	(2,849)
Miscellaneous			(30)	(30)
Total revenues	<u>2,578,065</u>	<u>2,463,078</u>	<u>2,377,651</u>	<u>(85,427)</u>
Expenditures:				
Current				
Public safety				
Adult Probation	3,104,784	2,883,787	2,342,312	541,475
Total expenditures	<u>3,104,784</u>	<u>2,883,787</u>	<u>2,342,312</u>	<u>541,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(526,719)</u>	<u>(420,709)</u>	<u>35,339</u>	<u>456,048</u>
Other financing sources (uses):				
Transfers in	135,075	68,170	37,954	(30,216)
Transfers out	(36,130)	(69,423)	(75,675)	(6,252)
Total other financing sources (uses)	<u>98,945</u>	<u>(1,253)</u>	<u>(37,721)</u>	<u>(36,468)</u>
Net changes in fund balances	(427,774)	(421,962)	(2,382)	419,580
Fund balance, July 1, 2009	<u>658,227</u>	<u>658,227</u>	<u>674,817</u>	<u>16,590</u>
Fund balance, June 30, 2010	<u>\$ 230,453</u>	<u>\$ 236,265</u>	<u>\$ 672,435</u>	<u>\$ 436,170</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor Storage and Retrieval
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 160,000	\$ 160,000	\$ 138,768	\$ (21,232)
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>138,768</u>	<u>(21,232)</u>
Expenditures:				
Current				
General government				
Assessor	92,000	92,000	41,311	50,689
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>41,311</u>	<u>50,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68,000</u>	<u>68,000</u>	<u>97,457</u>	<u>29,457</u>
Other financing sources (uses):				
Transfers out	(130,371)	(205,371)	(186,202)	19,169
Total other financing sources (uses)	<u>(130,371)</u>	<u>(205,371)</u>	<u>(186,202)</u>	<u>19,169</u>
Net changes in fund balances	(62,371)	(137,371)	(88,745)	48,626
Fund balance, July 1, 2009	<u>185,422</u>	<u>185,422</u>	<u>226,509</u>	<u>41,087</u>
Fund balance, June 30, 2010	<u>\$ 123,051</u>	<u>\$ 48,051</u>	<u>\$ 137,764</u>	<u>\$ 89,713</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Career Center Grants
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 3,450,435	\$ 1,663,074	\$ 1,327,833	\$ (335,241)
Investment earnings			683	683
Miscellaneous			36	36
Total revenues	<u>3,450,435</u>	<u>1,663,074</u>	<u>1,328,552</u>	<u>(334,522)</u>
Expenditures:				
Current				
Welfare				
Career center	<u>3,394,450</u>	<u>1,599,123</u>	<u>1,355,164</u>	<u>243,959</u>
Total expenditures	<u>3,394,450</u>	<u>1,599,123</u>	<u>1,355,164</u>	<u>243,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,985</u>	<u>63,951</u>	<u>(26,612)</u>	<u>(90,563)</u>
Other financing sources (uses):				
Transfers out	<u>(55,985)</u>	<u>(55,985)</u>		<u>55,985</u>
Total other financing sources (uses)	<u>(55,985)</u>	<u>(55,985)</u>		<u>55,985</u>
Net changes in fund balances		7,966	(26,612)	(34,578)
Fund balance, July 1, 2009	<u>201,380</u>	<u>201,380</u>	<u>24,114</u>	<u>(177,266)</u>
Fund balance, June 30, 2010	<u>\$ 201,380</u>	<u>\$ 209,346</u>	<u>\$ (2,498)</u>	<u>\$ (211,844)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of the Superior Court Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees, fines, and forfeits	\$ 75,000	\$ 75,000	\$ 1,900	\$ (73,100)
Charges for services	50,800	50,800	58,131	7,331
Investment earnings	7,200	7,200	10,459	3,259
Total revenues	<u>133,000</u>	<u>133,000</u>	<u>70,490</u>	<u>(62,510)</u>
Expenditures:				
Current				
General government				
Clerk of the Superior Court	<u>133,645</u>	<u>135,415</u>	<u>118,226</u>	<u>17,189</u>
Total expenditures	<u>133,645</u>	<u>135,415</u>	<u>118,226</u>	<u>17,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(645)</u>	<u>(2,415)</u>	<u>(47,736)</u>	<u>(45,321)</u>
Other financing sources (uses):				
Transfers out	<u>(17,565)</u>	<u>(30,000)</u>	<u>(30,000)</u>	
Total other financing sources (uses)	<u>(17,565)</u>	<u>(30,000)</u>	<u>(30,000)</u>	
Net changes in fund balances	(18,210)	(32,415)	(77,736)	(45,321)
Fund balance, July 1, 2009	<u>461,953</u>	<u>461,953</u>	<u>457,124</u>	<u>(4,829)</u>
Fund balance, June 30, 2010	<u>\$ 443,743</u>	<u>\$ 429,538</u>	<u>\$ 379,388</u>	<u>\$ (50,150)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Community Services Grants and Fees
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,746,962	\$ 3,842,119	\$ 3,624,820	\$ (217,299)
Charges for services	1,771,696	1,971,722	2,036,041	64,319
Investment earnings	22,500	22,000	3,935	(18,065)
Contributions	111,939	195,765	197,622	1,857
Miscellaneous	403,731	257,687	15,522	(242,165)
Total revenues	11,056,828	6,289,293	5,877,940	(411,353)
Expenditures:				
Current:				
General government				
Facilities		25,980	15,044	10,936
Welfare				
Community services	11,823,569	6,781,410	5,822,652	958,758
Total expenditures	11,823,569	6,807,390	5,837,696	969,694
Excess (deficiency) of revenues over (under) expenditures	(766,741)	(518,097)	40,244	558,341
Other financing sources (uses):				
Transfers in	555,990	499,112	508,046	8,934
Transfers out			(100,000)	(100,000)
Total other financing sources (uses)	555,990	499,112	408,046	(91,066)
Net changes in fund balances	(210,751)	(18,985)	448,290	467,275
Fund balance, July 1, 2009	509,485	509,485	165,428	(344,057)
Fund balance, June 30, 2010	\$ 298,734	\$ 490,500	\$ 613,718	\$ 123,218

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Conciliation Court
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 7,793	\$ 7,793	\$ 10,842	\$ 3,049
Charges for services	45,750	45,750	54,566	8,816
Investment earnings			3,638	3,638
Total revenues	<u>53,543</u>	<u>53,543</u>	<u>69,046</u>	<u>15,503</u>
Expenditures:				
Current				
General government				
Superior courts	<u>52,978</u>	<u>52,978</u>	<u>61,129</u>	<u>(8,151)</u>
Total expenditures	<u>52,978</u>	<u>52,978</u>	<u>61,129</u>	<u>(8,151)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>565</u>	<u>565</u>	<u>7,917</u>	<u>7,352</u>
Other financing sources (uses):				
Transfers out		<u>(40,000)</u>	<u>(40,000)</u>	
Total other financing sources (uses)		<u>(40,000)</u>	<u>(40,000)</u>	
Net changes in fund balances	565	(39,435)	(32,083)	7,352
Fund balance, July 1, 2009	<u>128,593</u>	<u>128,593</u>	<u>147,331</u>	<u>18,738</u>
Fund balance, June 30, 2010	<u>\$ 129,158</u>	<u>\$ 89,158</u>	<u>\$ 115,248</u>	<u>\$ 26,090</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Fees, fines, and forfeits	\$ 565,000	\$ 565,000	\$ 1,307,697	\$ 742,697
Intergovernmental	1,394,757	609,855	481,391	(128,464)
Charges for services	37,600	37,600	44,564	6,964
Investment earnings	<u>20,875</u>	<u>20,875</u>	<u>75,046</u>	<u>54,171</u>
Total revenues	<u>2,018,232</u>	<u>1,233,330</u>	<u>1,908,698</u>	<u>675,368</u>
Expenditures:				
Current				
General government				
County Attorney	<u>1,586,562</u>	<u>1,628,627</u>	<u>1,361,534</u>	<u>267,093</u>
Total expenditures	<u>1,586,562</u>	<u>1,628,627</u>	<u>1,361,534</u>	<u>267,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>431,670</u>	<u>(395,297)</u>	<u>547,164</u>	<u>942,461</u>
Other financing sources (uses):				
Sale of capital assets			3,581	3,581
Transfers in	216,850	224,320	220,524	(3,796)
Transfers out	<u>(165,915)</u>	<u>(173,385)</u>	<u>(179,588)</u>	<u>(6,203)</u>
Total other financing sources (uses)	<u>50,935</u>	<u>50,935</u>	<u>44,517</u>	<u>(6,418)</u>
Net changes in fund balances	482,605	(344,362)	591,681	936,043
Fund balance, July 1, 2009	<u>856,967</u>	<u>856,967</u>	<u>1,967,456</u>	<u>1,110,489</u>
Fund balance, June 30, 2010	<u>\$ 1,339,572</u>	<u>\$ 512,605</u>	<u>\$ 2,559,137</u>	<u>\$ 2,046,532</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Special Revenue
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Special assessments	\$ 11,000	\$ 11,000	\$ 11,000	
Charges for services	1,214,000	1,214,000	1,193,325	\$ (20,675)
Investment earnings	22,510	22,510	25,219	2,709
Miscellaneous	2,000	2,000	327	(1,673)
Total revenues	<u>1,249,510</u>	<u>1,249,510</u>	<u>1,229,871</u>	<u>(19,639)</u>
Expenditures:				
Current				
Highways and streets				
Improvement districts	1,703,444	1,703,417	1,154,903	548,514
Total expenditures	<u>1,703,444</u>	<u>1,703,417</u>	<u>1,154,903</u>	<u>548,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(453,934)</u>	<u>(453,907)</u>	<u>74,968</u>	<u>528,875</u>
Other financing sources (uses):				
Sale of capital assets			4,338	4,338
Transfers out			(77,226)	(77,226)
Total other financing sources (uses)			<u>(72,888)</u>	<u>(72,888)</u>
Net changes in fund balances	(453,934)	(453,907)	2,080	455,987
Fund balance, July 1, 2009	<u>993,439</u>	<u>993,439</u>	<u>978,012</u>	<u>(15,427)</u>
Fund balance, June 30, 2010	<u>\$ 539,505</u>	<u>\$ 539,532</u>	<u>\$ 980,092</u>	<u>\$ 440,560</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Library District
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 5,103,651	\$ 5,103,651	\$ 5,112,394	\$ 8,743
Other taxes	150	150	253	103
Investment earnings	20,000	20,000	20,207	207
Contributions	70,000	70,000	79,424	9,424
Total revenues	<u>5,193,801</u>	<u>5,193,801</u>	<u>5,212,278</u>	<u>18,477</u>
Expenditures:				
Current				
Culture and recreation				
Library district	5,195,406	4,949,893	4,790,525	159,368
Total expenditures	<u>5,195,406</u>	<u>4,949,893</u>	<u>4,790,525</u>	<u>159,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,605)</u>	<u>243,908</u>	<u>421,753</u>	<u>177,845</u>
Other financing sources (uses):				
Transfers out	<u>(439,153)</u>	<u>(439,153)</u>	<u>(371,348)</u>	<u>67,805</u>
Total other financing sources (uses)	<u>(439,153)</u>	<u>(439,153)</u>	<u>(371,348)</u>	<u>67,805</u>
Net changes in fund balances	(440,758)	(195,245)	50,405	245,650
Fund balance, July 1, 2009	<u>440,758</u>	<u>440,758</u>	<u>195,245</u>	<u>(245,513)</u>
Fund balance, June 30, 2010	<u>\$</u>	<u>\$ 245,513</u>	<u>\$ 245,650</u>	<u>\$ 137</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Services Grants
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 212,328	\$ 422,744	\$ 186,162	\$ (236,582)
Total revenues	<u>212,328</u>	<u>422,744</u>	<u>186,162</u>	<u>(236,582)</u>
Expenditures:				
Current				
Public safety				
Public works	381,008	591,424	340,457	250,967
Total expenditures	<u>381,008</u>	<u>591,424</u>	<u>340,457</u>	<u>250,967</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,680)</u>	<u>(168,680)</u>	<u>(154,295)</u>	<u>14,385</u>
Other financing sources (uses):				
Transfers in	108,756	108,756	116,681	7,925
Total other financing sources (uses)	<u>108,756</u>	<u>108,756</u>	<u>116,681</u>	<u>7,925</u>
Net changes in fund balances	(59,924)	(59,924)	(37,614)	22,310
Fund balance, July 1, 2009	<u>64,369</u>	<u>64,369</u>	<u>65,452</u>	<u>1,083</u>
Fund balance, June 30, 2010	<u>\$ 4,445</u>	<u>\$ 4,445</u>	<u>\$ 27,838</u>	<u>\$ 23,393</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Flood Control District
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Property taxes	\$ 2,330,396	\$ 2,330,396	\$ 1,971,315	\$ (359,081)
Other taxes			238	238
Licenses and permits	1,500	1,500	2,000	500
Charges for services	1,950	1,950	150	(1,800)
Investment earnings	40,000	40,000	52,969	12,969
Contributions	5,867	5,867	5,662	(205)
Total revenues	<u>2,379,713</u>	<u>2,379,713</u>	<u>2,032,334</u>	<u>(347,379)</u>
Expenditures:				
Current				
Public safety				
Community development	837,508	837,508	698,786	138,722
Total expenditures	<u>837,508</u>	<u>837,508</u>	<u>698,786</u>	<u>138,722</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>1,542,205</u>	<u>1,542,205</u>	<u>1,333,548</u>	<u>(208,657)</u>
Other financing sources (uses):				
Transfers out	(1,010,000)	(1,010,000)	(199,815)	810,185
Total other financing sources (uses)	<u>(1,010,000)</u>	<u>(1,010,000)</u>	<u>(199,815)</u>	<u>810,185</u>
Net changes in fund balances	532,205	532,205	1,133,733	601,528
Fund balance, July 1, 2009	<u>1,517,472</u>	<u>1,517,472</u>	<u>1,454,280</u>	<u>(63,192)</u>
Fund balance, June 30, 2010	<u>\$ 2,049,677</u>	<u>\$ 2,049,677</u>	<u>\$ 2,588,013</u>	<u>\$ 538,336</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Health Programs
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 691,249	\$ 387,099	\$ 368,183	\$ (18,916)
Intergovernmental	6,460,903	3,103,823	2,623,677	(480,146)
Charges for services	511,655	286,527	318,982	32,455
Investment earnings	2,180	1,501	3,461	1,960
Contributions	123,508	111,834	101,397	(10,437)
Miscellaneous	3,600	7,616	8,066	450
Total revenues	<u>7,793,095</u>	<u>3,898,400</u>	<u>3,423,766</u>	<u>(474,634)</u>
Expenditures:				
Current				
Health				
Health department	10,687,681	5,422,056	4,642,536	779,520
Total expenditures	<u>10,687,681</u>	<u>5,422,056</u>	<u>4,642,536</u>	<u>779,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,894,586)</u>	<u>(1,523,656)</u>	<u>(1,218,770)</u>	<u>304,886</u>
Other financing sources (uses):				
Transfers in	2,839,124	2,423,766	1,411,233	(1,012,533)
Transfers out	<u>(30,800)</u>	<u>(30,800)</u>	<u>(813,082)</u>	<u>(782,282)</u>
Total other financing sources (uses)	<u>2,839,124</u>	<u>2,392,966</u>	<u>598,151</u>	<u>1,794,815</u>
Net changes in fund balances	(55,462)	869,310	(620,619)	(1,489,929)
Fund balance, July 1, 2009	<u>598,400</u>	<u>335,104</u>	<u>620,619</u>	<u>285,515</u>
Fund balance, June 30, 2010	<u>\$ 542,938</u>	<u>\$ 1,204,414</u>	<u>\$</u>	<u>\$ (1,204,414)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Inmate Welfare
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 60,000	\$ 60,000	\$ 67,033	\$ 7,033
Investment earnings	9,500	9,500	4,402	(5,098)
Miscellaneous	<u>160,000</u>	<u>160,000</u>	<u>133,658</u>	<u>(26,342)</u>
Total revenues	<u>229,500</u>	<u>229,500</u>	<u>205,093</u>	<u>(24,407)</u>
Expenditures:				
Current				
Public safety				
Sheriff	<u>284,959</u>	<u>284,959</u>	<u>207,239</u>	<u>77,720</u>
Total expenditures	<u>284,959</u>	<u>284,959</u>	<u>207,239</u>	<u>77,720</u>
Net changes in fund balances	(55,459)	(55,459)	(2,146)	53,313
Fund balance, July 1, 2009	<u>228,950</u>	<u>228,950</u>	<u>210,474</u>	<u>(18,476)</u>
Fund balance, June 30, 2010	<u><u>\$ 173,491</u></u>	<u><u>\$ 173,491</u></u>	<u><u>\$ 208,328</u></u>	<u><u>\$ 34,837</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Enhancement
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 261,285	\$ 261,285	\$ 268,730	\$ 7,445
Investment earnings	3,483	3,483	6,289	2,806
Total revenues	<u>264,768</u>	<u>264,768</u>	<u>275,019</u>	<u>10,251</u>
Expenditures:				
Current				
Public safety				
Sheriff	363,900	363,900	93,238	270,662
Total expenditures	<u>363,900</u>	<u>363,900</u>	<u>93,238</u>	<u>270,662</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,132)</u>	<u>(99,132)</u>	<u>181,781</u>	<u>280,913</u>
Other financing sources (uses):				
Sale of capital assets			2,747	2,747
Total other financing sources (uses)			<u>2,747</u>	<u>2,747</u>
Net changes in fund balances	(99,132)	(99,132)	184,528	283,660
Fund balance, July 1, 2009	<u>113,358</u>	<u>113,358</u>	<u>210,803</u>	<u>97,445</u>
Fund balance, June 30, 2010	<u>\$ 14,226</u>	<u>\$ 14,226</u>	<u>\$ 395,331</u>	<u>\$ 381,105</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Justice Courts Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 396,300	\$ 396,300	\$ 434,350	\$ 38,050
Investment earnings	18,430	18,430	16,148	(2,282)
Total revenues	<u>414,730</u>	<u>414,730</u>	<u>450,498</u>	<u>35,768</u>
Expenditures:				
Current				
General government				
Flagstaff Justice Court	239,539	239,539	100,556	138,983
Fredonia Justice Court	39,500	39,500	21,515	17,985
Page Justice Court	20,000	17,000	100	16,900
Williams Justice Court	59,760	59,760	14,078	45,682
Total expenditures	<u>358,799</u>	<u>355,799</u>	<u>136,249</u>	<u>219,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,931</u>	<u>58,931</u>	<u>314,249</u>	<u>255,318</u>
Other financing sources (uses):				
Transfers out	(195,000)	(280,568)	(346,625)	(66,057)
Total other financing sources (uses)	<u>(195,000)</u>	<u>(280,568)</u>	<u>(346,625)</u>	<u>(66,057)</u>
Net changes in fund balances	(139,069)	(221,637)	(32,376)	189,261
Fund balance, July 1, 2009	<u>423,041</u>	<u>423,041</u>	<u>422,239</u>	<u>(802)</u>
Fund balance, June 30, 2010	<u>\$ 283,972</u>	<u>\$ 201,404</u>	<u>\$ 389,863</u>	<u>\$ 188,459</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Juvenile Court Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,888,746	\$ 2,100,121	\$ 1,888,018	\$ (212,103)
Charges for services	58,950	58,950	116,503	57,553
Investment earnings	4,000	4,000	19,538	15,538
Miscellaneous			632	632
Total revenues	<u>1,951,696</u>	<u>2,163,071</u>	<u>2,024,691</u>	<u>(138,380)</u>
Expenditures:				
Current				
Public safety				
Juvenile probation	<u>2,445,182</u>	<u>2,611,308</u>	<u>1,963,386</u>	<u>647,922</u>
Total expenditures	<u>2,445,182</u>	<u>2,611,308</u>	<u>1,963,386</u>	<u>647,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(493,486)</u>	<u>(448,237)</u>	<u>61,305</u>	<u>509,542</u>
Other financing sources (uses):				
Transfers in	<u>137,094</u>	<u>100,172</u>	<u>7,727</u>	<u>(92,445)</u>
Total other financing sources (uses)	<u>137,094</u>	<u>100,172</u>	<u>7,727</u>	<u>(92,445)</u>
Net changes in fund balances	(356,392)	(348,065)	69,032	417,097
Fund balance, July 1, 2009	<u>602,250</u>	<u>602,250</u>	<u>651,558</u>	<u>49,308</u>
Fund balance, June 30, 2010	<u>\$ 245,858</u>	<u>\$ 254,185</u>	<u>\$ 720,590</u>	<u>\$ 466,405</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Legal Defender Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,400	\$ 2,400	\$ 3,601	\$ 1,201
Investment earnings	160	160	309	149
Total revenues	<u>2,560</u>	<u>2,560</u>	<u>3,910</u>	<u>1,350</u>
Expenditures:				
Current				
General government				
Legal defender	2,455	2,455	4,237	(1,782)
Total expenditures	<u>2,455</u>	<u>2,455</u>	<u>4,237</u>	<u>(1,782)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105</u>	<u>105</u>	<u>(327)</u>	<u>(432)</u>
Other financing sources (uses):				
Transfers in	5,000	5,000	5,386	386
Transfers out	<u>(5,105)</u>	<u>(5,105)</u>	<u>(6,551)</u>	<u>(1,446)</u>
Total other financing sources (uses)	<u>(105)</u>	<u>(105)</u>	<u>(1,165)</u>	<u>(1,060)</u>
Net changes in fund balances			(1,492)	(1,492)
Fund balance, July 1, 2009	<u>11,305</u>	<u>11,305</u>	<u>11,900</u>	<u>595</u>
Fund balance, June 30, 2010	<u>\$ 11,305</u>	<u>\$ 11,305</u>	<u>\$ 10,408</u>	<u>\$ (897)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
National Forest Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,146,659	\$ 3,773,759	\$ 3,900,827	\$ 127,068
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>108,603</u>	<u>88,603</u>
Total revenues	<u>4,166,659</u>	<u>3,793,759</u>	<u>4,009,430</u>	<u>215,671</u>
Expenditures:				
Current				
Education				
Non-departmental	787,234			
School Superintendent	<u>1,708,736</u>	<u>1,714,255</u>	<u>1,714,255</u>	
Total expenditures	<u>2,495,970</u>	<u>1,714,255</u>	<u>1,714,255</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>1,670,689</u>	<u>2,079,504</u>	<u>2,295,175</u>	<u>215,671</u>
Other financing sources (uses):				
Transfers out	<u>(2,123,118)</u>	<u>(2,123,118)</u>	<u>(2,059,034)</u>	<u>64,084</u>
Total other financing sources (uses)	<u>(2,123,118)</u>	<u>(2,123,118)</u>	<u>(2,059,034)</u>	<u>64,084</u>
Net changes in fund balances	(452,429)	(43,614)	236,141	279,755
Fund balance, July 1, 2009	<u>4,416,566</u>	<u>4,416,566</u>	<u>4,318,443</u>	<u>(98,123)</u>
Fund balance, June 30, 2010	<u>\$ 3,964,137</u>	<u>\$ 4,372,952</u>	<u>\$ 4,554,584</u>	<u>\$ 181,632</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks Open Space Tax Projects
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings			\$ 31,439	\$ 31,439
Total revenues			<u>31,439</u>	<u>31,439</u>
Expenditures:				
Current				
Culture and recreation				
Parks and recreation	\$ 3,002,227	\$ 2,983,724	835,369	2,148,355
Total expenditures	<u>3,002,227</u>	<u>2,983,724</u>	<u>835,369</u>	<u>2,148,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,002,227)</u>	<u>(2,983,724)</u>	<u>(803,930)</u>	<u>2,179,794</u>
Other financing sources (uses):				
Transfers in	1,274,980	1,804,331	528,737	(1,275,594)
Transfers out			<u>(74,489)</u>	<u>(74,489)</u>
Total other financing sources (uses)	<u>1,274,980</u>	<u>1,804,331</u>	<u>454,248</u>	<u>(1,350,083)</u>
Net changes in fund balances	(1,727,247)	(1,179,393)	(349,682)	829,711
Fund balance, July 1, 2009	<u>1,996,992</u>	<u>1,996,992</u>	<u>1,927,038</u>	<u>(69,954)</u>
Fund balance, June 30, 2010	<u>\$ 269,745</u>	<u>\$ 817,599</u>	<u>\$ 1,577,356</u>	<u>\$ 759,757</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks and Recreation Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 78,337	\$ 78,337	\$ 139,696	\$ 61,359
Charges for services	729,850	729,850	511,313	(218,537)
Investment earnings	1,300	1,300	12,245	10,945
Miscellaneous	12,500	12,500	13,137	637
Total revenues	<u>821,987</u>	<u>821,987</u>	<u>676,391</u>	<u>(145,596)</u>
Expenditures:				
Current				
Culture and recreation				
Parks and Recreation	872,882	863,464	571,712	291,752
Total expenditures	<u>872,882</u>	<u>863,464</u>	<u>571,712</u>	<u>291,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,895)</u>	<u>(41,477)</u>	<u>104,679</u>	<u>146,156</u>
Other financing sources (uses):				
Transfers in	171,415	264,163	256,537	(7,626)
Transfers out	(264,633)	(360,788)	(353,162)	7,626
Total other financing sources (uses)	<u>(93,218)</u>	<u>(96,625)</u>	<u>(96,625)</u>	
Net changes in fund balances	(144,113)	(138,102)	8,054	146,156
Fund balance, July 1, 2009	<u>301,373</u>	<u>301,373</u>	<u>265,651</u>	<u>(35,722)</u>
Fund balance, June 30, 2010	<u>\$ 157,260</u>	<u>\$ 163,271</u>	<u>\$ 273,705</u>	<u>\$ 110,434</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 66,725	\$ 66,725	\$ 31,996	\$ (34,729)
Investment earnings	<u>2,600</u>	<u>2,600</u>	<u>2,112</u>	<u>(488)</u>
Total revenues	<u>69,325</u>	<u>69,325</u>	<u>34,108</u>	<u>(35,217)</u>
Expenditures:				
Current				
General government				
Public defender	<u>30,000</u>	<u>30,000</u>	<u>18,160</u>	<u>11,840</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>18,160</u>	<u>11,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,325</u>	<u>39,325</u>	<u>15,948</u>	<u>(23,377)</u>
Other financing sources (uses):				
Transfers in			48,473	48,473
Transfers out	<u>(28,825)</u>	<u>(28,825)</u>	<u>(58,196)</u>	<u>(29,371)</u>
Total other financing sources (uses)	<u>(28,825)</u>	<u>(28,825)</u>	<u>(9,723)</u>	<u>19,102</u>
Net changes in fund balances	10,500	10,500	6,225	(4,275)
Fund balance, July 1, 2009	<u>91,188</u>	<u>91,188</u>	<u>93,016</u>	<u>1,828</u>
Fund balance, June 30, 2010	<u>\$ 101,688</u>	<u>\$ 101,688</u>	<u>\$ 99,241</u>	<u>\$ (2,447)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder Storage and Retrieval
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental			\$ 136,080	\$ 136,080
Charges for services	\$ 160,000	\$ 160,000	145,824	(14,176)
Investment earnings	14,000	14,000	8,954	(5,046)
Total revenues	<u>174,000</u>	<u>174,000</u>	<u>290,858</u>	<u>116,858</u>
Expenditures:				
Current				
General government				
Recorder	237,309	258,338	233,784	24,554
Total expenditures	<u>237,309</u>	<u>258,338</u>	<u>233,784</u>	<u>24,554</u>
Net changes in fund balances	(63,309)	(84,338)	57,074	141,412
Fund balance, July 1, 2009	<u>255,920</u>	<u>255,920</u>	<u>264,589</u>	<u>8,669</u>
Fund balance, June 30, 2010	<u>\$ 192,611</u>	<u>\$ 171,582</u>	<u>\$ 321,663</u>	<u>\$ 150,081</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
School Superintendent Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 190,000	\$ 190,000	\$ 4,310	\$ (185,690)
Intergovernmental	2,099,596	2,682,363	2,828,009	145,646
Charges for services			98,265	98,265
Investment earnings	2,000	2,000	22,282	20,282
Contributions	7,500	7,500	16,398	8,898
Miscellaneous	82,850	82,850	17,755	(65,095)
Total revenues	<u>2,381,946</u>	<u>2,964,713</u>	<u>2,987,019</u>	<u>22,306</u>
Expenditures:				
Current				
Education				
School Superintendent	<u>2,683,571</u>	<u>3,256,837</u>	<u>2,979,893</u>	<u>276,944</u>
Total expenditures	<u>2,683,571</u>	<u>3,256,837</u>	<u>2,979,893</u>	<u>276,944</u>
Net changes in fund balances	(301,625)	(292,124)	7,126	299,250
Fund balance, July 1, 2009	<u>752,977</u>	<u>752,977</u>	<u>834,305</u>	<u>81,328</u>
Fund balance, June 30, 2010	<u>\$ 451,352</u>	<u>\$ 460,853</u>	<u>\$ 841,431</u>	<u>\$ 380,578</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Sheriff Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,064,176	\$ 1,238,357	\$ 890,416	\$ (347,941)
Charges for services	11,439	38,439	76,367	37,928
Investment earnings	900	900	3,291	2,391
Contributions	5,000	5,000	3,300	(1,700)
Total revenues	<u>2,081,515</u>	<u>1,282,696</u>	<u>973,374</u>	<u>(309,322)</u>
Expenditures:				
Current				
Public safety				
Sheriff	2,120,282	1,321,463	960,591	360,872
Total expenditures	<u>2,120,282</u>	<u>1,321,463</u>	<u>960,591</u>	<u>360,872</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,767)</u>	<u>(38,767)</u>	<u>12,783</u>	<u>51,550</u>
Other financing sources (uses):				
Transfers in	55,012	53,082	74,531	21,449
Transfers out			(419)	(419)
Total other financing sources (uses)	<u>55,012</u>	<u>53,082</u>	<u>74,112</u>	<u>21,030</u>
Net changes in fund balances	16,245	14,315	86,895	72,580
Fund balance, July 1, 2009	<u>314,805</u>	<u>314,805</u>	<u>77,488</u>	<u>(237,317)</u>
Fund balance, June 30, 2010	<u>\$ 331,050</u>	<u>\$ 329,120</u>	<u>\$ 164,383</u>	<u>\$ (164,737)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Solid Waste
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,187,412	\$ 1,151,196	\$ 1,139,748	\$ (11,448)
Charges for services	<u>131,577</u>	<u>131,577</u>	<u>104,453</u>	<u>(27,124)</u>
Total revenues	<u>1,318,989</u>	<u>1,282,773</u>	<u>1,244,201</u>	<u>(38,572)</u>
Expenditures:				
Current				
Sanitation				
Public works	<u>1,974,812</u>	<u>1,945,597</u>	<u>1,837,101</u>	<u>108,496</u>
Total expenditures	<u>1,974,812</u>	<u>1,945,597</u>	<u>1,837,101</u>	<u>108,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(655,823)</u>	<u>(662,824)</u>	<u>(592,900)</u>	<u>69,924</u>
Other financing sources (uses):				
Sale of capital assets			388	388
Transfers in	655,823	662,824	658,885	(3,939)
Transfers out	<u>(66,360)</u>	<u>(66,360)</u>	<u>(66,360)</u>	<u>(66,360)</u>
Total other financing sources (uses)	<u>655,823</u>	<u>662,824</u>	<u>592,913</u>	<u>(69,911)</u>
Net changes in fund balances			13	13
Fund balance, July 1, 2009	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance, June 30, 2010	<u>\$ </u>	<u>\$ </u>	<u>\$ 13</u>	<u>\$ 13</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Superior Court Grants and Fees
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 615,461	\$ 472,608	\$ 442,116	\$ (30,492)
Charges for services	161,050	161,050	196,659	35,609
Investment earnings	17,000	17,000	15,329	(1,671)
Contributions		52,500	34,575	(17,925)
Miscellaneous	750	750	2,437	1,687
Total revenues	<u>794,261</u>	<u>703,908</u>	<u>691,116</u>	<u>(12,792)</u>
Expenditures:				
Current				
General government				
Superior courts	<u>1,254,933</u>	<u>1,317,146</u>	<u>975,103</u>	<u>342,043</u>
Total expenditures	<u>1,254,933</u>	<u>1,317,146</u>	<u>975,103</u>	<u>342,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(460,672)</u>	<u>(613,238)</u>	<u>(283,987)</u>	<u>329,251</u>
Other financing sources (uses):				
Transfers in	320,311	311,811	342,624	30,813
Transfers out	<u>(20,000)</u>	<u>(86,034)</u>	<u>(86,034)</u>	
Total other financing sources (uses)	<u>300,311</u>	<u>225,777</u>	<u>256,590</u>	<u>30,813</u>
Net changes in fund balances	(160,361)	(387,461)	(27,397)	360,064
Fund balance, July 1, 2009	<u>779,064</u>	<u>779,064</u>	<u>797,566</u>	<u>18,502</u>
Fund balance, June 30, 2010	<u>\$ 618,703</u>	<u>\$ 391,603</u>	<u>\$ 770,169</u>	<u>\$ 378,566</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Taxpayer Information Fund
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 15,500	\$ 15,500	\$ 17,214	\$ 1,714
Investment earnings	<u>4,625</u>	<u>4,625</u>	<u>4,563</u>	<u>(62)</u>
Total revenues	<u>20,125</u>	<u>20,125</u>	<u>21,777</u>	<u>1,652</u>
Expenditures:				
Current				
General government				
Treasurer	<u>20,000</u>	<u>20,000</u>	<u>7,518</u>	<u>12,482</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>7,518</u>	<u>12,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125</u>	<u>125</u>	<u>14,259</u>	<u>14,134</u>
Other financing sources (uses):				
Transfers out		<u>(50,000)</u>	<u>(50,000)</u>	
Total other financing sources (uses)		<u>(50,000)</u>	<u>(50,000)</u>	
Net changes in fund balances	125	(49,875)	(35,741)	14,134
Fund balance, July 1, 2009	<u>161,609</u>	<u>161,609</u>	<u>184,452</u>	<u>22,843</u>
Fund balance, June 30, 2010	<u>\$ 161,734</u>	<u>\$ 111,734</u>	<u>\$ 148,711</u>	<u>\$ 36,977</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 17,340	\$ 17,340	\$ 22,437	\$ 5,097
Investment earnings			167,497	167,497
Miscellaneous	<u>4,000,000</u>			
Total revenues	<u>4,017,340</u>	<u>17,340</u>	<u>189,934</u>	<u>172,594</u>
Expenditures:				
Current				
General government				
Finance/budget	51,798	51,798	51,781	17
Highways and streets				
County Manager	<u>88,958</u>	<u>88,958</u>	<u>88,721</u>	<u>237</u>
Total expenditures	<u>140,756</u>	<u>140,756</u>	<u>140,502</u>	<u>254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,876,584</u>	<u>(123,416)</u>	<u>49,432</u>	<u>172,848</u>
Other financing sources (uses):				
Transfers in	<u>123,416</u>	<u>123,416</u>	<u>118,068</u>	<u>(5,348)</u>
Total other financing sources (uses)	<u>123,416</u>	<u>123,416</u>	<u>118,068</u>	<u>(5,348)</u>
Net changes in fund balances	4,000,000		167,500	167,500
Fund balance, July 1, 2009	<u>73,694</u>	<u>73,694</u>	<u>80,810</u>	<u>7,116</u>
Fund balance, June 30, 2010	<u>\$ 4,073,694</u>	<u>\$ 73,694</u>	<u>\$ 248,310</u>	<u>\$ 174,616</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Debt Service
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessments	\$ 437,081	\$ 437,081	\$ 556,822	\$ 119,741
Investment earnings	<u>25,465</u>	<u>25,465</u>	<u>23,155</u>	<u>(2,310)</u>
Total revenues	<u>462,546</u>	<u>462,546</u>	<u>579,977</u>	<u>117,431</u>
Expenditures:				
Improvement Districts	10,676	10,676		10,676
Debt service:				
Principal	358,186	358,186	347,213	10,973
Interest and other charges	<u>89,634</u>	<u>89,634</u>	<u>130,280</u>	<u>(40,646)</u>
Total expenditures	<u>458,496</u>	<u>458,496</u>	<u>477,493</u>	<u>(18,997)</u>
Net changes in fund balances	4,050	4,050	102,484	98,434
Fund balance, July 1, 2009	<u>250,247</u>	<u>250,247</u>	<u>370,905</u>	<u>120,658</u>
Fund balance, June 30, 2010	<u><u>\$ 254,297</u></u>	<u><u>\$ 254,297</u></u>	<u><u>\$ 473,389</u></u>	<u><u>\$ 219,092</u></u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Accommodation School
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 37,200	\$ 37,200	\$ 46,567	\$ 9,367
Investment earnings	<u>500</u>	<u>500</u>	<u>1,754</u>	<u>1,254</u>
Total revenues	<u>37,700</u>	<u>37,700</u>	<u>48,321</u>	<u>10,621</u>
Expenditures:				
Capital outlay	<u>57,600</u>	<u>57,600</u>	<u>67,877</u>	<u>(10,277)</u>
Total expenditures	<u>57,600</u>	<u>57,600</u>	<u>67,877</u>	<u>(10,277)</u>
Net changes in fund balances	(19,900)	(19,900)	(19,556)	344
Fund balance, July 1, 2009	<u>70,813</u>	<u>70,813</u>	<u>68,442</u>	<u>(2,371)</u>
Fund balance, June 30, 2010	<u>\$ 50,913</u>	<u>\$ 50,913</u>	<u>\$ 48,886</u>	<u>\$ (2,027)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Improvement Districts - Capital Projects
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 38,171	\$ 38,171	\$ 31,526	\$ (6,645)
Total revenues	<u>38,171</u>	<u>38,171</u>	<u>31,526</u>	<u>(6,645)</u>
Expenditures:				
Capital outlay	962,335	962,335	351,075	611,260
Total expenditures	<u>962,335</u>	<u>962,335</u>	<u>351,075</u>	<u>611,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(924,164)</u>	<u>(924,164)</u>	<u>(319,549)</u>	<u>604,615</u>
Other financing sources (uses):				
Transfers in	436,178	436,178		(436,178)
Total other financing sources (uses)	<u>436,178</u>	<u>436,178</u>		<u>(436,178)</u>
Net changes in fund balances	(487,986)	(487,986)	(319,549)	168,437
Fund balance, July 1, 2009	<u>560,078</u>	<u>560,078</u>	<u>768,210</u>	<u>208,132</u>
Fund balance, June 30, 2010	<u>\$ 72,092</u>	<u>\$ 72,092</u>	<u>\$ 448,661</u>	<u>\$ 376,569</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks Capital Projects
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental		\$ 10,000	\$ 7,881	\$ (2,119)
Investment earnings			5,831	5,831
Total revenues		<u>10,000</u>	<u>13,712</u>	<u>3,712</u>
Expenditures:				
Capital outlay	\$ 595,210	1,051,159	226,032	825,127
Total expenditures	<u>595,210</u>	<u>1,051,159</u>	<u>226,032</u>	<u>825,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(595,210)</u>	<u>(1,041,159)</u>	<u>(212,320)</u>	<u>828,839</u>
Other financing sources (uses):				
Transfers in		788,465	216,733	(571,732)
Total other financing sources (uses)		<u>788,465</u>	<u>216,733</u>	<u>(571,732)</u>
Net changes in fund balances	(595,210)	(252,694)	4,413	257,107
Fund balance, July 1, 2009	<u>893,535</u>	<u>893,535</u>	<u>252,694</u>	<u>(640,841)</u>
Fund balance, June 30, 2010	<u>\$ 298,325</u>	<u>\$ 640,841</u>	<u>\$ 257,107</u>	<u>\$ (383,734)</u>

Coconino County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Other Capital Projects Funds
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 529	\$ (971)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>529</u>	<u>(971)</u>
Expenditures:				
Capital outlay	33,014	129,555	126,409	3,146
Total expenditures	<u>33,014</u>	<u>129,555</u>	<u>126,409</u>	<u>3,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,514)</u>	<u>(128,055)</u>	<u>(125,880)</u>	<u>2,175</u>
Other financing sources (uses):				
Transfers in	33,014	129,555	126,329	(3,226)
Total other financing sources (uses)	<u>33,014</u>	<u>129,555</u>	<u>126,329</u>	<u>(3,226)</u>
Net changes in fund balances	1,500	1,500	449	(1,051)
Fund balance, July 1, 2009	<u>180,224</u>	<u>180,224</u>	<u>87,445</u>	<u>(92,779)</u>
Fund balance, June 30, 2010	<u>\$ 181,724</u>	<u>\$ 181,724</u>	<u>\$ 87,894</u>	<u>\$ (93,830)</u>

Coconino County
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2010

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Assets			
Cash and cash equivalents	\$ 79,105,424	\$ 21,632,223	\$ 100,737,647
Interest receivable	477,756		477,756
Total Assets	<u>79,583,180</u>	<u>21,632,223</u>	<u>101,215,403</u>
Liabilities			
Total liabilities			
Net assets			
Held in trust for pool participants	<u>\$ 79,583,180</u>	<u>\$ 21,632,223</u>	<u>\$ 101,215,403</u>

Coconino County
Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
June 30, 2010

	Treasurer's Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
Contribution from participants	\$ 327,514,601	\$ 30,817,252	\$ 358,331,853
Investment income	4,949,566	19,943	4,969,509
Total additions	<u>332,464,167</u>	<u>30,837,195</u>	<u>363,301,362</u>
Deductions:			
Distributions to participants	<u>337,515,098</u>	<u>25,476,366</u>	<u>362,991,464</u>
Total deductions	<u>337,515,098</u>	<u>25,476,366</u>	<u>362,991,464</u>
Change in net assets	(5,050,931)	5,360,829	309,898
Net assets, July 1, 2009	84,634,111	16,271,394	100,905,505
Net assets, June 30, 2010	<u>\$ 79,583,180</u>	<u>\$ 21,632,223</u>	<u>\$ 101,215,403</u>

Coconino County
Statement of Changes in Assets and Liabilities
Agency Fund
June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Assets				
Cash and cash equivalents	\$ 1,198,140	\$ 5,979,528	\$ 6,016,712	\$ 1,160,956
Cash and investments held by trustee	658,736	1,587,766	1,438,883	807,619
Total assets	<u>\$ 1,856,876</u>	<u>\$ 7,567,294</u>	<u>\$ 7,455,595</u>	<u>\$ 1,968,575</u>
Liabilities				
Deposits held for others	\$ 1,596,217	\$ 4,780,309	\$ 4,646,726	\$ 1,729,800
Due to other governments	260,659	2,803,163	2,825,047	238,775
Total liabilities	<u>\$ 1,856,876</u>	<u>\$ 7,583,472</u>	<u>\$ 7,471,773</u>	<u>\$ 1,968,575</u>

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STATISTICAL SECTION

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Coconino County
Statistical Section
Year Ended June 30, 2010

This part of the Coconino County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	133-137
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	138-141
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	142-144
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	145-146
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	147-149

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Coconino County
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting) ¹

	Fiscal Year							
	2003 as restated	2004 as restated	2005	2006 as restated	2007	2008	2009	2010
Primary government:								
Governmental activities								
Invested in capital assets, net of related debt	\$ 37,336,750	\$ 51,758,593	\$ 59,709,325	\$ 109,735,410	\$ 106,913,167	\$ 128,198,350	\$ 129,694,889	\$ 128,372,030
Restricted	9,902,462	38,233,250	42,603,789	39,761,272	36,994,894	29,929,358	28,345,559	28,386,829
Unrestricted	80,415,957	53,687,535	54,000,965	57,199,373	64,103,998	52,345,917	52,251,638	53,636,533
Total governmental activities net assets	<u>\$ 127,655,169</u>	<u>\$ 143,679,378</u>	<u>\$ 156,314,079</u>	<u>\$ 206,696,055</u>	<u>\$ 208,012,059</u>	<u>\$ 210,473,625</u>	<u>\$ 210,292,086</u>	<u>\$ 210,395,392</u>

Source: Coconino County Single Audit Reporting Package

1) Ten years of information is not available, the County did not implement GASB 34 until 2003.

Coconino County
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)¹

	Fiscal year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 22,208,018	\$ 24,038,681	\$ 25,093,451	\$ 26,858,863	\$ 30,137,861	\$ 32,252,372	\$ 32,364,030	\$ 31,501,241
Public safety	22,427,039	23,546,410	25,408,377	27,583,478	29,170,427	32,282,534	33,164,905	31,592,406
Highways and streets	10,424,490	14,276,404	11,814,903	9,551,859	18,699,298	17,990,951	16,655,737	15,639,291
Sanitation	2,607,577	2,743,348	2,710,356	3,014,199	3,138,878	3,216,176	3,274,456	3,138,985
Health	9,339,836	9,631,470	10,518,140	11,160,577	11,575,909	12,192,703	12,692,864	11,216,546
Welfare	4,474,322	3,967,458	4,519,831	5,590,510	5,902,878	6,666,186	7,615,522	8,273,139
Culture and recreation	3,643,292	4,298,993	4,580,555	4,933,059	5,628,042	6,957,602	7,814,879	7,725,556
Education	689,086	2,228,618	2,920,657	3,730,202	3,816,081	4,437,125	4,892,986	5,278,556
Transportation	2,142,540	2,708,420	3,012,154	4,163,891				
Interest on long term debt	2,120,561	1,998,810	1,928,292	1,761,726	1,602,303	603,969	512,256	414,902
Defeasance of long-term debt						832,030		
Total expenses	<u>\$ 80,076,761</u>	<u>\$ 89,438,612</u>	<u>\$ 92,506,716</u>	<u>\$ 98,348,364</u>	<u>\$ 109,671,677</u>	<u>\$ 117,431,648</u>	<u>\$ 118,987,635</u>	<u>\$ 114,780,622</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	6,330,030	6,874,262	7,322,776	8,387,583	4,322,299	8,273,916	7,316,495	7,169,300
Public safety	3,743,388	3,787,242	3,671,837	3,643,195	4,132,207	2,986,695	3,421,790	3,679,918
Highways and streets	536,340	158,596	967,377	298,492	3,459,682	74,556	1,152,294	69,689
Sanitation	1,087,542	1,072,675	1,033,289	1,138,057	1,437,621	1,375,478	1,375,437	1,321,418
Health	1,026,224	1,289,677	1,318,990	1,403,315	1,520,902	1,340,236	1,316,870	1,247,031
Welfare	839,345	768,396	921,571	1,455,946	1,599,249	1,337,392	1,262,876	2,101,024
Culture and recreation	881,328	907,000	995,382	1,031,838	1,188,201	1,159,535	1,170,109	794,306
Education	26,395	5,925	8,309	71,232	107,301	115,216	95,016	116,020
Transportation	190,007	266,099	286,090	542,003				
Operating grants and contributions	28,615,150	32,101,547	31,800,725	39,359,052	33,695,469	34,185,253	34,581,839	34,922,841
Capital grants and contributions	924,048	6,019,139	4,310,727	1,937,161	134,120	898,314	118,520	84,811
Total governmental activities program revenues	<u>\$ 44,199,797</u>	<u>\$ 53,250,558</u>	<u>\$ 52,637,073</u>	<u>\$ 59,267,874</u>	<u>\$ 51,597,051</u>	<u>\$ 51,746,591</u>	<u>\$ 51,811,246</u>	<u>\$ 51,506,358</u>
Net (expenses) revenues	<u>\$ (35,876,964)</u>	<u>\$ (36,188,054)</u>	<u>\$ (39,869,643)</u>	<u>\$ (39,080,490)</u>	<u>\$ (58,074,626)</u>	<u>\$ (65,685,057)</u>	<u>\$ (67,176,389)</u>	<u>\$ (63,274,264)</u>

(Continued on next page)

Coconino County
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)¹
(Continued)

	Fiscal year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes, levied for general purposes	4,334,159	5,914,008	6,159,732	6,806,423	7,011,847	7,180,218	7,935,524	8,185,332
Property taxes, levied for library	2,109,658	2,242,657	2,408,492	2,539,393	1,263,035	3,847,035	4,708,037	5,107,399
Property taxes, levied for flood control	338,399	366,766	411,622	1,077,540	2,860,021	1,510,077	2,011,055	1,959,193
Property taxes, levied for accommodation school	-	-	-	-	-	-	189,318	4,310
General county sales tax	9,467,920	10,153,344	10,304,992	11,580,757	12,384,595	12,445,915	11,497,627	10,774,208
Jail district sales tax	5,692,968	6,086,834	6,183,905	6,946,353	9,691,689	12,395,931	11,486,443	10,791,078
Parks and open spaces sales tax	864,263	2,470,248	2,573,730	2,894,657	3,076,949	3,105,737	2,871,495	2,689,346
Excise tax	-	-	93,516	100,295	111,593	102,863	92,118	68,688
Franchise tax	84,311	102,781	115,300	141,758	134,640	46,966	41,944	39,207
Shared revenue - state sales tax	13,908,270	14,439,695	15,283,056	16,684,292	18,125,003	17,000,598	15,287,328	14,353,390
Shared revenue - state vehicle license tax	4,215,758	4,850,913	5,073,200	5,547,275	5,695,838	5,622,049	5,240,676	4,971,307
Grants and contributions not restricted to specific programs	1,532,902	1,688,999	1,720,959	1,809,330	1,646,585	1,727,679	2,866,290	2,139,437
Investment earnings	2,636,671	61,822	1,888,242	745,407	4,489,537	2,726,375	2,388,053	2,090,720
Gain on disposal of capital assets	399,985	1,269,042	206,469	749,146	158,415	209,636	2,100	130,889
Miscellaneous	107,258	17,606	81,129	47,325	23,279	225,544	376,842	73,066
Special item					(7,282,396)			
Total general revenues	<u>\$ 45,692,522</u>	<u>\$ 49,664,715</u>	<u>\$ 52,504,344</u>	<u>\$ 57,669,951</u>	<u>\$ 59,390,630</u>	<u>\$ 68,146,623</u>	<u>\$ 66,994,850</u>	<u>\$ 63,377,570</u>
Change in net assets	<u>\$ 9,815,558</u>	<u>\$ 13,476,661</u>	<u>\$ 12,634,701</u>	<u>\$ 18,589,461</u>	<u>\$ 1,316,004</u>	<u>\$ 2,461,566</u>	<u>\$ (181,539)</u>	<u>\$ 103,306</u>

Source: Coconino County Single Audit Reporting Package

Notes: Financial statement amounts broken out to show individual property tax categories for 2003 and 2004.

1) Ten years of information is not available, the County did not implement GASB 34 until 2003.

Coconino County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003 as restated	2004 as restated	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 41,100	\$ 31,821	\$ 90,603		\$ 126,359	\$ 48,359	\$ 60,623	\$ 133,364	\$ 173,499	\$ 40,720
Unreserved	14,180,466	15,955,622	20,244,573	\$ 24,114,908	27,492,971	29,626,015	33,986,837	27,495,342	24,956,598	22,206,572
Total general fund	<u>\$ 14,221,566</u>	<u>\$ 15,987,443</u>	<u>\$ 20,335,176</u>	<u>\$ 24,114,908</u>	<u>\$ 27,619,330</u>	<u>\$ 29,674,374</u>	<u>\$ 34,047,460</u>	<u>\$ 27,628,706</u>	<u>\$ 25,130,097</u>	<u>\$ 22,247,292</u>
All other governmental funds										
Reserved	\$ 41,101	\$ 16,692	\$ 23,642,052	\$ 769,789	\$ 912,739		\$ 7,954,393	\$ 549,455	\$ 384,735	\$ 592,136
Unreserved, reported in:										
Special revenue funds	37,610,305	39,961,845	38,663,685	39,435,620	38,335,351	\$ 38,946,353	39,555,023	41,731,738	52,444,661	58,066,418
Capital project funds	3,371,979	622,670	2,009,720	2,992,244	4,248,949	2,097,854	1,968,757	10,265,707	1,176,745	842,548
Debt service fund	22,070,483	20,390,694		22,630,545	18,511,896	19,967,912	12,318,744	15,066	46	
Total all other governmental funds	<u>\$ 63,093,868</u>	<u>\$ 60,991,901</u>	<u>\$ 64,315,457</u>	<u>\$ 65,828,198</u>	<u>\$ 62,008,935</u>	<u>\$ 61,012,119</u>	<u>\$ 61,796,917</u>	<u>\$ 52,561,966</u>	<u>\$ 54,006,187</u>	<u>\$ 59,501,102</u>

Source: Coconino County Single Audit Reporting Package

Coconino County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003 as restated	2004 as restated	2005	2006	2007	2008	2009	2010
Revenues:										
Property taxes	\$ 6,041,030	\$ 6,527,597	\$ 6,773,059	\$ 8,545,310	\$ 8,986,089	\$ 10,427,635	\$ 10,944,924	\$ 12,447,359	\$ 14,683,323	\$ 15,286,914
Other taxes	16,888,296	17,158,055	20,379,490	23,665,944	24,344,667	27,211,403	31,096,502	33,726,601	31,235,155	29,334,804
Special assessments	158,154	169,207	378,246	2,513,620	1,176,966	1,055,453	800,422	697,085	533,246	567,822
Licenses and permits	1,633,385	1,819,072	1,844,588	2,875,039	2,552,808	2,794,699	2,412,270	2,028,139	1,596,184	1,531,423
Fees, fines, and forfeits	1,613,709	1,276,147	1,719,289	1,393,864	1,384,704	1,894,884	1,958,043	2,426,546	2,636,342	2,475,047
Intergovernmental	42,187,246	46,430,495	48,739,810	48,840,485	52,202,702	59,239,916	52,924,453	52,807,937	52,131,109	51,035,314
Charges for services	6,101,228	7,684,370	9,757,811	10,072,643	10,504,525	11,811,190	12,413,030	11,059,144	10,616,158	11,421,254
Investment income	4,873,287	4,373,339	3,437,152	249,074	2,421,063	1,316,328	5,076,801	3,426,238	2,941,346	2,547,186
Contributions	145,452	171,802	234,011	524,882	334,598	285,572	420,695	638,673	498,811	654,529
Miscellaneous	1,500,669	736,820	1,049,502	408,090	712,638	888,221	681,321	644,530	1,039,999	411,152
Total revenues	<u>\$ 81,142,456</u>	<u>\$ 86,346,904</u>	<u>\$ 94,312,958</u>	<u>\$ 99,088,951</u>	<u>\$104,620,760</u>	<u>\$116,925,301</u>	<u>\$118,728,461</u>	<u>\$119,902,252</u>	<u>\$117,911,673</u>	<u>\$115,265,445</u>
Expenditures:										
Current:										
General government	\$ 21,393,691	\$ 21,585,395	\$ 21,720,344	\$ 23,584,036	\$ 24,223,774	\$ 26,124,976	\$ 29,462,096	\$ 31,775,048	\$ 31,104,566	\$ 30,537,222
Public safety	20,185,290	21,357,162	21,484,339	22,650,149	23,967,742	26,768,092	28,039,150	31,240,851	31,381,596	30,336,374
Highways and streets	10,086,580	10,135,995	13,545,422	16,863,946	14,155,135	15,738,269	19,756,618	16,548,734	16,992,456	13,181,875
Sanitation	2,141,864	2,229,589	2,392,249	2,563,988	2,468,056	2,769,470	2,880,863	3,154,224	3,146,581	2,978,416
Health	8,366,909	8,756,774	9,242,964	9,489,392	10,322,173	11,029,368	11,403,856	12,077,635	12,361,518	10,956,358
Welfare	4,038,537	6,646,690	4,423,207	3,908,526	4,450,151	5,516,865	5,993,228	6,605,519	7,517,819	8,149,363
Culture and recreation	5,344,273	6,004,289	4,440,396	4,920,230	6,935,242	5,475,603	5,727,983	8,320,721	8,045,985	7,607,898
Education	409,730	590,981	689,479	2,220,609	6,003,942	3,425,244	3,618,428	4,273,975	4,730,288	5,110,500
Transportation			2,450,514	3,224,686	2,927,659	8,351,299				
Capital outlay	13,855,406	3,743,630	633,722	2,304,376	4,004,214	4,940,004	359,940	1,711,967	1,434,116	771,393
Debt service:										
Principal	3,212,800	3,363,356	3,498,472	3,611,446	4,082,543	4,280,700	4,303,256	18,545,471	2,508,901	2,637,213
Interest and other charges	2,098,262	2,269,133	2,120,561	1,998,810	1,928,292	1,761,725	1,602,303	1,435,999	512,256	414,902
Total expenditures	<u>\$ 91,133,342</u>	<u>\$ 86,682,994</u>	<u>\$ 86,641,669</u>	<u>\$ 97,340,194</u>	<u>\$105,468,923</u>	<u>\$116,181,615</u>	<u>\$113,147,721</u>	<u>\$135,690,144</u>	<u>\$119,736,082</u>	<u>\$112,681,514</u>
Excess (deficiency) of revenues over expenditures	(9,990,886)	(336,090)	7,671,289	1,748,757	(848,163)	743,686	5,580,740	(15,787,892)	(1,824,409)	2,583,931
Other financing sources (uses):										
Sale of capital assets				\$ 1,173,160	\$ 150,405	\$ 314,542	\$ 368,694	\$ 22,911	\$ 2,100	\$ 28,179
Bond proceeds	\$ 15,404,950			2,298,623	382,917		(791,550)		795,000	
Special item - loss on closure of activity										
Transfers in	9,874,925	\$ 9,531,935	\$ 12,951,669	11,349,358	16,765,844	14,112,086	12,934,995	37,093,497	15,481,676	15,042,578
Transfers out	(9,874,925)	(9,531,935)	(12,951,669)	(11,349,358)	(16,765,844)	(14,112,086)	(12,934,995)	(36,982,221)	(15,508,755)	(15,042,578)
Total other financing sources and uses	<u>15,404,950</u>	<u></u>	<u></u>	<u>3,471,783</u>	<u>533,322</u>	<u>314,542</u>	<u>(422,856)</u>	<u>134,187</u>	<u>770,021</u>	<u>28,179</u>
Net changes in fund balances	<u>\$ 5,414,064</u>	<u>\$ (336,090)</u>	<u>\$ 7,671,289</u>	<u>\$ 5,220,540</u>	<u>\$ (314,841)</u>	<u>\$ 1,058,228</u>	<u>\$ 5,157,884</u>	<u>\$ (15,653,705)</u>	<u>\$ (1,054,388)</u>	<u>\$ 2,612,110</u>

Source: Coconino County Single Audit Reporting Package

Note: Financial statement amounts adjusted to show Other Taxes in FY 2001 through 2002 and to show Capital Outlay in FY 2003 through 2008

Coconino County
Assessed Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Property Values Assessed			Total Direct Tax Rate	Total Secured and Unsecured Estimated Market Value	Total Assessed Value as a Percentage of Total Estimated Market Value
	Secured	Unsecured	Total			
2001	\$ 790,718,412	\$ 237,963,583	\$ 1,028,681,995	0.5947	\$ 7,535,970,001	13.7%
2002	836,821,983	211,678,756	1,048,500,739	0.6245	7,860,165,430	13.3
2003	889,581,505	227,086,983	1,116,668,488	0.6849	8,526,469,615	13.1
2004	963,512,887	210,604,408	1,174,117,295	0.7449	9,238,836,376	12.7
2005	1,049,556,398	214,223,437	1,263,779,835	0.7449	10,034,154,715	12.6
2006	1,144,384,468	223,578,936	1,367,963,404	0.8652	11,396,633,513	12.0
2007	1,288,341,613	225,916,527	1,514,258,140	0.8521	13,799,610,572	11.0
2008	1,458,940,955	229,241,854	1,688,182,809	0.8588	16,687,281,012	10.1
2009	1,605,854,299	234,920,747	1,840,775,046	0.8791	17,790,931,957	10.3
2010	1,694,104,159	224,614,413	1,918,718,572	0.8340	17,143,465,763	11.2

Source: Coconino County Assessor

Note: Secured and Unsecured assessed property values and estimated market values are determined each calendar year. The tax rates are applicable beginning July 1st of the next fiscal year. The Board of Supervisors approves the tax rates on the third Monday of August.

Coconino County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Direct Rates				
Fiscal Year	County	Library District	Flood Control	Total Direct
	Operating		District	
2001	0.3433	0.1899	0.0615	0.5947
2002	0.3433	0.1899	0.0913	0.6245
2003	0.4153	0.1899	0.0797	0.6849
2004	0.4753	0.1899	0.0797	0.7449
2005	0.4753	0.1899	0.0797	0.7449
2006	0.4753	0.1899	0.2000	0.8652
2007	0.4622	0.1899	0.2000	0.8521
2008	0.4383	0.2205	0.2000	0.8588
2009	0.4338	0.2293	0.2160	0.8791
2010	0.3973	0.2367	0.2000	0.8340

Overlapping Rates							
Fiscal Year	Fire District	School	Community	Cities	Fire Districts	Other Special	School
	Assistance	Equalization	College				Districts
2001	0.0881	0.5123	0.5724	0 - 1.7127	.3000 - 2.6000	0 - 1.1730	1.9949 - 7.5653
2002	0.0645	0.4974	0.5717	0 - 1.7127	.1501 - 2.5000	0 - 1.1730	1.9949 - 7.8089
2003	0.1000	0.4889	0.5809	0 - 1.7127	.1500 - 2.5000	0 - 1.1730	2.0296 - 8.3052
2004	0.1000	0.4717	0.5775	0 - 1.7127	.1500 - 3.0000	0 - 1.1730	.0500 - 9.6289
2005	0.1000	0.4560	0.5659	0 - 1.7127	.6500 - 3.0000	0 - 1.1730	.0500 - 8.2761
2006	0.1000	0.4358	0.5525	0 - 1.6627	.6500 - 3.0000	0 - 1.1730	.0500 - 10.4246
2007	0.1000		0.5269	0 - 1.5929	.4700 - 3.0000	0 - 1.3500	.0500 - 9.4606
2008	0.1000		0.4865	0 - 1.5519	.4100 - 2.7500	0 - 2.2300	.0500 - 9.9025
2009	0.0972		0.4643	0 - 1.5169	.4100 - 2.7500	0 - 2.2300	.0500 - 10.9896
2010	0.0904		0.4267	0 - 1.4913	.3000 - 3.0000	0 - 2.9705	.0500 - 9.9371

Source: Coconino County adopted tax rate schedules.
Note: Tax rates are per \$100 assessed valuation.

Coconino County
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2010			2001		
	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value	Total Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service Company	\$ 75,358,421	1	4.09%	\$ 66,409,090	1	6.90%
Transwestern Pipeline Company	40,206,947	2	2.18	17,015,899	4	1.77
El Paso Natural Gas Company	20,254,864	3	1.10	16,648,783	5	1.73
W.L. Gore & Associates Inc.	18,348,452	4	1.00	10,749,737	9	1.12
Unisource Energy Corporation	17,638,364	5	0.96			
City of Los Angeles Dept of Wtr & Pwr	17,237,656	6	0.94	35,498,139	2	3.69
Burlington Northern/Santa Fe Railway Company	16,005,893	7	0.87	18,065,085	3	1.88
Qwest Corporation	9,719,478	8	0.53			
Nevada Power Company	9,123,889	9	0.50	16,145,375	6	1.68
HTS-CHC (Sedona) LLC	5,599,898	10	0.30			
Tucson Electric Power Company				13,951,943	7	1.45
U.S. West Communication Inc.				13,127,814	8	1.36
Northern Arizona Gas Division				10,260,086	10	1.07
AT&T Inc.				6,899,382	11	0.72
Total Principal Taxpayers	<u>\$ 229,493,862</u>		<u>12.47%</u>	<u>\$ 224,771,333</u>		<u>23.37%</u>
Total Coconino County Primary Assessed Value	\$ 1,840,775,046			\$ 961,922,087		

Source: Arizona Department of Revenue, Central Information Services

Coconino County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	County Tax Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 5,424,788	\$ 5,412,772	99.78	\$ 6,017	\$ 5,418,790	99.89%
2002	5,885,271	5,657,528	96.13	170,085	5,827,613	99.02
2003	6,729,959	6,474,370	96.20	234,780	6,709,150	99.69
2004	7,873,568	7,684,016	97.59	175,842	7,859,858	99.83
2005	8,300,867	8,116,516	97.78	178,704	8,295,220	99.93
2006	9,579,684	9,416,476	98.30	154,396	9,570,871	99.91
2007	10,370,580	10,197,426	98.33	167,459	10,364,885	99.95
2008	11,986,446	11,693,983	97.56	273,986	11,967,969	99.85
2009	14,046,149	13,583,453	96.71	425,297	14,008,751	99.73
2010	14,747,446	13,977,568	94.78		13,977,568	94.78

Fiscal Year Ended June 30,	County Tax Levied for the Fiscal Year			
	County Operating	Flood Control District	County Library	Total County
2001	\$ 3,311,241	\$ 221,685	\$ 1,891,862	\$ 5,424,788
2002	3,519,326	357,284	2,008,660	5,885,271
2003	4,338,790	337,979	2,053,190	6,729,959
2004	5,312,944	369,984	2,190,640	7,873,568
2005	5,577,257	404,689	2,318,921	8,300,867
2006	6,000,215	1,081,620	2,497,849	9,579,684
2007	6,331,198	1,237,327	2,802,055	10,370,580
2008	6,635,051	1,508,062	3,843,333	11,986,446
2009	7,321,260	2,011,780	4,713,109	14,046,149
2010	7,313,399	2,330,396	5,103,651	14,747,446

Source: Taxes levied obtained from the Coconino County Adopted Budget. Collections obtained from the Coconino County Treasurer.

Note: Collections to date may exceed 100%, as the initial amount levied is not updated to reflect any adjustments or exemptions arising from taxpayer disputes.

Coconino County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Certificates of Participation	Jail District Revenue Bonds	Special Assessments	Total	Percentage of Personal Income ¹	Per Capita ¹
2001	\$ 27,010,000	\$ 21,245,000	\$ 640,500	\$ 48,895,500	1.69%	\$ 415.06
2002	25,390,000	19,645,000	497,144	45,532,144	1.50%	378.21
2003	23,700,000	17,970,000	594,887	42,264,887	1.34%	347.73
2004	21,940,000	16,210,000	3,373,420	41,523,420	1.21%	336.63
2005	21,940,000	16,210,000	2,840,377	40,990,377	1.11%	328.44
2006	20,100,000	14,370,000	2,490,948	36,960,948	0.92%	293.27
2007	18,180,000	12,445,000	2,153,550	32,778,550	0.77%	257.19
2008		10,435,000	1,885,208	12,320,208	0.28%	95.93
2009		8,340,000	2,364,178	10,704,178	0.24%	82.44
2010		6,145,000	2,016,964	8,161,964	NA ²	57.70

Source: Details regarding the County's outstanding debt can be found in the Notes to the financial statements.

1) Personal income and population information can be found in the Demographics and Economic Statistics schedule.

2) Personal income was not available for 2010.

Coconino County
Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 1,918,718,572
Debt limit (6% of assessed value)	115,123,114
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	\$ 115,123,114
Legal debt margin	\$ 115,123,114

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 61,720,920	\$ 62,910,044	\$ 67,000,109	\$ 70,447,038	\$ 75,826,790	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114
Total net debt applicable to the limit										
Legal debt margin	\$ 61,720,920	\$ 62,910,044	\$ 67,000,109	\$ 70,447,038	\$ 75,826,790	\$ 82,077,804	\$ 90,855,488	\$ 101,290,969	\$ 110,446,503	\$ 115,123,114
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Assessed value information obtained from the Coconino County Assessor. Debt amounts obtained from the Coconino County Single Audit Reports.

Note: The Arizona Constitution, Article 9, Section 8, state that the County may become indebted for an amount not to exceed six percent of taxable property.

Coconino County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds							
Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net Available		Debt Service		Coverage
			Revenue		Principal	Interest	
2001	\$ 13,880,833	\$ 12,370,690	\$ 1,510,143		\$ 1,220,000	\$ 1,007,600	0.68
2002	14,659,344	10,365,752	4,293,592		1,600,000	978,344	1.67
2003	12,451,583	7,978,098	4,473,485		1,675,000	900,260	1.74
2004	13,506,384	10,259,298	3,247,086		1,760,000	816,031	1.26
2005	13,665,611	8,825,891	4,839,720		1,840,000	735,372	1.88
2006	13,951,974	9,742,506	4,209,468		1,920,000	956,555	1.46
2007	17,132,399	10,708,410	6,423,989		2,010,000	566,908	2.49
2008	20,714,914	12,543,072	8,171,842		2,095,000	477,958	3.18
2009	22,039,625	12,175,349	9,864,276		2,195,000	383,992	3.82
2010	23,176,800	12,060,220	11,116,580		2,290,000	284,622	4.32

Special Assessment Bonds				
Fiscal Year	Special Assessment Collections ¹	Debt Service		Coverage
		Principal	Interest	
2001	\$ 153,418	\$ 132,800	\$ 61,659	0.79
2002	138,159	143,356	46,188	0.73
2003	378,246	133,472	36,175	2.23
2004	650,739	133,916	33,168	3.89
2005	609,025	152,297	34,225	3.27
2006	1,055,453	393,571	155,405	1.92
2007	800,422	293,256	168,330	1.73
2008	697,085	270,471	126,011	1.76
2009	533,246	313,901	128,264	1.21
2010	567,822	347,213	130,280	1.19

Source: Details regarding the County's outstanding debt can be found in the Notes to the financial statements.

1) Revenues included beginning fund balances and transfers in.

2) Expenditures include transfers out.

Coconino County
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2001	117,803	\$ 2,896,899	\$ 24,591	4.8%
2002	120,390	3,045,230	25,295	5.4
2003	121,545	3,153,215	25,943	5.7
2004	123,349	3,418,009	27,710	5.2
2005	124,804	3,680,194	29,488	4.9
2006	126,029	4,006,308	31,789	4.2
2007	127,451	4,258,997	33,417	3.7
2008	128,426	4,408,897	34,330	5.1
2009	129,849	4,429,217	34,111	7.1
2010	141,457	NA ¹	NA ¹	8.4

Sources: Population and personal income through 2009 obtained from U.S. Department of Commerce, Bureau of Economic Analysis (BEA). Population for 2010 obtained from the Arizona Department of Commerce. Unemployment rate obtained from Arizona Unemployment Statistics Program, Research Administration.

1) Personal income estimates were not yet available for fiscal years 2010

Coconino County
Principal Employers
Current Year and Four Years Ago

Employer	2010 ²			2006 ³		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northern Arizona University	2,456	1	3.43%	3,393	1	5.02%
Flagstaff Medical Center	2,042	2	2.85%	1,999	2	2.95%
W.L. Gore	1,950	3	2.72%	1,300	4	1.92%
Flagstaff Unified School District	1,700	4	2.37%	1,700	3	2.51%
Coconino County	1,100	5	1.54%	1,056	5	1.56%
City of Flagstaff	744	6	1.04%	948	6	1.40%
Walmart	550	7	0.77%			
Walgreens Distribution Center	420	8	0.59%	400	7	0.59%
Grand Canyon Railway	400	9	0.56%	400	7	0.59%
Dell/Perot Systems	301	10	0.42%			
Total employment in Coconino County As of June 30 ¹	71,626			67,652		

Sources: (1) Employers and the Arizona Unemployment Statistics Program, Special Unemployment Report
(2) Flagstaff Chamber of Commerce
(3) Arizona Department of Economic Security, Workforce Arizona Statistics

Coconino County
Full-Time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Assessor	18.00	18.75	20.75	24.00	24.00	24.00	26.00	27.00	27.08	27.00
Board of Supervisors	11.00	11.00	11.00	11.00	11.50	13.50	13.50	13.50	14.50	14.00
Clerk of the Superior Court	20.50	20.50	20.50	20.50	20.50	21.50	23.50	23.35	23.35	23.35
Community Development	17.00	19.00	19.50	20.75	19.50	19.50	21.50	23.00	23.50	23.50
County Attorney	39.75	42.38	42.38	42.25	40.75	42.00	42.00	42.75	43.00	42.00
County Manager	5.00	5.00	5.00	4.00	4.00	5.00	5.00	10.50	10.50	11.00
Facilities Management	31.00	28.00	28.00	26.50	27.00	28.00	28.00	28.00	28.00	28.00
Finance	16.50	17.00	17.00	18.00	18.00	17.00	19.00	19.00	18.00	18.00
Human Resources	9.13	9.00	10.00	11.00	10.00	10.00	10.00	11.00	10.00	10.00
Information Technology	19.00	19.00	19.00	18.00	19.00	27.50	28.00	28.00	30.00	30.00
Justice Court - Flagstaff	19.75	19.75	19.75	17.75	18.25	20.50	22.00	24.25	24.50	23.50
Justice Court - Fredonia	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50
Justice Court - Page	5.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Justice Court - Williams	4.00	4.00	4.00	4.00	4.75	4.75	5.00	5.00	5.00	5.00
Legal Defender	4.48	4.48	4.48	4.48	4.48	4.48	4.48	5.00	5.00	5.00
Organizational Development	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Defender	21.00	21.00	21.00	21.00	21.00	22.00	22.00	22.00	22.00	21.00
Recorder	15.00	15.00	15.00	16.50	17.00	17.00	17.00	19.00	19.00	19.00
Superintendent of Schools	6.00	6.00	7.00	7.00	7.00	6.85	10.40	11.36	11.36	11.36
Superior Court	25.60	26.85	26.85	28.50	28.50	30.50	31.00	34.75	35.00	36.00
Treasurer	7.75	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.00	8.00
Public Safety										
Adult Probation	59.50	59.10	59.10	60.00	59.60	58.60	59.60	60.10	60.10	60.10
Constable	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Jail District	161.50	162.80	162.80	166.58	164.33	146.33	146.33	165.83	168.83	168.83
Juvenile Court Services	63.75	75.94	75.94	73.50	74.95	75.28	75.28	75.48	75.28	72.08
Sheriff	84.00	88.50	89.00	86.50	86.00	91.50	93.50	94.50	94.50	96.50
Highways and Streets										
Public Works	105.00	109.00	110.00	134.90	136.40	136.40	136.40	136.40	136.40	136.40
Sanitation										
Kachina Village Imp. Dist.	8.00	8.00	8.00	8.00	9.00	8.00	8.00	8.00	8.00	8.00
Health										
Health	119.60	111.17	112.17	110.76	113.79	121.24	122.50	129.58	132.53	135.17
Welfare										
Career Center	9.75	14.79	14.79	11.00	8.80	10.88	10.88	10.88	13.88	13.00
Community Services	83.26	90.36	90.36	91.87	51.32	58.13	47.92	49.15	51.65	43.17
Culture and Recreation										
Parks and Recreation	11.00	14.50	14.50	16.75	17.25	19.00	19.00	20.50	21.00	21.00
Total	1,004.32	1,036.87	1,043.87	1,072.09	1,033.67	1,056.44	1,065.79	1,115.88	1,129.46	1,119.46

Source: Coconino County Budget Books 2001 - 2010

Coconino County
Operating Indicators by Function/Program
Last Five Fiscal Years

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
General Government					
Clerk of the Superior Court					
New Cases Filed	3,483	3,811	3,804	3,664	3,910
Court Filings	3,647	3,611	3,805	3,502	3,910
Community Development					
Building Permits Issued	1,923	2,061	1,934	1,794	1,629
Building Inspection/Site Visits	10,175	8,512	7,487	6,950	6,298
County Attorney					
Adult Felony and Misdemeanor cases	9,034	8,624	8,994	8,334	7,518
\$ Victim Restitution Collected for Bad Checks	\$ 65,346	\$ 95,474	\$ 52,846	\$ 49,833	\$ 35,028
Justice Courts					
Total Cases	27,994	24,514	27,462	26,206	27,456
Legal Defender					
Total Cases	732	705	683	514	468
Public Defender					
Total Cases	4,727	4,567	4,562	4,123	3,889
Recorder					
Documents Recorded by Fiscal Year	59,131	61,336	54,356	42,701	37,929
Active Registered Voters	65,006	65,977	62,046	66,000	71,000
Superior Court					
Total Number of Criminal Cases Filed	1,275	1,291	1,192	1,108	1,179
Total Number of Domestic Relations Cases Filed					
Total Cases	595	597	725	619	692
Total Number of Civil Cases Filed	747	1,030	998	874	1,111
Treasurer					
Total Parcel Count / Notices	70,043	71,111	72,518	74,000	77,100
Public safety					
Adult Probation					
Monthly Average Probationers Supervised	1,204	1,252	1,343	1,280	1,236
Restitution Collected	\$ 241,440	\$ 242,688	\$ 244,527	\$ 220,000	\$ 237,055
Jail District					
Average Local Population	364	374	365	397	366
Juvenile Court Services					
Delinquents and Incurable Petitions Filed	904	860	870	878	786
\$ Contributed to Community Through Restitution Hours	\$ 34,997	\$ 34,569	\$ 34,650	\$ 34,779	\$ 54,433
Sheriff					
Calls for Service	39,227	40,324	42,344	38,911	40,656
Culture and recreation					
Parks and Recreation					
County Fair participants	42,000	40,839	42,536	43,126	45,049
Horse Race participants	14,841	15,362	14,654	13,754	14,304
Highways and streets					
Public Works					
Number of miles graded	2,350	2,521	1,712	2,114	2,382
Number of miles resurfaced	52	104	28	35	53
Miles of road chip sealed	22	22	24	75	21
Health					
Health Department					
Vaccinations	9,939	16,250	10,729	10,783	10,512
Restaurant/Public Facility Inspections	4,513	4,481	3,664	4,048	3,838
Welfare					
Community Services					
Home Delivered Meals	23,171	21,520	21,227	24,400	20,806
Congregate Meals	20,137	21,071	23,612	25,100	24,366
Cases Managed	1,840	2,949	3,591	3,042	3,012

Source: County Department records

Note: Information was only available for six years.

Coconino County
 Capital Asset and Infrastructure Statistics by Function
 Last Five Fiscal Years

Function	Fiscal Year				
	2006	2007	2008	2009	2010
General government					
Facilities square footage managed	7,031,358	7,030,321	6,849,142	6,849,142	6,849,142
Public safety					
Jails	2	2	2	2	2
Substations	8	8	8	8	8
Patrol vehicles	52	69	74	74	75
Highways and streets					
Bridges	30	30	30	30	30
Miles of paved roads	319	319	322	323	323
Miles of unpaved roads	710	711	711	711	711
Sanitation					
Solid Waste transfer stations	10	10	10	10	10
Wastewater treatment facilities	1	1	1	1	1
Wells	5	5	5	5	5
Health					
Public health facilities	1	1	1	1	1
Animal transport vehicles	2	3	3	3	3
Culture and recreation					
Parks	5	7	9	9	9
Acres protected as open space	589	589	589	589	589
Trail miles available for public use	14	14	16	17	17
Education					
Schools	2	2	2	2	2

Source: Coconino County capital asset records and information from county departments.

Note: Information only available for five years.

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